PAPPAJACK BERHAD

(Company No. 202001042414) (1398735 - V)

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT

FOR THE QUARTER ENDED 31 MARCH 2026

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| | Note | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | 37,307 | 33,850 | 37,307 | 33,850 |
| Cost of sales | | (19,261) | (21,172) | (19,261) | (21,172) |
| Gross profit | | 18,046 | 12,678 | 18,046 | 12,678 |
| Other income | | 25 | 39 | 25 | 39 |
| | | 18,071 | 12,717 | 18,071 | 12,717 |
| Administrative expenses | | (3,095) | (2,716) | (3,095) | (2,716) |
| Depreciation and amortisation | | (112) | (173) | (112) | (173) |
| | | (3,207) | (2,889) | (3,207) | (2,889) |
| Profit from operations | | 14,864 | 9,828 | 14,864 | 9,828 |
| Finance costs | | (1,946) | (895) | (1,946) | (895) |
| Profit before taxation | B4 | 12,918 | 8,933 | 12,918 | 8,933 |
| Income tax expense | B5 | (3,875) | (2,680) | (3,875) | (2,680) |
| Profit after taxation/ | | | | | |
| Total comprehensive income | | 9,043 | 6,253 | 9,043 | 6,253 |
| Profit after taxation/ | | | | | |
| Total comprehensive income attributable to: | | | | | |
| - Owners of the Company | | 9,043 | 6,253 | 9,043 | 6,253 |
| Earnings per share (sen): | | | | | |
| - Basic/Diluted | B12 | 1.18 | 0.81 | 1.18 | 0.81 |

Note:

The Consolidated Statements of Comprehensive Income should be read in conjunction with the audited consolidated financial statements of Pappajack Berhad for the financial year ended ("FYE") 31 December 2025, together with the accompanying explanatory notes herein.

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

| | Unaudited As at 31.3.2026 RM'000 | Audited As at 31.12.2025 RM'000 |
|---|---|---|
| **ASSETS** | | |
| **Non-Current Assets** | | |
| Property and equipment | 27,297 | 27,820 |
| Investment property | 1,245 | 1,250 |
| Goodwill | 3,809 | 3,809 |
| Total Non-Current Assets | 32,351 | 32,879 |
| | | |
| **Current Assets** | | |
| Inventories | 4,523 | 4,151 |
| Trade and other receivables | 387,023 | 355,296 |
| Current tax assets | 2,015 | 1,319 |
| Cash and bank balances | 39,047 | 22,392 |
| Total Current Assets | 432,608 | 383,158 |
| | | |
| **TOTAL ASSETS** | 464,959 | 416,037 |

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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

| | Note | Unaudited As at 31.3.2026 RM'000 | Audited As at 31.12.2025 RM'000 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **EQUITY** | | | |
| Share capital | | 211,699 | 211,699 |
| Reorganisation deficit | | (11,518) | (11,518) |
| Treasury shares | | (1,135) | (1,135) |
| Reserves | | 86,105 | 78,983 |
| **TOTAL EQUITY** | | 285,151 | 278,029 |
| | | | |
| **LIABILITIES** | | | |
| **Non-Current Liabilities** | | | |
| Loans and borrowings | B8 | 15,866 | 16,061 |
| Deferred tax liabilities | | 27 | 27 |
| Total Non-Current Liabilities | | 15,893 | 16,088 |
| | | | |
| **Current Liabilities** | | | |
| Other payables and accruals | | 1,937 | 846 |
| Loans and borrowings | B8 | 158,103 | 119,470 |
| Current tax liabilities | | 3,875 | 1,604 |
| Total Current Liabilities | | 163,915 | 121,920 |
| | | | |
| **TOTAL LIABILITIES** | | 179,808 | 138,008 |
| | | | |
| **TOTAL EQUITY AND LIABILITIES** | | 464,959 | 416,037 |
| | | | |
| **Net assets per share attributable to ordinary equity holders (RM)** | B13 | 0.37 | 0.36 |

Note:

The Consolidated Statements of Financial Position should be read in conjunction with the audited consolidated financial statements of Pappajack Berhad for the FYE2025, together with the accompanying explanatory notes herein.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to owners of the Company | | | | | |
|---|---|---|---|---|---|---|
| | Share capital RM'000 | Reorganisation deficit RM'000 | Treasury shares RM'000 | Other reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
| At 1.1.2025 | 211,699 | (11,518) | - | 1,291 | 60,864 | 262,336 |
| Total comprehensive income for the financial year | - | - | - | - | 28,020 | 28,020 |
| **Transactions with owners** | | | | | | |
| Shares repurchased | - | - | (1,135) | - | - | (1,135) |
| Share option issued | - | - | - | 331 | - | 331 |
| Dividends paid on shares | - | - | | - | (11,523) | (11,523) |
| Total transactions with owners | - | - | (1,135) | 331 | (11,523) | (12,327) |
| At 31.12.2025/1.1.2026 | 211,699 | (11,518) | (1,135) | 1,622 | 77,361 | 278,029 |
| Total comprehensive income for the financial period | - | - | - | - | 9,043 | 9,043 |
| **Transactions with owners** | | | | | | |
| Dividend paid on shares | - | - | - | - | (1,921) | (1,921) |
| Total transactions with owners | - | - | - | - | (1,921) | (1,921) |
| Balance as at 31.3.2026 | 211,699 | (11,518) | - | 1,622 | 84,483 | 285,151 |

Note:

The Consolidated Statement of Changes In Equity should be read in conjunction with the audited consolidated financial statements of Pappajack Berhad for the FYE2025, together with the accompanying explanatory notes herein.

CONSOLIDATED STATEMENTS OF CASH FLOWS

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| CASH FLOWS USED IN OPERATING ACTIVITIES | | | | |
| Profit before taxation | 12,918 | 8,933 | 12,918 | 8,933 |
| Adjustments for: | | | | |
| Depreciation of: | | | | |
| - investment properties | 5 | 4 | 5 | 4 |
| - property and equipment | 1,265 | 968 | 1,265 | 968 |
| ESOS fair value | - | 140 | - | 140 |
| Interest expense | 1,946 | 895 | 1,946 | 895 |
| Interest income | (8) | (19) | (8) | (19) |
| Operating profit before working capital changes | 16,126 | 10,921 | 16,126 | 10,921 |
| Net change in inventories | (372) | 207 | (372) | 207 |
| Net change in trade and other receivables | (31,727) | (9,874) | (31,727) | (9,874) |
| Net change in trade and other payables | 1,091 | (21) | 1,091 | (21) |
| Cash generated from operations | (14,882) | 1,233 | (14,882) | 1,233 |
| Income tax paid | (2,300) | (1,931) | (2,300) | (1,931) |
| Net cash used in operating activities | (17,182) | (698) | (17,182) | (698) |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | | | |
| Purchase of property and equipment | (742) | (2,472) | (742) | (2,472) |
| Net cash used in investing activities | (742) | (2,472) | (742) | (2,472) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Dividend paid on shares | (1,921) | - | (1,921) | - |
| Interest received | 8 | 19 | 8 | 19 |
| Interest paid | (1,946) | (895) | (1,946) | (895) |
| Net change to loans and borrowings | 38,438 | 19,963 | 38,438 | 19,963 |
| Net cash from financing activities | 34,579 | 19,087 | 34,579 | 19,087 |
| NET CHANGE IN CASH AND BANK BALANCES | 16,655 | 15,917 | 16,655 | 15,917 |
| CASH AND BANK BALANCES AT BEGINNING OF FINANCIAL PERIOD | 22,392 | 18,409 | 22,392 | 18,409 |
| CASH AND BANK BALANCES AT END OF FINANCIAL PERIOD | 39,047 | 34,326 | 39,047 | 34,326 |

CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)

Note:

The Consolidated Statements of Cash Flows should be read in conjunction with the audited consolidated financial statements of Pappajack Berhad for the FYE2025, together with the accompanying explanatory notes herein.

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A. SELECTED EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARD ("**MFRS**") NO. 134 - INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The unaudited interim financial report of Pappajack Berhad and its subsidiaries ("Group") have been prepared in accordance with MFRS 134 - Interim Financial Reporting issued by the Malaysian Accounting Standards Board and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). These unaudited consolidated interim financial statements also comply with International Accounting Standards ("IAS") 34 - Interim Financial Reporting issued by the International Accounting Standards Board.

A2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements of the Group for the FYE2025.

A3. AUDITORS' REPORT

The audited consolidated financial statements of the Group for the FYE2025 was not subject to any qualification.

A4. SEASONAL AND CYCLICAL FACTORS

The business of the Group is not affected by any significant seasonal or cyclical factors.

A5. UNUSUAL ITEMS

There was no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that have had material effect on the results of the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

There are no issuance, cancellation, repurchase, resale or repayment of debt and equity securities to the end of the current quarter under review.

## A8. DIVIDEND PAID

A single tier tax exempt interim dividend of 0.25 sen per ordinary share, totalling RM1,920,500 was paid during the quarter under review.

## A9. SEGMENTAL INFORMATION

Operating segments are prepared in a manner consistent with the internal reporting provided to the management as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their revenue stream, namely pawnbroking interest charges and sale of unredeemed or bid pledges. No segmental analysis by geographical location is prepared as the Group operates predominantly in Malaysia.

| **Operating segment**<br>**Cumulative quarter ended 31.3.2026** | Pawnbroking interest charges RM'000 | Sales of unredeemed or bid pledges RM'000 | Ar-Rahnu RM'000 | Group RM'000 |
|---|---|---|---|---|
| **Revenue** | 16,890 | 20,156 | 261 | 37,307 |
| **Results** | | | | |
| Segment gross profit | 13,259 | 4,646 | 141 | 18,046 |
| Other income | | | | 25 |
| Administrative expenses | | | | (3,095) |
| Depreciation and amortisation | | | | (112) |
| Finance costs | | | | (1,946) |
| Profit before taxation | | | | 12,918 |
| Income tax expense | | | | (3,875) |
| Profit after taxation | | | | 9,043 |

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A9. SEGMENTAL INFORMATION (CONTINUED)

| **Operating segment** | Pawnbroking interest charges | Sales of unredeemed or bid pledges | Group |
|---|---|---|---|
| **Cumulative quarter ended 31.3.2025** | RM'000 | RM'000 | RM'000 |
| **Revenue** | 11,897 | 21,953 | 33,850 |
| **Results** | | | |
| Segment gross profit | 9,011 | 3,667 | 12,678 |
| Other income | | | 39 |
| Administrative expenses | | | (2,716) |
| Depreciation and amortisation | | | (173) |
| Finance costs | | | (895) |
| Profit before taxation | | | 8,933 |
| Income tax expense | | | (2,680) |
| Profit after taxation | | | 6,253 |

A10. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE INTERIM FINANCIAL PERIOD

Save as disclosed in Note B6 below, there are no other significant events subsequent to the end of the interim financial period.

A11. RELATED PARTY TRANSACTIONS

The related party transactions described below were carried out on terms and conditions negotiated amongst the parties. The related party transactions are as follows:

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Directors: | | | | |
| - rental expense | 143 | 143 | 143 | 143 |

Rental expenses in relation to rental of certain shop lots were paid/payable to companies of which certain directors have interests.

A12. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no contingent assets and contingent liabilities as at the end of the financial quarter under review.

A13. CAPITAL COMMITMENTS

There were no material commitments as at the end of the financial quarter under review.

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## B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA SECURITIES

### B1. REVIEW OF PERFORMANCE

*The Group's gross profits for the current quarter and financial period to date are analysed below:*

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | Unit | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| Gross profit: | | | | | |
| Pawnbroking interest charges | RM | 13,259 | 9,011 | 13,259 | 9,011 |
| Sale of unredeemed or bid pledges | RM | 4,646 | 3,667 | 4,646 | 3,667 |
| Ar-Rahnu | RM | 141 | - | 141 | - |
| | | 18,046 | 12,678 | 18,046 | 12,678 |
| Overall gross profit margin | % | 48.37 | 37.45 | 48.37 | 37.45 |
| Segmental gross profit margin: | | | | | |
| Pawnbroking interest charges | % | 78.50 | 75.74 | 78.50 | 75.74 |
| Sale of unredeemed or bid pledges | % | 23.05 | 16.70 | 23.05 | 16.70 |
| Ar-Rahnu | % | 54.02 | N/A | 54.02 | N/A |
| Gross profit composition: | | | | | |
| Pawnbroking interest charges | % | 73.47 | 71.08 | 73.47 | 71.08 |
| Sale of unredeemed or bid pledges | % | 25.75 | 28.92 | 25.75 | 28.92 |
| Ar-Rahnu | % | 0.78 | N/A | 0.78 | N/A |

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B1. REVIEW OF PERFORMANCE (CONTINUED)

*The comparison with immediate-preceding quarter of the Group's segmental revenue and profitability are analysed below:*

| | QoQ | |
|---|---|---|
| | 31.3.2026 | 31.12.2025 |
| | RM'000 | RM'000 |
| Revenue: | | |
| Pawnbroking interest charges | 16,890 | 15,461 |
| Sale of unredeemed or bid pledges | 20,156 | 19,386 |
| Ar-Rahnu | 261 | N/A |
| | 37,307 | 34,847 |
| Gross profit: | | |
| Pawnbroking interest charges | 13,259 | 11,955 |
| Sale of unredeemed or bid pledges | 4,646 | 4,580 |
| Ar-Rahnu | 141 | N/A |
| | 18,046 | 16,535 |
| Profit before taxation | 12,918 | 10,387 |
| Profit after taxation | 9,043 | 6,704 |

This performance review provides a comprehensive analysis of Pappajack Berhad's ("Pappajack" or "the Group") operational and financial performance for the first quarter ended 31 March 2026 ("1Q2026") and the financial year to date ("FYE2026"). The review is based on the segmental information and performance data as reported in the Company's quarterly financial statements.

Pappajack delivered a resilient financial and operational performance for the 1Q2026, underpinned by sustained demand for pledged financing services and the continued strength of its dual-revenue business model. The Group currently operates a network of 61 outlets nationwide, comprising 53 conventional pawnshops and 8 Ar-Rahnu outlets, with operations primarily concentrated within Peninsular Malaysia.

For the 1Q2026, Pappajack recorded revenue of RM37.31 million and profit before taxation ("PBT") of RM12.92 million, representing increases of 10.2% and 44.6% respectively against the corresponding quarter of the preceding financial year ("1Q2025"). The Group's results were underpinned by continued growth in the pledge book, improved gross profit margins across both core operating segments, and the initial contribution from the newly reported Ar-Rahnu segment.

***Revenue***

Revenue rose 10.2% to RM37.31 million in 1Q2026, from RM33.85 million in 1Q2025. The increase was driven by an RM4.99 million (10.2%) rise in pawnbroking interest income to RM16.89 million, reflecting growth in the active pledge book, while the increase was offset by the reduction of RM1.80 million (8.2%) in revenue from the sale of unredeemed or bid pledges to RM20.16 million. The Ar-Rahnu segment, separately reported with effect from 1Q2026, contributed revenue of RM0.26 million.

B1. REVIEW OF PERFORMANCE (CONTINUED)

***Gross Profit and Gross Profit Margin***

Gross profit rose 42.3% to RM18.05 million, from RM12.68 million in 1Q2025. The Group's overall gross profit margin expanded by 10.9 percentage points to 48.4%, from 37.5%. The margin expansion reflects a more favourable revenue mix in favour of higher-margin pawnbroking interest income, together with improved margins on the disposal of unredeemed and bid pledges. Cost of sales declined 9.0% year-on-year to RM19.26 million, against RM21.17 million in 1Q2025.

***Profit from Operations***

Profit from operations rose 51.2% to RM14.86 million, from RM9.83 million in 1Q2025, reflecting the flow-through of gross profit growth net of an RM0.38 million (14.0%) increase in administrative expenses to RM3.10 million.

***Finance Costs***

Finance costs increased to RM1.95 million in 1Q2026, from RM0.90 million in 1Q2025, in line with the Group's higher utilisation of revolving credit facilities to support the growth of the pledge book. Trade and other receivables, which include the active pledge book, grew by RM31.73 million to RM387.02 million as at 31 March 2026, from RM355.30 million as at 31 December 2025.

***Profit Before Taxation, Profit After Taxation and Earnings Per Share***

PBT for 1Q2026 stood at RM12.92 million, an increase of 44.6% from RM8.93 million in 1Q2025. The Group's effective tax rate was 30.0%, consistent with the prior year quarter. Profit after taxation ("PAT") attributable to owners of the Company rose 44.6% to RM9.04 million, from RM6.25 million in 1Q2025. Basic earnings per share for the quarter stood at 1.18 sen, against 0.81 sen in 1Q2025.

**Segmental Performance**

***Pawnbroking Interest Charges***

The pawnbroking interest segment generated revenue of RM16.89 million and segment gross profit of RM13.26 million in 1Q2026, against revenue and segment gross profit of RM11.90 million and RM9.01 million respectively in 1Q2025. Segment gross profit margin improved to 78.5%, from 75.7%. This segment continues to be the Group's principal earnings driver, contributing 73.5% of total gross profit for the quarter.

***Sale of Unredeemed or Bid Pledges***

Revenue from the sale of unredeemed or bid pledges amounted to RM20.16 million, with segment gross profit of RM4.65 million, against revenue and gross profit of RM21.95 million and RM3.67 million respectively in 1Q2025. Segment gross profit margin expanded to 23.1%, from 16.7%, reflecting more favourable disposal outcomes during the quarter.

B1. REVIEW OF PERFORMANCE (CONTINUED)

***Ar-Rahnu***

The Ar-Rahnu segment, separately reported with effect from 1Q2026, contributed revenue of RM0.26 million and segment gross profit of RM0.14 million, at a margin of 54.0%.

**Comparison with Immediate Preceding Quarter**

Against the immediate preceding quarter ended 31 December 2025 ("4Q2025"), the Group's revenue rose 7.1% from RM34.85 million to RM37.31 million, and gross profit rose 9.1% from RM16.54 million to RM18.05 million.

PBT for 1Q2026 was 24.4% higher at RM12.92 million, compared with RM10.39 million in 4Q2025, and PAT rose 34.9% to RM9.04 million from RM6.70 million. The quarter-on-quarter improvement was driven by continued growth in the pledge book and sustained margin expansion across the Group's core operating segments.

B2. PROSPECTS

The pawnbroking industry continues to serve as an accessible source of short-term, collateral-backed financing for individuals and small businesses in Malaysia, particularly where conventional credit channels are less readily available or where borrowers require expedited liquidity against tangible collateral. Demand for the Group's services is further supported by sustained gold price levels, which underpin pledge valuations and contribute to favourable outcomes on the disposal of unredeemed pledges.

The Board remains cautiously optimistic on the Group's outlook for the remainder of the financial year ending 31 December 2026 ("FYE2026"). The Group's focus areas for the period ahead are as follows:

- **Pledge book growth**: Continuing to grow the active pledge book through the existing branch network, supported by selective expansion in catchment areas where pledge demand and operating economics are favourable.
- **Operational discipline**: Maintaining cost discipline across the branch network, with continued investment in pledge handling, valuation accuracy, and customer service consistency.
- **Risk management**: Upholding prudent collateral valuation, lending, and recovery practices to manage credit and inventory risk, with particular attention to gold price exposure on the pledge book.
- **Funding and capital management**: Managing the cost and mix of borrowings as the pledge book continues to grow, while maintaining a balanced approach to capital deployment between business growth and shareholder returns.

The Board recognises that movements in the Overnight Policy Rate, inflationary pressures, and broader macroeconomic conditions may influence consumer borrowing behaviour and gold price levels during FYE2026. Notwithstanding these factors, the Group's established operating model, network footprint, and disciplined risk management practices position it to continue delivering sustainable financial performance for the financial year.

Pappajack remains committed to its role as a responsible and accessible pawnbroking service provider in Malaysia, and to delivering sustainable value to its shareholders, customers, and other stakeholders.

## B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

## B4. PROFIT BEFORE TAXATION

| | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|
| Profit before taxation is arrived at | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| after charging/(crediting): | RM'000 | RM'000 | RM'000 | RM'000 |
| Depreciation of: | | | | |
| - investment properties | 5 | 4 | 5 | 4 |
| - property and equipment | 1,265 | 968 | 1,265 | 968 |
| Interest expense | 1,946 | 895 | 1,946 | 895 |
| Interest income | (8) | (19) | (8) | (19) |
| Rental income from investment property | (17) | (14) | (17) | (14) |

## B5. INCOME TAX EXPENSE

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| | Unit | RM'000 | RM'000 | RM'000 | RM'000 |
| Current tax recognised in profit or loss: | | | | | |
| - Malaysian income tax | | 3,875 | 2,680 | 3,875 | 2,680 |
| Effective tax rate | % | 30 | 30 | 30 | 30 |

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B6. STATUS OF CORPORATE PROPOSAL

There are no corporate proposals announced but not completed as at the date of this report:

B7. BORROWINGS

| | Unaudited As at 31.3.2026 RM'000 | Audited As at 31.12.2025 RM'000 |
|---|---|---|
| **Non-current** | | |
| Term loan (secured) | 462 | 479 |
| Lease liabilities (unsecured) | 15,404 | 15,582 |
| | 15,866 | 16,061 |
| **Current** | | |
| Term loan (secured) | 59 | 59 |
| Lease liabilities (unsecured) | 2,590 | 2,590 |
| Revolving credit (secured) | 155,454 | 116,821 |
| | 158,103 | 119,470 |
| **Total borrowings** | | |
| Term loan (secured) | 521 | 538 |
| Lease liabilities (unsecured) | 17,994 | 18,172 |
| Revolving credit (secured) | 155,454 | 116,821 |
| | 173,969 | 135,531 |

B8. DERIVATIVES

The Group did not enter any derivatives during the current quarter under review.

B9. MATERIAL LITIGATION

There are no litigation or arbitration which have a material effect on the financial position of the Group. The Board of Directors is not aware of any pending proceedings or of any fact likely to give rise to any proceedings as at the date of this financial report.

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B10. DIVIDEND PROPOSED/PAID

Save as disclosed below, no further dividend was proposed or paid:

- On 26 February 2026, the Company declared a forth interim single-tier dividend of 0.25 sen per ordinary share, amounting to RM1,920,500, in respect of the financial year ended 31 December 2025. The dividend was paid on 31 March 2026 to shareholders whose names appeared in the Record of Depositors on 13 March 2026.

- On 13 May 2026, the Company declared a first interim single-tier dividend of 0.5 sen per ordinary share, amounting to RM3,841,000, in respect of the financial year ending 31 December 2026. The dividend will be paid on 31 July 2026 to shareholders whose names appear in the Record of Depositors on 20 July 2026.

B11. EARNING PER SHARES ("EPS")

| | | INDIVIDUAL QUARTER | | CUMULATIVE QUARTER | |
|---|---|---|---|---|---|
| | Unit | 31.3.2026 | 31.3.2025 | 31.3.2026 | 31.3.2025 |
| Profit attributable to owners of the Company | RM'000 | 9,043 | 6,253 | 9,043 | 6,253 |
| Weighted average number of ordinary shares in issue | '000 | 768,200 | 768,200 | 768,200 | 768,200 |
| Basic/Diluted EPS (1) | sen | 1.18 | 0.81 | 1.18 | 0.81 |

Note:
(1) 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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B12. NET ASSETS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDER

| | Unit | Unaudited As at 31.3.2026 | Audited As at 31.12.2025 |
|---|---|---|---|
| Net assets attributable to ordinary equity holders | RM'000 | 285,151 | 278,029 |
| Number of ordinary shares in issue | '000 | 768,200 | 768,200 |
| Net assets per share attributable to ordinary equity holders | RM | 0.37 | 0.36 |

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

**BY ORDER OF THE BOARD**
**PAPPAJACK BERHAD**
**13 MAY 2026**

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