OB HOLDINGS BERHAD

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

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 MAY 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 31.05.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 31.05.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED RM'000
Revenue	18,397	15,926	67,016	54,526
Cost of sales	(10,423)	(9,989)	(37,213)	(32,238)
Gross profit ("GP")	**7,974**	**5,937**	**29,803**	**22,288**
Other income	-	214	52	533
Selling and distribution expenses	(1,756)	(1,553)	(7,677)	(6,428)
Net impairment loss on financial assets	(173)	(123)	(173)	(110)
Administrative expenses	(2,872)	(2,482)	(9,546)	(9,437)
Operating profits	**3,173**	**1,993**	**12,459**	**6,846**
Finance income	123	-	506	383
Finance costs	(156)	(131)	(369)	(668)
Profit before tax ("PBT")	**3,140**	**1,862**	**12,596**	**6,561**
Tax expenses	(640)	(144)	(3,933)	(1,982)
Profit after tax ("PAT") / Total comprehensive income for the financial periods	**2,500**	**1,718**	**8,663**	**4,579**
Basic and diluted earnings per share (sen) [(2)] [(3)]	0.64	0.53	2.21	1.40

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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OB HOLDINGS BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (1)

	31.05.2026 UNAUDITED RM'000	31.05.2025 AUDITED RM'000
ASSETS		
Non-current Assets		
Property, plant, and equipment	30,039	15,041
Right-of-use assets	16,895	17,103
Intangible assets	*	*
Deferred tax asset	27	6
Other receivables	11	5
Total non-current assets	**46,972**	**32,155**
Current Assets		
Inventories	12,150	11,683
Trade receivables	11,932	8,477
Other receivables	2,043	1,951
Tax recoverable	179	408
Short term investment	14,679	13,681
Deposits with licensed banks	155	152
Cash and bank balances	4,784	8,202
Total current assets	**45,922**	**44,554**
TOTAL ASSETS	**92,894**	**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	42,423	35,013
TOTAL EQUITY	**71,055**	**63,645**
LIABILITIES		
Non-current Liabilities		
Borrowings	11,081	678
Deferred tax liabilities	81	298
Total non-current liabilities	**11,162**	**976**
Current Liabilities		
Trade payables	2,523	1,865
Other payables	4,154	3,755
Borrowings	2,884	6,100
Tax payables	1,116	368
Total current liabilities	**10,677**	**12,088**
TOTAL LIABILITIES	**21,839**	**13,064**
TOTAL EQUITY AND LIABILITIES	**92,894**	**76,709**
Net assets per share (RM) (2)	0.18	0.16

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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OB HOLDINGS BERHAD

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

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
Transactions with owners:				
- 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**
Transactions with owners:				
- Dividend	-	-	(1,253)	(1,253)
Total comprehensive income for the financial year	-	-	8,663	8,663
Balance as at 31 May 2026 (unaudited)	**54,395**	**(25,763)**	**42,423**	**71,055**

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.

OB HOLDINGS BERHAD

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS [(1)]

	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED RM'000
OPERATING ACTIVITIES		
Profit before tax	12,596	6,561
Adjustments for:		
Deposit forfeited	3	-
Depreciation of property, plant and equipment	2,127	2,158
Depreciation of right-of-use assets	208	206
Depreciation of investment property	-	*
Gain on disposal of property, plant and equipment	-	(101)
Gain on disposal of investment property	-	(20)
Interest expenses	369	668
Interest income	(506)	(383)
Inventories written off	-	6
Net Impairment loss on financial assets	173	110
Operating profit before working capital changes	14,970	9,205
Changes in working capital:		
Inventories	(467)	(72)
Receivables	(3,729)	(525)
Payables	1,057	195
Cash generated from operations	11,831	8,803
Interest received	10	73
Interest paid	*	(4)
Net income tax paid	(3,194)	(2,380)
Net cash from operating activities	**8,647**	**6,492**
INVESTING ACTIVITIES		
Interest received	496	310
Proceed from disposal of property, plant and equipment	-	101
Proceed from disposal of investment property	-	237
Purchase of property, plant and equipment	(17,125)	(6,771)
Purchase of right-of-use assets	-	(561)
Net cash used in investing activities	**(16,629)**	**(6,684)**

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

	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED RM'000
FINANCING ACTIVITIES		
Dividend paid to shareholders	(1,253)	(470)
Drawdown of bankers' acceptance	(1,209)	1,281
Drawdown of invoice financing	485	-
Interest paid	(369)	(664)
Increase in deposits pledged	(3)	(4)
Proceed from issuance of share capital, net of shares issuance of share capital	-	28,800
Proceeds from revolving credit facility	8,220	3,096
Repayment of term loans	(263)	(11,795)
Repayment of hire purchase	(46)	(15)
Share issuance expenses	-	(1,568)
Net cash from financing activities	**5,562**	**18,661**
CASH AND CASH EQUIVALENTS		
Net changes	(2,420)	18,469
Brought forward	21,883	3,414
Carried forward	**19,463**	**21,883**
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISES:		
Short term investments	14,679	13,681
Fixed deposits	155	152
Cash and bank balances	4,784	8,202
	19,618	22,035
Less: Fixed deposits pledged with licensed banks	(155)	(152)
	19,463	**21,883**

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.

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:
  - Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 7 Financial Instruments: Disclosures
  - Amendments to MFRS 9 Financial Instruments
  - Amendments to MFRS 10 Consolidated Financial Statements
  - Amendments to MFRS 107 Statement of Cash Flows

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 Rates: 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 and annual improvements to standards are not expected to have material financial impact to the financial statements, except for:

MFRS 18, Presentation and Disclosure in Financial Statements
MFRS 18 Presentation and disclosure in financial statements 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

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

A2 Significant Accounting Policies (cont'd)

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It carries forward 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.

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.

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	Investment holding	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current quarter						
31.05.2026						
Revenue						
External revenue	11,464	4,034	2,899	-	-	18,397
Inter-segment revenue	-	1,798	215	2,500	(4,513)	-
Total revenue	11,464	5,832	3,114	2,500	(4,513)	18,397
Results						
Finance income						123
Finance costs						(156)
Depreciation of property, plant and equipment						(526)
Depreciation of right-of-use assets						(52)
Other non-cash income						176
Tax expense						(640)
Segment profit						2,192
Preceding corresponding quarter						
31.05.2025						
Revenue						
External revenue	10,074	4,198	1,654	-	-	15,926
Inter-segment revenue	-	1,657	468	3,000	(5,125)	-
Total revenue	10,074	5,855	2,122	3,000	(5,125)	15,926
Results						
Finance costs						(131)
Depreciation of property, plant and equipment						(575)
Depreciation of right-of-use assets						(39)
Other non-cash income						560
Tax expense						(144)
Segment profit						2,806

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	Investment holding	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Current year-to-date						
31.05.2026						
Revenue						
External revenue	43,682	15,245	8,089	-	-	67,016
Inter-segment revenue	-	6,500	935	2,500	(9,935)	-
Total revenue	43,682	21,745	9,024	2,500	(9,935)	67,016
Results						
Finance income						506
Finance costs						(369)
Depreciation of property, plant and equipment						(2,127)
Depreciation of right-of-use assets						(208)
Other non-cash income						176
Tax expense						(3,933)
Segment profit						8,526
Preceding corresponding year-to-date						
31.05.2025						
Revenue						
External revenue	32,495	15,772	6,259	-	-	54,526
Inter-segment revenue	-	6,634	1,200	3,000	(10,834)	-
Total revenue	32,495	22,406	7,459	3,000	(10,834)	54,526
Results						
Finance income						383
Finance costs						(668)
Depreciation of property, plant and equipment						(2,158)
Depreciation of right-of-use assets						(206)
Depreciation of investment property						*
Other non-cash income						5
Tax expense						(1,981)
Segment profit						4,864

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 31.05.2026 RM'000	PRECEDING CORRESPONDING QUARTER 31.05.2025 RM'000	CURRENT YEAR-TO-DATE 31.05.2026 RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 RM'000
Malaysia	16,439	14,274	61,070	49,584
Overseas	1,958	1,652	5,946	4,942
Total revenue	**18,397**	**15,926**	**67,016**	**54,526**

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.

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.

	31.05.2026 UNAUDITED RM'000	31.05.2025 AUDITED RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	2,065	997
Construction of factory	4,109	14,491
	6,174	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 31.05.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 31.05.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED RM'000
Companies in which certain Directors have interests:				
Sales	4,501	2,198	16,656	8,729
Purchase	124	172	422	269
Directors:				
Rental expenses	9	9	35	35

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 31.05.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 31.05.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED RM'000
Revenue	18,397	15,926	67,016	54,526
PBT	3,140	1,862	12,596	6,561
PAT	2,500	1,718	8,663	4,579

The Group recorded revenue of RM18.40 million for the current quarter ended 31 May 2026 ("**4Q2026**"), representing an increase of RM2.47 million or 15.51% as compared to RM15.93 million in the preceding year's corresponding quarter ended 31 May 2025 ("**4Q2025**"). The improvement was mainly driven by higher contribution from provision of manufacturing services segment and trading segments. The provision of manufacturing services segment recorded an increase of RM1.39 million or 13.80% to RM11.46 million in 4Q2026, as compared to RM10.07 million in 4Q2025. This growth was driven by higher orders fulfilment from new customers as well as sustained demand for new products. The trading segment also increased RM1.25 million or 75.76% to RM2.90 million in 4Q2026, as compared to RM1.65 million in 4Q2025. The improvement was mainly attributable to the Group's efforts in expanding its customer base.

In line with the higher revenue, the Group registered a PBT of RM3.14 million, an increase of RM1.28 million or 68.82% in 4Q2026 as compared to RM1.86 million in 4Q2025. The PBT margin also strengthened from 11.68% to 17.07% in 4Q2026. This was mainly attributable to improved operational efficiency and higher utilisation of production capacity arising from higher production volume.

Correspondingly, the Group recorded a PAT of RM2.50 million as compared to RM1.72 million in 4Q2025, representing an increase of RM0.78 million or 45.35%.

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

The Group achieved revenue of RM67.02 million for the financial year ended 31 May 2026 ("**FYE 2026**"), representing an increase of RM12.49 million or 22.90% as compared to RM54.53 million for the financial year ended 31 May 2025 ("**FYE 2025**"). This 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 during the financial year.

The Group registered a PBT of RM12.60 million, representing an increase of RM6.04 million or 92.07% as compared to RM6.56 million in FYE 2025. The PBT margin also improved to 18.80% as compared to 12.03% in FYE 2025. 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 registered a PAT of RM8.66 million in the FYE 2026 as compared to RM4.58 million in FYE 2025. The improvement was generally in line with the higher PBT record during the FYE 2026.

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

B2 Comparison with immediate preceding quarter's results

	INDIVIDUAL QUARTER		
	CURRENT QUARTER 31.05.2026 UNAUDITED RM'000	IMMEDIATE PRECEDING QUARTER 28.02.2026 UNAUDITED RM'000	CHANGES %
Revenue	18,397	16,069	14.49
PBT	3,140	3,405	(7.78)
PAT	2,500	2,135	17.10

The Group recorded revenue of RM18.40 million for the 4Q2026, representing an increase of RM2.33 million or 14.49% as compared to RM16.07 million in the immediate preceding quarter ended 28 February 2026 ("**3Q2026**"). The increase in revenue was mainly contributed by growth in the house brand products segment driven by expanded distribution channels and strong sales performance.

Despite the higher revenue, the Group's PBT decreased by RM0.27 million or 7.78% to RM3.14 million in 4Q2026, compared to RM3.41 million in 3Q2026. The lower PBT was mainly due to higher administrative expenses incurred in 4Q2026.

The Group recorded PAT of RM2.50 million in 4Q2026, representing an increase of RM0.36 million or 17.10% as compared to RM2.14 million in 3Q2026. The improvement was mainly attributed to the over provision of tax expenses in the previous quarter and the increase in deferred tax liabilities.

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 increasing 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)

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 business operation are expected to commence in the 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 on 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 31.05.2026 UNAUDITED	PRECEDING CORRESPONDING QUARTER 31.05.2025 UNAUDITED	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Income tax expense	(800)	(365)	(4,171)	(2,403)
Deferred tax	160	221	238	421
Total taxation	**(640)**	**(144)**	**(3,933)**	**(1,982)**
Effective tax rate (%)	**20.38**	**7.73**	**31.22**	**30.21**

The effective tax rate for the year-to-date period ended 31 May 2026 was higher than the statutory tax rate of 24% due to:-

i. 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

ii. The absence of the lower tax rate for small and medium enterprises which had been enjoyed by the Company in the previous financial year.

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 31 May 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	-	(10,292)	4,608	Within 36 months
- Purchase of machines	5,000	-	(1,200)	3,800	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**	-	**(19,992)**	**8,808**	

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.

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

B8 Loans and borrowings

The Group's borrowings are as follows:

	31.05.2026 UNAUDITED RM'000	31.05.2025 AUDITED RM'000
Non-current		
Secured:		
Hire purchase	141	189
Revolving credit	10,640	-
Term loans	300	489
	11,081	678
Current		
Secured:		
Banker's acceptances	1,486	2,695
Hire purchase	48	46
Invoice financing	485	-
Revolving credit	676	3,096
Term loans	189	263
	2,884	6,100
Total borrowings	**13,965**	**6,778**

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.

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

B9 Material litigations (cont'd)

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

On 28 July 2026, the Board of Directors proposed an interim single tier dividend of 0.20 sen per ordinary share in respect of the financial year ending 31 May 2026. The entitlement date for the proposed dividend is 13 August 2026 and the payment date is 27 August 2026.

The financial statements for the current financial year do not reflect this proposed dividend. Such dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 May 2027.

B11 Basic and diluted earnings per share

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	CURRENT QUARTER 31.05.2026 UNAUDITED	PRECEDING CORRESPONDING QUARTER 31.05.2025 UNAUDITED	CURRENT YEAR TO-DATE 31.05.2026 UNAUDITED	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED
Net profit for the period attributable to ordinary equity holders of the company (RM'000)	2,500	1,718	8,663	4,579
Weighted average number of shares in issue ('000)	391,627	327,100	391,627	327,100
Basic and diluted earnings per share (sen) (1) (2)	0.64	0.53	2.21	1.40

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 financial period.

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 31.05.2026 UNAUDITED RM'000	PRECEDING CORRESPONDING QUARTER 31.05.2025 UNAUDITED RM'000	CURRENT YEAR-TO-DATE 31.05.2026 UNAUDITED RM'000	PRECEDING YEAR-TO-DATE 31.05.2025 AUDITED RM'000
The following amounts have been included in arriving at profit before tax:				
Directors' fees	93	85	372	324
Depreciation of property, plant and equipment	526	575	2,127	2,158
Depreciation of right-of-use assets	52	39	208	206
Depreciation of investment property	-	-	-	*
Net Impairment loss on financial assets	173	123	173	110
Interest income	(123)	-	(506)	(383)
Gain on disposal of property, plant and equipment	-	-	-	(101)
Gain on disposal of investment property	-	-	-	(20)
Realised loss/ (gain) loss on foreign exchange	154	45	7	(132)
Finance cost:				
- Bankers' acceptance	12	22	31	59
- Bank overdraft	-	1	*	4
- Hire purchase	3	3	10	4
- Invoice financing	4	-	4	-
- Revolving credit	131	-	293	-
- Term loans	6	105	31	601

* Amount less than RM 1,000

By Order of the Board

Date: 28 July 2026