



BIOALPHA HOLDINGS BERHAD
(Registration No: 201101021398 (949536-X))
(“BHB” OR THE “COMPANY”)

**INTERIM FINANCIAL REPORT FOR THE
FIRST (1st) QUARTER ENDED 31 MARCH 2025**

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025

	<--- Individual Quarter ---->		<---- Cumulative Quarter ---->	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Revenue	2,462	7,222	2,462	7,222
Cost of sales	(3,420)	(7,112)	(3,420)	(7,112)
Gross (loss)/profit	(958)	110	(958)	110
Other incomes	735	539	735	539
Administrative expenses	(2,115)	(8,904)	(2,115)	(8,904)
Net (loss)/gain on impairment of financial assets	(3,324)	1,113	(3,324)	1,113
Loss from operations	(5,662)	(7,142)	(5,662)	(7,142)
Finance costs	(101)	(123)	(101)	(123)
Loss before taxation	(5,763)	(7,265)	(5,763)	(7,265)
Taxation	150	-	150	-
Share of profit/(loss) of associated company	12	(6)	12	(6)
Loss for the financial period	<u>(5,601)</u>	<u>(7,271)</u>	<u>(5,601)</u>	<u>(7,271)</u>
Loss for the financial period attributable to:				
- Owners of the parent	(5,548)	(6,988)	(5,548)	(6,988)
- Non-controlling interests	(53)	(283)	(53)	(283)
	<u>(5,601)</u>	<u>(7,271)</u>	<u>(5,601)</u>	<u>(7,271)</u>
Earnings per share attributable to owners of the parent (sen):				
- Basic	(0.394)	(0.497)	(0.394)	(0.497)
- Diluted	(0.359)	(0.452)	(0.359)	(0.452)

Notes:

The unaudited condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements of BHB for the financial year ended ("FYE") 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Unaudited As at 31 Mar 2025 RM'000	Audited As at 31 Dec 2024 RM'000
NON-CURRENT ASSETS		
Property, plant and equipment	31,600	32,875
Intangible assets	37,074	37,634
Investment in associates	12	-
	68,686	110,389
CURRENT ASSETS		
Biological assets	129	95
Inventories	3,928	3,699
Trade receivables	1,478	1,044
Other receivables	1,963	1,650
Tax recoverable	370	297
Other investments	22,421	25,966
Fixed deposits with licensed banks	2,631	3,631
Cash and bank balances	6,020	7,160
Assets of disposal group classified as held for sale	-	4,940
	38,940	48,482
TOTAL ASSETS	107,626	118,991
EQUITY		
Share capital	186,191	186,191
Reserves	(94,654)	(87,847)
Equity attributable to owners of the parent	91,537	98,344
Non-controlling interests	(657)	(628)
TOTAL EQUITY	90,880	97,716
NON-CURRENT LIABILITIES		
Lease liabilities	3,703	3,727
Bank borrowings	569	595
Deferred tax liabilities	3,864	3,864
	8,136	8,186

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025 (CONT'D)

	Unaudited As at 31 Mar 2025 RM'000	Audited As at 31 Dec 2024 RM'000
CURRENT LIABILITIES		
Trade payables	457	1,918
Other payables	5,270	3,873
Contract liabilities	1,633	1,533
Lease liabilities	711	618
Bank borrowings	539	387
Liabilities of disposal group classified as held for sale	-	4,760
	8,610	13,089
TOTAL LIABILITIES	16,746	21,275
TOTAL EQUITY AND LIABILITIES	107,626	118,991
NET ASSETS PER SHARE (sen)	6.46 ⁽¹⁾	7.75 ⁽²⁾

Notes:

(1) Based on 1,406,491,096 ordinary shares in BHB as at 31 March 2025.

(2) Based on 1,406,491,096 ordinary shares in BHB as at 31 December 2024.

The unaudited condensed consolidated statement of financial position should be read in conjunction with the Audited Financial Statements of BHB for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025

	Attributable to owners of the Company							Non-Distributable		
	Share Capital	ICPS	Warrant Reserve	SIS Option Reserve	Merger Deficits	Foreign Currency Translation Reserve	Accumulated losses	Total	Non-Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	186,191	2,890	-	803	(4,569)	3,687	(61,634)	127,368	2,265	129,633
Continuing operations										
Loss for the financial year	-	-	-	-	-	-	(54,397)	(54,397)	(1,941)	(56,338)
Acquisition of non-controlling interest	-	-	-	-	-	-	-	-	(97)	(97)
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(1,083)	(1,083)
Foreign currency translation reserves	-	-	-	-	-	1,117	-	1,117	227	1,344
Total comprehensive loss	-	-	-	-	-	1,117	(54,397)	(53,280)	(2,894)	(56,174)
Discontinuing operations										
Loss for the financial year	-	-	-	-	-	-	5,844	5,844	-	5,844
Total comprehensive loss	-	-	-	-	-	-	5,844	5,844	-	5,844
Transactions with owners										
Issuance of warrants	-	-	18,413	-	-	-	-	-	-	-
	-	-	18,413	-	-	-	-	18,413	-	18,413
Balance as at 31 December 2024	186,191	2,890	18,413	803	(4,569)	4,804	(110,187)	98,345	(629)	97,716

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

	----- Attributable to owners of the Company ----->						----- Non-Distributable ----->			
	Share Capital	ICPS	Warrant Reserve	SIS Option Reserve	Merger Deficits	Foreign Currency Translation Reserve	Accumulated losses	Total	Non- Controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2025	186,191	2,890	18,413	803	(4,569)	4,804	(110,187)	98,345	(629)	97,716
Loss for the financial year	-	-	-	-	-	-	(5,548)	(5,548)	(53)	(5,601)
Foreign currency translation reserves	-	-	-	-	-	(1,260)	-	(1,260)	25	(1,235)
Total comprehensive loss	-	-	-	-	-	(1,294)	(5,548)	(6,808)	(28)	(6,836)
Transactions with owners	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	186,191	2,890	18,413	803	(4,569)	3,544	(115,735)	91,537	(657)	90,880

Note:

The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements of BHB for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025

	Unaudited Current Period to date 31 Mar 2025 RM'000	Unaudited Preceding Corresponding Period to date 31 Mar 2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(5,763)	(7,265)
Adjustments for:		
Amortisation of intangible assets	28	670
Amortisation of deferred capital grant	(1)	(8)
Amortisation of right-of-use assets	72	256
Bad debt written off	-	3,105
Depreciation of property, plant and equipment	1,408	1,834
Gain on disposal of subsidiary	(436)	(44)
Fair value gain on biological assets	(34)	-
Fair value loss on quoted shares investments	3,545	1,859
Impairment losses on other receivables	-	133
Property, plant and equipment written off	3	-
Reversal of impairment losses on trade receivables	(188)	(3,105)
Interest expense	101	123
Interest income	(28)	(57)
Unrealised (gain)/loss on foreign exchange	(12)	1
Operating loss before working capital changes	(1,305)	(2,498)
Changes in working capital:		
Bill payables	158	(742)
Contract liabilities	483	334
Inventories	(229)	(890)
Trade receivables	(433)	(537)
Other receivables	(598)	227
Trade payables	(1,461)	452
Other payables	1,018	4,113
Cash (used in)/from operations	(2,367)	459
Interest paid	(7)	-
Interest received	28	57
Tax paid	(15)	(1)
Tax refund	93	-
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	(2,268)	515

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

	Unaudited Current Period to date 31 Mar 2025 RM'000	Unaudited Preceding Corresponding Period to date 31 Mar 2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in quoted shares investment	-	(9,601)
Purchase of property, plant and equipment	(9)	(1,268)
Proceeds from disposal of subsidiary companies	180	144
Net cash outflows arising from disposal of subsidiary	(48)	(197)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	123	(10,922)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in fixed deposit pledged and maturity more than 3 months	-	114
Drawdown of lease liabilities	-	194
Repayment of lease liabilities	(182)	(286)
Repayment of term loans	(33)	(1,246)
Proceeds from issue of warrant	-	18,413
Interest paid	(42)	(123)
NET (USED IN)/CASH FROM FINANCING ACTIVITIES	(257)	17,066
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,402)	6,659
EFFECT OF EXCHANGE TRANSLATION DIFFERENCES	215	4,616
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	7,207	10,424
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	5,020	21,699
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISES:		
Cash and bank balances	6,020	9,199
Fixed deposits with licensed banks	2,631	13,404
	8,651	22,603
Less: Fixed deposits pledged with licensed banks	(1,431)	(904)
Less: Fixed deposits maturity more than 3 months	(2,200)	-
	5,020	21,699

Note:

The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements of BHB for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025

A1. Accounting policies and methods of computation

The condensed consolidated interim financial statements are unaudited and have been prepared in accordance with the Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting, paragraph 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

The condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Company for the FYE 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.

The financial information presented herein has been prepared in accordance with the accounting policies to be used in preparing the annual consolidated financial statements for the FYE 31 December 2024 under the MFRS framework. These policies do not differ significantly from those used in the audited consolidated financial statements for the FYE 31 December 2024 except as disclosed below:

Standard and amendments to published standards that are effective

On 1 January 2025, the Group applied the following new published standard and amendments to published standards:

- Amendments to MFRS 16, Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Non-current Liabilities with Covenants
- Amendments to MFRS 107 and MFRS 7, Supplier Finance Arrangements
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-Current

The adoption of the above amendments to published standards did not have any significant impact on the current period or any prior period and is not likely to affect future periods.

Standards issued but not yet effective:

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standard Board (“**MASB**”) where the effective has been deferred to a date to be determined by MASB and have not been applied by the Group:

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A1. Accounting policies and methods of computation (Cont'd)

Standards issued but not yet effective (Cont'd):

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 1	Annual Improvement to MFRS	1 January 2026
MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Accounting Standards – Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7	Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contract Referencing Nature- dependent Electricity	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 18	Subsidiaries without Public Accountability; Disclosure	1 January 2027
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	To be confirmed

A2. Auditors' report of preceding annual financial statements

There was no qualification to the audited consolidated financial statements of the Company for the FYE 31 December 2024.

A3. Seasonal or cyclical factors

The Group's operations are not subject to any significant seasonal or cyclical factors.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A4. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter and financial period-to-date.

A5. Material changes in estimates

There were no material changes in estimates of amounts reported in prior interim periods or prior year that would have a material effect on the current quarter's results.

A6. Debt and equity securities

There was no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial period-to-date.

A7. Segmental information

The Group's revenue based on the geographical location of its customers is presented as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Malaysia	2,363	6,550	2,363	6,550
China	-	621	-	621
Others	99	51	99	51
Total	2,462	7,222	2,462	7,222

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A7. Segmental information (Cont'd)

The Group's revenue based on the activities is presented as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Manufacturing	2,462	3,162	2,462	3,162
Supply of health foods	-	621	-	621
Retail pharmacies	-	3,439	-	3,439
Total	2,462	7,222	2,462	7,222

A8. Valuation of property, plant and equipment

The Group has not carried out any valuation of its property, plant and equipment in the current quarter.

A9. Capital commitments

	Unaudited Current quarter ended 31 Mar 2025 RM'000	Audited Financial year-to- date 31 Dec 2024 RM'000
Authorised and contracted for:		
Purchase of property, plant and equipment	4,500	4,500

A10. Changes in the composition of the Group

On 1 January 2025, Mediconstant Holding Sdn Bhd ceased to be subsidiary of Botanical Distribution Sdn Bhd by dispose off its 100% equity interest comprising 5,150,000 ordinary shares for a total cash consideration of RM180,000/=.

Other than the above, there were no other major changes in the composition of the Group during the period ended 31 December 2024.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

A11. Contingent liabilities

	Unaudited Current quarter ended 31 Mar 2025 RM'000	Audited Financial year-to- date 31 Dec 2024 RM'000
Unsecured:		
Performance bonds in relation to the management of Herbal Integrated Cluster Development	200	200

A12. Material events subsequent to the end of the quarter

There were no other material events subsequent to the end of the current quarter and financial period-to-date that have not been reflected in this interim financial report.

A13. Related party transactions

There was no additional related party transaction entered into with related parties during the current financial quarter.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

B1. Analysis of performance

The Group's current quarter revenue for the financial period ended 31 March 2025 ("**1QFY25**") amounted to RM2.5 million, as compared to RM7.2 million in the preceding year's corresponding quarter ("**1QFY24**"). The softer performance was primarily due to lower volume order from customers due to soft consumer sentiments, contract cessation of the Group's supply of health foods operations in China, and disposal of retail pharmacies business.

Further analyses of the performance of the Group's operating segments are as follows:

(i) Manufacturing of nutritional products

In 1QFY25, revenue for our manufacturing operations decreased by 21.9% year-on-year ("**YoY**") to RM2.5 million (1QFY24: RM3.2 million). Specifically, domestic manufacturing turnover amounted to RM2.4 million (1QFY24: RM3.1 million), which was attributed to lower volume order from costumers due to soft consumer sentiments.

(ii) Supply of health foods

In 1QFY25, no revenue was recorded for the Group's supply of health foods business to China, against RM0.6 million in 1QFY24, mainly due to the cessation of the health food supply contract with the China counterparts.

(iii) Retail pharmacies

In 1QFY25, no revenue was recorded for the retail pharmacy division, compared with RM3.4 million in 1QFY24, as the Company have disposed retail pharmacy business in January 2025.

During the quarter under review, the Group's gross loss amounted to RM1.0 million, compared to a gross profit of RM0.1 million in 1QFY24. as a result of the decrease in revenue as compared with 1QFY24. Consequently, net loss attributable to the owners of the parent ("**net loss**") narrowed to RM5.5 million in 1QFY25 (1QFY24: net loss of RM7.3 million).

Comparison with immediate preceding quarter's results

The Group's revenue for the 1QFY25 amounted to RM2.5 million, as compared to RM17.1 million in the fourth (4th) quarter ended 31 December 2024.

In 1QFY25, the Group's manufacturing segment generated RM2.5 million in revenue, vis-à-vis RM3.3 million in 4QFY24, which was attributed to lower volume order from costumers due to soft consumer sentiments. Meanwhile, no turnover for the Group's supply of health foods to China in 1QFY25 (4QFY24: RM8.5 million) due to cessation of the health food supply contract in China. For our retail pharmacy business, no revenue came in 1QFY25 (4QFY24: RM5.2 million) as the Company have disposed the retail pharmacy business.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

B1. Analysis of performance (Cont'd)

Comparison with immediate preceding quarter's results (Cont'd)

Net loss for 1QFY24 improved to RM5.5 million from RM22.1 million in the preceding quarter, primarily due to several impairments being recorded in 4Q2024, namely those that relates to financial assets; property, plant and equipment; intangible assets; investment in associate; as well as goodwill

B2. Prospects for the financial year ending 31 December 2025

The global economic climate for 2025 remains complex, with heightened geopolitical tensions and lingering economic uncertainties. Nonetheless, the gradual easing of inflationary pressures suggests a potential path towards recovery.

At Bioalpha, we continue to focus on our business strategies, and optimising costs to navigate external headwinds and seize emerging opportunities.

Agriculture remains an important part of Bioalpha as the Company shall focus more on both farms in Terengganu and Johor to produce high quality agro-products to customers and to supply our manufacturing arm.

Bioalpha remains committed to focus on its manufacturing operations, especially on the domestic front, by leveraging resources to expand our offerings with products promising benefit that are in high market demand. At the same time, we are working to secure additional Original Design Manufacturing ("ODM") customers.

Bioalpha is also embarking on the development of an 8-acre agro park in Langkawi, Kedah. This project aims to boost agro-tourism in the region and generate new revenue streams for Bioalpha through the commercialization of high-value herbal products. Development has already commenced, with a targeted opening within the next three years.

As we navigate through 2025, the Group shall stay adaptable and resolute in carrying out our strategic initiatives, while maintaining cost efficiency. All in all, we believe that FY2025 performance to be supported by positive contributions from all our segments, barring unforeseen circumstances.

B3. Profit forecast or profit guarantee

The Group has not issued any profit forecast or profit guarantee in any public documents.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

B4. Foreign Exchange Exposure / Hedging policy

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are United States Dollar (“USD”), Chinese Renminbi (“CNY”), Hong Kong Dollar (“HKD”), Indonesian Rupiah (“IDR”) and Singapore Dollar (“SGD”).

The Group have not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

B5. Taxation

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Tax expense recognised in profit or loss:				
- Current tax provision	(150)	-	(150)	-
Effective tax rate (%)	-	-	-	-

Bioalpha East Coast Agro Sdn Bhd (“**BECASB**”), another wholly-owned subsidiary of the Group, was awarded tax incentive by the Malaysian Investment Development Authority, which allows BECASB to enjoy 100% tax exemption on income after commercial production date is determined by the relevant authorities for a period of ten (10) years.

Bioalpha R&D Sdn Bhd (“**BRDSB**”), a wholly-owned subsidiary of the Group, was awarded BioNexus Status by the Malaysian Bioeconomy Development Corporation Sdn Bhd, which allows BRDSB to enjoy 100% tax exemption on income from qualifying activities for a period of ten (10) years ended 30 June 2018 and 20% concessionary tax rate on statutory income (10) years, start from year ended 2023 to 2032.

Bioalpha (Johor Herbal) Sdn Bhd (“**BJHSB**”), another subsidiary of the Group, was awarded an incentive by Ministry of Agriculture and Agro-Based Industry Malaysia, which allows BJHSB to enjoy 100% tax exemption on income for a period of ten (10) years commencing from 1 January 2018.

Bioalpha (Hainan) Health Biotechnology Ltd (“**BHHBL**”), another subsidiary of the Group which incorporated at China are taxed at the statutory rate of 15% on their chargeable incomes.

Meanwhile, the Group’s other subsidiaries are taxed at the statutory rate of 24% on their chargeable incomes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

B6. Trade receivables

	Unaudited 31 Mar 2025 RM'000
Trade receivables	7,454
Less: Accumulated impairment losses	(5,976)
	<u>1,478</u>

The Group's normal trade credit terms ranged from 30 to 180 days. Other credit terms are assessed and approved on a case-to-case basis. Trade receivables are recognised at their original invoice amounts which represent their fair value on initial recognition.

B7. Borrowings

The Group's borrowings as at 31 March 2025 are as follows:

	Short term RM'000	Long term RM'000	Total RM'000
Secured			
Bankers' acceptance	435	-	435
Term loans	104	569	673
Total bank borrowings	<u>539</u>	<u>569</u>	<u>1,108</u>

	Unaudited 31 Mar 2025 RM'000	Audited 31 Dec 2024 RM'000
Total bank borrowings	1,108	983
Less: Deposit, bank and cash balances	(8,651)	(10,790)
	<u>(7,543)</u>	<u>(9,807)</u>
Total equity	90,868	97,716
Gearing ratio (times)	*	*

Weighted average interest rate of term loans and bankers' acceptance are 4.00% p.a. and 4.87% p.a., and are subject to the floating interest rate and fixed interest rate, respectively.

* Gearing ratio not applicable for financial period ended 31 March 2025 and financial year ended 31 December 2024 as the cash and cash equivalent of the Group and of the Company are sufficient to settle the outstanding debts.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

B8. Material litigation

As at the date of this report, there is no litigation or arbitration, which has a material effect on the financial position of the Group, and the Board is not aware of any other proceedings pending or threatened or of any fact likely to give rise to any other proceedings.

B9. Dividends

The Board did not recommend any dividend during the financial period ended (“FPE”) 31 March 2025 (FYE 31 December 2024: Nil).

B10. Earnings per share

The basic earnings per share is calculated as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Net loss attributable to owners of the parent	(5,548)	(6,988)	(5,548)	(6,988)
Weighted average number of ordinary shares in issue ('000)	1,406,491	1,406,491	1,406,491	1,406,491
Basic earnings per share (sen)	<u>(0.394)</u>	<u>(0.497)</u>	<u>(0.394)</u>	<u>(0.497)</u>

The diluted earnings per share is calculated as follows:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Net loss attributable to owners of the parent	(5,548)	(6,988)	(5,548)	(6,988)
Weighted average number of ordinary shares in issue ('000)	1,546,900	1,546,900	1,546,900	1,546,900
Diluted earnings per share (sen)	<u>(0.359)</u>	<u>(0.452)</u>	<u>(0.359)</u>	<u>(0.452)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

Included in profit before taxation are the following expense/(income) items:

	Current quarter ended		Financial period-to-date	
	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000	Unaudited 31 Mar 2025 RM'000	Unaudited 31 Mar 2024 RM'000
Allowance for expected credit losses on other receivables	-	133	-	133
Reversal of allowance for expected credit losses trade receivables	(188)	(3,105)	(188)	(3,105)
Bad debts written off	-	3,105	-	3,105
Depreciation and amortisation expenses	1,506	2,752	1,506	2,752
(Gain)/Loss on foreign exchange				
- Realised	-	5	-	5
- Unrealised	(12)	1	(12)	1
Fair value (gain)/loss on:				
- Biological assets	(34)	-	(34)	-
- Quoted shares investments	3,545	1,859	3,545	1,859
Gain on disposal of subsidiary	(436)	(44)	(436)	(44)
Interest expenses	101	123	101	123
Interest income	(28)	(57)	(28)	(57)
Property, plant and equipment written off	3	-	3	-

There was no provision for gain or loss on disposal of properties and exceptional items for the current quarter and financial period-to-date.

BIOALPHA HOLDINGS BERHAD (Registration No: 201101021398 (949536-X))

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST (1st) QUARTER ENDED 31 MARCH 2025 (CONT'D)

C. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board in accordance with a resolution of the Board dated 27 May 2025

By Order of the Board,

Tan Tong Lang (MAICSA 7045482)

Thien Lee Mee (LS0010621)

Company Secretaries

Kuala Lumpur

Dated: 27 May 2025