



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 2026

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 28.02.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 28.02.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
Revenue	16,069	13,895	48,619	38,600
Cost of sales	(8,832)	(8,446)	(26,790)	(22,249)
Gross profit ("GP")	7,237	5,449	21,829	16,351
Other income	62	138	193	656
Selling and distribution expenses	(1,669)	(1,404)	(5,921)	(4,410)
Net impairment loss on receivables	-	(1)	-	(1)
Administrative expenses	(2,263)	(2,180)	(6,815)	(7,447)
Operating profits	3,367	2,002	9,286	5,149
Finance income	133	17	383	72
Finance costs	(95)	(191)	(213)	(537)
Profit before tax ("PBT")	3,405	1,828	9,456	4,684
Tax expenses	(1,270)	(676)	(3,293)	(1,834)
Profit after tax ("PAT") / Total comprehensive income for the financial periods	2,135	1,152	6,163	2,850
Basic and diluted earnings per share (sen) ^{(2) (3)}	0.55	0.50	1.57	1.25

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

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Company's audited financial statement for the financial year ended 31 May 2025 and the accompanying explanatory notes attached in this interim financial report.
- (2) 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.
- (3) 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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ⁽¹⁾

	28.02.2026 UNAUDITED RM'000	31.05.2025 AUDITED RM'000
ASSETS		
Non-current Assets		
Property, plant, and equipment	23,283	15,041
Right-of-use assets	16,947	17,103
Intangible assets	*	*
Deferred tax asset	6	6
Other receivables	5	5
Total non-current assets	40,241	32,155
Current Assets		
Inventories	11,799	11,683
Trade receivables	10,203	8,477
Other receivables	1,386	1,951
Tax recoverable	-	408
Short term investment	15,310	13,681
Deposits with licensed banks	155	152
Cash and bank balances	4,160	8,202
Total current assets	43,013	44,554
TOTAL ASSETS	83,254	76,709
EQUITY AND LIABILITIES		
EQUITY		
Equity attributable to owners of the Company		
Share capital	54,395	54,395
Merger reserves	(25,763)	(25,763)
Retained earnings	39,923	35,013
TOTAL EQUITY	68,555	63,645
LIABILITIES		
Non-current liabilities		
Borrowings	500	678
Deferred tax liabilities	220	298
Total non-current liabilities	720	976
Current Liabilities		
Trade payables	1,435	1,865
Other payables	1,587	3,755
Borrowings	9,932	6,100
Tax payables	1,025	368
Total current liabilities	13,979	12,088
TOTAL LIABILITIES	14,699	13,064
TOTAL EQUITY AND LIABILITIES	83,254	76,709
Net assets per share (RM) ⁽²⁾	0.18	0.16

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

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Company's audited financial statement for the financial year ended 31 May 2025 and the accompanying explanatory notes attached in this interim financial report.
- (2) Computed based on the respective period's total equity attributable to owners of the Company divided by the number of ordinary shares of 391,627,000.
- * Amount is less than RM1,000.

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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	1,401	-	30,904	32,305
<u>Transactions with owners:</u>				
Acquisition of subsidiaries	(1,400)	1,400	-	-
- Issuance of shares pursuant to acquisition of subsidiaries	27,163	(27,163)	-	-
- Issuance of shares pursuant to Public Issue	28,800	-	-	28,800
- Shares issuance expenses	(1,569)	-	-	(1,569)
- Dividend	-	-	(470)	(470)
Total comprehensive income for the financial year	-	-	4,579	4,579
Balance as at 31 May 2025	54,395	(25,763)	35,013	63,645
<u>Transactions with owners:</u>				
- Dividend	-	-	(1,253)	(1,253)
Total comprehensive income for the financial period	-	-	6,163	6,163
Balance as at 28 February 2026 (unaudited)	54,395	(25,763)	39,923	68,555

Note:

- (1) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Company's audited financial statement for the financial year ended 31 May 2025 and the accompanying explanatory notes attached in this interim financial report.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
OPERATING ACTIVITIES		
Profit before tax	9,456	4,684
Adjustments for:		
Depreciation of property, plant and equipment	1,601	1,583
Depreciation of right-of-use assets	156	167
Depreciation of investment property	-	1
Gain on disposal of property, plant and equipment	(17)	(101)
Gain on disposal of investment property	-	(84)
Interest expenses	213	537
Interest income	(383)	(72)
Impairment loss on receivables	-	(1)
Operating profit before working capital changes	<u>11,026</u>	<u>6,714</u>
Changes in working capital:		
Inventories	(116)	141
Receivables	(1,161)	2,815
Payables	(2,598)	(117)
Cash generated from operations	<u>7,151</u>	<u>9,553</u>
Income tax paid	(2,306)	(1,622)
Interest received	4	72
Interest paid	*	(3)
Net cash from operating activities	<u>4,849</u>	<u>8,000</u>
INVESTING ACTIVITY		
Interest received	379	-
Proceed from disposal of property, plant and equipment	17	-
Proceed from disposal of investment property	-	301
Purchase of property, plant and equipment	(9,843)	(5,207)
Purchase of right-of-use assets	-	(702)
Net cash used in investing activities	<u>(9,447)</u>	<u>(5,608)</u>

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

	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
FINANCING ACTIVITIES		
Dividend paid to shareholders	(1,253)	-
Drawdown of revolving credit facility	6,428	-
Interest paid	(213)	(534)
Increase in deposits pledged	(3)	(2)
Proceed from issuance of share capital, net of shares issuance of share capital	-	27,231
Repayment of bankers' acceptance	(2,524)	(583)
Repayment of term loans	(216)	(7,049)
Repayment of hire purchase	(34)	(3)
Net cash from financing activities	2,185	19,060
CASH AND CASH EQUIVALENTS		
Net changes	(2,413)	21,452
Brought forward	21,883	3,415
Carried forward	19,470	24,867
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short term investments	15,310	-
Fixed deposits	155	151
Cash and bank balances	4,160	24,867
	19,625	25,018
Less: Fixed deposits pledged with licensed banks	(155)	(151)
	19,470	24,867

Note:

- (1) The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Company's audited financial statement for the financial year ended 31 May 2025 and the accompanying explanatory notes attached in this interim financial report.

* Amount is less than RM1,000.

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

A1 Basis of preparation

This 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Company’s audited financial statement for the financial year ended 31 May 2025 and the accompanying explanatory notes attached in 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 audited financial statement for the financial year ended 31 May 2025, 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 June 2025:

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 – Amendments to the Classification and Measurement of Financial Instruments
- 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 and amendments to MFRS 19, Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rate: Translation to a Hyperinflationary Presentation Currency

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 initial application of the above new and amended standards are not expected to have material financial impacts to the financial statements, except for:

MFRS 18, Presentation and Disclosure in Financial Statements

MFRS 18 introduces three sets of new requirements to improve companies’ reporting of financial performance:

- Improved comparability in the statement of profit or loss (income statement)
- Enhanced transparency of management-defined performance measures
- More useful grouping of information in the financial statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 unchanged. MFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027, but entities can apply it earlier.

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

A2 Significant Accounting Policies (cont'd)

The Group is currently working to identify all impacts the amendments will have on the financial statements and notes to the financial statements.

A3 Auditors' report on preceding annual financial statements

The audited financial statements of the Group for the financial year ended 31 May 2025 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 products 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 issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the financial quarter under review.

A8 Dividend paid

On 7 August 2025, the Board of Directors declared an interim dividend of 0.12 sen per ordinary shares totalling RM0.47 million for the financial year ended 31 May 2025. It was paid on 4 September 2025 to shareholders whose name appeared in the Record of Depositors of the Company at the close of business on 22 August 2025. The dividend is accounted for in equity as an appropriation of retained earnings in current year under review and;

On 21 January 2026, the Board of Directors declared an interim dividend of 0.20 sen per ordinary shares totalling RM0.78 million for the financial year ending 31 May 2026. It was paid on 26 February 2026 to shareholders whose name appeared in the Record of Depositors of the Company at the close of business on 9 February 2026.

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

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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>28.02.2026</u>					
Revenue					
External revenue	11,411	2,954	1,704	-	16,069
Inter-segment revenue	-	2,079	5	(2,084)	-
Total revenue	11,411	5,033	1,709	(2,084)	16,069
Results					
Finance income					(133)
Finance costs					(95)
Depreciation of property, plant and equipment					(525)
Depreciation of right-of-use assets					(52)
Tax expense					(1,270)
Segment profit					<u>2,437</u>
Preceding corresponding 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					<u>978</u>

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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)

	Provision of manufacturing services	House brand products	Trading and others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date					
<u>28.02.2026</u>					
Revenue					
External revenue	32,218	11,211	5,190	-	48,619
Inter-segment revenue	-	4,702	720	(5,422)	-
Total revenue	<u>32,218</u>	<u>15,913</u>	<u>5,910</u>	<u>(5,422)</u>	<u>48,619</u>
Results					
Finance income					383
Finance costs					(213)
Depreciation of property, plant and equipment					(1,601)
Depreciation of right-of- use assets					(156)
Tax expense					(3,293)
Segment profit					<u>6,333</u>
Preceding corresponding 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	<u>22,421</u>	<u>16,551</u>	<u>5,337</u>	<u>(5,709)</u>	<u>38,600</u>
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 property					(1)
Other non-cash income					185
Tax expense					(1,834)
Segment profit					<u>2,385</u>

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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:

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2026 RM'000	PRECEDING CORRESPONDING QUARTER 28.02.2025 RM'000	CURRENT YEAR-TO-DATE 28.02.2026 RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 RM'000
Malaysia	15,218	12,524	44,631	35,310
Overseas	851	1,371	3,988	3,290
Total revenue	16,069	13,895	48,619	38,600

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

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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.

	28.02.2026 UNAUDITED RM'000	31.05.2025 AUDITED RM'000
Capital expenditure		
<u>Approved and contracted for:</u>		
Property, plant and equipment	997	997
Construction of factory	12,548	14,491
	13,545	15,488

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 28.02.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 28.02.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
Companies in which certain Directors have interests:				
Sales	5,793	3,295	12,155	6,532
Purchase	148	8	298	97
Directors:				
Rental expenses	8	9	26	26

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

B1 Review of performance

Comparison with Preceding Year's Corresponding Quarter Results

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 28.02.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
Revenue	16,069	13,895	48,619	38,600
PBT	3,405	1,828	9,456	4,684
PAT	2,135	1,152	6,163	2,850

The Group recorded revenue of RM16.07 million for the current quarter ended 28 February 2026 ("3Q2026"), representing an increase of RM2.17 million or 15.61% as compared to RM13.90 million in the preceding year's corresponding quarter ended 28 February 2025 ("3Q2025"). The improvement was mainly driven by the provision of manufacturing services segment which saw a RM2.81 million increase in contribution as compared to the 3Q2025 to reach RM11.41 million or 71.01% of the total revenue. This growth driven by higher orders fulfilment for existing customers offset revenue declines in the house brand products and trading segments compared to 3Q2025.

In line with the higher revenue, the Group registered a PBT of RM3.41 million, an increase of RM1.58 million or 86.34% as compared to RM1.83 million in 3Q2025. The PBT margin also improved to 21.22% as compared to 13.17% in 3Q2025 mainly attributable to improved operational efficiency and utilisation of production capacity arising from higher production volume.

Correspondingly, the Group recorded a PAT of RM2.14 million as compared to RM1.15 million in 3Q2025, representing an increase of RM0.99 million or 86.09%.

Comparison with Preceding Year's Corresponding Year-to-Date Results

The Group recorded revenue of RM48.62 million for the nine (9)-month financial period ended 28 February 2026 ("9M2026"), representing an increase of RM10.02 million or 25.96% as compared to RM38.60 million in the corresponding year-to-date period of the previous financial period ended 28 February 2025 ("9M2025"). This overall increase in revenue was mainly contributed by growth in provision of manufacturing services segment due to the higher order fulfilment to existing and new customers as well as sustained demand for new products.

The Group registered a PBT of RM9.46 million, an increase of RM4.78 million or 102.14% as compared to RM4.68 million in 9M2025. The PBT margin also improved to 19.46% as compared to 12.12% in 9M2025. This was mainly attributed to improved margins from new products within the provision of manufacturing services segment, coupled with better cost control measures and the absence of one-off listing expenses incurred in the last financial year in relation to the Company's initial public offering.

Correspondingly, the Group register a PAT of RM6.16 million in the 9M2026 as compared to RM2.85 million in 9M2025.

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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	IMMEDIATE PRECEDING QUARTER	
	28.02.2026	30.11.2025	
	UNAUDITED	UNAUDITED	
	RM'000	RM'000	%
Revenue	16,069	19,012	(15.48)
PBT	3,405	3,698	(7.92)
PAT	2,135	2,408	(11.34)

The Group recorded revenue of RM16.07 million for the 3Q2026, representing a decrease of RM2.94 million or 15.48% as compared to RM19.01 million in the immediate preceding quarter ended 30 November 2025 ("2Q2026"). The lower revenue was primarily attributable to the festive period, which resulted in a moderation of overall operational output during the quarter under review.

In tandem with the lower revenue, the Group's PBT decreased by RM0.29 million or 7.92% to RM3.41 million in 3Q2026, compared to RM3.70 million in 2Q2026. The decline in PBT was also attributable to higher administrative expenses in 3Q2026.

The Group's PAT decreased by RM0.27 million or 11.34% to RM2.14 million in 3Q2026 as compared to RM2.41 million in 2Q2026.

B3 Prospects

In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored by private consumption, boosted by the implementation of the salary adjustment under Phase 2 of the Public Service Remuneration System, continuation of targeted assistance programmes and robust tourism activities in conjunction with Visit Malaysia 2026. In addition, strong investment performance will be supported by higher capital expenditures, particularly in high-impact strategic sectors. The services and manufacturing will remain key drivers of growth, complemented by sustained construction and agriculture sectors.

Healthcare spending has become a growing priority across all income groups, with spending proportionately increase with rising income, especially among the middle income group. Between 2009/10 and 2024, health-related spending saw the fastest growth across most deciles, with annual increases exceeding 12%. In addition, the average income elasticity at below 1 across all income groups is aligned with the findings of Habib et al. (2016), indicating the necessity of healthcare. Despite this, the relative income elasticity of the middle- and higher-income working groups is lower, which could be due to employer-provided health benefits. Meanwhile, the growing share signals an increasing concern on long-term health well-being, ageing and access to public healthcare despite the increase in price of medicines and health products.

(Source: *Economic Outlook 2026*)

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

B3 Prospects (cont'd)

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 first half of 2026, with business operations slated to begin in second half of 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 remain cautiously optimistic about its outlook, taking into consideration the Group’s competitive advantages, business strategies and the favourable market conditions for the fortified food and beverages and dietary supplement industry.

B4 Profit forecast

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

B5 Taxation

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 28.02.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 28.02.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
In respect of the current period:				
Income tax expense	(1,337)	(813)	(3,371)	(2,038)
Deferred tax	67	137	78	204
Total taxation	(1,270)	(676)	(3,293)	(1,834)
Effective tax rate (%)	37.29	36.98	34.82	39.15

The effective tax rate for the year-to-date period ended 28 February 2026 was higher than the statutory tax rate of 24% due to:-

- The presence of non-deductible expenses for tax purposes, which comprise mainly depreciation of property, plant and equipment, right-of-use assets, professional fees and withholding tax; and
- The absence of the lower tax rate for small and medium enterprises which had been enjoyed by the Company in the previous financial year.

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

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.

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 2026 is set out below:

Purposes	Proposed utilisation RM'000	Reallocation/ Variation ⁽¹⁾ RM'000	Actual utilisation RM'000	Balance unutilised RM'000	Estimated time frame for utilisation
(a) Business expansion					
- Repayment of bank borrowings	14,900	-	(10,000)	4,900	Within 36 months
- Purchase of machines	5,000	-	-	5,000	Within 36 months
- Product development expenditure	900	(275)	(225)	400	Within 36 months
(b) Marketing and advertisement	1,000	-	(1,000)	-	Within 24 months
(c) Working capital	3,000	275	(3,275)	-	Within 24 months
(d) Estimated listing expenses	4,000	-	(4,000)	-	Within 3 months
Total	28,800	-	(18,500)	10,300	

Note:

(1) The actual production development expenses for clinical trial were lower than budgeted, accordingly, the excess unutilised amount was reallocated for working capital purposes.

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

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

B8 Loans and borrowings

The Group's borrowings are as follows:

	28.02.2026 UNAUDITED RM'000	31.05.2025 AUDITED RM'000
<u>Non-current</u>		
Secured:		
Hire purchase	153	189
Term loans	347	489
	<u>500</u>	<u>678</u>
<u>Current</u>		
Secured:		
Banker's acceptances	171	2,695
Hire purchase	48	46
Revolving credit	9,524	3,096
Term loans	189	263
	<u>9,932</u>	<u>6,100</u>
Total borrowings	<u>10,432</u>	<u>6,778</u>

The borrowings are denoted in local currency.

B9 Material litigations

As at the reporting date, the Group is not engaged in any material litigation, claims or arbitration, either as a plaintiff or defendant, which may have a material effect on the financial position or the business of the Group, and the Board is not aware of any proceedings, pending or threatened, or of any facts likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group.

For information purposes, the Group had on 25 October 2024, announced a dispute over the breach of contract and infringement of intellectual property rights between Nature One Dairy (Hong Kong) Limited ("NOD") and Orient Biotech Sdn Bhd, a wholly-owned subsidiary of the Company ("Orient Biotech").

On 4 March 2025, Orient Biotech 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.

Orient Biotech had filed an appearance in defence of the proceeding on 16 April 2025. 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.

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

B9 Material litigations

On 27 November 2025, the Group announced that the directions hearing for this matter was scheduled on 1 May 2026 and the trial date is to be fixed on a date not earlier than 8 July 2026.

On 20 April 2026, the Group announced that the directions hearing for this matter previously scheduled for 1 May 2026 has been adjourned to 21 August 2026 and the trial date is to be fixed on a date not before 24 September 2026.

As at the date of this interim financial report, Orient Biotech continues to comply with the latest general form of order dated 7 April 2026. 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.

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 28.02.2026 UNAUDITED	PRECEDING CORRESPONDING QUARTER 28.02.2025 UNAUDITED	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	<u>2,135</u>	<u>1,152</u>	<u>6,163</u>	<u>2,850</u>
Weighted average number of shares in issue ('000)	<u>391,627</u>	<u>228,388</u>	<u>391,627</u>	<u>228,388</u>
Basic and diluted earnings per share (sen) ^{(1) (2)}	<u>0.55</u>	<u>0.50</u>	<u>1.57</u>	<u>1.25</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.

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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 28.02.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 28.02.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 28.02.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 28.02.2025 UNAUDITED RM'000
The following amounts have been included in arriving at profit before tax:				
Directors' fees	94	81	279	243
Depreciation of property, plant and equipment	525	522	1,601	1,583
Depreciation of right-of-use assets	52	65	156	167
Depreciation of investment property	-	-	-	1
Impairment loss on receivables	-	1	-	1
Interest income	(133)	(17)	(383)	(72)
Gain on disposal of property, plant and equipment	(17)	(101)	(17)	(101)
Gain on disposal of investment property	-	(11)	-	(84)
Realised (gain)/ loss on foreign exchange	(55)	(93)	(147)	(192)
Finance cost:				
- Bankers' acceptance	7	16	19	37
- Bank overdraft	-	*	*	3
- Term loan	86	174	187	496
- Lease liabilities	2	1	7	1

* Amount less than RM 1,000

By Order of the Board

Date: 28 April 2026