



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

**INTERIM FINANCIAL REPORT FOR THE
SECOND (2nd) QUARTER ENDED 30 JUNE 2025**

| Contents | Page |
|--|-------------|
| Unaudited Condensed Consolidated Statement of Comprehensive Income | 1 |
| Unaudited Condensed Consolidated Statement of Financial Position | 2 |
| Unaudited Condensed Consolidated Statement of Changes in Equity | 4 |
| Unaudited Condensed Consolidated Statement of Cash Flows | 6 |
| Notes to the Unaudited Condensed Consolidated Financial Statements | 9 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2025

| | <--- Individual Quarter ----> | | <---- Cumulative Quarter ----> | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 |
| Revenue | 2,815 | 22,962 | 5,277 | 30,184 |
| Cost of sales | (3,221) | (22,894) | (6,642) | (30,006) |
| Gross (loss)/profit | (406) | 68 | (1,365) | 178 |
| Other income | 172 | 1,047 | 906 | 8,644 |
| Administrative expenses | (2,580) | (6,372) | (4,694) | (19,228) |
| Net loss on impairment of financial assets | (6,529) | (2,379) | (9,852) | (4,371) |
| Loss from operations | (9,343) | (7,636) | (15,005) | (14,777) |
| Finance costs | (52) | (195) | (154) | (318) |
| Loss before taxation | (9,395) | (7,831) | (15,159) | (15,095) |
| Taxation | - | (2) | 150 | (2) |
| Share of (loss)/profit of associated company | (4) | (4) | 8 | (2) |
| Loss for the financial period | <u>(9,399)</u> | <u>(7,837)</u> | <u>(15,001)</u> | <u>(15,099)</u> |
| Loss for the financial period attributable to: | | | | |
| - Owners of the parent | (9,346) | (7,406) | (14,871) | (14,668) |
| - Non-controlling interests | (53) | (431) | (130) | (431) |
| | <u>(9,399)</u> | <u>(7,837)</u> | <u>(15,001)</u> | <u>(15,099)</u> |
| Earnings per share attributable to owners of the parent (sen): | | | | |
| - Basic | (0.664) | (0.527) | (1.057) | (1.043) |
| - Diluted | (0.604) | (0.479) | (0.961) | (0.948) |

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 30 JUNE 2025

| | Unaudited As at 30 Jun 2025 RM'000 | Audited As at 31 Dec 2024 RM'000 |
|---|---|---|
| NON-CURRENT ASSETS | | |
| Property, plant and equipment | 30,182 | 32,875 |
| Intangible assets | 36,516 | 37,634 |
| Investments in associates | 8 | - |
| | <u>66,706</u> | <u>70,509</u> |
| CURRENT ASSETS | | |
| Biological assets | 132 | 95 |
| Inventories | 4,202 | 3,699 |
| Trade receivables | 1,444 | 1,044 |
| Other receivables | 1,918 | 1,650 |
| Tax recoverable | 346 | 297 |
| Other investments | 15,893 | 25,966 |
| Fixed deposits with licensed banks | 2,131 | 3,631 |
| Cash and bank balances | 4,303 | 7,160 |
| Assets of disposal group classified as held for sale | - | 4,940 |
| | <u>30,369</u> | <u>48,482</u> |
| TOTAL ASSETS | 97,075 | 118,991 |
| EQUITY | | |
| Share capital | 186,192 | 186,191 |
| Reserves | (103,971) | (87,847) |
| Equity attributable to owners of the parent | <u>82,221</u> | <u>98,344</u> |
| Non-controlling interests | (861) | (628) |
| TOTAL EQUITY | <u>81,360</u> | <u>97,716</u> |
| NON-CURRENT LIABILITIES | | |
| Lease liabilities | 3,621 | 3,727 |
| Bank borrowings | 542 | 595 |
| Deferred tax liabilities | 3,864 | 3,864 |
| | <u>8,027</u> | <u>8,186</u> |

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025
(CONT'D)**

| | Unaudited As at 30 Jun 2025 RM'000 | Audited As at 31 Dec 2024 RM'000 |
|--|---|---|
| CURRENT LIABILITIES | | |
| Trade payables | 747 | 1,918 |
| Other payables | 4,180 | 3,873 |
| Contract liabilities | 1,796 | 1,533 |
| Lease liabilities | 615 | 618 |
| Bank borrowings | 350 | 387 |
| Liabilities of disposal group classified as held for sale | - | 4,760 |
| | <u>7,688</u> | <u>13,089</u> |
| TOTAL LIABILITIES | <u>15,715</u> | <u>21,275</u> |
| TOTAL EQUITY AND LIABILITIES | <u>97,075</u> | <u>118,991</u> |
| NET ASSETS PER SHARE (sen) | 5.78 ⁽¹⁾ | 7.75 ⁽²⁾ |

Notes:

(1) Based on 1,406,491,385 ordinary shares in BHB as at 30 June 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 SECOND (2nd) QUARTER ENDED 30 JUNE 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 | - | - | - | - | - | - | - | - | (1,082) | (1,083) |
| Foreign currency translation reserves | - | - | - | - | - | 1,117 | - | 1,117 | 227 | 1,344 |
| Total comprehensive loss | - | - | - | - | - | 1,117 | (54,397) | (53,280) | (2,893) | (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 | (628) | 97,716 |

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 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 | (628) | 97,716 |
| Loss for the financial year | - | - | - | - | - | - | (14,871) | (14,871) | (130) | (15,001) |
| Foreign currency translation reserves | - | - | - | - | - | (1,253) | - | (1,253) | (103) | (1,355) |
| Total comprehensive loss | - | - | - | - | - | (1,253) | (14,871) | (16,124) | (233) | (16,356) |
| Transactions with owners | | | | | | | | | | |
| Conversion of ICPS | 1 | (1) | - | - | - | - | - | - | - | - |
| | 1 | (1) | - | - | - | - | - | - | - | - |
| Balance as at 30 June 2025 | 186,192 | 2,889 | 18,413 | 803 | (4,569) | 3,551 | (125,058) | 82,221 | (861) | 81,360 |

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 SECOND (2nd) QUARTER ENDED 30 JUNE 2025

| | Unaudited Current Period to date 30 Jun 2025 RM'000 | Unaudited Preceding Corresponding Period to date 30 Jun 2024 RM'000 |
|---|---|--|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (15,159) | (15,095) |
| Adjustments for: | | |
| Amortisation of intangible assets | 829 | 1,337 |
| Amortisation of deferred capital grant | (3) | (15) |
| Amortisation of biological assets and bearer plant | 12 | 1 |
| Amortisation of right-of-use assets | 208 | 568 |
| Bad debt written off | - | 7,015 |
| Deposit written off | 11 | - |
| Depreciation of property, plant and equipment | 2,473 | 3,676 |
| Fair value gain on biological assets | (37) | - |
| Fair value loss on quoted shares investments | 10,074 | 4,236 |
| Gain on disposal of subsidiary | (436) | (44) |
| Gain on disposal of property, plant and equipment | (119) | (51) |
| Allowance for expected credit losses | | |
| - Trade receivables | 3 | - |
| - Other receivables | - | 36 |
| Reversal of allowance for expected credit losses on trade receivables | (188) | (7,015) |
| Reversal of provision of slow-moving inventories | - | (610) |
| Property, plant and equipment written off | 35 | - |
| Interest expense | 154 | 318 |
| Interest income | (50) | (134) |
| Inventories written off | - | 608 |
| Unrealised (gain)/loss on foreign exchange | (13) | 17 |
| Operating loss before working capital changes | (2,206) | (5,152) |
| Changes in working capital: | | |
| Bill payables | (59) | (88) |
| Contract liabilities | 663 | 198 |
| Inventories | (503) | (643) |
| Trade receivables | (402) | 2,540 |
| Other receivables | 956 | 340 |
| Trade payables | (1,170) | (1,033) |
| Other payables | (88) | 2,715 |
| Cash used in operations | (4,329) | (1,123) |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2025 (CONT'D)

| | Unaudited Current Period to date 30 Jun 2025 RM'000 | Unaudited Preceding Corresponding Period to date 30 Jun 2024 RM'000 |
|---|--|--|
| CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D) | | |
| Interest paid | (16) | (9) |
| Interest received | 50 | 134 |
| Tax paid | (41) | (26) |
| Tax refund | 142 | (1) |
| NET CASH USED IN OPERATING ACTIVITIES | (4,194) | (1,025) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Increase in quoted shares investment | - | (9,601) |
| Net placement of fixed deposits | - | (500) |
| Purchase of property, plant and equipment | (190) | (2,160) |
| Proceeds from disposal of property, plant and equipment | 189 | 134 |
| Proceeds from disposal of subsidiary companies | 180 | 144 |
| Proceeds from issuance of shares in a subsidiary through NCI | - | - |
| Net cash outflows arising from disposal of subsidiary | (48) | (197) |
| NET CASH FROM/(USED IN) INVESTING ACTIVITIES | 131 | (12,180) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Decrease in fixed deposit pledged and maturity more than 3 months | - | 114 |
| Drawdown of lease liabilities | - | 203 |
| Repayment of lease liabilities | (369) | (530) |
| Repayment of term loans | (33) | (1,349) |
| Proceeds from issue of warrant | - | 18,413 |
| Interest paid | (86) | (309) |
| NET CASH (USED IN)/FROM FINANCING ACTIVITIES | (488) | 16,542 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2025 (CONT'D)

| | Unaudited Current Period to date 30 Jun 2025 RM'000 | Unaudited Preceding Corresponding Period to date 30 Jun 2024 RM'000 |
|--|--|--|
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (4,551) | 3,337 |
| EFFECT OF EXCHANGE TRANSLATION DIFFERENCES | 147 | 3,120 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD | <u>7,207</u> | <u>10,424</u> |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD | <u><u>2,803</u></u> | <u><u>16,881</u></u> |
| CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD COMPRISES: | | |
| Cash and bank balances | 4,303 | 7,581 |
| Fixed deposits with licensed banks | <u>2,131</u> | <u>10,704</u> |
| | 6,434 | 18,285 |
| Less: Fixed deposits pledged with licensed banks | (1,431) | (1,404) |
| Less: Fixed deposits maturity more than 3 months | <u>(2,200)</u> | <u>-</u> |
| | <u><u>2,803</u></u> | <u><u>16,881</u></u> |

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2025

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 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 SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 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 SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 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 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 |
| Malaysia | 2,654 | 8,172 | 5,017 | 14,722 |
| China | - | 14,738 | 40 | 15,359 |
| Others | 161 | 52 | 220 | 103 |
| Total | 2,815 | 22,962 | 5,277 | 30,184 |

The Group has reinforced its core strength by channelling its resources in the manufacturing of health supplement and functional food products, with emphasis on in-demand health categories such as anti-ageing, immunity and other benefits that drives market demand. Efforts taken include communicating with both local and multi-national prospective customers, as well as to provide new product development to current existing customers.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

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 30 Jun 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 ending 31 December 2025.

A11. Contingent liabilities

| | Unaudited Current quarter ended 30 Jun 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 |

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

A. EXPLANATORY NOTES TO THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

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 SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

B1. Analysis of performance

The Group's current quarter revenue for the financial period ended 30 June 2025 ("2QFY25") dropped by 87.8% year-on-year ("YoY") to RM2.8 million, as compared to RM23.0 million in the preceding year's corresponding quarter ("2QFY24"). The softer performance was primarily due to contract cessation of the Group's supply of health foods operations in China, and disposal of retail pharmacies business.

In 2QFY25, revenue for our manufacturing operations decreased by 6.7% year-on-year ("YoY") to RM2.8 million (2QFY24: RM3.0 million). Specifically, domestic manufacturing turnover dropped by 6.9% YoY to RM2.7 million (2QFY24: RM2.9 million).

In 2QFY25, no revenue was recorded for the Group's supply of health foods business to China, against RM14.7 million in 2QFY24, mainly due to the cessation of the health food supply contract with the China counterparts.

In 2QFY25, no revenue was recorded for the retail pharmacy division, compared with RM5.2 million in 2QFY24, as the Company have disposed retail pharmacy business in January 2025.

During the quarter under review, the Group's gross loss amounted to RM0.4 million, compared to a gross profit of RM0.1 million in 2QFY24, as a result of the decrease in revenue as compared with 2QFY24. Consequently, net loss attributable to the owners of the parent ("net loss") increased to RM9.3 million in 2QFY25 (2QFY24: net loss of RM7.4 million).

Comparison with immediate preceding quarter's results

The Group's revenue for the 2QFY25, contributed solely from manufacturing had increased to RM2.8 million, against RM2.5 million in the first (1st) quarter ended 31 March 2025. The increase is the result of orders from new ODM customers during the quarter, as the Company continue to introduce new products that meet the market's evolving needs.

Net loss for 2QFY25 increased to RM9.4 million from RM7.8 million in the preceding quarter, primarily due to fair value loss on quoted shares investment of RM6.5 million.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

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.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

B5. Taxation

| | Current quarter ended | | Financial period-to-date | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 |

Tax expense recognised in profit or loss:

| | | | | |
|-------------------------|---|---|-------|---|
| - Current tax provision | - | 2 | (150) | 2 |
|-------------------------|---|---|-------|---|

| | | | | |
|------------------------|---|---|---|---|
| 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 SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

B6. Trade receivables

| | Unaudited 30 Jun 2025 RM'000 |
|-------------------------------------|---------------------------------------|
| Trade receivables | 7,157 |
| Less: Accumulated impairment losses | (5,713) |
| | <u>1,444</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 30 June 2025 are as follows:

| | Short term RM'000 | Long term RM'000 | Total RM'000 |
|------------------------------|----------------------|---------------------|-----------------|
| Secured | | | |
| Bankers' acceptance | 244 | - | 244 |
| Term loans | 106 | 542 | 648 |
| Total bank borrowings | <u>350</u> | <u>542</u> | <u>892</u> |

All the borrowings were secured and denominated in Ringgit Malaysia.

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") 30 June 2025 (FYE 31 December 2024: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

B10. Earnings per share

The basic earnings per share is calculated as follows:

| | Current quarter ended | | Financial period-to-date | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 |
| Net loss attributable to owners of the parent | (9,345) | (7,406) | (14,871) | (14,668) |
| 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>(0.664)</u> | <u>(0.527)</u> | <u>(1.057)</u> | <u>(1.043)</u> |

The diluted earnings per share is calculated as follows:

| | Current quarter ended | | Financial period-to-date | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 |
| Net loss attributable to owners of the parent | (9,345) | (7,406) | (14,871) | (14,668) |
| 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>(0.604)</u> | <u>(0.479)</u> | <u>(0.961)</u> | <u>(0.948)</u> |

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND (2ND) QUARTER ENDED 30 JUNE 2025 (CONT'D)

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

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

| | Current quarter ended | | Financial period-to-date | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 | Unaudited 30 Jun 2025 RM'000 | Unaudited 30 Jun 2024 RM'000 |
| Allowance for expected credit losses | | | | |
| - Trade receivables | 3 | - | 3 | - |
| - Other receivables | - | - | - | 36 |
| Reversal of allowance for expected credit losses | | | | |
| - Trade receivables | - | (3,910) | (188) | (7,015) |
| - Other receivables | - | (214) | - | - |
| Reversal of provision of slow-moving inventories | - | (610) | - | (610) |
| Bad debts written off | | 3,910 | | 7,015 |
| Deposit written off | 11 | - | 11 | - |
| Depreciation and amortisation expenses | 2,009 | 2,772 | 3,519 | 5,567 |
| Gain on disposal of property, plant and equipment | (119) | (51) | (119) | (51) |
| (Gain)/Loss on foreign exchange | | | | |
| - Realised | (2) | - | (2) | 5 |
| - Unrealised | (2) | 17 | (13) | 17 |
| Fair value (gain)/loss on: | | | | |
| - Biological assets | (4) | - | (37) | - |
| - Quoted shares investments | 6,529 | 2,377 | 10,074 | 4,236 |
| Gain on disposal of subsidiary | - | - | (436) | (44) |
| Interest expenses | 52 | 194 | 154 | 318 |
| Interest income | (22) | (77) | (50) | (134) |
| Inventories written off | - | 608 | - | 608 |
| Property, plant and equipment written off | 31 | - | 35 | - |

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 SECOND (2ND) QUARTER ENDED 30 JUNE 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 August 2025.

By Order of the Board,

Tan Tong Lang (MAICSA 7045482)

Thien Lee Mee (LS0010621)

Company Secretaries

Kuala Lumpur

Dated: 27 August 2025