

# **ORGABIO HOLDINGS BERHAD**

Registration No: 201801016797 (1278813-M)
UNAUDITED INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER ENDED
30 SEPTEMBER 2024



Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income<sup>(1)</sup>

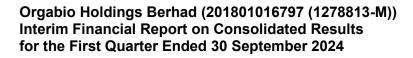
	_	INDIVIDUAL QUARTER		CUMULATIVE QUARTER		
	Note	Current Quarter 30.09.2024 Unaudited RM'000	Preceding Year Corresponding Quarter 30.09.2023 Unaudited RM'000	Current Period-to-date 30.09.2024 Unaudited RM'000	Preceding Period-to-date 30.09.2023 Unaudited RM'000	
Revenue	_	23,441	12,150	23,441	12,150	
Cost of sales		(18,908)	(9,930)	(18,908)	(9,930)	
Gross profit	_	4,533	2,220	4,533	2,220	
Other income		175	77	175	77	
Selling and distribution expenses		(23)	(4)	(23)	(4)	
Administration expenses		(1,929)	(1,808)	(1,929)	(1,808)	
Other expenses		(856)	(197)	(856)	(197)	
Finance costs		(148)	(155)	(148)	(155)	
Loss of allowance on trade receivables		(37)	(1)	(37)	(1)	
Profit before tax	-	1,715	132	1,715	132	
Tax expense		(645)	(86)	(645)	(86)	
Net profit after tax	B5	1,070	46	1,070	46	
Other comprehensive income for the financial period, net of tax	_	, 	<u>-</u>	<u> </u>		
Total comprehensive income for the financial period	_	1,070	46	1,070	46	
Total comprehensive Income for the financial period attributable to:	_					
Owners of the Company	_	1,070	46	1,070	46	
Earning per share ("EPS")	_					
Basic (sen) <sup>(2)</sup>	B11	0.43	0.02	0.43	0.02	
Diluted (sen)	B11	0.43	0.02	0.43	0.02	
	=					



#### Notes:

- (1) The basis for the preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.
- Basic EPS for the current quarter and preceding year corresponding quarter is calculated based on the weighted average number of ordinary shares 247,868,000 in issue as at 30 September 2024 (30 September 2023 : 247,868,000 shares). Basis EPS for the current period-to-date and preceding period-to-date is calculated based on the weighted average number of ordinary shares 247,868,000 in issue as at 30 September 2024 (30 September 2023: 247,868,000 shares).

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## Unaudited Condensed Consolidated Statement of Financial Position<sup>(1)</sup>

	As at 30.09.2024	As at 30.06.2024
	Unaudited	Audited
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, plant and equipment	39,068	34,874
Investment properties	3,238	3,258
Total Non-Current Assets	42,306	38,132
Current Assets		
Inventories	13,602	14,028
Trade receivables	13,528	8,809
Other receivables	1,928	1,906
Tax recoverable	1,395	1,469
Cash and cash equivalents	9,300	13,065
Total Current Assets	39,753	39,277
TOTAL ASSETS	82,059	77,409
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	43,647	43,647
Merger deficit	(14,186)	(14,186)
Retained earnings	27,397	26,327
TOTAL EQUITY	56,858	55,788

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## Unaudited Condensed Consolidated Statement of Financial Position<sup>(1)</sup> (Continued)

	30.09.2024	30.06.2024
	Unaudited RM'000	Audited RM'000
LIABILITIES		
Non-Current Liabilities		
Borrowings	7,369	7,805
Lease liabilities	543	382
Deferred tax liabilities	72	72
Total Non-Current Liabilities	7,984	8,259
Current Liabilities		
Trade payables	8,752	7,979
Other payables	5,572	3,948
Borrowings	2,491	1,107
Lease liabilities	402	328
Total Current Liabilities	17,217	13,362
TOTAL LIABILITIES	25,201	21,621
TOTAL EQUITY AND LIABILITIES	82,059	77,409
Net assets per share attributable to owners of the Company (RM) <sup>(2)</sup>	0.23	0.22

#### Notes:

- (1) The basis for the preparation of the Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.
- Net assets per share is calculated based on the Company's number of ordinary shares as at 30 June 2024 of 247,868,000 shares (30 June 2023: 247,868,000 shares).





## Unaudited Condensed Consolidated Statement of Changes in Equity<sup>(1)</sup>

	<>		Distributable	
	Invested Equities / Share Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	Total Equity RM'000
At 1 July 2024	43,647	(14,186)	26,327	55,788
Total comprehensive income for the financial period	<u>-</u>	-	1,070	1,070
At 30 September 2024	43,647	(14,186)	27,397	56,858
At 1 July 2023	43,647	(14,186)	22,218	51,679
Total comprehensive income for the financial period		-	46	46
At 30 September 2023	43,647	(14,186)	22,264	51,725

#### Notes:

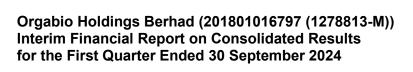
(1) The basis for the preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.



## Unaudited Condensed Consolidated Statement of Cash Flows(1)

## **Cumulative Financial Quarter Ended**

	Cumulative i mancial Q	uarter Lilueu
	Current	Preceding
	Period-to-date	Period-to-date
	30.09.2024	30.09.2023
	Unaudited	Unaudited
_	RM'000	RM'000
OPERATING ACTIVITIES		
Profit before tax	1,715	132
Adjustments for:		
Depreciation of property, plant and equipment	388	389
Depreciation of right-of-use assets	113	195
Depreciation of investment properties	20	20
Interest income	(67)	(37)
Interest expenses	148	155
Inventories written off	~	7
Loss allowance on trade receivables	37	~
Unrealised loss on foreign exchange	259	22
Operating profit before working capital changes	2,613	883
Changes in working capital:		
Inventories	426	(2,159)
Receivables	(5,156)	(337)
Payables _	2,701	(469)
Cash generated from/ (used in) operations	583	(2,082)
Net tax paid _	(572)	(334)
Net cash generated/ (used in) operating activities _	11	(2,416)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,368)	(2,435)
Interest received	67	37
Net cash used in investing activities	(4,301)	(2,398)





## Unaudited Condensed Consolidated Statement of Cash Flows<sup>(1)</sup> (Continued)

## **Cumulative Financial Quarter Ended**

	Odinalative i mancial Quarter Ended		
	Current	Preceding	
	Period-to-date	Period-to-date	
	30.09.2024	30.09.2023	
	Unaudited	Unaudited	
	RM'000	RM'000	
FINANCING ACTIVITIES			
Interests paid	(148)	(155)	
Repayment of lease liabilities	(91)	(216)	
Net repayment/(drawdowns) of borrowings	948	(140)	
Net cash generated from/(used in) financing			
activities	709	(511)	
CASH AND CASH EQUIVALENTS			
Net changes	(3,581)	5,325	
At the beginning of the financial period	13,065	18,700	
Effects on foreign exchange translation differences	(184)	17	
At the end of the financial period	9,300	13,392	
Represented by:-			
Tropicoonica sy.			
CASH AND CASH EQUIVALENTS			
Cash and bank balances	8,853	8,376	
Income fund with a licensed financial institution	447	5,016	
	9,300	13,392	

#### Notes:

The basis for the preparation of the Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 as disclosed in the Annual Report and the accompanying explanatory notes attached to this condensed interim financial report.

<sup>(2) ~</sup> Represent Less than RM 1,000.00



#### A. EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING

### A1. Basis of Preparation

The condensed interim financial report of Orgabio and its subsidiaries (collectively known as "the Group") have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") 134: *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRS") and Rule 9.22 and Appendix 9B of the ACE Market's Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

This condensed interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 30 June 2024 as disclosed in the Annual Report of the Company, and the accompanying explanatory notes are an integral part of this condensed interim financial report.

### A2. Significant Accounting Policies

The accounting policies adopted by the Group in the preparation of this condensed interim financial report are consistent with those adopted as disclosed in the Group's audited financial statements for the financial year ended 30 June 2024 in the Annual Report of the Company, except for the adoption of amended MFRSs and IC Interpretations which are relevant to its operations and effective for the financial period beginning on or after 1 July 2024. The adoptions of these amended MFRSs and IC Interpretations have no material impact on the condensed interim financial report of the Group.

At the date of authorisation for the issuance of this condensed interim financial report, MASB has approved certain new standards, amendments and interpretations to existing standards, which are not yet effective and have not been early adopted by the Group. The management anticipates that all the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncements. New standards, amendments, and interpretations to existing standards are not expected to have a material impact on the Group's condensed interim financial report of the Group.

## A3. Auditors' Report on Preceding Annual Financial Statements

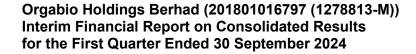
The audited financial statements of the Group for the financial year ended 30 June 2024 was not subject to any audit qualifications.

## A4. Seasonal or Cyclical Factors

The Group does not experience any significant fluctuation in business operations due to seasonal or cyclical factors as the demand for our products and services are neither subject to seasonal nor cyclical variations.

#### A5. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature in size or incidence during the current financial quarter and period-to-date under review.





# A EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

## A6. Changes in Estimates

There were no material changes in the estimates of amounts reported that have a material effect on the results for the current financial quarter under review.

#### A7. Debt and Equity Securities

There were no issuance, cancellation, repurchase, resale or repayment of debt and equity in the current financial quarter under review.

#### A8. Dividend Paid

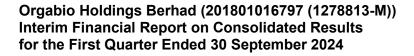
There was no dividend paid for the current financial quarter and financial period-to-date under review.

## A9. Segmental Reporting

	Current Quarter			Cumulative Quarter			
	Current Quarter Unaudited 30.09.2024 RM'000	Preceding year Corresponding Quarter Unaudited 30.09.2023 RM'000	Variance RM'000	Current Period-to- date Unaudited 30.09.2024 RM'000	Preceding Period-to- date Unaudited 30.09.2023 RM'000	Variance RM'000	
Revenue By Bus	iness Activitie	es:					
Provision of instant beverage premixes manufacturing services for third party brand owners Trading – others <sup>(1)</sup>	23,258 183	11,996 154	11,262 29	23,258 183	11,996 154	11,262 29	
Total	23,441	12,150	11,291	23,441	12,150	11,291	
Revenue by Geo Domestic Overseas	graphical Mar 12,977 10,464	ket: 5,035 7,115	7,942 3,349	12,977 10,464	5,035 7,115	7,942 3,349	
Total	23,441	12,150	11,291	23,441	12,150	11,291	
•							

### Note:

<sup>(1)</sup> Comprise of trading of house brands' instant beverage premixes and sale of aloe vera gel.





# A EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

## A10. Valuation of Property, Plant and Equipment and Investment Properties

There were no valuations of property, plant and equipment and investment properties during the current financial quarter under review.

#### A11. Material Events Subsequent to the End of the Current Financial Period

There were no material events subsequent to the end of the current financial quarter under review.

## A12. Changes in the Composition of the Group

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

### A13. Changes in Contingent Liabilities or Contingent Assets

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

#### 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.

	As at	As at
	30.09.2024	30.06.2024
	Unaudited	Audited
	RM'000	RM'000
Authorised and contracted for:		
Plant, equipment and software	882	946
Construction of a new factory	7,375	7,114
Total	8,257	8,060



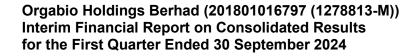


# A. EXPLANATORY NOTES PURSUANT TO MFRS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

## A15. Related Party Transactions

The Group has the following significant transactions with the related parties during the financial quarter under review:

·		CURRE	<b>CURRENT QUARTER</b>		VE QUARTER
		Current Quarter 30.09.2024	Preceding Year Corresponding Quarter 30.09.2023	Current Period-to-date 30.09.2024	Preceding Period-to-date 30.09.2023
Related parties	Nature of transactions	RM'000	RM'000	RM'000	RM'000
Ean Yong Hien Voon	Rental of a single-storey terrace house as workers' hostel	1	1	1	1
Hai-O Enterprise Berhad	Sale of beverage premixes products by Orgapharma Marketing Sdn. Bhd.	1,876	367	1,876	367





#### **B1.** Review of Group's Performance

	INDIVIDUAL QUARTER			CUMULATI		
	Current Quarter Unaudited 30.09.2024	Preceding Year Corresponding Quarter Unaudited 30.09.2023	Variance	Current Period-to-date Unaudited 30.9.2024	Preceding Period-to-date Unaudited 30.09.2023	Variance
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	23,441	12,150	11,291	23,441	12,150	11,291
Gross Profit	4,533	2,220	2,313	4,533	2,220	2,313
Profit / before tax	1,715	132	1,583	1,715	132	1,583

#### (i) Results for the current financial quarter and Current period-todate

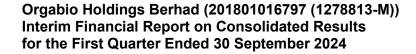
The Group's revenue for the current financial quarter increased by 93% compared to the preceding year's corresponding quarter. The significant growth was primarily driven by heightened demand from both domestic and overseas customers for instant beverage manufacturing services for third-party brand owners, with notable growth from local markets. Hence, the Group's gross profit increased by RM2.31 million and profit before tax increased by RM1.58 million compared to the preceding year's corresponding quarter. However, the impact of revenue growth and improvement in gross profit was narrowed by losses from realised and unrealised foreign exchange recorded for the current financial quarter resulting from the weakening of USD against RM.

### B2. Comparison with Immediate Preceding Quarter's Results

### **INDIVIDUAL QUARTER**

	30.09.2024	30.06.2024	Changes	
	RM'000	RM'000	RM'000	%
Revenue	23,441	20,904	2,537	12
Gross Profit	4,533	3,454	1,079	31
Profit before tax	1.715	1.421	294	21

The Group's revenue for the current financial quarter increased by 12%, primarily driven by higher demand from domestic markets for instant beverage premix manufacturing services for third-party brand owners. Consequently, the Group recorded improvements in gross profit and profit before tax compared to the immediate preceding financial quarter.





#### **B3.** Commentary on Prospects

The global instant beverage market is projected to grow significantly from USD 61.64 billion in 2023 to USD 103.75 billion by 2031, with a CAGR of 6.94% during the forecast period (source: www.researchandmarkets.com).

The instant beverage premix market in Malaysia is also expected to experience significant growth, driven by rising demand for convenience, longer shelf life, and consistent taste. The market is projected to expand from USD 521.65 million in 2022 to USD 835.85 million by 2029, with a CAGR of 6.97% (Source: www.researchandmarkets.com).

Based on these projections, the Group is optimistic about the growth in its instant premix beverage business. The Group will continue to enhance its performance in fulfilling secured orders while actively pursuing new domestic and overseas orders. Additionally, the Group's business operations are expected to expand with increased production capacity upon commencement of operations at its newly completed factory. This will enable the Group to drive future business growth with a diversified product portfolio, broaden its customer base, and venture into new markets.

#### **B4.** Variance of Actual Profits from Forecast Profits

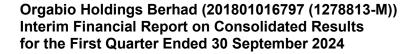
The Group did not issue any profit forecast or profit guarantee during the current financial quarter under review.

### **B5.** Tax Expense

	INDIVIDUAL QUARTER		CUMULATIVE	QUARTER
		<b>Preceding Year</b>		
	Current	Corresponding	Current	Preceding
	Quarter	Quarter	Period-to-date	Period-to-date
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
Current tax	645	86	645	86
Effective tax rate (%)	38	65	38	65
Statutory tax rate (%)	24	24	24	24

## Note:

(1) The Group's effective tax rate for the current financial quarter and current period-to-date was slightly higher than the statutory tax rate of 24%. The increase was mainly due to expenses not deductible for tax purposes and restrictions on tax-deductible interest expenses recognised for the current financial quarter and current period-to-date.





#### **B6.** Status of Corporate Proposals

Save as disclosed below, there were no other corporate proposals announced but not implemented as at the date of this interim condensed financial report:

On 2 October 2024, the Board of Directors of the Company announced that the Company has proposed to undertake the following proposals:

- (I) Proposed bonus issue of up to 61,967,000 free warrants in the Company ("Warrant(s)") on the basis of 1 Warrant for every 4 existing ordinary shares in the Company held on an entitlement date to be determined and announced later;
- (II) Proposed establishment of an employees' share scheme ("ESS") of up to 10% of the total number of issued shares (excluding treasury shares, if any) of the Company at any point in time during the duration of the ESS.

(The above proposals are collectively hereinafter referred to as the "Proposals")

The application for the Proposals was submitted to Bursa Securities on 15 October 2024 and received approval from Bursa Securities on 27 November 2024. As the date of this report, the Proposals is currently pending for the shareholders' approval at an extraordinary general meeting.

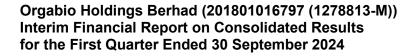
#### B7. Use of Proceeds From Initial Public Offering ("IPO")

The gross proceeds of approximately RM29.97 million raised from the IPO are intended to be utilised in the following manner:

Detail of Utilisation	Estimated Timeframe for the Utilisation	Proposed Utilisation <sup>(2)</sup> RM'000	Actual Utilisation RM'000	Unutilised Amount RM'000
Construction of new factory <sup>(1)</sup>	31 Dec 2024	16,000	16,000	-
Acquisition of machinery	30 April 2024	2,230	2,230	-
Working capital	12 months	8,137	8,137	-
Estimated listing expenses	1 month	3,600	3,600	
	Total	29,967	29,967	

## Notes:

(1) On 27 December 2023, the Company had announced that the Board has resolved to extend the timeframe for the utilisation of the proceeds raised from its IPO exercise in conjunction with the listing of the Company on the ACE Market of Bursa Securities on 5 July 2022. The Board has resolved to extend the timeframe for the utilisation of IPO proceeds earmarked for the construction of a new factory to 31 December 2024.





(2) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 15 June 2022 and the announcement for the extension of the timeframe for the utilisation of IPO proceeds dated 27 December 2023.

#### **B8.** Borrowings

The details of the Group's borrowings are as follows:

	As at 30.09.2024	As at 30.06.2024
	Unaudited	Audited
	RM'000	RM'000
Current liabilities		
Secured:-		
Banker Acceptance	1,556	446
Term loan	935	661
	2,491	1,107
Non-current liabilities Secured:-		
Term loan	7,369	7,805
Total borrowings	9,860	8,912

## B9. Material Litigation

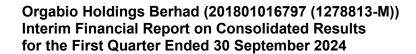
Save as disclosed below, there is no other material litigation, claims or arbitration, either as plaintiff or defendant, and the Board is not aware and does not have any knowledge of any proceedings pending or threatened against the Group, or of any facts likely to give rise to any proceedings, which might materially or adversely affect the financial position or business of the Group:

(a) Orgabio Manufacturing Sdn Bhd ("OMSB" or the "Plaintiff") vs Jinjiang Yeeka Commercial Trading Co Ltd ("1st Defendant") and Yee Chin Wee ("2nd Defendant") (collectively, the "Defendants")

On 20 August 2024, OMSB filed the Writ of Summons and Statement of Claim at the Kuala Lumpur Sessions Court against the Defendants to claim for a debt arising from the supplies of products to the 1<sup>st</sup> Defendant, amounting to RM 422,824.18. It is the Plaintiff's position that the outstanding sum of RM422,824.18 was personally guaranteed by the 2<sup>nd</sup> Defendant, hence he was sued as a party in this suit.

OMSB sought the following reliefs against the Defendants:

(i) that the Defendants jointly and severally liable to pay the sum of RM422,824.18 to the Plaintiff (being a sum of RM321,694,63 for the purchase of custom-made packaging materials incurred by the Plaintiff and a sum of RM101,129,55 for the balance outstanding sum for the purchase of products and the balance sum of the miscellaneous charges);





- (ii) pre-judgment interest of 1.5% per month upon the sum of RM101,129.55 to the Plaintiff commencing from 1 November 2021 until the date of judgment;
- (iii) post-judgment interest of 5% per annum upon the sum of RM422,824.18 from the date of the judgment until the full settlement thereof;
- (iv) costs; and
- (v) such further and other relief as deemed fit and appropriate by the Court.

As at the current financial period under review, no trial dates have been fixed for this matter.

The Board is of the opinion that Orgabio has a fair chance of success.

#### B10. Dividend

The Board has not declared or recommended any dividend for the current financial quarter under review.

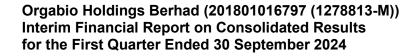
#### B11. EPS

The basic and diluted EPS for the current financial quarter and period-to-date are as follows:

	Individual Quarter		Cumulative Quarter	
	Current Quarter	Preceding Year Corresponding Quarter	Current Period-to-date	Preceding Period-to-date
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Profit attributable to Owners of the Company (RM'000)	1,070	46	1,070	46
Weighted average number of ordinary shares in issue ('000)	247,868	247,868	247,868	247,868
Basic EPS (sen)	0.43	0.02	0.43	0.02
Diluted EPS (sen) <sup>(1)</sup>	0.43	0.02	0.43	0.02

## Notes:

The diluted EPS of the Group for the current financial quarter and period-to-date ended 30 June 2024 is equivalent to the basic EPS as the Group does not have any potential dilutive equity instruments that would give a diluted effect to the basic EPS at the end of the reporting period.





# B12. Notes to Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Profit/(Loss) before tax was derived after (crediting)/charging of the following:

	Individual Quarter		<b>Cumulative Quarter</b>	
	Preceding Year		•	
	Current	Corresponding	Current	Preceding
	Quarter	Quarter	Period-to-date	Period-to-date
	Unaudited	Unaudited	Unaudited	Unaudited
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	RM'000	RM'000	RM'000	RM'000
After crediting:				
Interest income	(67)	(37)	(67)	(37)
Rental income	(46)	(36)	(46)	(36)
Sundry income	(13)	(4)	(13)	(4)
After charging:				
Depreciation of property, plant and equipment	388	389	388	388
Depreciation of right-of-use assets	113	195	113	113
Depreciation of investment properties	20	20	20	20
Loss allowance on trade receivables	37	~	37	~
Interest expenses	148	155	148	155
Unrealised loss on foreign exchange	259	22	259	22
Realised loss on foreign exchange	593	168	593	168

#### Notes:

#### **B13.** Authorisation for Issue

The condensed interim financial report was authorised for issue by the Board of Directors on 28 November 2024.

<sup>(1) ~</sup> Represent less than RM 1,000