



OB HOLDINGS BERHAD

*(Registration No. 202301020810 (1514732-P))
(Incorporated in Malaysia under the Companies Act 2016)*

UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 28 FEBRUARY 2025

OB HOLDINGS BERHAD

(Registration No. 202301020810 (1514732-P))
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2025 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 29.02.2024 ⁽²⁾ UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2024 ⁽²⁾ UNAUDITED RM'000
Revenue	13,895	N/A	38,600	N/A
Cost of sales	(8,446)	N/A	(22,249)	N/A
Gross profit	5,449	N/A	16,351	N/A
Other income	138	N/A	656	N/A
Selling and distribution expenses	(1,404)	N/A	(4,410)	N/A
Net impairment loss on receivables	(1)	N/A	(1)	N/A
Administrative expenses [#]	(2,180)	N/A	(7,447)	N/A
Operating profits	2,002	N/A	5,149	N/A
Finance income	17	N/A	72	N/A
Finance costs	(191)	N/A	(537)	N/A
Profit before tax ("PBT")	1,828	N/A	4,684	N/A
Tax expenses	(676)	N/A	(1,834)	N/A
Profit after tax ("PAT") / Total comprehensive income for the financial periods	1,152	N/A	2,850	N/A
Basic and diluted earnings per share (sen) ^{(3) (4)}	0.50	N/A	1.25	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D) ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 September 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the interim financial report for the third quarter ended 28 February 2025 being announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). There are no comparative figures for the preceding year's corresponding quarter as there is no interim financial report prepared for the comparative period concerned.
- (3) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue as at the end of the financial period.
- (4) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the financial period.
- # Including the expenses incurred for the Listing of RM1.28 million in the current year-to-date ended 28 February 2025 respectively.
- N/A Not applicable.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	28.02.2025 UNAUDITED RM'000	31.05.2024 AUDITED RM'000
ASSETS		
Non-current Assets		
Property, plant, and equipment	13,903	10,178
Right-of-use assets	17,532	16,747
Investment properties	-	218
Intangible assets	*	*
Other receivables	10	10
Total non-current assets	31,445	27,153
Current Assets		
Inventories	11,477	11,618
Trade receivables	6,001	8,535
Other receivables	1,191	1,472
Tax recoverable	-	133
Deposits with licensed banks	151	390
Cash and bank balances	24,867	3,173
Total current assets	43,687	25,321
TOTAL ASSETS	75,132	52,474
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	54,395	1,401
Merger reserves	(25,763)	-
Retained earnings	33,284	30,904
TOTAL EQUITY	61,916	32,305
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	509	713
Borrowings	631	11,226
Lease liabilities	201	-
Total non-current liabilities	1,341	11,939
Current Liabilities		
Trade payables	1,212	2,965
Other payables	4,566	2,460
Borrowings	5,698	2,735
Lease liabilities	46	-
Tax payables	353	70
Total current liabilities	11,875	8,230
TOTAL LIABILITIES	13,216	20,169
TOTAL EQUITY AND LIABILITIES	75,132	52,474
Net assets per share (RM) ⁽²⁾	0.16	0.12

OB HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONT'D) ⁽¹⁾

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 September 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) Computed based on the total equity attributable to owners of the Company divided by the number of ordinary shares of 391,627,000 as at 28 February 2025 (31 May 2024: 271,627,000 which was adjusted to include number of shares issued as the settlement for the acquisition of the subsidiaries of the Group).
- * Amount is less than RM1,000.

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OB HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY ⁽¹⁾

	SHARE CAPITAL RM'000	MERGER RESERVES RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
Balance as at 1 June 2024	1	-	(855)	(854)
Total comprehensive income for the financial period	-	-	2,850	2,850
<u>Transactions with owners:</u>				
- Issuance of shares pursuant to acquisition of subsidiaries	27,163	(25,763)	31,759	33,159
- Issuance of shares pursuant to Initial Public Offering	28,800	-	-	28,800
- Shares issuance expenses	(1,569)	-	-	(1,569)
- Dividend payable to the owners of the Company	-	-	(470)	(470)
Balance as at 28 February 2025 (Unaudited)	54,395	(25,763)	33,284	61,916

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 September 2024 and the accompanying explanatory notes attached in the interim financial report.

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OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2024 ⁽²⁾ UNAUDITED RM'000
OPERATING ACTIVITIES		
Profit before tax	4,684	N/A
Adjustments for:		
Depreciation of property, plant and equipment	1,583	N/A
Depreciation of right-of-use assets	167	N/A
Depreciation of investment property	1	N/A
Gain on disposal of property, plant and equipment	(101)	N/A
Gain on disposal of investment property	(84)	N/A
Interest expenses	537	N/A
Interest income	(72)	N/A
Impairment loss on receivables	(1)	N/A
Operating profit before working capital changes	6,714	N/A
Changes in working capital:		
Inventories	141	N/A
Receivables	2,815	N/A
Payables	(117)	N/A
Cash generated from operations	9,553	N/A
Income tax paid	(1,622)	N/A
Interest received	72	N/A
Interest paid	(3)	N/A
Net cash from operating activities	8,000	N/A
INVESTING ACTIVITY		
Purchase of property, plant and equipment	(5,207)	N/A
Purchase of right-of-use assets	(702)	N/A
Proceed from disposal of investment property	301	N/A
Net cash used in investing activities	(5,608)	N/A
FINANCING ACTIVITIES		
Proceeds from issuance of share capital, net of shares issuance of share capital	27,231	N/A
Interest paid	(534)	N/A
Increase in deposits pledged	(2)	N/A
Drawdown/(Repayment) of bankers' acceptance	(583)	N/A
Repayment of term loans	(7,049)	N/A
Repayment of lease liability	(3)	N/A
Net cash from financing activities	19,060	N/A

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(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D) ⁽¹⁾

	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2024 ⁽²⁾ UNAUDITED RM'000
CASH AND CASH EQUIVALENTS		
Net changes	21,452	N/A
Brought forward	3,415	N/A
	<hr/>	<hr/>
Carried forward	24,867	N/A
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Cash and bank balances	24,867	N/A
Fixed deposits with licensed banks	151	N/A
	<hr/>	<hr/>
	25,018	N/A
Less: Fixed deposits pledged with licensed banks	(151)	N/A
	<hr/>	<hr/>
	24,867	N/A
	<hr/>	<hr/>

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 27 September 2024 and the accompanying explanatory notes attached in the interim financial report.
- (2) This is the interim financial report for the third quarter ended 28 February 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134 INTERIM FINANCIAL REPORTING

A1 Basis of preparation

The interim financial statements of OB Holdings Berhad (“**OB Holdings**” or the “**Company**”) and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with the requirements of the MFRS 134 “Interim Financial Reporting” and Appendix 9B of the Listing Requirements.

This is the interim financial report on the Group’s unaudited condensed consolidated interim financial statements for the third quarter ended 28 February 2025 being announced by the Group in compliance with the Listing Requirements. As such, there are no comparative figures for the preceding corresponding period.

This interim financial report should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 27 September 2024 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the preparation of the Accountants’ Report as disclosed in the Prospectus dated 27 September 2024, save for the following:

MFRS and Amendments to MFRSs in issue but not yet effective

The Group has not adopted the following Standards and Amendments to MFRS effective for annual periods beginning on or after 1 January 2025:

Effective for the financial period beginning on or after 1 January 2025

- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rate Lack of Exchangeability

Effective for the financial period beginning on or after 1 January 2026

- Amendments to MFRS 9 and MFRS 7, Financial Instruments and Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity
- Annual Improvements to MFRS Accounting Standards – Volume 11

Effective for the financial period beginning on or after 1 January 2027

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

Deferred to a date to be determined by Malaysian Accounting Standards Board

- Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any material effect on the financial statements of the Group upon their initial application.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A3 Auditors' report on preceding annual financial statements

The Company was incorporated on 1 June 2023 as a private limited company and was subsequently converted into a public limited company on 21 August 2023. The audited financial statements of the Group for the financial year ended 31 May 2024 were not subject to any qualification.

A4 Seasonal or cyclical factors

The Group's business operations do not experience any material seasonality effects in the business as the demand for the product and services are not subject to seasonal fluctuations.

A5 Unusual items affecting assets, liabilities, equity, net income or cash flows

There were no items or events that arose, which affected the assets, liabilities, equity, net income or cash flows of the Group, that are unusual by reason of their nature, size or incidence for the financial quarter under review.

A6 Material changes in estimates

There were no material changes in estimates which have a material effect on the results for the financial quarter under review.

A7 Debt and equity securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

A8 Dividend paid

On 17 February 2025, the Board of Directors declared an interim dividend of 0.12 sen per ordinary shares totalling RM0.47 million for the financial year ending 31 May 2025. It was paid on 14 March 2025 to shareholders whose name appeared in the Record of Depositors of the Company at the close of business on 4 March 2025. The dividend was accounted for in equity as an appropriation of retained earnings in current quarter under review.

Save for the above, there were no other dividends paid during the current quarter and financial period to-date.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A9 Segment information

The segmental analysis of Group's revenue is set out as follows:

	Provision of manufacturing services	House brand products	Trading and others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter					
<u>28.02.2025</u>					
Revenue					
External revenue	8,605	3,483	1,807	-	13,895
Inter-segment revenue	-	1,446	218	(1,664)	-
Total revenue	8,605	4,929	2,025	(1,664)	13,895
Results					
Finance income					17
Finance costs					(191)
Depreciation of property, plant and equipment					(522)
Depreciation of right-of- use assets					(65)
Other non-cash income					112
Tax expense					(676)
Segment profit					978
Current year-to-date					
<u>28.02.2025</u>					
Revenue					
External revenue	22,421	11,574	4,605	-	38,600
Inter-segment revenue	-	4,977	732	(5,709)	-
Total revenue	22,421	16,551	5,337	(5,709)	38,600
Results					
Finance income					72
Finance costs					(537)
Depreciation of property, plant and equipment					(1,583)
Depreciation of right-of- use assets					(167)
Depreciation of investment properties					(1)
Other non-cash income					185
Tax expense					(1,834)
Segment profit					2,385

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(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A9 Segment information (cont'd)

The segmental analysis of Group's revenue is set out as follows: (cont'd)

Revenue by geographical locations:

	Total RM'000
<u>Current quarter 28.02.2025</u>	
Malaysia	12,524
Overseas	<u>1,371</u>
Total revenue	<u>13,895</u>
<u>Current year-to-date 28.02.2025</u>	
Malaysia	35,310
Overseas	<u>3,290</u>
Total revenue	<u>38,600</u>

A10 Valuation of property, plant and equipment, and investment properties

There was no valuation of property, plant and equipment, and investment properties undertaken during the current financial quarter under review.

A11 Significant events subsequent to the end of the interim financial period

There was no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the current financial quarter under review.

A13 Fair value of financial instruments

There were no gain or loss arising from fair value changes of financial assets and liabilities for the current financial quarter under review.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

A EXPLANATORY NOTES PURSUANT TO MFRS 134 INTERIM FINANCIAL REPORTING (CONT'D)

A14 Capital commitments

Save as disclosed below, there were no other material capital commitments of the Group as at the end of the current financial quarter under review.

	28.02.2025 UNAUDITED RM'000	31.05.2024 AUDITED RM'000
Capital expenditure		
<u>Approved and contracted for:</u>		
Construction of factory	16,348	13,701

A15 Contingent assets and contingent liabilities

There were no material contingent assets or contingent liabilities of the Group as at the end of the current financial quarter under review.

A16 Significant related party transactions

The related party transactions of the Group have been entered into in the normal course of business. Listed below are the significant transactions with related parties of the Group during the current financial quarter under review:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2025 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 29.02.2024 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2024 UNAUDITED RM'000
Companies in which certain Directors have interests:				
Sales	3,295	N/A	6,532	N/A
Purchase	8	N/A	97	N/A
Directors:				
Rental expenses	9	N/A	26	N/A

This is the interim financial report for the third quarter ended 28 February 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS

B1 Review of performance

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2025 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 29.02.2024 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2025 UNAUDITED RM'000
Revenue	13,895	N/A	38,600	N/A
PBT	1,828	N/A	4,684	N/A
PAT	1,152	N/A	2,850	N/A
Adjusted PBT ⁽¹⁾	1,828	N/A	5,964	N/A
Adjusted PAT ⁽¹⁾	1,152	N/A	4,130	N/A

Note:

- (1) After adjusting for adding back the expenses incurred for the Listing of RM1.28 million for the current year-to-date ended 28 February 2025 respectively.

N/A Not Applicable

There are no comparative figures for the preceding corresponding quarter and year-to-date results as this is the third interim financial report announced in compliance with the Listing Requirements.

The Group recorded revenue of RM13.90 million for the current financial quarter ended 28 February 2025 mainly derived from the provision of manufacturing services and sales of house brands products which contributed to RM8.61 million or 61.94% and RM3.48 million or 25.04% of the total revenue, respectively.

The Group registered a PBT and PBT margin of RM1.83 million and 13.17% respectively in the current financial quarter. Correspondingly, the Group registered a PAT and PAT margin of RM1.15 million and 8.27% respectively in the current financial quarter.

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(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B2 Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		CHANGES
	CURRENT QUARTER 28.02.2025	IMMEDIATE PRECEDING QUARTER 30.11.2024	
	UNAUDITED RM'000	UNAUDITED RM'000	%
Revenue	13,895	12,683	9.56
PBT	1,828	851	114.81
PAT	1,152	257	348.25
Adjusted PBT	1,828	2,031	(10.00)
Adjusted PAT	1,152	1,437	(19.83)

The revenue in the current quarter ended 28 February 2025 increased by RM1.21 million or 9.56% as compared to the immediate preceding quarter ended 30 November 2024 mainly due to the increase in revenue from the provision of manufacturing services segment by RM1.11 million or 14.81%.

The Group's PBT for the current quarter ended 28 February 2025 decreased by RM0.20 million or 9.85% to RM1.83 million as compared to the adjusted PBT of RM2.03 million (after excluding a one-off listing expenses totalling RM1.18 million) recorded in the immediate preceding quarter ended 30 November 2024.

The Group's PAT for the current quarter decreased by RM0.29 million or 19.83% to RM1.15 million as compared to the adjusted PAT of RM1.44 million (after excluding a one-off listing expenses totalling RM1.18 million) recorded in the immediate preceding quarter ended 30 November 2024.

The decrease in both PBT and PAT was primarily due to lower gross profit recorded for the current quarter under review.

B3 Prospects

Malaysia's economy is forecast to expand between 4.8% and 5.3% in 2024. Growth will be propelled by robust domestic demand and recovery in exports. Consumer spending is expected to remain resilient, supported by improvements in labour market conditions and vibrant tourism-related activities. The growth in 2025 is projected between 4.5% and 5.5%, supported by a resilient external sector. Additionally, robust domestic demand, fuelled by strong private sector expenditure, will support the expansion through continued implementation of key national master plans and ongoing initiatives. A pertinent initiative which is Government-linked Enterprises Activation and Reform Programme (GEAR-uP), will synergise efforts across government-linked entities to catalyse growth in high growth sectors, encompassing energy transition, advanced manufacturing, food security, healthcare, Islamic finance and biopharmaceuticals.

(Source: Economic Outlook 2025)

OB HOLDINGS BERHAD

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(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B3 Prospects (cont'd)

Based on the independent market research report dated 3 September 2024 as set out in the Prospectus of the Company dated 27 September 2024, the number of Malaysians living with non-communicable diseases ("**NCDs**"), also known as chronic diseases, have been increasing over the years. As a result of the growing trend of NCDs and increased intention to adopt healthier lifestyles, Malaysians may be more likely to resort to increasing their intake of dietary supplements and fortified food and beverages ("**F&B**") to supplement their nutritional intake. In addition, economic growth and increasing disposable income of population which translates to improving standards of living and increase in the number of affluent individuals with greater purchasing power signifies growth potential for fortified F&B and dietary supplements. Furthermore, the urbanisation and ageing population is believed to drive the demand for fortified F&B and dietary supplements while the awareness on the benefits of fortified F&B and dietary supplement is expected to be supported by the prevalence of social media marketing.

As disclosed in Section 7.14 of the Prospectus dated 27 September 2024, the Group has obtained the necessary approvals for the development order and building plan for the construction of a new factory in Serendah ("**New Serendah Factory**"). The construction has commenced in January 2024 and is expected to be completed in the second half of 2025, with business operations slated to begin in 2026. The construction of the New Serendah Factory is in line with the Group's plans to expand its manufacturing capacity. As part of this initiative, the Group will acquire new machinery and establish a laboratory dedicated to product development. This facility will enhance the Group's capabilities in developing new products and advancing in-house probiotic strain culturing.

Premised the above, the Group's prospects are positive taking into consideration the Group's competitive advantages, business strategies and favourable market conditions in the fortified F&B and dietary supplement industry.

B4 Profit forecast

The Group did not issue any profit forecast or guarantee during current financial quarter under review.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))
(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2025 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 29.02.2024 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2024 UNAUDITED RM'000
In respect of the current period:				
Income tax expense	(813)	N/A	(2,038)	N/A
Deferred tax	137	N/A	204	N/A
Total taxation	(676)	N/A	(1,834)	N/A
Effective tax rate (%)	36.98	N/A	39.15	N/A

The effective tax rate for the current financial quarter ended 28 February 2025 was higher than the statutory tax rate of 24% due to:-

- high non-deductible expenses which comprise mainly depreciation of property, plant and equipment, right-of-use assets, investment properties;
- loan interest expenses and one-off listing expenses which are not deductible for tax purposes; and
- underprovision of prior year tax expense of RM0.10 million.

There are no comparative figures for the preceding corresponding quarter and year-to-date as this is the interim financial report for the third quarter ended 28 February 2025 being announced in compliance with the Listing Requirements.

B6 Status of corporate proposals

There are no corporate proposals announced by Company but not yet completed as at the date of this interim financial report.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B7 Utilisation of proceeds raised from public issue

The status of the utilisation of proceeds from the public issue amounting to RM28.80 million as at 28 February 2025 is set out below:

Purposes	Proposed utilisation RM'000	%	Actual utilisation RM'000	Balance unutilised RM'000	Estimated time frame for utilisation
(a) Business expansion					
- Repayment of bank borrowings	14,900	51.74	6,000	8,900	Within 36 months
- Purchase of machines	5,000	17.36	-	5,000	Within 36 months
- Product development expenditure	900	3.12	225	675	Within 36 months
(b) Marketing and advertisement	1,000	3.47	-	1,000	Within 24 months
(c) Working capital	3,000	10.42	3,000	-	Within 24 months
(d) Estimated listing expenses	4,000	13.89	4,000	-	Within 3 months
Total	28,800	100.00	13,225	15,575	

The utilisation of the proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 27 September 2024.

B8 Loans and borrowings

The Group's borrowings are as follows:

	28.02.2025 UNAUDITED RM'000	31.05.2024 AUDITED RM'000
<u>Non-current</u>		
Secured:		
Term loans	631	11,115
Unsecured:		
Term loans	-	111
	<u>631</u>	<u>11,226</u>

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B8 Loans and borrowings (cont'd)

	28.02.2025 UNAUDITED RM'000	31.05.2024 AUDITED RM'000
<u>Current</u>		
Secured:		
Banker's acceptances	831	1,414
Term loans	4,867	794
Unsecured:		
Term loans	-	527
	<u>5,698</u>	<u>2,735</u>
Total borrowings	<u>6,329</u>	<u>13,961</u>

The bank borrowings are denoted in local currency.

B9 Material litigations

On 25 October 2024, the Company announced a dispute over the alleged breach of contract and infringement of intellectual property rights by Nature One Dairy (Hong Kong) Limited ("**NOD**").

On 4 March 2025, Orient Biotech Sdn. Bhd., a wholly-owned subsidiary of the Company received a letter from the solicitors acting for NOD accompanied by a sealed Writ of Summons and a Statement of Claim, both dated 28 February 2025 and issued by the Supreme Court of Victoria, Melbourne, Australia ("**Court**"). The aforementioned Statement of Claim was incomplete and subsequently, the Writ of Summons and revised Statement of Claim, both dated 28 February 2025 were received on 5 March 2025.

Pursuant to the Statement of Claim, NOD has claimed the following: -

- i. damages;
- ii. at NOD's election, an account of profits or equitable compensation;
- iii. interest pursuant to s101 of the Supreme Court Act 1986; and
- iv. such other order(s) as to the Court seems appropriate.

As at the date of the announcement, the Board would not be able to ascertain the financial and operational impacts as well as the potential liabilities arising from the Writ of Summons and Statement of Claim as no specific amount demanded was stated therein.

The Company will defend NOD's claim on the basis that their claims of loss of sales and loss of reputation are not attributable to the Company as the milk powder product that the Group manufactured for a particular new customer is different from NOD's products.

The Company had on 16 April 2025 filed an appearance in defence of the proceeding.

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B10 Proposed dividend

There was no dividend that has been declared or recommended for payment by the Board during the financial period under review.

B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2025 UNAUDITED	PRECEDING CORRESPONDING QUARTER 29.02.2024 UNAUDITED	CURRENT YEAR TO-DATE 28.02.2025 UNAUDITED	PRECEDING YEAR-TO-DATE 29.02.2024 UNAUDITED
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>1,152</u>	<u>N/A</u>	<u>2,850</u>	<u>N/A</u>
Weighted average number of shares in issue ('000)	<u>228,388</u>	<u>N/A</u>	<u>228,388</u>	<u>N/A</u>
Basic and diluted earnings per share (sen) ^{(1) (2)}	<u>0.50</u>	<u>N/A</u>	<u>1.25</u>	<u>N/A</u>

Notes:

- (1) Computed based on profit attributable to owners of the Company divided by the weighted average number of ordinary shares in issue as at the end of the financial period.
- (2) The diluted earnings per share of the Company is equivalent to the basic earnings per share as the Company does not have convertible options at the end of the reporting period.

N/A Not Applicable

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12 Notes to the statement of comprehensive income

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2025 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 29.02.2024 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 29.02.2024 UNAUDITED RM'000
The following amounts have been included in arriving at profit before tax:				
Directors' fees	81	N/A	243	N/A
Depreciation of property, plant and equipment	522	N/A	1,583	N/A
Depreciation of right-of-use assets	65	N/A	167	N/A
Depreciation of investment property	-	N/A	1	N/A
Impairment loss on receivables	1	N/A	1	N/A
Interest income	(17)	N/A	(72)	N/A
Gain on disposal of property, plant and equipment	(101)	N/A	(101)	N/A
Gain on disposal of investment property	(11)	N/A	(84)	N/A
Realised gain on foreign exchange	(93)	N/A	(192)	N/A
Finance cost:				
- Bankers' acceptance	16	N/A	37	N/A
- Bank overdraft	*	N/A	3	N/A
- Term loan	174	N/A	496	N/A
- Lease liabilities	1	N/A	1	N/A

N/A Not Applicable

* Amount less than RM 1,000

OB HOLDINGS BERHAD

(Registration No: 202301020810 (1514732-P))

(Incorporated in Malaysia)

B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (CONT'D)

B12 Notes to the statement of comprehensive income (cont'd)

This is the interim financial report for the third quarter ended 28 February 2025 being announced in compliance with the Listing Requirements. There are no comparative figures for the preceding corresponding year-to-date as there is no interim financial report prepared for the comparative period concerned.

By Order of the Board

Date: 24 April 2025