



**BIOALPHA HOLDINGS BERHAD**

Registration No. 201101021398 (949536-X)  
(Incorporated in Malaysia under the Companies Act 2016)

Stock name and code : BIOHLDG (0179)



**ANNUAL REPORT 2025**

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# ABOUT BIOALPHA

## Bioalpha – The Health Brand Empowerment Hub

Bioalpha Holdings Berhad is a leading Malaysian health supplement company, delivering safe, high-quality, and innovative products from farm to finished goods for local and global markets.

**Integrated Services  
& Expertise**



**Comprehensive  
Product Portfolio**



**R&D & Quality  
Certifications**



**Proven Growth &  
Market Presence**



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Independent Non-Executive Chairman
<b>Dato' Haji Mohd Yazid Bin Haji Mustafa</b>
Executive Director
<b>Koo Kien Yoon</b>
Executive Director
<b>Ang Wan Joo</b>
Executive Director
<b>Dr. Tan Keng How</b>
Independent Non-Executive Director
<b>Yee Yit Yang</b>
Independent Non-Executive Director
<b>Kang Jimmi</b>
Independent Non-Executive Director
<b>Tan Su Ning</b>

#### AUDIT COMMITTEE

**Kang Jimmi** (Chairman)  
Yee Yit Yang  
Tan Su Ning

#### REMUNERATION COMMITTEE

**Tan Su Ning** (Chairperson)  
Kang Jimmi  
Yee Yit Yang

#### RISK MANAGEMENT COMMITTEE

**Yee Yit Yang** (Chairman)  
Tan Su Ning  
Koo Kien Yoon

#### COMPANY SECRETARIES

Tan Tong Lang  
(MAICSA 7045482)  
(PC No. 202208000250)

Thien Lee Mee  
(LS0010621)  
(PC No. 201908002254)

#### REGISTERED OFFICE

B-21-1, Level 21, Tower B,  
Northpoint Mid Valley City,  
No. 1, Medan Syed Putra Utara,  
59200 Kuala Lumpur  
Tel. No. : (603) 9770 2200  
Fax No. : (603) 2201 7774

#### PRINCIPAL BANKER

OCBC Bank (Malaysia) Berhad  
Menara OCBC,  
18, Jalan Tun Perak,  
50050 Kuala Lumpur  
Tel. No. : (603) 2034 5251  
Fax No. : (603) 2698 4363

#### HEAD OFFICE

No. 1, Jalan Perindustrian Suntrack,  
Hub Perindustrian Suntrack,  
Off Jalan P1A, Seksyen 13,  
Bandar Baru Bangi, 43000 Kajang,  
Selangor Darul Ehsan  
Tel. No. : (603) 8922 2286  
Fax. No.: (603) 8922 2287  
Email : info@bioa.com.my  
Website : www.bioa.com.my

#### INVESTMENT COMMITTEE

**Koo Kien Yoon** (Chairman)  
Yee Yit Yang  
Tan Su Ning

#### NOMINATION COMMITTEE

**Kang Jimmi** (Chairman)  
Yee Yit Yang  
Tan Su Ning

#### SHARE ISSUANCE SCHEME ("SIS") OPTION COMMITTEE

**Koo Kien Yoon** (Chairman)  
Ang Wan Joo  
Dr. Tan Keng How

#### AUDITORS

JAMAL, AMIN & PARTNERS  
No. 62-1, 1st Floor, Jalan 2/23A  
Off Jalan Genting Klang  
Taman Danau Kota Setapak  
53300 Kuala Lumpur  
Tel. No. : (603) 4142 1626  
Website : www.jamalamin.com.my

#### SHARE REGISTRAR

Prosec Share Registration Sdn Bhd  
DF2-09-02, Level 9, Persoft Tower,  
6B, Persiaran Tropicana,  
Tropicana Golf & Country Resort,  
47410 Petaling Jaya, Selangor  
Tel. No. : (603) 3008 1123  
Email : sharereg@prosec.com.my

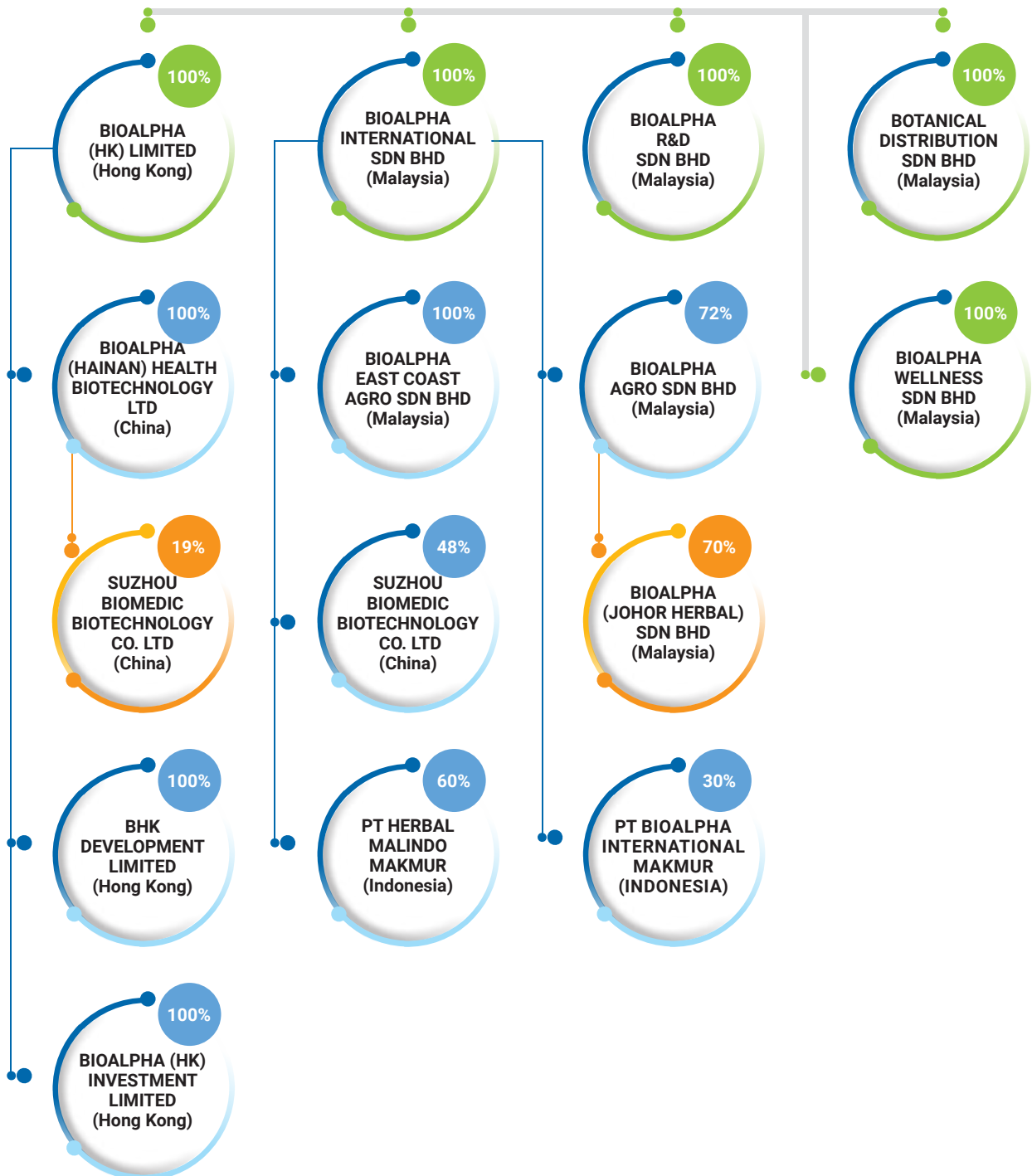
#### STOCK EXCHANGE LISTING

Ordinary Shares  
ACE Market of Bursa Malaysia  
Securities Berhad  
Stock Name: BIOHLDG  
Stock Code: 0179

Warrants B  
Stock Name: BIOHLDG-WB  
Stock Code: 0179-WB

ICPS  
Stock Name: BIOHLDG-PA  
Stock Code: 0179PA

# CORPORATE STRUCTURE



# FINANCIAL HIGHLIGHTS

	For Financial Year Ended 31/12/25 RM	For Financial Year Ended 31/12/24 RM	For Financial Year Ended 31/12/23 RM
<b>Financial Results</b>			
Revenue	11,482,926	81,237,569	46,086,810
EBITDA	(28,011,517)	(40,412,398)	(33,353,497)
Loss before taxation	(34,003,501)	(52,016,401)	(45,278,759)
Loss after taxation	(29,951,065)	(50,494,337)	(43,653,769)
Net loss attributable to:			
Owners of the parent	(29,676,392)	(48,553,393)	(42,000,116)
Non-controlling interests	(274,673)	(1,940,944)	(1,653,653)
<b>Financial Position</b>			
<b>Assets</b>			
Property, plant and equipment	24,442,079	32,874,735	54,378,157
Goodwill on consolidation	–	–	5,334,030
Intangible assets	28,231,587	37,634,758	47,382,981
Biological assets	169,507	94,908	100,000
Other assets	26,303,506	48,386,487	56,030,405
<b>Total assets</b>	<b>79,146,679</b>	<b>118,990,888</b>	<b>163,225,573</b>
<b>Equity</b>			
Share capital	76,191,908	186,191,208	186,191,208
ICPS	2,888,671	2,889,371	2,889,371
Reserves	(9,756,002)	(90,736,553)	(61,713,732)
<b>Total equity attributable to owners of the company</b>	<b>69,324,577</b>	<b>98,344,026</b>	<b>127,366,847</b>
<b>Non-controlling interests</b>	<b>(933,108)</b>	<b>(628,440)</b>	<b>2,265,246</b>
<b>Liabilities</b>			
Loan and borrowings	798,396	982,675	6,098,477
Lease liabilities	3,785,726	4,345,490	5,793,071
Deferred tax liabilities	–	3,863,585	5,520,389
Other liabilities	6,171,088	12,083,552	16,181,543
<b>Total equity and liabilities</b>	<b>79,146,679</b>	<b>118,990,888</b>	<b>163,225,573</b>
<b>Weighted average no. of ordinary shares</b>	<b>1,263,894,522</b>	<b>1,263,892,799</b>	<b>1,263,892,799</b>
<b>Financial Indicators</b>			
Earnings per share (sen)	(2.35)	(3.84)	(3.32)
Net assets per share (RM)	0.05	0.08	0.10
Return on equity (%)	(42.81)	(49.37)	(32.98)
Share price as at financial year end (RM)	0.03	0.065	0.110

## PROFILES OF DIRECTORS

### DATO' HAJI MOHD YAZID BIN HAJI MUSTAFA

Independent Non-Executive Chairman



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**Dato' Haji Mohd Yazid Bin Haji Mustafa ("Dato' Haji")** was appointed to our Board on 4 September 2023. A High Court Judge for more than 15 years, Dato' Haji retired from the Judiciary service in December 2022.

Prior to his judgeship, Dato' Haji served in various capacities both in courts and the Attorney Generals Chambers as Sessions Court Judge, Magistrate, Senior Assistant Registrar of High Court, Deputy Public Prosecutor, Senior Federal Counsel, Chairman of the Cooperative Tribunal and Registrar of High Court. Post-retirement, Dato' Haji continues to serve as a Court

of Appeal judge of the Terengganu Syariah Courts. In January 2025, Dato' Haji was appointed as Ahli Dewan Pangkuan Diraja Terengganu (supporter of the state)/member of Royal Advisory Counsel to the Sultan of Terengganu. Dato' Haji offers broad range of legal services including counsel work, advisory and strategies.

Dato' Haji currently sits on the Board of Hextar Capital Berhad.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

### KOO KIEN YOON

Executive Director

- Chairman of Investment Committee and SIS Option Committee
- Member of Risk Management Committee



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**Mr. Koo Kien Yoon ("Mr. Koo")** was appointed to our Board as Executive Director on 4 April 2025. He is a member of Risk Management Committee and the Chairman of Investment Committee and SIS Option Committee.

Mr. Koo has 23 years of extensive and varied working experience in public relations and managing business activity. Mr. Koo served as a Public Relations Officer of Ipoh Specialist Centre from 1996 to 1997.

He served as a Product Manager of Amer Sports Malaysia Sdn. Bhd. From November 2011 to November 2012 and Business Development Director of VRC Sdn. Bhd. and VRC ENT from June 2010 to March 2012. He was a Freelance Consultant of Soo Minn Korea from 2008 to 2010, Business Development Manager of Polyflo Sdn. Bhd. from 2004 to 2007, Product

Manager of Radcoflex Sdn. Bhd. from 2000 to 2004 and Sales & Marketing Executive of Polyflo Sdn. Bhd. from 1997 to 2000. Mr. Koo had been a Director at Jeratek Sdn. Bhd. From December 2012 until 2013. He had been an Executive Director at Biosis Group Berhad from 5 March 2013 until 2016. He had been managing a retail chain since 2016.

Currently, Mr. Koo is the Executive Director of Lambo Group Berhad and Vsolar Group Berhad, the public listed companies on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), JOE Holding Berhad and Sinaran Advance Group Berhad on the Main Market of Bursa Securities.

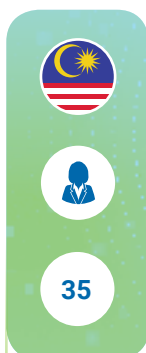
He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

PROFILE OF DIRECTORS  
(CONT'D)

## ANG WAN JOO

Executive Director

- Member of SIS Option Committee



**Ms. Ang Wan Joo (“Ms. Ang”)** was appointed to our Board as Executive Director on 2 September 2025. She is a member of SIS Option Committee.

Ms. Ang holds A Levels from UCSI University, a Diploma in Brand & Strategy Management from Lincoln University College, and an Associate Degree in Pharmacy from MAHSA University. Her diverse educational background supports her broad skill set in both healthcare and business management.

As Founder & Director of D’COEUR since 2016, Ms. Ang has established a premium brand that has expanded into seven international markets. She is credited with pioneering the 2017

industry-recognized Hair Perfume Treatment, further solidifying her leadership in the beauty and wellness sector. Prior to her entrepreneurial endeavors, Ms. Ang worked as a Product Specialist at Sun Pharmaceutical from 2015 to 2016, where she managed product portfolios and fostered key client relationships. From 2013 to 2015, she provided comprehensive pharmaceutical care and ensured regulatory compliance at Sarawak General Hospital.

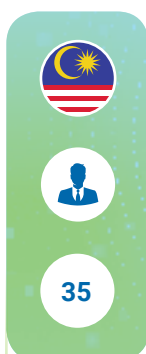
She does not hold any directorships in other public listed companies.

She has no conviction of any offence within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

## DR. TAN KENG HOW

Executive Director

- Member of SIS Option Committee



**Dr. Tan Keng How (“Dr. Tan”)** was appointed to our Board as Executive Director on 19 June 2025. He is a member of SIS Option Committee. Dr. Tan holds a Master of Business Administration from Wisconsin International University College in Ghana and Doctor of Business Administration from Infrastructure University Kuala Lumpur, Malaysia.

Dr. Tan is the Chief Executive Officer and co-founder of HWT Group Berhad, a company he co-founded with his father at the young age of 19. Under his leadership, HWT Group has successfully expanded from its media roots into a diversified enterprise offering brand marketing, event management, and IT development. In 2015, Dr. Tan furthered his entrepreneurial journey as a co-

founder of Shambala Kidz Leadership Preschool, which focuses on nurturing leadership and educational development among young children.

In addition to his business ventures, Dr. Tan serves as a brand strategist and corporate advisor, providing expertise in optimizing business operations and growth strategies.

He does not hold any directorships in other public listed companies.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

## PROFILE OF DIRECTORS (CONT'D)

### YEE YIT YANG

Independent Non-Executive Director

- Chairman of Risk Management Committee
- Member of Audit Committee, Remuneration Committee, Investment Committee and Nomination Committee



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**Mr. Yee Yit Yang (“Mr. Yee”)** was appointed to our Board as an Independent Non-Executive Director on 1 June 2022. He is a member of Audit Committee, Remuneration Committee, Investment Committee and Nomination Committee and the Chairman of the Risk Management Committee.

He is a member of the Australian CPA and Malaysia Institute of Accountants. He graduated with Bachelor of Economics (Major: Accounting & Finance) from Latrobe University, Australia. He began his career with Deloitte Tohmatsu, an international accounting firm upon his graduation in Australia in 1990. After spending approximately 3 years with them, he joined the corporate finance division of Affin Investment Bank in which he was involved in various assignments, such as IPO, regional mergers and acquisitions as well as fund raising for both listed and non-listed companies. After approximately 7 years with Affin Investment Bank, he left to join a

leading listed supermarket retail chain in Malaysia as Head of Corporate Planning. During his tenure with them, he was instrumental in raising the corporate profile by raising funds for the purpose of acquisition of related businesses. In 2008, he left the Group to join another listed company, which is principally involved in property investment and healthcare business as Head of Corporate Finance. During his stay with them, he had completed a fund-raising exercise for the purpose of consolidating the property investment division as well as the acquisition of a renowned healthcare company based in USA.

Currently, Mr. Yee is involved in a private corporate consultancy business. He also sits on the board of AE Multi Holdings Berhad and JOE Holding Berhad as Independent and Non-Executive Director.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

### KANG JIMMI

Independent Non-Executive Director

- Chairman of Audit Committee and Nomination Committee
- Member of Remuneration Committee



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**Mr. Kang Jimmi** was appointed to our Board as Independent Non-Executive Director on 22 May 2020. He is a member of Remuneration Committee and the Chairman of Audit Committee and Nomination Committee. He graduated with Bachelor of Science from Binus University, Jakarta.

Currently, Mr. Kang Jimmi as a founder and leads a company listed in the Indonesian Stock Exchange, which is responsible for the operation and maintenance for Powerplant Company with total capacity 42 MW including Diesel Power plant and Mini hydro Power plant. He possesses leadership skill in IPP Development Processes which require experience

in cross-functional management skills with hundreds of employees, in addition to deep knowledge of utility power plant infrastructure system as well as to produce good financial results for the company. His background focus established strategic partnership with others party and/or company.

He does not hold any directorship in any other public companies and listed issuers.

He has no family relationship with any Director and/or major shareholder of the Company. He has no conviction of any offences within the past five (5) years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. He has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

## PROFILE OF DIRECTORS (CONT'D)

### TAN SU NING

Independent Non-Executive Director

- Chairperson of Remuneration Committee
- Member of Audit Committee, Risk Management Committee, Investment Committee and Nomination Committee



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**Ms. Tan Su Ning (“Ms. Tan”)** was appointed to our Board as an Independent Non-Executive Director on 4 September 2023. She is a member of Audit Committee, Risk Management Committee, Investment Committee and Nomination Committee and the Chairperson of Remuneration Committee. She graduated with a LLB (Hons.) degree from University of London (external) and was admitted as an Advocate and Solicitor of the High Court of Malaya in 2018.

Ms. Tan started her legal practice with an established law firm in 2018. Subsequently, she joined Messrs Lim Chong Phang & Amy and Messrs Chong+Kheng Hoe in 2019. Ms. Tan’s practice primarily focuses on

corporate and commercial disputes including breach of directors’ duties, shareholders’ dispute as well as litigation concerning capital market and securities laws. Besides, she also advises public and private corporation on legal and regulatory compliance. She is currently a partner of Messrs Terrence & Co.

Ms. Tan currently sits on the Board of Jadi Imaging Holdings Berhad, LKL International Berhad, Sersol Berhad and Fast Energy Holdings Berhad.

She has no family relationship with any Director and/or major shareholder of the Company. She has no conviction of any offence within the past 5 years and has no public sanctions and/or penalties imposed by the relevant regulatory bodies during the financial year. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

# MANAGEMENT DISCUSSION AND ANALYSIS

## Dear valued shareholders,

On behalf of the Board of Directors (the “Board”), I am pleased to present the Management Discussion and Analysis report for Bioalpha Holdings Berhad (“Bioalpha” or the “Group”) for the financial year ended 31 December 2025 (“FY2025”). This report provides a review of our operational and financial performance in FY2025, the corporate developments undertaken during the year, and our strategic direction going forward.

### ECONOMIC LANDSCAPE IN 2025

The global economy in 2025 continued to navigate a challenging and fragmented environment. Persistent geopolitical tensions — including the protracted conflict in the Middle East and the ongoing Russia-Ukraine war — unsettled commodity markets and energy supply chains, keeping energy prices elevated and logistics costs high. Escalating trade tensions between major economic blocs, particularly the ripple effects of reciprocal tariff measures introduced by the United States government since April 2025, injected significant uncertainty into global trade flows and disrupted established supply chains.

Against this volatile backdrop, the International Monetary Fund (“IMF”) had in October 2025 projected global economic growth at approximately 3.2% for 2025, below its long-run historical average, reflecting the broad-based drag from tighter financial conditions, geopolitical risks, and subdued investment sentiment.

Back home in Malaysia, the economy demonstrated underlying resilience, though businesses and consumers alike grappled with a more demanding cost environment. There was an increase in minimum wage to RM1,700 per month effective February 2025, raising the cost base for labour-reliant industries. The expansion of the mandatory Employees Provident Fund (“EPF”) contribution requirement to cover foreign workers at 2% employer contribution since October 2025 also added a further layer of cost pressure, particularly for manufacturers that rely on foreign labour. Meanwhile, the expanded Services Tax (“SST”) scope, too, raised operating costs for businesses across various segments.

Consumer spending patterns reflected the strain. With more household income channelled towards servicing necessities and absorbing the higher cost of living, discretionary spending on non-essential consumer goods, including health supplements, came under pressure. The Retail Group Malaysia had in March 2026 reported that Malaysia’s retail industry registered a lower-than-expected growth rate of 2.4% in 2025.

On the currency front, the Malaysian Ringgit (“RM”) strengthened against major currencies through much of 2025, providing some relief on import costs for raw material procurement. For Bioalpha, which sources certain raw material ingredients from overseas, the RM appreciation provided some respite on input costs.

Taken together, FY2025 was defined by a confluence of external headwinds and domestic cost pressures that challenged businesses across the spectrum, requiring prudent cost management and strategic focus to navigate.

## BUSINESS AND OPERATIONAL REVIEW

### Principal Activities

Bioalpha Holdings Berhad is an investment holding company whose subsidiaries are principally engaged in the manufacturing and sale of health supplement products. Founded in 2005, the Group has built an integrated health supplement platform that spans the full value chain, from the upstream cultivation of medicinal herbs, through in-house research and development (“R&D”), to the manufacturing and distribution of finished health supplement products.

#### Herbal Farming

Bioalpha manages two herbal parks located in Pasir Raja, Terengganu and Desaru, Johor, respectively. These herbal parks hold the Malaysian Good Agricultural Practices (“MyGAP”) certification by the Ministry of Agriculture and Food Security in recognition of the quality, safety and sustainability standards.

A diverse range of herbs and spices are planted at the herbal parks, including Tongkat Ali, Kacip Fatimah, Misai Kucing, Hempedu Bumi, roselle and soursop. Harvested produce is utilised both as raw material inputs for our own downstream supplement manufacturing and for external sale, providing an additional revenue stream while ensuring supply chain control.



*Misai Kucing*

#### R&D

Bioalpha keeps up with the evolving needs of consumers through our own dedicated in-house R&D. Our laboratory, accredited to ISO 9001 quality management standards, serves as the engine behind our product innovation by developing and refining formulations that are responsive to customers’ preferences. Through our own technical expertise, the R&D team has developed a full range of proprietary formulations for supplements catered towards the health requirements of men, women and children.



#### Processing and Manufacturing

The Group’s manufacturing operations produce health supplement products on an Original Design Manufacturing (“ODM”) basis for customers. All products, including herbal and non-herbal supplements, as well as functional foods, are Halal-certified. They are sold and distributed primarily under our customers’ brand in the domestic market.

We have two production facilities located in Bangi and Semenyih, Selangor, respectively. Depending on customers’ specification, we have full capability to produce supplements in various forms – from sachet powder, liquid, teabags, capsules, tablets, blister packs, to bottled products. In addition to Halal certifications, we also hold the Good Manufacturing Practices (“GMP”), Hazard Analysis and Critical Control Points (“HACCP”) and Makanan Selamat Tanggungjawab Industri (“MeSTI”) certifications.

Following the disposal of the retail pharmacy business in January 2025, the segment no longer contributes revenue to Bioalpha. Similarly, the supply of health food products to China had ceased following the contract expiry in late 2024, with no revenue recorded under this segment in FY2025. As such, the manufacturing of health supplement products now constitutes the Group’s sole operating segment.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### BUSINESS AND OPERATIONAL REVIEW (CONT'D)

#### Operational Review

With the Group's focus now solely on the manufacturing segment, FY2025 was a year of stabilisation and repositioning. Nevertheless, the operating environment was highly challenging, primarily due to soft consumer demand domestically as a result of the rising cost environment and uncertainties at the macroeconomy level.

The manufacturing segment exhibited a gradual improvement in quarterly performance across FY2025. Domestic ODM sales were supported by the Group's existing customers as well as ongoing efforts to onboard new customers and introduce new product formulations into the market. The sales picked up pace particularly towards the second half of FY2025.

During the year under review, the Group continued to develop and introduce new health supplement products, particularly focusing on immunity support, respiratory health, and targeted nutritional formulations, areas of strong demand from the health-conscious consumer segment. These new product introductions align with the Group's strategy to broaden its ODM product range and deepen relationships with both existing and new customers.

Separately, the Group continued to pursue the development of an 8-acre agro park named Langkawi Agro Park in Kedah in collaboration with the Langkawi Development Authority ("LADA"). This project aims to boost agro-tourism and generate new revenue streams for Bioalpha through the commercialisation of high-value herbal products. In the latest development, LADA has allocated a new location for the development, and the Board is deliberating on the matter.

### CORPORATE DEVELOPMENT

#### Share Capital Reduction to Strengthen the Balance Sheet

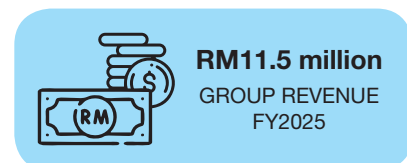
In FY2025, the Group undertook a share capital reduction exercise pursuant to Section 117 of the Companies Act 2016, involving the cancellation of RM110.0 million of Bioalpha's issued share capital, with the corresponding credit applied to set off against the Group's accumulated losses of approximately RM110.2 million as at 31 December 2024. The exercise is an accounting reclassification, where it does not involve any cash outflow.

The rationale, as stated in the Circular to Shareholders dated 7 May 2025, is to rationalise our financial position by reducing the accumulated losses, thereby enhancing the Group's credibility with bankers, customers, suppliers, and investors. The exercise was completed in July 2025, reducing Bioalpha's issued share capital from RM186.2 million to RM76.2 million.

### FINANCIAL PERFORMANCE REVIEW

#### Revenue

The Group's total revenue for FY2025 amounted to RM11.5 million vis-à-vis RM62.0 million in FY2024. The significant contraction in topline was largely a result of the change in revenue composition post business realignment where manufacturing is now the sole contributor to revenue. The health food supply operations in China had ceased following the contract expiry at end-2024, while the retail pharmacy chain was disposed of in January 2025. The health food supply and the retail pharmacy had contributed RM50.2 million and RM18.6 million in revenue, respectively, in FY2024.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FINANCIAL PERFORMANCE REVIEW (CONT'D)

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#### Revenue (Cont'd)

The manufacturing segment is the sole contributor to revenue at RM11.5 million for FY2025, compared with RM11.8 million in manufacturing revenue a year ago. The marginal softening of approximately 3.0% year-on-year was due to subdued consumer demand environment. Geographically, 95.6% of FY2025 turnover was derived from the local market, with the balance coming from China and other countries.

#### Profitability

Despite the softer revenue, the Group's gross loss position narrowed to RM0.9 million in FY2025, compared with a gross loss of RM3.8 million in FY2024. This improvement in gross margin, while still negative, reflected the elimination of the loss-making trading segment (the China health food operations had been a drag on overall gross margin given unfavourable cost structures) and the Group's ongoing efforts to contain overall costs.

The Group reported a smaller net loss attributable to owners of the company ("net loss") of RM29.6 million in FY2025, compared with RM54.4 million in FY2024, both from continuing operations (i.e. manufacturing). These figures excluded a net loss of RM51,707 in FY2025 and a net profit of RM5.8 million in FY2024 from discontinued operations.

The net loss in FY2025 included impairments on intangible assets as well as property, plant and equipment, totalling RM11.1 million, along with a fair value loss of RM12.2 million on quoted investments. This was offset by a tax writeback of RM4.0 million arising from the reversal of current tax provision and deferred tax liabilities.

#### Financial Position

As at 31 December 2025, Bioalpha's total assets stood at RM79.1 million against RM119.0 million as at 31 December 2024 following the recognition of impairments and fair value loss, coupled with the utilisation of cash in operations.

Shareholders' equity attributable to owners of the company stood at RM69.3 million at end-FY2025, down from RM98.3 million a year earlier, reflecting the net loss for the year. Within equity, the share capital reduction exercise completed in July 2025 resulted in the cancellation of RM110.0 million to offset accumulated losses, reducing share capital from RM186.2 million to RM76.2 million as at end-FY2025.

Total borrowings were minimal, standing at approximately RM0.8 million at year-end, while cash and bank balances (including fixed deposits) amounted to approximately RM5.7 million. The Group remained effectively in a net cash position. Total liabilities declined to RM10.8 million from RM21.3 million at end-2024 mainly owing to the reversal of deferred tax liabilities and absence of liabilities associated with the disposal of the retail pharmacy business.

#### Cash Flow Analysis

Net cash used in operating activities amounted to RM5.8 million for FY2025 versus an inflow of RM92,344 a year ago, as the Group's operating expenditures exceeded operating income receipts.

Net cash from investing activities was RM0.1 million in comparison to RM9.4 million outflow in FY2024, as proceeds from the sale of certain property assets and the partial realisation of the pharmacy disposal consideration offset modest capital expenditures incurred for the manufacturing operations.

Net cash from financing activities was modest at RM0.3 million, with inflows from fixed deposit withdrawals and release of pledged deposits largely offset by repayments of lease liabilities and interest.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### ANTICIPATED RISKS

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#### Supply Chain Disruptions from Geopolitical and Trade Risks

Ongoing geopolitical tensions, including the conflict in the Middle East and the Russia-Ukraine war, combined with the escalating trade tensions stemming from the US tariff actions, could disrupt global supply chains by impacting the availability of raw materials and raising the cost of imported raw materials.

To mitigate this risk, the Group maintains a broad supplier base to reduce reliance on any single source and provide flexibility to substitute materials or renegotiate procurement terms in response to supply disruptions or cost escalations.

#### Product Liability Risk

The Group operates in the nutraceutical and health supplement sector, where product integrity is critical. Any deviation from quality standards, including defects or contamination, could expose the Group to product recalls, legal liability, and reputational damage.

To date, the Group has not experienced any personal injury claims related to product defects. This is underpinned by stringent quality control processes, strict standard operating procedures, and GMP and HACCP certifications at our primary manufacturing facility in Bangi, complemented by comprehensive product liability insurance coverage.

#### Regulatory and Compliance Risks

As a manufacturer of health supplements, Bioalpha operates under the regulatory oversight of the Ministry of Health Malaysia and related authorities, including compliance with food safety, product registration requirements, Halal certifications and pharmaceutical regulations.

Any changes to regulatory requirements, approval processes, or Halal standards could impose additional compliance costs or affect the Group's ability to market its products. The Group maintains ongoing engagements with regulators and invests in compliance infrastructure to mitigate this risk.

### DIVIDEND

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No dividend has been declared or recommended for FY2025. The Board has deliberated on this matter and concluded that, given the Group's net loss position and the ongoing requirement to conserve financial resources to fund operating activities and the rebuilding of its manufacturing revenue base, it would not be prudent to distribute dividends at this time.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### PROSPECTS

The outlook for FY2026 remains cautious. Globally, the environment is one of continued complexity. Geopolitical conflicts in the Middle East and Eastern Europe show little sign of near-term resolution, and the risk of further trade disruptions adds to uncertainty. Energy prices, while volatile, are expected to remain elevated relative to pre-crisis norms, sustaining cost pressures across manufacturing and logistics. Trade tensions between the US and China continue to reshape global supply chains, with ripple effects on smaller open economies like Malaysia.

Domestically, the Malaysian operating environment will remain testing. Businesses will bear the full-year impact of the higher minimum wage and expanded EPF obligations for foreign workers in 2026. Consumer spending is likely to remain measured, with households continuing to prioritise essential expenditures. On a positive note, Malaysia's economy is expected to maintain positive growth, and there are structural tailwinds in the health and wellness sector that remain supportive of long-term demand for health supplement products.

For Bioalpha specifically, the Group enters FY2026 in a cleaner financial state following the completion of the share capital reduction and the rationalisation of its business portfolio. The strategic focus is clear – to rebuild the manufacturing segment's revenue, improve gross margins, and work towards the path of profitability.

The Group's key strategic priorities for FY2026 are as follows. First, expanding the ODM customer base domestically – the Group has made encouraging early progress in onboarding new customers in the second half of FY2025, and this effort will continue into FY2026. Second, broadening the product portfolio. The Group continues to invest in R&D to develop new health supplement formulations, with particular emphasis on immunity, respiratory health, and other functional supplement categories that are experiencing growing consumer interest. Third, cost optimisation – the Group is focused on improving manufacturing efficiency, managing procurement costs, and rationalising overheads to narrow the gap between revenues and expenses.

The Board and management are cognisant of the challenges ahead and will continue to approach FY2026 with disciplined execution and resilience. Nevertheless, the Group is better positioned operationally and financially than it was a year ago, and remains committed to navigating the environment with strategic focus and prudence.

### SUSTAINABILITY MATTERS

Bioalpha remains committed to embedding sustainability into the way we conduct our business. We recognise that responsible business practices are not separate from operational excellence – they are integral to building a resilient and enduring enterprise that creates value for all our stakeholders over the long term.



The Board maintains primary oversight over sustainability-related matters, including setting strategic priorities and targets. Day-to-day execution of our economic, environmental and social (“EES”) commitments falls within the responsibility of management. We are committed to continuous improvement and transparent reporting of our sustainability progress. For further details on our sustainability efforts, please refer to Bioalpha's standalone Sustainability Report FY2025.

#### KOO KIEN YOON

Executive Director

# CORPORATE GOVERNANCE OVERVIEW STATEMENTS

The Board of Bioalpha Holdings Berhad (“**the Company**”) recognises the importance of good corporate governance and fully supports the principles and best practices promulgated in the Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”) to enhance business prosperity and maximize shareholders’ value. The Board will continuously evaluate the Group’s corporate governance practices and procedures, and where appropriate will adopt and implement the best practices as enshrined in MCCG 2021 in the best interest of the shareholders of the Company.

Below is an overview statement and description in general of how the Group has applied the principles and complied with the best practice provisions as laid out in MCCG 2021 throughout the financial year ended 31 December 2025 (“**FYE 2025**”) pursuant to Rule 15.25 of the ACE Market Listing Requirements (“**AMLR**”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and it is to be read together with the Corporate Governance Report of the Company which is available at the Company’s website at [www.bioa.com.my](http://www.bioa.com.my).

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### Part I - Board Responsibilities

The Board is collectively responsible for the long-term success of our Company and the delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and leadership functions, the Board governs and sets strategic directions for the Company whilst exercising oversight on management. The Board plays a critical role in setting the appropriate supervision at the top, providing uncompromising leadership and championing good governance and ethical practices throughout the Company.

#### 1. BOARD’S LEADERSHIP ON OBJECTIVES AND GOALS

##### 1.1 Set Strategic Aims, Values and Standards for the Company

The Board has full control of and is responsible for, the Group’s overall strategy, acquisition and divestment policies, capital expenditure, annual budget, review of financial and operational performance, and internal controls as well as investment and risk management processes. The Group’s overall strategic direction, development, implementation and control remain of primary importance to the Board.

The Board is leading and managing the Group effectively and responsibly. Each Director has a legal duty to act in the best interests of the Group. The Directors, individually and collectively, are aware of their responsibilities to shareholders and stakeholders for how the affairs of the Company are managed.

The Board is entrusted with the responsibility to promote the success of the Group by directing and supervising the Group’s affairs. Hence, to develop corporate objectives and position descriptions including the limits to management’s responsibilities, which the management are aware of and are responsible for achieving.

The details of the roles and responsibilities of the Board and matters reserved for the Board decision are defined in the Board Charter, which is available on the Company at [www.bioa.com.my](http://www.bioa.com.my).

In discharging its fiduciary duties, the Board has delegated specific tasks to six (6) Board Committees namely the Audit Committee (“AC”), Nomination Committee (“NC”), Remuneration Committee (“RC”), Risk Management Committee (“RMC”), Share Issuance Scheme (“SIS”) Option Committee and Investment Committee (“IC”). The primary functions of which are to assist the Board in overseeing the affairs of the Company. These Committees have been entrusted with specific responsibilities and authority, the authorities and functions of these Board committees are properly set out in their respective Terms of Reference.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS  
(CONT'D)**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part I - Board Responsibilities (Cont'd)****1. BOARD'S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)****1.2 Appointment of Chairman**

Dato' Haji Mohd Yazid Bin Haji Mustafa was appointed as the Independent Non-Executive Chairman since 04 September 2023.

The Chairman leads the Board with a keen focus on governance and compliance and acts as a facilitator at Board meetings to ensure that contributions by Directors are forthcoming on matters being deliberated and that no Board member dominates any discussion. Together with the other Independent Non-Executive Directors, he leads the discussion on the strategies and policies recommended by Management. He chairs the meetings of the Board and the shareholders thus ensuring effective communication with the shareholders as well as the relevant stakeholders.

The Chairman of the Board is not a member of the Board Committees.

The Chairman holds an Independent Non-Executive role and his roles and responsibilities have been clearly specified in the Board Charter, which is available on the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

**1.3 The Positions of Chairman and Managing Director/Chief Executive Officer are held by Different Individuals**

The positions of Chairman and Managing Director/Chief Executive Officer are held by different individuals within the company. Dato' Haji Mohd Yazid Bin Haji Mustafa serves as the Independent Non-Executive Chairman, while Datuk Dr. Hon Tian Kok @ William held the position of Managing Director/Chief Executive Officer until 26 August 2025. Following that, Datuk Dr. Hon Tian Kok @ William was re-designated as an Executive Director from 27 August 2025 until his resignation on 26 November 2025.

From 26 November 2025, the Company no longer has the position of Managing Director/Chief Executive Officer. Instead, three (3) Executive Directors have been appointed to manage the daily operations of the Company.

The Board recognises the importance of having a clear separation of responsibilities between the Chairman and the Executive Directors to promote accountability, ensure an appropriate balance of roles, and facilitate the division of responsibilities between them to ensure no one individual can influence the Board's discussions and decision making. The distinct and separate roles of the Chairman and Executive Directors ensure an appropriate balance of roles, responsibilities and accountability at the Board level.

The roles and responsibilities of the Chairman and Executive Directors are provided in the Board Charter, which is available on the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

**1.4 Qualified and competent Company Secretaries**

In compliance with MCGG 2021, the Board is supported by qualified and competent Company Secretaries. The Company Secretaries of the Company are qualified to act as Company Secretary under Section 235 of the Companies Act 2016. The Company Secretaries have been guiding the Board, particularly on corporate governance issues and compliance with relevant policies and procedures, rules, and regulatory requirements and ensuring good information flow within the Board, Board Committees and Management.

The Company Secretaries attend all meetings of the Board and Board Committees and ensure that all Board and Board Committee meetings are properly convened, and that accurate and proper records of proceedings and resolutions passed are recorded and maintained in the statutory register.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part I - Board Responsibilities (Cont'd)

#### 1. BOARD'S LEADERSHIP ON OBJECTIVES AND GOALS (CONT'D)

##### 1.4 Qualified and competent Company Secretaries (Cont'd)

The Company Secretaries also keep abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training and guide the Directors on the requirements encapsulated in the Company's Constitution and legislative promulgations such as the Companies Act 2016, AMLR, etc.

The Company Secretaries shall continue to guide the Directors on the requirements to be observed arising from new regulations and guidelines issued by authorities.

##### 1.5 Access to information and advice

All Directors may seek independent professional advice at the Company's expense on specific issues to enable them to discharge their duties, where necessary. Board Meetings for the ensuing year are scheduled in advance before the end of the current financial year, for the Directors to plan ahead and ensure full attendance. The notice of agenda, together with minutes of the previous meeting and other relevant information, will be circulated to the Board at least five (5) days before the meetings.

Notices of the closed periods for trading in the Company's securities in accordance with Chapter 14 of the AMLR are served on the Directors before the commencement of the closed periods.

The Board papers contain all relevant information and reports on financial, operational, corporate, regulatory, and market developments, as well as minutes of meetings. These documents are comprehensive and include qualitative and quantitative information to enable the Board members to make informed decisions.

The Company Secretaries are entrusted to record the Board's deliberations, in terms of issues discussed, ensure that the deliberations at Board and Board Committee meetings are documented, and subsequently communicate those deliberations to Management for appropriate actions.

The minutes of the previous Board and Board Committee meetings are distributed to the Directors/ Board Committees before the meeting for their perusal before confirmation of the minutes at the commencement of the following Board and Board Committee meeting.

To facilitate productive and meaningful deliberations, the Directors will comment or request clarification before the minutes are tabled for confirmation as a correct record of the proceedings of the meeting. The Management provides Directors with complete and timely information prior to meetings and on an ongoing basis to enable them to make informed decisions.

##### 1.6 Sustainability Governance

The Board recognises the fundamental importance of sustainable business practices in creating long-term value and believes that operating the business in a responsible manner is closely linked to achieving operational excellence. The Board holds the primary responsibility for overseeing sustainability-related matters, including the development of strategies, setting priorities, and establishing targets. Operational execution pertaining to economic, sustainability and social ("ESS") factors, as part of the Group's corporate strategies, falls within the purview of the Management.

The Board is committed to upholding exemplary corporate governance practices that prioritise ethics, integrity, and corporate responsibility. Moreover, the Board ensures that both internal and external stakeholders are well-informed about the Group's sustainability strategies, priorities, targets, and overall performance.

A comprehensive account of these efforts can be found in Bioalpha's standalone Sustainability Report FY2025. The Board also incorporated the assessment of the Board's understanding of sustainability issues in the annual performance evaluation process. This is critical to the Company's performance and reflects the Board's ongoing commitment to sustainability.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS  
(CONT'D)**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part I - Board Responsibilities (Cont'd)****2. DEMARCATION OF RESPONSIBILITIES**

The Board acknowledges the importance of the demarcation of responsibilities between the Board, Board Committees and Management. To achieve the aim of clarity in the authority of the Board, Board Committees and individual directors, the Board has formalised and adopted a Board Charter.

**2.1 Board Charter**

The Board Charter adopted by the Board sets out the role, functions, composition, operation and processes of the Board and is to ensure that all Board members acting on behalf of the Company are aware of their duties and responsibilities as Board members. The Board Charter will be reviewed when necessary and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. The Board Charter is available on the corporate website - [www.bioa.com.my](http://www.bioa.com.my).

**3. GOOD BUSINESS CONDUCT AND CORPORATE CULTURE**

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, Management, employees and other stakeholders of the Group are clear on what is considered acceptable behaviour and practices in Bioalpha Group.

**3.1 Code of Ethics & Conduct**

The Group is committed to achieving and monitoring high standards of behaviour at work.

The Board adhered strictly to the Code of Ethics and Conduct for Company Directors ("the Codes") in discharging its oversight role effectively. The Board will review the Codes when necessary to ensure they remain relevant and appropriate.

The Codes require all Directors and Employees to observe high ethical business standards, to apply these values to all aspects of the Group's business and professional practice, and to act in good faith in the best interests of the Group and its shareholders.

The details of the Code of Conduct and Ethics are available for reference on the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

**3.2 Whistle Blowing Policy**

The Board has adopted a Whistle Blowing Policy for the Group as a measure to promote the highest standard of corporate governance. The whistleblowing policy outlines the avenues for the Directors, employees and stakeholders to raise concerns or disclose in good faith any improper conduct within the Group and to enable prompt corrective action and measures to resolve them effectively. The Whistle Blowing Policy can be assessed at the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

**3.3 Anti-Bribery Management System Policy**

The Company had adopted the Anti-Bribery Management System Policy that set out the policies and adequate procedures against bribery and corruption activities in the conduct of its business under the gazetted Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018. The said Policy can be assessed at the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part II - Board Composition

In order to achieve the intended outcome of the MCCG 2021, the Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights, our Group has met most of the good practices recommended by the MCCG 2021 as follows: -

#### 4. BOARD'S OBJECTIVITY

##### 4.1 Composition of the Board

The Company is managed by a well-balanced Board which consists of members with a wide range of business, technical and financial backgrounds. This brings diversity and insightful depth to the company leadership and management.

As of the date of this Statement, the Board consists of seven (7) members, as designated below:  
one (1) Independent Non-Executive Chairman;  
Three (3) Executive Directors; and  
Three (3) Independent Non-Executive Directors.

The present composition of the Board is in compliance with Rule 15.02 of the AMLR and MCCG 2021 Practice 4.1 which requires at least half of the Board members to be Independent Directors. The profile of each Director is set out in the Profiles of Directors of this Annual Report.

The Board is aware of the importance of independence and objectivity in relation to the decision-making process and the effectiveness of the Board's function. The Board, therefore, has adopted the same criteria for "independence" in tandem with the definition of "Independent Director" as prescribed by the AMLR.

The Board members are persons of high calibre and integrity and provide a wealth of knowledge, experience, and skills in the key areas of accountancy, business operations and development, finance and risk management amongst others.

##### 4.2 Tenure of Independent Directors

The NC carries out the evaluation of independence for each Independent Director annually.

The NC has undertaken a review and assessment of the level of independence of the Independent Directors during FYE 2025 and is satisfied that they are able to discharge their responsibilities in an independent manner. The independence of Directors is measured based on the criteria prescribed under the AMLR of Bursa Securities, in which a director should be independent and free from any business or other relationship that could interfere with the exercise of independent judgement or the ability to act in the best interests of the Company.

The Independent Directors have also declared their independence to the Board under the annual Board evaluation process during the FYE 2025.

Following the amendment to AMLR of Bursa Securities, tenure of an Independent Director had been restricted to twelve (12) years. Consequent thereto, none of the Independent Directors has exceeded a cumulative term of twelve (12) years as at the date of this Statement.

The Company does not have a policy which limits the tenure of its independent directors to nine (9) years. However, the Board takes note that the MCCG 2021 recommends that the tenure of an Independent Director shall not exceed a cumulative term of nine (9) years unless shareholders' approval is obtained to retain such Director as an Independent Director. The Company has adopted the approach that upon completion of nine (9) years, an Independent Directors may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. If the Board intends to retain the Independent Directors who have served the Company exceeding a cumulative term of nine (9) years, the Board will need to justify and seek shareholders' approval at the AGM through a two-tier voting process in accordance with the MCCG 2021.

As of the date of this Statement, none of the Independent Directors has exceeded 9 years of tenure.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS  
(CONT'D)**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part II - Board Composition (Cont'd)****4. BOARD'S OBJECTIVITY (CONT'D)****4.3 Diverse Board and Senior Management Team**

The members of the Board are professionals with calibre and entrepreneurs equipped with industry-specific knowledge and experience. This wide spectrum of skills and experience provides the strength that is needed to lead the Company to meet its objectives. The Board is of the opinion that the directors, with their different backgrounds and specialisations, collectively bring with them the required expertise and experience to discharge the Board's duties and responsibilities.

In assessing the suitability of candidates to the Board and Senior Management Team, consideration will be given based on core competencies, commitment, contribution and performance of the candidates to ensure that there is a range of professional knowledge, skills, experience and diversity (including gender diversity). Understanding of the Business, the Market and the Industry in which the Group operates and the accounting, finance and legal matters.

**4.4 Gender Diversity**

The Board has not set gender diversity target as of the reporting period. The Board is of the view that the appointment of Board members or management should be determined based on objective criteria, merit and with due regard for diversity in skills, experience and other qualities regardless of gender but will nevertheless consider appointing more directors of the female gender where suitable to be in line with the MCCG 2021's target.

The Board currently has two (2) female director among its seven (7) members, namely Ms. Tan Su Ning and Ms. Ang Wan Joo. The Board opined that gender should not be the basis of evaluation and given the current state of the Group's business and lifecycle, it is more important to have the right mix of skills, knowledge, experience and expertise on the Board rather than to attain the threshold as stipulated in MCCG 2021.

The NC evaluates and matches the criteria of the candidate, will consider diversity, including gender, where appropriate, and recommends to the Board for appointment. In its effort to promote boardroom diversity, the NC has taken various steps to ensure that women candidates are sought from various sources as part of its recruitment exercise.

Nevertheless, the Board supports the initiative to include women representation on the Board to achieve a more gender-diversified Board, henceforth, the Board is on the look for potential women Directors and shall appoint additional women Directors as and when suitable candidates are identified. No timeframe has been set for the search concerned.

**4.5 Appointment of Directors**

The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the NC. As a whole, the Company maintains an adequate number of Board members. The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure that all appointments are properly met.

Generally, the Board adopts a flexible approach when selecting and appointing new directors depending upon the circumstances and timing of the appointment. The NC will help to assess and recommend to the Board, the candidature of directors, appointment of directors to board committees, review of Board's succession plans and training programmes for the Board.

In identifying suitable new candidates, the NC will not solely rely on recommendations from existing Board members, Management or Major Shareholders, but will consider utilising independent sources.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part II - Board Composition (Cont'd)

#### 4. BOARD'S OBJECTIVITY (CONT'D)

##### 4.6 Re-election of retiring Director

In accordance with the Company's Constitution states that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. The Directors to retire each year are the Directors who have been longest in office since their last appointment on re-election.

Pursuant to Clause 105(1) of the Company's Constitution, Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms. Tan Su Ning are subject to retirement by rotation pursuant to Clause 105 of the Company's Constitution at the forthcoming 15th AGM and Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms. Tan Su Ning has expressed their willingness to seek re-election. The profiles of retiring Directors standing for re-election are set out in the Directors' Profile in the Annual Report 2025.

The NC and the Board have considered the results of the annual assessment for Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms. Tan Su Ning and agreed that they can each meet the criteria of character, experience, integrity, competence, and time required to effectively discharge their roles as Director.

Clause 114 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Dr. Tan Keng How and Ms. Ang Wan Joo were appointed as Executive Directors of the Company on 19 June 2025 and 2 September 2025, respectively. As per Clause 114 of the Company's Constitution, they are subject to retirement by casual vacancy at the 15th Annual General Meeting (AGM). Both Dr. Tan Keng How and Ms. Ang Wan Joo have expressed their willingness to seek re-election.

The Board has approved the Nomination Committee's (NC) recommendation that the directors, who are retiring in accordance with the Company's Constitution, are eligible to stand for re-election.

##### 4.7 NC

The Company has established the NC comprising exclusively of Non-Executive Directors, with the responsibilities of assessing the balanced composition of Board members, nominating the proposed Board member by looking into his skills and expertise for contribution to the Company on an ongoing basis. The appointment of new Directors is the responsibility of the full Board after considering the recommendations of the NC. The NC is aware of their duties and responsibilities.

The composition of NC comprised three (3) Non-Executive Directors. The present members of the NC are as follows:

Name	Designation	Directorship
Kang Jimmi	Chairman	<i>Independent Non-Executive Director</i>
Yee Yit Yang	Member	<i>Independent Non-Executive Director</i>
Tan Su Ning	Member	<i>Independent Non-Executive Director</i>

The Terms of Reference of the NC can be viewed on the Company's website at [www.bioa.com.my](http://www.bioa.com.my)

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part II - Board Composition (Cont'd)

#### 4. BOARD'S OBJECTIVITY (CONT'D)

##### 4.7 NC (Cont'd)

The summary activities undertaken by the NC in the discharge of its duty for FYE 2025 are as follows:

- i) Reviewed the size, structure and composition of the Board;
- ii) Assessed and reviewed the effectiveness of the Board as a whole, the Board Committees and the contributions of the individual directors;
- iii) Assessed and reviewed the Independence of the independent directors;
- iv) Assessed and reviewed the performance of AC and members of the AC;
- v) Reviewed and recommended the adoption of the Directors' Fit and Proper Policy; and
- vi) Recommended the re-election of the Directors who are due for retirement by rotation at the 15th AGM.

The NC had undertaken a review and assessment of the Independent Directors during FYE 2025 based on the independence criteria as defined in the AMLR and is satisfied that they are able to discharge their responsibilities in an independent manner.

The NC was satisfied that the Board has the right size, and the Board composition is well balanced having considered the appropriate mix of skills, experience, strength and independence and the diversity required to meet the current and future needs of the Company.

#### 5. OVERALL BOARD EFFECTIVENESS

##### 5.1 Annual assessment of the Directors, Board as a whole and Board Committees

The NC is required to assess the Board's effectiveness in terms of its composition, roles and responsibilities, and whether the Board Committees have discharged their functions and duties in accordance with the terms of reference. The NC assesses on an annual basis the composition of the Board to ensure that the Board has the appropriate mix of expertise and experience and collectively possesses the necessary core competencies for effective functioning and informed decision-making. All assessments and evaluations carried out by the NC in discharging its functions have been well documented.

The Board has, through NC, conducted the following annual assessments in the FYE 2025:-

- a) Directors' self-assessment;
- b) Evaluation of the effectiveness of the Board as a whole and Board Committees;
- c) Assessment of Independent Directors; and
- d) Review of the term of office and performance of the Audit Committee and each of its members.

The annual assessment of individual Directors, Board as a whole and Board Committees commences with the completion of a set of self-assessment forms detailing all assessment criteria to be completed by all Directors for evaluation by the NC. Criteria for the self-assessment include self-ratings on the Director's knowledge, support of the goals of the Company, time commitment, and active participation on the Board.

Based on the assessments conducted for FYE 2025, the NC was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part II - Board Composition (Cont'd)

#### 5. OVERALL BOARD EFFECTIVENESS (CONT'D)

##### 5.2 Time Commitment and Directorship in Other Public Listed Companies

Under the Board Charter, the directorships in other public listed companies in Malaysia held by any Board members at any one time shall not exceed any number as may be prescribed by the relevant authorities. In addition, at the time of appointment, the Board shall obtain the Director's commitment to devote sufficient time to carry out his responsibilities. Directors are required to notify the Chairman before accepting any new directorship(s). The notification would include an indication of time that will be spent on the new appointment(s). Any Director is, while holding office, at liberty to accept other Board appointments in other companies so long as the appointment is not in conflict with the Company's business and does not affect the discharge of his/ her duty as a Director of the Company. To ensure that the Directors have time to focus and fulfil their roles and responsibilities effectively, one (1) criterion as agreed by the Board is that they must not hold directorships at more than five (5) public listed companies as prescribed in Rule 15.06 of the AMLR of Bursa Securities.

Each Board member is required to achieve at least 50% attendance of total Board Meetings in any applicable financial year with appropriate leave of absence and be notified to the Chairman and/or Company Secretaries, where applicable.

The Directors have demonstrated their ability to devote sufficient time and commitment to their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors as set out in the section below.

During FYE 2025, there were five (5) Board Meetings were held and the attendance record of the current Board members is reflected as follows:-

Name of Directors	Attendance
Dato' Haji Mohd Yazid Bin Haji Mustafa	5/5
Koo Kien Yoon ( <i>appointed on 4 April 2025</i> )	4/4
Dr. Tan Keng How ( <i>appointed 19 June 2025</i> )	2/2
Ang Wan Joo ( <i>appointed 2 September 2025</i> )	1/1
Yee Yit Yang	5/5
Kang Jimmi	5/5
Tan Su Ning	5/5
Ho Tze Hiung ( <i>resigned on 2 September 2025</i> )	4/4
Datuk Dr. Hon Tian Kok @ William ( <i>resigned on 26 November 2025</i> )	5/5

##### 5.3 Continuing Education Programs/ Directors' Training

All Directors save for newly appointed Director have undergone the Mandatory Accreditation Program ("MAP") prescribed by Bursa Securities. Although the Board does not have a policy requiring each Director to attend a specific number and types of training sessions each year, the Directors are encouraged to attend continuous education programmes/seminars/ conferences and shall as such receive further training from time to time to keep themselves abreast of the latest development in statutory laws, regulations and best practices, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

The Board has undertaken an assessment of the training needs of each of the Directors and ensured that all the Directors undergo the necessary training programme to enable them to effectively discharge their duties.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part II - Board Composition (Cont'd)

#### 5. OVERALL BOARD EFFECTIVENESS (CONT'D)

##### 5.3 Continuing Education Programs/ Directors' Training (Cont'd)

Details of seminars / conferences / training programmes attended by the Board members during FYE 2025 are listed below:

Name of Directors	Details of Seminar/Training/Programme/Conference
Koo Kien Yoon	Implementation of Section 17A of the MACC Act : Corporate Liability
Dr. Tan Keng How	Mandatory Accreditation Programme ("MAP")
Ang Wan Joo	Mandatory Accreditation Programme ("MAP")
Kang Jimmi	Mandatory Accreditation Programme Part II : Leading for Impact ("LIP")
Tan Su Ning	Key Amendments To Bursa Malaysia Securities Berhad Ace Market Listing Requirements ("ACE LR") In Relation To New Issue Of Securities And Other Areas
	Key Amendments To Bursa Malaysia Securities Berhad Ace Market Listing Requirements In Relation To Sustainability Reporting Requirements And Other Enhancements
	Key Amendments To Bursa Malaysia Securities Berhad Ace Market Listing Requirements In Relation To Enhanced Continuing Disclosure Requirements And Exempted Related Party Transaction

In addition to the above, the Directors would be updated on recent developments in the areas of statutory and regulatory requirements from the briefing by the External Auditors, the Internal Auditors and the Company Secretaries during the Board Committee and/or Board meetings.

#### Part III - Remuneration

The Board acknowledges the level and composition of remuneration of directors and senior management taking into account the Company's desire to attract and retain the right talent in the Board and senior management to drive the Company's long-term objectives. In order to achieve this aim, the Board has established a Remuneration Committee and developed the remuneration policy to assist the Board in discharging its duties and responsibilities in matters relating to the remuneration of the Board and senior management.

#### 6. LEVEL AND COMPOSITION OF REMUNERATION

##### 6.1 Remuneration Policies and Procedures

The Board believes the remuneration policy fairly supports the Directors' responsibilities and fiduciary duties in steering the Group to achieve its long-term goals and enhance shareholders' value. The Board offers a competitive remuneration package in order to attract, develop and retain talented individuals to serve as directors.

The determination of the remuneration for Non-Executive Directors is a matter of the Board as a whole. The level of remuneration for Non-Executive Directors reflects the amount paid by other comparable organisations, adjusted based on the experience and levels of responsibilities undertaken by the particular Non-Executive Director concerned. The remuneration package of Non-Executive Directors will be a matter to be deliberated by the Board, with the Director concerned abstaining from deliberations and voting on deliberations in respect of his individual remuneration. In addition, the Company also reimburses reasonable out-of-pocket expenses incurred by all the Non-Executive Directors in the course of their duties as Directors of the Company. The aggregate annual Directors' fees and other benefits payable are to be approved by shareholders at the Annual General Meeting based on the recommendations by the Board.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Part III - Remuneration (Cont'd)

#### 6. LEVEL AND COMPOSITION OF REMUNERATION (CONT'D)

##### 6.2 RC

The RC consists of entirely Independent Non-Executive Directors in order to assist the Board in determining Directors' remuneration. The present members of the RC are as follows: -

Name	Designation	Directorship
Tan Su Ning	Chairperson	Independent Non-Executive Director
Kang Jimmi	Member	Independent Non-Executive Director
Yee Yit Yang	Member	Independent Non-Executive Director

The RC's principal objective is to evaluate, deliberate and recommend to the Board a remuneration policy for Executive Directors that is fairly guided by market norms and industry practice. The RC also recommends the Executive Directors' remuneration and benefits based on their individual performances and that of the Group.

The RC held a meeting during FYE 2025 to review the proposed remuneration package of the Executive Directors and the Director fee payable to the Non-Executive Directors and recommended the remuneration packages and fees to the Board for approval. The RC also reviews the remuneration package of the Managing Director/Chief Executive Officer and recommends adjustments in remuneration and/or reward payments that reflect the respective contributions for the year and achievement goals and/or quantified organisational targets established by the Company.

The Terms of Reference of the RC can be viewed at the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

#### 7. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

##### 7.1 Details of Directors' Remuneration

The details of Director's remuneration are set out below:

	Fees	Salaries and Other Emoluments	Total
Executive Directors	-	1,065,288	1,065,288
Non-Executive Directors	218,000	30,100	248,100

*\*Other emoluments include the meeting allowance for the Directors' attendance in Board and Board's Committee Meetings.*

The breakdown of the detailed Directors' fees and other benefits paid during FYE 2025 is disclosed in the Corporate Governance Report which is accessible to the public for reference at the Company's website at [www.bioa.com.my](http://www.bioa.com.my).

CORPORATE GOVERNANCE OVERVIEW STATEMENTS  
(CONT'D)**PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT****Part I – AC****8. EFFECTIVE AND INDEPENDENT AC****8.1 Chairman of AC**

Mr. Kang Jimmi, who is an Independent Non-Executive Director, is the Chairman of the AC. The Company complied with Practice 8.1 of the MCCG 2021 which stipulates that the Chairman of the AC is not the Chairman of the Board as Mr. Kang Jimmi is not the Chairman of the Board.

**8.2 Former Key Audit Partner**

None of the Board members is the former key audit partner of the External Auditors and the Directors do not foresee any new appointment of former key audit partner to the Board. However, the Board will observe the cooling-off period before appointing the former key audit partner, if any.

**8.3 Assessment of Suitability and Independence of External Auditors**

The Company has established a transparent arrangement with the External Auditors to meet their professional requirements. From time to time, the External Auditors highlight to the AC and Board of Directors matters that require the Board's attention.

The AC is responsible for reviewing the audit, recurring audit-related and non-audit services provided by the External Auditors. The AC has explicitly accorded the power to communicate directly with both the External Auditors and Internal Auditors. The terms of engagement for services provided by the External Auditors are reviewed by the AC prior to submission to the Board for approval. The effectiveness and performance of the External Auditors are reviewed annually by the AC.

In assessing or determining the suitability and independence of the External Auditors, the AC has taken into consideration the following:

- i) the adequacy of the experience and resources of the External Auditors;
- ii) the External Auditor's ability to meet deadlines in providing services and responding to issues in a timely manner as contemplated in the external audit plan;
- iii) the nature of the non-audit services provided by the External Auditors and fees paid for such services relative to the audit fee; and
- iv) whether there are safeguards in place to ensure that there is no threat to the objectivity and independence of the audit arising from the provision of non-audit services or tenure of the External Auditors.

Every year, the AC will meet with the External Auditors without the presence of the Executive Director and members of the Management to ensure that the independence and objectivity of the External Auditors are not compromised and matters of concerns expressed by the AC are duly recorded by the Company Secretaries.

On 14 October 2025, the Board appointed Messrs, Jamal, Amin & Parnters as the external auditors of the Company and its subsidiaries companies for the financial year ended 31 December 2025 and to hold office until the conclusion of the next AGM of the Company.

The Board approved the AC's recommendation for the shareholders' approval to be sought at the Annual General Meeting ("AGM") on the re-appointment of Messrs Jamal, Amin & Partners PLT as the External Auditors of the Company for the financial year ending 31 December 2026.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

#### Part I – AC (Cont'd)

#### 8. EFFECTIVE AND INDEPENDENT AC (CONT'D)

##### 8.4 Composition of the AC

The AC consists entirely of three (3) Independent Non-Executive Directors. During FYE 2025, the composition of the AC is Kang Jimmi (Chairman), Yee Yit Yang and Tan Su Ning. This composition of the AC complied with the requirement of Rule 15.09(1)(a) and (b) of the AMLR.

The terms of reference and summary of activities of the AC are set out in the AC Report.

#### Part II – Risk Management and Internal Control Framework

#### 9. EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is entrusted with the overall responsibility of continually maintaining a sound system of internal control, which covers not only financial controls but also operational and compliance controls as well as risk management, and the need to review its effectiveness regularly in order to safeguard shareholders' investments and the Company's assets. The internal control system is designed to access current and emerging risks and respond appropriate to risks of the Group.

As an effort to enhance the system of internal control, the Board together with the assistance of an external professional Internal Audit firm adopted ongoing monitoring and review of the existing risk management process in place within the various business operations, with the aim of formalising the risk management functions across the Group. This function also acts as a source to assist the AC and the Board to strengthen and improve current management and operating style in pursuit of best practices.

As an ongoing process, significant business risks faced by the Group are identified and evaluated and consideration is given on the potential impact of achieving the business objectives. This includes examining principal business risks in critical areas, assessing the likelihood of material exposures and identifying the measures taken to mitigate, avoid or eliminate these risks.

The details of the Group's risk management and internal control framework are elaborated in pages 33 to 35 of the Statement on Risk Management and Internal Control of this Annual Report 2025, which has been reviewed by the External Auditors.

##### 9.1 RMC

The Board has set up an RMC with effect from 20 April 2018 and the present members of the RMC are as follows: -

<b>Chairman:</b>	Yee Yit Yang ( <i>Independent Non-Executive Director</i> )
<b>Members:</b>	Tan Su Ning ( <i>Independent Non-Executive Director</i> ) Koo Kien Yoon ( <i>Executive Director</i> )( <i>appointed on 27 August 2025</i> )

#### 10. INTERNAL AUDIT FUNCTION

The details of the Group's internal audit function are elaborated in pages 37 to 38 on the AC Report of this Annual Report 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS  
(CONT'D)**PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS****Part I – Communication with Stakeholders**

There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

**11. CONTINUOUS COMMUNICATION BETWEEN COMPANY AND STAKEHOLDERS**

The Board recognises the importance of keeping the shareholders informed and updated of developments concerning the Group. In this regard, the Group strictly adheres to the disclosure requirements of Bursa Securities. The Group practices open communication with its investors.

In order to maintain its commitment to effective communication with shareholders, the Group embraces the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as the general investing public.

The Company's website at [www.bioa.com.my](http://www.bioa.com.my) incorporates an Investor Relations section which provides all relevant information on the Company accessible to the public. This section enhances the Investor Relations function by including all announcements made by the Company and its annual reports.

The quarterly financial results are announced via Bursa LINK after the Board's approval. This is important in ensuring equal and fair access to information by the investing public. Shareholders and investors may also forward their queries to the Company via email at [investorrelations@bioa.com.my](mailto:investorrelations@bioa.com.my).

In addition to the dissemination of information to shareholders and other interested parties via announcements to Bursa Securities, its website, circulars and press releases, the Board is of the view that the annual and any extraordinary general meetings as ideal opportunities to communicate with shareholders.

**Part II – Conduct of General Meetings**

General meetings serve as important and effective platforms for directors and senior management to communicate with the shareholders. Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at general meetings.

**12. SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS**

The general meeting serves as a principal platform for the Board and Senior Management to engage with shareholders and encourage effective shareholders' communication on the Company's performance, corporate and business developments and any other matters affecting shareholder interests.

The Company has been practising sending a Notice of AGM to shareholders at least 28 days prior to the meeting and the Notice is also advertised in nationally circulated English daily newspapers. The Board recognises that a longer notice allows ample time for shareholders to consider the resolutions before exercising their voting rights, and to make arrangements to attend AGM either personally, through proxy or corporate representative.

The Notice of an AGM also provides information to the shareholders with regard to, amongst others their entitlement to attend the AGM, the right to appoint a proxy and also the qualifications of a proxy.

The Company dispatched its notice of the 14th AGM dated 30 April 2025 to shareholders at least 28 days before the 14th AGM held on 3 June 2025, which is in line with Practice 12.1 of the MCCG 2021. This is to enable the shareholders to have sufficient time to read and understand the Company's financial and non-financial performance before the meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### **PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**

#### **Part II – Conduct of General Meetings (Cont'd)**

#### **12. SHAREHOLDER PARTICIPATION AT GENERAL MEETINGS (CONT'D)**

The 14th AGM and the Extraordinary General Meeting (“EGM”) of the Company both held on 3 June 2025 was held at Bangi Convention Center, Permata Room, Level 1, Jalan Wawasan 1, Seksyen 14, 43650 Bandar Baru Bangi, Selangor.

All the Directors were present at the 14th AGM and EGM to engage directly with shareholders and respond to all questions raised and provide clarification as required by the shareholders. The Chairman of the Board ensured that sufficient opportunities were given to shareholders and proxies to raise questions relating to the affairs of the Company and that adequate responses were given.

In line with good corporate governance practice, the notice of the forthcoming 15th AGM, the Form of Proxy and the Annual Report would be issued to the shareholders at least twenty-eight (28) days before the AGM.

This is to ensure that shareholders are given sufficient time to read and consider the resolutions to be resolved. All the Directors of the Company will endeavour to attend all general meetings, and the Chair of the Board Committee will provide a meaningful response to questions addressed to them.

#### **13. ATTENDANCE OF THE CHAIR OF THE BOARD COMMITTEES AT THE AGM**

The general meeting also serves as an avenue for the Chairman and the Board members to engage in two-way communication with shareholders where the shareholders are encouraged to participate in the question-and-answer session with the Board personally and exercise their right to vote on the proposed resolutions.

The Board will ensure that all Board members, particularly the chairperson of each Board committee will make their endeavours to attend general meetings to facilitate engagement with shareholders and to address any relevant questions and concerns raised by the shareholders.

The external auditors will be present at the AGM to respond to any queries from shareholders on the audit conducted, the preparation and content of the auditors' report, the accounting policies adopted by the Company, and the independent audit review of the Company's financial position.

At the physical 14th AGM and EGM of the Company held on 3 June 2025, the Board members attended the physical 14th AGM and EGM, and the representatives of the Management and the external auditors attended the meeting to respond to the questions raised by the shareholders or proxies.

#### **14. POLL VOTING**

The Company conducts a poll voting on each resolution tabled during the general meetings to support shareholders' participation. As the number of shareholders of the Company is not large, the Company currently conducts manual poll voting instead of electronic poll voting. With the poll voting, each shareholder presents in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. An Independent scrutineer is appointed to validate the votes cast at the meeting.

In line with Rule 8.31A of the AMLR of Bursa Securities, the Company will ensure that any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and is intended to be moved at any general meeting, is voted by poll. At the same time, the Company will appoint at least one (1) independent scrutineer to validate the votes cast at the general meeting.

As for voting in absentia and remote shareholders' participation, the existing proxy form authorizing proxies or the Chairman of the meeting is an alternative measure adopted by the Company. Shareholders are allowed to appoint any person(s) as their proxies to attend, participate, speak and vote in his/her stead at a general meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENTS (CONT'D)

### **PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**

#### **Part II – Conduct of General Meetings (Cont'd)**

#### **14. POLL VOTING (CONT'D)**

All resolutions set out in the Notice of the 14th AGM and EGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meeting is announced to Bursa Securities at the end of the meeting day.

#### **COMPLIANCE STATEMENT**

The Board has deliberated, reviewed and approved this Corporate Governance Overview Statement. The Board considers and is satisfied that the Company has fulfilled its obligation under MCCG 2021, AMLR and all applicable laws and regulations throughout the FYE 2025.

This Corporate Governance Overview Statement was approved by the Board of Directors on 27 April 2026.

## STATEMENT OF DIRECTORS' RESPONSIBILITY

### IN RELATION TO THE AUDITED FINANCIAL STATEMENTS

Directors are required by the Companies Act, 2016 to prepare the financial statements for each financial year which have been made out in accordance with the applicable approved accounting standard in Malaysia.

The Directors are responsible to ensure that the financial statements is given a true and fair view of the financial position of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year then ended.

In preparing the financial statements, the Directors have observed the following criteria:

- overseeing the overall conduct of the company's business and that of the group;
- identifying principal risks and ensuring that an appropriate system of internal control exists to manage these risks;
- reviewing the adequacy and integrity of internal controls system and management information system in the company and within the group;
- adopting suitable accounting policies and apply them consistently;
- making judgments and estimates that are reasonable and prudent; and
- ensuring that the financial statements were prepared on a going concern basis and in compliance with all applicable approved accounting standard in Malaysia subject to any material departures, if any, were disclosed.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2025, appropriate accounting policies were used and applied consistently, and adopted to include new and revised Malaysian Financial Reporting Standards where applicable. The Directors are also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Directors are also responsible for taking such reasonable steps to safeguard the assets of the Group and to minimize fraud and other irregularities.

This Statement was approved by the Board of Directors on 27 April 2026.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## A. INTRODUCTION

The Board of Directors (“Board”) of Bioalpha Holdings Berhad (“Bioalpha” or the “Group”) is pleased to make the following statement which outlines the key elements of the internal control system within the Group. The Risk Management and Internal Control Statement is made in compliance with Rule 15.26(b) of Ace Market Listing Requirements (“AMLR”) and Statement of Risk Management and Internal Control: Guidelines for Directors of listed Issuers (“Internal Control Guideline”).

## B. BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group’s system of internal control and risk management to maintain a sound system of internal control to safeguard shareholders’ investments and the Group’s assets and also for reviewing the adequacy and integrity of the system. Notwithstanding, due to the inherent limitations in any system of internal control, such systems are designed to manage, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, the system can only provide reasonable, but not absolute, assurance against material misstatement, loss or fraud.

## C. RISK MANAGEMENT

The Board recognises that risk management is an integral part of the Group’s business operations and that the identification and management of risks will affect the achievement of the Group’s business objectives.

The Board is committed to fostering a culture of risk awareness and ensuring that appropriate processes are in place for in identifying, evaluating, mitigating, monitoring and managing the significant risks on an on-going basis. In discharging its responsibilities, the Board has taken into consideration the guidance of the Malaysian Code on Corporate Governance 2021 (“MCCG 2021”).

The key risk management initiatives undertaken include among others:

- (i) The responsibilities of the Board and the Management are clearly defined in the organisational structure to ensure the effective discharge of the roles and responsibilities of the parties in overseeing the conduct of the Group’s business;
- (ii) Formation of operational policies and procedures by the Management with a view of establishing group wide operational standards in order for all operating units to work cohesively towards achieving the business objectives of the Group. For accounting systems and financial processes, efforts are being taken to ensure consistency in the Group as a whole;
- (iii) Regular site visits and operational reviews by senior management to monitor performance and address key issues on a timely basis;
- (iv) Periodic review of financial and operational performance by the Board to monitor the achievement of the Group’s objectives;
- (v) Independent reviews performed by the internal audit function to assess the adequacy and effectiveness of internal controls and to recommend improvements where necessary;
- (vi) Quarterly reviews by the Audit Committee of the Group’s financial results and overall performance, with authority to investigate matters and recommend corrective actions; and
- (vii) Regular engagement between the external and internal auditors to identify and rectify any weakness in the system of internal controls. The Board on a timely basis would be reported of any matters brought up in the Audit and Risk Management Committee (“ARMC”) meetings for further deliberation.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### D. SYSTEM OF INTERNAL CONTROLS

The Board acknowledges its overall responsibility for maintaining a sound system of internal controls that provides assurance of effective and efficient operations and compliance with laws and regulations and also its internal procedures and guidelines. The size and complexity of the operations may give rise to risks of unanticipated or unavoidable losses.

The Board outsources the internal audit function to an independent professional firm, which reports directly to the Audit Committee ("AC"). Its role is to provide the AC with regular assurance on the continuity, integrity and effectiveness of the internal control system through regular monitoring and review of the internal control framework and management processes.

The system of internal controls is designed to provide reasonable but not absolute assurance against the risk of material errors, frauds or losses occurring. AC reviews the effectiveness of the system of internal controls, which covers financial, operational and compliance controls, and also risk management.

The total cost incurred by the IA function is at RM18,000 for the financial year ended 31 December 2025.

### E. ACCOUNTABILITY & AUDIT

The Board endeavours to present a balance and clear assessment of the Group's financial position and prospects through unaudited quarterly financial reporting via the Bursa Malaysia Securities Berhad, annual audited financial statements and Management Review in the annual reports.

The AC reviews the quarterly financial statements and the annual financial statements before they are submitted to the Board for approval. A statement by the Directors of their responsibilities in preparing the financial statements is set out on page 34 of this annual report.

### F. OTHER KEY ELEMENTS OF INTERNAL CONTROL

The other key elements of the Group's System of internal control are:

#### a) Management Structure

The Group maintains a formal organisation structure with clearly defined lines of accountability and responsibility. The daily running of the businesses is entrusted to the executive Directors and their Management teams. The heads of each operating subsidiary and department of the Group are empowered with the responsibility of managing their respective operations.

#### b) Strategic Business Plan and Annual Budget

The Board constructively challenges and contributes to the development of the Group's strategic directions and annually reviews the Group's strategic business plan. The Board probes the Management to ensure the Management has taken into consideration the varying opportunities and risks whilst developing the strategic business plan.

The Group's annual strategic business plan and budget is reviewed, deliberated and approved by the Board.

The expectations of the Board are clearly discussed with, and understood by, the Management. The Board is also responsible for monitoring the implementation of the strategic business plan and for assessing the actual performance of the Group against the annual strategic business plan and budget as well as to provide guidance to the Management.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### F. OTHER KEY ELEMENTS OF INTERNAL CONTROL (CONT'D)

#### c) Reporting and Review

Periodic operational and financial reports are prepared and presented to the Board for discussion and review based on the established reporting hierarchy within the Group. Ad-hoc and scheduled meetings are held at operational and management levels to identify operational issues, discuss and review the business plans, budgets, financial and operational performances of the Group etc.

#### d) Quality Compliance

The Group's plant is certified as Good Manufacturing Practice ("GMP") compliance by the Ministry of Health, Malaysia, which affirms that the Group has adopted the required standards in the manufacturing processes and facilities, i.e. production of health supplements. Moreover, the GMP and the products are Certified Halal by the Department of Islamic Development Malaysia.

#### e) Internal Policies and Procedures

Policy and procedures, handbook, guidelines and authority limits have been established to guide personnel on day-to-day operational activities.

#### f) Related Party Transactions

Related party transactions (if any) are disclosed, reviewed and monitored by the ARMC and presented to the Board on a periodical basis.

### G. ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL

The Board has received assurance from the Executive Director of the Company that the Group's risk management and internal control system is operating adequately and effectively in all material aspects, based on the risk management and internal control system of the Group.

### H. REVIEW OF THIS STATEMENT

Pursuant to Rule 15.23 of the AMLR, the external Auditors have reviewed this Risk Management and Internal Control Statement for inclusion in the Annual Report of the Group for the financial year ended 31 December 2025 and reported to the Board that nothing has come to their attention that causes them to believe that this statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

### I. BOARD CONCLUSIONS

The Board is satisfied that, during the year under review, the existing system of internal controls and risk management is sound and adequate to safeguard the Group's assets at the existing level of operations of the Group. The Board recognises that the development of internal control system is an ongoing process.

Therefore, in striving for continuous improvement, the Board will continue to take appropriate action plans to further enhance the Group's system of internal control. This statement is made in accordance with the resolution of the Board dated 27 April 2026.

# AUDIT COMMITTEE REPORT

## AC REPORT

The Board of Directors is pleased to present the Audit Committee (“AC”) Report for the financial year ended 31 December 2025 in accordance with Rule 15.15 of the AMLR of Bursa Securities.

## COMPOSITION

The current composition of the AC is set out below:

- 1) Kang Jimmi (Chairman, Independent Non-Executive Director)
- 2) Yee Yit Yang (Member, Independent Non-Executive Director)
- 3) Tan Su Ning (Member, Independent Non-Executive Director)

Yee Yit Yang, being a member of the Malaysian Institute of Accountants, fulfils the requirement of Rule 15.09(1)(c) of the AMLR.

## TERMS OF REFERENCE

The terms and reference of the AC is made available on the Company’s website at [www.bioa.com.my](http://www.bioa.com.my).

## ATTENDANCE OF MEETINGS

A total of five (5) meetings were held in FYE 2025. Details of attendance of the AC members are as follows:

Name of Members	Total Meetings Attended
Kang Jimmi (Chairman)	5/5
Yee Yit Yang	5/5
Tan Su Ning	5/5

The composition of the AC is in compliance with Practice 1.4 of the MCCG 2021. At the invitation of the AC, the Managing Director/Chief Executive Officer, relevant Management, External and Internal Auditors attended the AC meetings and presented their reports on financial results, audit findings and other matters for the information and/or approval of the AC.

The Company Secretaries act as Secretary to the AC and shall circulate the minutes of meetings of the AC to all members of the AC. Detailed audit reports by the Internal Auditors and the respective management response are circulated to the members of the AC before each Meeting at which the said reports are tabled. The AC Chairman later updated the Board on relevant and salient issues with the recommendations of the AC for the Board’s consideration and approval.

## SUMMARY ACTIVITIES OF THE AC

The AC met at scheduled times during the year, with due notices of meetings issued, and with agendas planned and itemised so that matters were deliberated and discussed in a detailed manner. Apart from the scheduled meetings, ad-hoc meetings were also called at the discretion of the AC. The minutes of each meeting held were distributed to each member of the Board at subsequent Board Meetings. The AC Chairman reported on each meeting to members of the Board.

**SUMMARY ACTIVITIES OF THE AC (CONT'D)**

The activities of the AC during the financial year ended 31 December 2025 include the following:

- a) Reviewed the quarterly unaudited financial results of the Group and the Company including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- b) Reviewed with External Auditors on their audit planning memorandum on the statutory audit of the Group for the financial year ended 31 December 2025;
- c) Reviewed the annual audited financial statements of the Group before recommending to the Board for their approval and release of the Group's results to Bursa Securities;
- d) Reviewed and discussed with the external auditors their audit findings inclusive of system evaluation, audit fees, issues raised, audit recommendations and the Management's response to these recommendations;
- e) Evaluated the performance of the External Auditors for the financial year ended 31 December 2025 covering areas such as calibre, quality processes, audit team, audit scope, audit communication, audit governance and independence and considered and recommended the re-appointment of the external auditors;
- f) Reviewed the appointment of new external auditors, Messrs. Jamal, Amin & Partners in place of the resigned auditors, Messrs. Chengco PLT as external auditors of the Company and its subsidiaries companies for the financial year ending 31 December 2025 and recommended to the Board's for approval;
- g) Review the re-appointment of the External Auditors, Messrs. Jamal, Amin & Partners for the financial year ending 31 December 2026 and recommended to the Board's for approval;
- h) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- i) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and management responses thereof;
- j) Reviewed the effectiveness of the Group's system of internal control;
- k) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;
- l) Reviewed related party transactions and conflict of interest situations that may arise within the Company or the Group;
- m) Reviewed the Company's compliance with the AMLR, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- n) Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and
- o) Report to the Board on its activities and significant findings and results.

**INTERNAL AUDIT FUNCTIONS**

The Group has outsourced its internal audit function to Governanceadvisory.com Sdn Bhd ("GA"), an independent professional firm engaged in risk advisory and internal audit services. The primary responsibility of the internal audit function is to provide an independent, objective assessment of the adequacy and effectiveness of governance, risk and processes implemented by the management. The internal auditor adopts a risk-based approach to plan and prioritise audit work on high-risk auditable areas.

## AUDIT COMMITTEE REPORT (CONT'D)

### INTERNAL AUDIT FUNCTIONS (CONT'D)

The Internal Auditors reports directly to the AC quarterly by presenting their audit reports which include their findings and recommendations for improvements to the AC for review and deliberation. The AC evaluated the adequacy of the responses, actions and measures taken by the Management within the required timeframe in resolving the audit issues reported. The Internal Auditors also carried out follow-up reviews to monitor the implementation of the said action plans and measures reported to the AC. The AC Chairman then briefed the Board on the internal audit reports on any major findings.

Presently, there are 10 internal auditors with relevant qualifications within GA. Mr. Jason Tee who has 14 years' experience and reports directly to the AC to ensure impartiality and independence leads the head of GA. Being an external internal audit firm, all internal auditors are free from any relationships and conflict of interest with the Group which could impair their objectivity and independence, GA carries out a Conflict of Interest Declaration yearly to ensure their independence. The Internal Auditors adopt the International Professional Practices Framework for their audit works.

The cost incurred for the Internal Audit Function during FYE 2025 is approximately RM18,000.

During the financial year, the following activities were carried out by the internal auditors in discharge of its responsibilities:

i) Manufacturing and Production Review

- To ensure policies and procedures were in place and consistently practised.
- To determine that production resources (i.e., machinery, manpower and raw materials) were effectively and efficiently utilised.
- To determine the production was planned (i.e., Schedule) to meet annual production targets.
- To ensure the actual output was monitored accordingly to achieve consistent output throughout the year.
- To ensure regular report on production status to the Management for monitoring purposes.
- To ensure production issues or shortfalls were promptly escalated and reported to the Management.
- To ensure customer complaints received were investigate, and corrective actions were taken in a timely manner.

The AC and the Board agreed that the internal audit review was done in accordance with the audit plan and the coverage was adequate.

For further details on risk management, internal controls and internal audit functions, please refer to the Statement on Risk Management and Internal Control on pages 33 to 35 in this Annual Report 2025.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid to the firm or corporation affiliated with the External Auditors by the Company and the Group for the financial year ended 31 December 2025 are as follows:

		Company	Group
		(RM)	(RM)
<b>Audit Services Rendered</b>		87,000	182,616
<b>Non-Audit Services Rendered</b>			
(a)	Review of Statement on Risk Management and Internal Control	5,000	5,000
(b)	Review of foreign subsidiaries report for consolidation purpose	24,000	24,000

### 2. MATERIAL CONTRACTS OR LOANS INVOLVING THE INTERESTS OF THE DIRECTORS, CHIEF EXECUTIVE WHO IS NOT A DIRECTOR OR MAJOR SHAREHOLDERS

There were no material contracts or loans between the Company and its subsidiary that involve the interests of the Directors, Chief Executive who is not a Director or Major Shareholders.

### 3. SHARE ISSUANCE SCHEME

The Share Issuance Scheme of the Company ("SIS") is governed by the SIS By-Laws and was approved by shareholders on 19 August 2016 and shall be in force for five (5) years and may be extended for such further period, at the sole and absolute discretion of the Board upon the recommendation by the SIS Committee, provided always that the Initial Scheme Period above and such extension of the scheme made under the By-laws shall not in aggregate exceed ten (10) years or such other period as may be prescribed by Bursa Securities or any other relevant authorities from the effective date of the SIS.

The Company had on 9 November 2023 extended the duration of its existing SIS, which is expiring on 11 January 2024, for another 3 years from 12 January 2024 to 11 January 2027 in accordance with Clause 21 of the SIS By-laws.

The movement of the number of share options and the weighted average exercise prices are as follows: -

Date of Offer	Exercise Price (RM)	Number of options over Ordinary Shares			
		At 1.1.2025 ('000)	Cancellation ('000)	Granted ('000)	At 31.12.2025 ('000)
27 February 2017	0.205	1,989	-	-	1,989
16 April 2020	0.105	2,276	-	-	2,276
11 October 2022	0.090	125,000	(98,000)	-	27,000
29 December 2025	0.020	-	-	98,000	98,000

Please refer to pages 118 to 120 of the Annual Report 2025 for the further details on the Share Issuance Scheme.

# FINANCIAL STATEMENTS

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The directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activities of the subsidiaries are detailed in Note 5 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

## RESULTS

	Group RM	Company RM
Net (loss)/profit for the financial year	(29,951,065)	574,334
<hr/>		
Attributable to:		
Owners of the Company	(29,676,392)	574,334
Non-controlling interest	(274,673)	–
	(29,951,065)	574,334

## DIVIDENDS

No dividends have been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

- (a) On 18 June 2025, 3,181 ordinary shares were issued pursuant to the conversion of ICPS on a cashless basis at an issue price of RM0.22 per share. The conversion was affected on the basis of 11 ICPS for 1 ordinary share.
- (b) During the financial year, the Company undertook a share capital reduction exercise amounting to RM110,000,000. The share capital reduction was approved by the shareholders on 25 April 2025 and was affected in accordance with the relevant provisions of the Companies Act 2016. The share capital reduction resulted in a corresponding adjustment within the equity of the Company. The capital reduction was undertaken to rationalise the capital structure of the Company.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The Company did not issue any new debentures during the financial year.

## DIRECTORS' REPORT (CONT'D)

### WARRANTS

The Warrants B were constituted under the Deed Poll dated 22 December 2023.

The salient terms of the warrants are disclosed in Note 20(a) to the financial statements.

During the financial year, Hon Tian Kok @ William had dealings in Warrants B of the Company. The Director subsequently resigned on 26 November 2025.

Details of the warrants held by Directors, including dealings during the financial year, are disclosed in the Directors' Interest section of this Annual Report.

### OPTIONS GRANTED OVER UNISSUED SHARES

At extraordinary general meeting held on 19 August 2016, the Company's shareholders approved the establishment of Share Issuance Scheme ("SIS") of not more than 30% of the issued share capital of the Company at any point of time throughout the duration of the SIS to eligible Directors and employees of the Group.

The SIS shall be in force for a period of 5 years from 12 January 2017 to 10 January 2022. The Company had on 6 January 2022 extended the existing SIS which expired on 11 January 2022 for another 2 years from 12 January 2022 to 11 January 2024 in accordance with the Clause 21 Of the SIS Bylaws. On 9 November 2023, the Company further extended the existing SIS which expired on 11 January 2024 for another 3 years from 12 January 2024 to 11 January 2027.

The salient feature and other term are disclosed in the Note 20(b) to the financial statements.

As at 31 December 2025, the SIS offered to take up unissued ordinary shares and the exercise prices are as follows:

Date of offer	Exercise Price RM	At		Number of options		At 31.12.2025
		1.1.2025	Cancellation	Granted	Exercised	
27 February 2017	0.205	1,988,899	–	–	–	1,988,899
16 April 2020	0.105	2,275,863	–	–	–	2,275,863
11 October 2022	0.090	125,000,000	(98,000,000)	–	–	27,000,000
29 December 2025	0.020	–	–	98,000,000	–	98,000,000

### DIRECTORS

The directors in office during the financial year and during the year from the end of the financial year to the date of the report are:

Dato' Haji Mohd Yazid Bin Haji Mustafa

Koo Kien Yoon\*

Ang Wan Joo

Tan Keng How

Kang Jimmi

Yee Yit Yang

Tan Su Ning

Hon Tian Kok @ William

Ho Tze Hiung

(Appointed on 4 April 2025)

(Appointed on 2 September 2025)

(Appointed on 19 June 2025)

(Resigned on 26 November 2025)

(Resigned on 2 September 2025)

\* *Director of the Company and of its subsidiaries*

**DIRECTORS (CONT'D)**

The Directors who held office in the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year up to the date of this report:

Abd Rahman Bin Yasir  
Dato' Ng Ah Kow (alternative Director to Ng Yau Loong)  
Ng Yau Loong

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

**DIRECTORS' INTERESTS**

The interest and deemed interest in the shares, options and ICPS over shares of the Company and of its related corporation of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	At 1.1.2025	Number of Warrants B		At 31.12.2025
		Bought	Sold	
<b>Interest in the Company</b>				
<b>Direct Interest</b>				
Hon Tian Kok @ William	60,110,000	–	(60,110,000)	–

During the financial year, the Director disposed of his entire interest in Warrants B of the Company. The Director subsequently resigned on 26 November 2025.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in directors' remuneration in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 36(c) to the financial statements.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Executive Directors</b>				
Salaries and other emoluments	956,835	1,316,160	883,740	836,632
Social security contributions	3,645	3,294	3,645	2,618
Defined contribution plan	103,695	128,210	103,695	98,139
Employment insurance scheme	1,113	–	1,113	–
	1,065,288	1,447,664	992,193	937,389

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Non-executive Directors</b>				
Salaries and other emoluments	30,100	27,300	30,100	27,300
Fee	218,000	216,000	218,000	216,000
	248,100	243,300	248,100	243,300
Total directors' remuneration	1,313,388	1,690,964	1,240,293	1,180,689

The numbers of directors of the Group whose total remuneration during the financial year fell within the following bands is analysed below:

	Number of directors	
	2025 RM	2024 RM
<b>Executive directors:</b>		
RM1 - RM50,000	1	–
RM50,001 - RM100,000	1	–
RM150,001 - RM200,000	1	1
RM200,001 - RM250,000	1	–
RM250,001 - RM300,000	–	1
RM300,001 - RM350,000	–	1
RM450,001 - RM500,000	1	–
RM650,001 - RM700,000	–	1
<b>Non-executive directors:</b>		
RM1 - RM50,000	3	3
RM100,001 - RM150,000	1	1

**OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that all known bad debts had been written off and the adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company have been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

- (a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Group and the Company; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and the Company misleading; or
- (c) which have arisen and render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements of the Group and the Company misleading.

At the date of this report, there does not exist:

- (a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable within the year of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

**INDEMNITIES TO DIRECTORS, OFFICERS OR AUDITORS**

The Company has affected Directors' and Officers' liability insurance ("D&O Insurance") for the Directors and Officers of the Company on a Group basis. The total premium paid during the financial year amounted to RM15,000 (2024: RM7,075), with a coverage limit of RM1,000,000 (2024: RM1,000,000) for any one claim and in aggregate.

The coverage is effective from 18 November 2025 to 17 November 2026 (2024: 18 November 2024 to 17 November 2025). The policy provides coverage for liabilities incurred in the discharge of duties as Directors and Officers of the Group.

No indemnity was given to, nor insurance effected for, the auditors of the Group during the financial year.

## DIRECTORS' REPORT (CONT'D)

### AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM182,616 and RM87,000 (2024: RM258,815 and RM85,000) during the financial year.

### SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 5 to the financial statements.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The detail of the significant events during the financial year are disclosed in Note 41 to the financial statements.

### SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

The detail of the significant events after the financial year are disclosed in Note 42 to the financial statements.

### AUDITORS

The auditors, Jamal, Amin & Partners, have expressed their willingness to continue in office.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

.....  
**KOO KIEN YOON**  
Director

.....  
**ANG WAN JOO**  
Director

Kuala Lumpur

Date:

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Koo Kien Yoon and Ang Wan Joo, being the two of the directors of Bioalpha Holdings Berhad, do hereby state that in opinion of directors, the financial statements set out on pages 54 to 151 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of the results of its financial performance and its cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the board of directors in accordance with a resolution of the directors,

.....  
**KOO KIEN YOON**  
Director

.....  
**ANG WAN JOO**  
Director

Kuala Lumpur

Date:

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Koo Kien Yoon (NRIC: 760622-08-5427), being the director primarily responsible for the financial management of Bioalpha Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 54 to 151, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at )  
Kuala Lumpur in the state of )  
Wilayah Persekutuan on this )

Before me,

**WAN NAZARULHISHAM BIN WAN ABD AZIZ**  
Membership no. : W1098

.....  
**KOO KIEN YOON**  
Director

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BIOALPHA HOLDINGS BERHAD

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### *Opinion*

We have audited the financial statements of BIOALPHA HOLDINGS BERHAD, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statement of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 54 to 151.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

### *Basis for Opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence and Other Ethical Responsibilities*

We are independent of the Group and the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws")* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code")*, and we have fulfilled our other ethical responsibilities in accordance with the *By-Laws* and the IESBA Code.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **1. Impairment assessment of property, plant and equipment**

As at 31 December 2025, the carrying amount of the Group's property, plant and equipment amounted to RM24,442,079. During the financial year, the Group recognised impairment losses of RM3,557,862 on certain property, plant and equipment. Management is required to assess whether there are indicators of impairment and, where such indicators exist, to estimate the recoverable amount of the assets or cash-generating units. This involves significant judgement in determining future cash flow projections, growth rates and discount rates. Given the significance of the balance and the judgement involved in estimating the recoverable amount, we have identified the impairment assessment of property, plant and equipment as a key audit matter.

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)***Key Audit Matters (Cont'd)***1. Impairment assessment of property, plant and equipment (Cont'd)**

Our audit procedures included the following:

- Assessing whether there were indicators of impairment and evaluating management's basis for identifying cash-generating units;
- Evaluating the methodology used in determining the recoverable amount in accordance with MFRS 136 Impairment of Assets;
- Assessing the reasonableness of key assumptions used in the cash flow projections, including revenue growth rates and profit margins, by comparing them against historical performance and available industry data;
- Evaluating the discount rates used with reference to external data;
- Performing sensitivity analysis on key assumptions to assess the impact of reasonably possible changes on the recoverable amount;
- Checking the mathematical accuracy of the impairment models; and
- Assessing the adequacy of the related disclosures in the financial statements.

**2. Impairment assessment of intangible assets**

As at 31 December 2025, the carrying amount of the Group's intangible assets amounted to RM28,231,587, which mainly comprise development expenditure, patents and software. During the financial year, the Group recognised impairment losses of RM7,506,424 on certain intangible assets. Management is required to assess whether there are indicators of impairment and, where such indicators exist, to estimate the recoverable amount of the assets or cash-generating units. This assessment involves significant judgement in determining future cash flow projections, growth rates and discount rates. Given the significance of the balance and the judgement involved in estimating the recoverable amount, we have identified the impairment assessment of intangible assets as a key audit matter.

Our audit procedures included the following:

- Assessing whether there were indicators of impairment and evaluating management's basis for identifying cash-generating units;
- Evaluating the methodology used in determining the recoverable amount in accordance with MFRS 136 Impairment of Assets;
- Assessing the reasonableness of key assumptions used in the cash flow projections, including revenue growth rates and profit margins, by comparing them against historical performance and available industry data;
- Evaluating the discount rates used with reference to external data;
- Performing sensitivity analysis on key assumptions to assess the impact of reasonably possible changes on the recoverable amount;
- Checking the mathematical accuracy of the impairment models; and
- Assessing the adequacy of the related disclosures in the financial statements.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

### *Key Audit Matters (Cont'd)*

#### **3. Impairment assessment of investment in subsidiaries**

As at 31 December 2025, the carrying amount of the Company's investment in subsidiaries amounted to RM110,204,961. During the financial year, the Company recognised impairment losses of RM115,019,445 on its investment in subsidiaries. Management is required to assess whether there are indicators of impairment and, where such indicators exist, to estimate the recoverable amount of the investments. This involves significant judgement in determining future cash flow projections, growth rates and discount rates. Given the significance of the balance and the judgement involved in estimating the recoverable amount, we have identified the impairment assessment of investment in subsidiaries as a key audit matter.

Our audit procedures included the following:

- Obtaining an understanding of management's impairment assessment process and evaluating whether there were indicators of impairment;
- Assessing the reasonableness of the cash flow projections by comparing them against historical performance and approved budgets;
- Evaluating key assumptions used in the value-in-use calculations, including growth rates and discount rates, with reference to external data where appropriate;
- Performing sensitivity analysis on key assumptions to assess the impact of reasonably possible changes;
- Checking the mathematical accuracy of the impairment models; and
- Assessing the adequacy of the related disclosures in the financial statements in accordance with the applicable financial reporting standards.

#### **4. Revenue recognition**

Revenue is a key performance indicator of the Group and is subject to a presumed risk of fraud in revenue recognition under auditing standards. For the financial year ended 31 December 2025, the Group recorded revenue and cost of sales of RM11,482,926 and RM12,399,078 respectively. The Group generates revenue primarily from the sale of products and related services. Revenue recognition requires management to determine the timing of transfer of control of goods or services to customers and to apply appropriate cut-off procedures. This involves judgement, particularly in assessing whether revenue is recognised at a point in time or over time, and in ensuring that revenue is recorded in the correct accounting period. Given the significance of revenue to the financial statements and the judgement involved, we have identified revenue recognition as a key audit matter.

Our audit procedures included the following:

- Obtaining an understanding of the Group's revenue processes and evaluating the design and implementation of key internal controls over revenue recognition;
- Inspecting the terms of significant sales contracts to determine the point at which control of goods or services is transferred to customers;
- Testing a sample of revenue transactions to supporting documents such as contracts, invoices, delivery orders and service completion reports to assess whether revenue was recognised in accordance with MFRS 15;

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)***Key Audit Matters (Cont'd)***4. Revenue recognition (Cont'd)**

Our audit procedures included the following: (Cont'd)

- Performing cut-off testing on revenue transactions before and after the financial year end, including reviewing credit notes issued subsequent to year end, to ensure revenue was recorded in the correct period;
- Performing analytical procedures on revenue trends and investigating any significant fluctuations; and
- Assessing the adequacy of the related disclosures in the financial statements in accordance with MFRS 15.

*Information Other than the Financial Statements and Auditors' Report Thereon*

The directors of the Company are responsible for the other information. The other information comprises the information include in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Statements*

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and of the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

#### *Responsibilities of the Directors for the Financial Statements (Cont'd)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming and opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguard applied.

From the matters communicated with the directors, we determine those matters that were most significant in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT  
(CONT'D)

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

In accordance with the requirements of the of Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

**OTHER MATTERS**

- 1) The financial statements of Bioalpha Holdings Berhad., for the financial year ended 31 December 2024 were audited by a different auditor who expressed an unmodified opinion on those statements on 28 April 2025.
- 2) This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**JAMAL, AMIN & PARTNERS**  
(No.: AF 1067)  
Chartered Accountants

**MOHD FIRDAUS BIN NASIR**  
(No.: 3843/07/26(J))  
Chartered Accountant

Kuala Lumpur

Date:

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Notes	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	24,442,079	32,874,735	-	-
Investment in subsidiaries	5	-	-	110,204,961	11,473,961
Investment in an associate	6	-	-	-	-
Goodwill on consolidation	7	-	-	-	-
Intangible assets	8	28,231,587	37,634,758	-	-
		52,673,666	70,509,493	110,204,961	11,473,961
<b>Current assets</b>					
Biological assets	9	169,507	94,908	-	-
Inventories	10	3,485,276	3,698,510	-	-
Trade receivables	11	1,556,303	1,044,254	-	-
Other receivables	12	1,718,436	1,649,887	12,500	12,500
Other investments	13	13,729,162	25,966,375	-	-
Amount due from subsidiaries	14	-	-	-	95,438,661
Tax recoverable		105,491	297,425	54,740	40,844
Fixed deposits with licensed banks	15	2,154,816	3,630,620	1,200,000	2,200,000
Cash and cash equivalents	16	3,554,022	7,159,572	606,696	966,827
		26,473,013	43,541,551	1,873,936	98,658,832
Assets of disposal group classified as held for sale	17	-	4,939,844	-	-
<b>TOTAL ASSETS</b>		79,146,679	118,990,888	112,078,897	110,132,793

STATEMENT OF FINANCIAL POSITION  
(CONT'D)

	Notes	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attribute to owners of the Company</b>					
Share capital	18	76,191,908	186,191,208	76,191,908	186,191,208
ICPS	19	2,888,671	2,889,371	2,888,671	2,889,371
Reserves	20	(9,756,002)	(90,736,553)	18,945,973	(92,451,561)
		69,324,577	98,344,026	98,026,552	96,629,018
Non-controlling interests		(933,108)	(628,440)	–	–
<b>TOTAL EQUITY</b>		<b>68,391,469</b>	<b>97,715,586</b>	<b>98,026,552</b>	<b>96,629,018</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loan and borrowings	21	487,360	595,323	–	–
Lease liabilities	22	3,299,424	3,727,511	–	–
Deferred tax liabilities	23	–	3,863,585	–	–
		3,786,784	8,186,419	–	–
<b>Current liabilities</b>					
Contract liabilities	24	1,746,354	1,532,769	–	–
Trade payables	25	596,919	1,917,565	–	–
Other payables	26	3,827,815	3,873,374	537,294	563,902
Amount due to subsidiaries	14	–	–	13,515,051	12,939,873
Loan and borrowings	21	311,036	387,352	–	–
Lease liabilities	22	486,302	617,979	–	–
		6,968,426	8,329,039	14,052,345	13,503,775
Liabilities of disposal group classified as held for sale	17	–	4,759,844	–	–
<b>TOTAL LIABILITIES</b>		<b>10,755,210</b>	<b>21,275,302</b>	<b>14,052,345</b>	<b>13,503,775</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>79,146,679</b>	<b>118,990,888</b>	<b>112,078,897</b>	<b>110,132,793</b>

The accompanying notes form an integral part of these financial statements.

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Notes	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Continuing operations</b>					
Revenue	27	11,482,926	62,024,718	–	3,700,000
Cost of sales		(12,399,078)	(65,801,998)	–	–
<hr/>					
Gross (loss)/profit		(916,152)	(3,777,280)	–	3,700,000
Other operating income	28	1,421,399	850,690	118,410,553	172,174
Administration expenses		(21,970,040)	(42,062,846)	(2,825,790)	(4,920,324)
Net loss on impairment of financial assets		(12,237,663)	(12,516,314)	(115,019,445)	(111,928,765)
<hr/>					
<b>(Loss)/Profit from operation</b>		<b>(33,702,456)</b>	<b>(57,505,750)</b>	<b>565,318</b>	<b>(112,976,915)</b>
Finance costs	29	(249,338)	(370,933)	–	–
<hr/>					
<b>(Loss)/Profit before tax</b>	30	<b>(33,951,794)</b>	<b>(57,876,683)</b>	<b>565,318</b>	<b>(112,976,915)</b>
Share of profit/(loss) of equity accounted associate		33,453	(57,027)	–	–
Taxation	31	4,018,983	1,595,652	9,016	(42,668)
<hr/>					
<b>(Loss)/Profit for the financial year from continuing operations</b>		<b>(29,899,358)</b>	<b>(56,338,058)</b>	<b>574,334</b>	<b>(113,019,583)</b>
<hr/>					
(Loss)/Profit after taxation from discontinued operations	32	(51,707)	5,843,721	–	–
<hr/>					
<b>(Loss)/Profit for the financial year from continuing</b>		<b>(29,951,065)</b>	<b>(50,494,337)</b>	<b>574,334</b>	<b>(113,019,583)</b>
<hr/>					
<b>Items that are may be reclassified subsequently to profit or loss</b>					
Exchange differences on translation of foreign operations		(196,252)	1,344,436	–	–
<hr/>					
<b>Other comprehensive (loss)/ income for the financial year, net of tax</b>		<b>(196,252)</b>	<b>1,344,436</b>	<b>–</b>	<b>–</b>
<hr/>					
<b>Total comprehensive (loss)/ profit for the financial year</b>		<b>(30,147,317)</b>	<b>(49,149,901)</b>	<b>574,334</b>	<b>(113,019,583)</b>

STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
(CONT'D)

Notes	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>(Loss)/Profit for the financial year attributable to:</b>				
Owners of the Company:				
- continuing operations	(29,624,685)	(54,397,114)	574,334	(113,019,583)
- discontinued operations	(51,707)	5,843,721	-	-
Non-controlling interests	(274,673)	(1,940,944)	-	-
	(29,951,065)	(50,494,337)	574,334	(113,019,583)
<b>Total comprehensive (loss)/profit for the financial year attributable to:</b>				
Owners of the Company:				
- continuing operations	(29,790,942)	(53,280,036)	574,334	(113,019,583)
- discontinued operations	(51,707)	5,843,721	-	-
Non-controlling interests	(304,668)	(1,713,586)	-	-
	(30,147,317)	(49,149,901)	574,334	(113,019,583)
<b>Loss per share:</b>				
Basic (in sen)				
- continuing operations	33 (a)	(2.35)	(4.30)	
- discontinued operations	33 (a)	-	0.46	
		(2.35)	(3.84)	
Diluted (in sen)				
- continuing operations	33 (b)	(1.93)	(3.54)	
- discontinued operations	33 (b)	-	0.38	
		(1.93)	(3.16)	

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes	Attributable to owners of the Company										Total equity RM	
	Share Capital RM	ICPS RM	Warrant reserve RM	SIS option reserve RM	Merger deficits RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM		
<b>Group</b>												
At 1 January 2025	186,191,208	2,889,371	18,413,494	803,081	(4,569,128)	4,803,177	(110,187,177)	98,344,026	(628,440)	97,715,586		
<b>Continuing operations</b>												
Loss for the financial year	-	-	-	-	-	-	(29,624,685)	(29,624,685)	(274,673)	(29,899,358)		
Foreign exchange translation reserve	-	-	-	-	-	(166,257)	-	(166,257)	(29,995)	(196,252)		
Total comprehensive loss for the financial year	-	-	-	-	-	(166,257)	(29,624,685)	(29,790,942)	(304,668)	(30,095,610)		
<b>Discontinued operations</b>												
Loss for the financial year	-	-	-	-	-	-	(51,707)	(51,707)	-	(51,707)		
Total comprehensive loss for the financial year	-	-	-	-	-	-	(51,707)	(51,707)	-	(51,707)		
<b>Transaction with owners:</b>												
Conversion of ICPS	700	(700)	-	-	-	-	-	-	-	-		
Share-based payment expense	-	-	-	823,200	-	-	-	823,200	-	823,200		
Issuance SIS option reserve	-	-	-	(476,246)	-	-	476,246	-	-	-		
Capital reduction	(110,000,000)	-	-	-	-	-	110,000,000	-	-	-		
Transaction with owners	(109,999,300)	(700)	-	346,954	-	-	110,476,246	823,200	-	823,200		
<b>At 31 December 2025</b>	76,191,908	2,888,671	18,413,494	1,150,035	(4,569,128)	4,636,920	(29,387,323)	69,324,577	(933,108)	68,391,469		

STATEMENT OF CHANGES IN EQUITY  
(CONT'D)

Notes	Attributable to owners of the Company										Total equity RM	
	Share Capital RM	ICPS RM	Warrant reserve RM	SIS option reserve RM	Merger deficits RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	Non-controlling interest RM	Total equity RM		
<b>Group</b>												
<b>At 1 January 2024</b>	186,191,208	2,889,371	-	803,081	(4,569,128)	3,686,099	(61,633,784)	127,366,847	2,265,246	129,632,093		
<b>Continuing operations</b>												
Loss for the financial year	-	-	-	-	-	-	(54,397,114)	(54,397,114)	(1,940,944)	(56,338,058)		
Acquisition of non controlling interest	-	-	-	-	-	-	-	-	(1,083,473)	(1,083,473)		
Disposal of a subsidiary	-	-	-	-	-	-	-	-	(96,627)	(96,627)		
Foreign exchange translation reserve	-	-	-	-	-	1,117,078	-	1,117,078	227,358	1,344,436		
Total comprehensive income / (loss) for the financial year	-	-	-	-	-	1,117,078	(54,397,114)	(53,280,036)	(2,893,686)	(56,173,722)		
<b>Discontinued operations</b>												
Profit for the financial year	-	-	-	-	-	-	5,843,721	5,843,721	-	5,843,721		
Total comprehensive income for the financial year	-	-	-	-	-	-	5,843,721	5,843,721	-	5,843,721		
<b>Transaction with owners:</b>												
Issuance of warrants	-	-	18,413,494	-	-	-	-	18,413,494	-	18,413,494		
Transaction with owners	-	-	18,413,494	-	-	-	-	18,413,494	-	18,413,494		
<b>At 31 December 2024</b>	186,191,208	2,889,371	18,413,494	803,081	(4,569,128)	4,803,177	(110,187,177)	98,344,026	(628,440)	97,715,586		

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The accompanying notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY  
(CONT'D)

Notes	Share capital RM	ICPS RM	Warrant reserve RM	SIS option reserve RM	Accumulated losses RM	Total equity RM	
<b>Company</b>							
<b>At 1 January 2025</b>	186,191,208	2,889,371	18,413,494	803,081	(111,668,136)	96,629,018	
Profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	574,334	574,334	
<b>Transaction with owners:</b>							
Conversion of ICPS	700	(700)	-	-	-	-	
Share-based payment expense	-	-	-	823,200	-	823,200	
Issuance SIS option reserve	-	-	-	(476,246)	476,246	-	
Capital reduction	(110,000,000)	-	-	-	110,000,000	-	
Transaction with owners	(109,999,300)	(700)	-	346,954	110,476,246	823,200	
<b>At 31 December 2025</b>	76,191,908	2,888,671	18,413,494	1,150,035	(617,556)	98,026,552	
Notes	Share Capital RM	ICPS RM	Warrant reserve RM	SIS option reserve RM	Other reserve RM	Retained earnings/ Accumulated losses RM	Total equity RM
<b>Company</b>							
<b>At 1 January 2024</b>	186,191,208	2,889,371	-	803,081	-	1,351,447	191,235,107
Loss for the financial year, representing total comprehensive loss for the financial year	-	-	-	-	-	(113,019,583)	(113,019,583)
<b>Transaction with owners:</b>							
Issuance of warrants	-	-	18,413,494	-	-	-	18,413,494
Transaction with owners	-	-	18,413,494	-	-	-	18,413,494
<b>At 31 December 2024</b>	186,191,208	2,889,371	18,413,494	803,081	-	(111,668,136)	96,629,018

The accompanying notes form an integral part of these financial statements.

# STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Notes	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities</b>				
(Loss)/Profit before tax				
- Continued operation	(33,951,794)	(57,876,683)	565,318	(112,976,915)
- Discontinued operation	(51,707)	5,860,282	-	-
Adjustments for:				
Amortisation of intangible assets	833,442	2,731,650	-	-
Amortisation of deferred capital grant	(3,132)	(24,521)	-	-
Bad debts written off	288,923	377,171	-	262
Depreciation of property, plant and equipment	4,975,310	8,531,366	-	-
Dividend income	-	-	-	(3,700,000)
Gain on disposal of property, plant and equipment	(16,014)	(5,280,403)	-	-
Loss/(Gain) on disposal of subsidiaries	274,576	(674,508)	-	-
Fair value loss on biological assets	(74,599)	5,092	-	-
Fair value loss on quoted shares investments	12,237,664	8,338,653	-	-
Fair value loss on share-based payment	823,200	-	823,200	-
Allowance of expected credit losses on:				
- Trade receivables	565,947	1,659,789	-	-
- Other receivables	-	6,947,289	-	-
- Amount due from subsidiaries	-	-	-	111,928,764
Reversal of allowance for expected credit losses on:				
- Trade receivables	(577,097)	(101,621)	-	-
- Other receivables	(319,763)	(3,261,819)	-	-
- Amount due from subsidiaries	-	-	(118,376,732)	-
Waiver of debts on:				
- Trade payables	12,428	(4,262,341)	-	-
- Other payables	-	(98,890)	-	-
Impairment losses on:				
- Property, plant and equipment	3,557,862	10,644,879	-	300,000
- Intangible assets	7,506,424	8,145,767	-	-
- Investment in an associate	33,453	3,237,353	-	-
- Goodwill	-	4,449,356	-	-
- Investment in subsidiary	-	-	115,019,445	2,242,475
Interest expenses	249,338	607,445	-	-
Interest income	(62,974)	(241,937)	(22,896)	(172,174)
Reversal of provision of slow-moving inventories	-	(580,770)	-	-
Deposit written off	17,208	-	-	-
Gain on early termination of lease contract	-	(91,404)	-	-
Gain on modification of lease term	(4,813)	-	-	-
Property, plant and equipment written off	133,992	410,328	-	-
Unrealised (gain)/loss on foreign exchange	(10,130)	396,044	(10,925)	2,320

## STATEMENT OF CASH FLOWS (CONT'D)

	Notes	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities (Cont'd)</b>					
Operating loss before working capital changes		(3,562,256)	(10,152,433)	(2,002,590)	(2,375,268)
Change in working capital:					
Inventories		213,234	2,396,386	–	–
Receivables		(1,673,811)	4,719,762	–	915
Payables		(1,161,919)	3,172,376	(26,606)	(262,675)
		(2,622,496)	10,288,524	(26,606)	(261,760)
<b>Cash (used in)/from operations</b>		(6,184,752)	136,091	(2,029,196)	(2,637,028)
Tax refund		372,009	8,862	8,862	8,862
Tax paid		(24,677)	(52,609)	(13,742)	(43,469)
<b>Net cash (used in)/from operating activities</b>		(5,837,420)	92,344	(2,034,076)	(2,671,635)
<b>Cash flows from investing activities</b>					
Acquisition of intangible assets	A	–	(1,063,849)	–	–
Purchase of property, plant and equipment	B	(432,564)	(1,229,197)	–	–
Increased in short-term placement		(451)	(12,828,018)	–	–
Placement of fixed deposit		–	(500,000)	1,000,000	–
Net cash outflows from loss of control of subsidiary companies		–	(109,854)	–	–
Proceeds from disposal of property, plant and equipment		347,683	6,083,600	–	–
Proceeds from disposal of subsidiary companies		180,000	–	–	–
Interest received		62,974	241,937	22,896	172,174
Dividend received		–	–	–	3,700,000
<b>Net cash from/(used in) investing activities</b>		157,642	(9,405,381)	1,022,896	3,872,174

STATEMENT OF CASH FLOWS  
(CONT'D)

Notes	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from financing activities</b>				
Repayments to subsidiaries	–	–	640,124	(16,927,687)
Withdrawal in fixed deposits pledged and maturity more than 3 months	1,000,000	86,931	–	–
Withdrawal / (Placement) in fixed deposits pledged and maturity more than 3 months	475,804	(2,200,000)	–	(2,200,000)
Proceed from issuance of shares upon exercise of warrants	–	18,413,494	–	18,413,494
Repayments of lease liabilities	C (750,079)	(1,220,101)	–	–
Repayments of term loans	(103,811)	(2,985,181)	–	–
Net change of banker acceptance	(80,468)	(1,289,510)	–	–
Drawdown of term loans	–	1,160,838	–	–
Interest paid	(197,445)	(555,033)	–	–
Net cash from/(used in) financing activities	344,001	11,411,438	640,124	(714,193)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(5,335,777)	2,098,401	(371,056)	486,346
Effect of exchange translation differences	1,730,227	(5,314,529)	10,925	(2,320)
Cash and cash equivalents at beginning of financial year	7,159,572	10,423,573	966,827	482,801
Cash and cash equivalents under assets held for sales	–	(47,873)	–	–
Cash and cash equivalents at end of financial year	3,554,022	7,159,572	606,696	966,827
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	3,554,022	7,159,572	606,696	966,827
Fixed deposits with licensed banks	2,154,816	3,630,620	1,200,000	2,200,000
	5,708,838	10,790,192	1,806,696	3,166,827
Less: Fixed deposit pledged with licensed banks	(954,816)	(1,430,620)	–	–
Less: Fixed deposit with maturity more than 3 months	(1,200,000)	(2,200,000)	(1,200,000)	(2,200,000)
	3,554,022	7,159,572	606,696	966,827

## STATEMENT OF CASH FLOWS (CONT'D)

	Notes	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>A. Acquisition of intangible assets</b>					
Total addition	8	–	1,063,849	–	–
Cash payment		–	1,063,849	–	–
<b>B. Purchase of property, plant and equipment</b>					
Total addition	4	605,854	3,684,110	–	–
Purchase through lease arrangements		(173,290)	(2,454,913)	–	–
Cash payment		432,564	1,229,197	–	–
<b>C. Cash outflows for leases as a lessee</b>					
<u>Included in net cash from operating activities:</u>					
Payment relating to low value assets		–	31,160	–	–
Payment relating to short-term leases		–	437,311	–	–
		–	468,471	–	–
<u>Included in net cash from operating activities:</u>					
Payment of lease liabilities		750,079	1,220,101	–	–
Payment on interest of lease liabilities		194,395	188,147	–	–
		944,474	1,408,248	–	–
		944,474	1,876,719	–	–

The accompanying notes form an integral part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the ACE Market of the Bursa Malaysia Securities Berhad. The principal place of business of the Company is located at No. 1, Jalan Perindustrian Suntrack, Hub Perindustrian Suntrack, Off Jalan P1A, Seksyen 13, Bandar Baru Bangi, 43000 Kajang, Selangor Darul Ehsan and the registered office of the Company is located at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur Wilayah Persekutuan.

The Company is principally engaged in investment holding. There have been no significant changes in the nature of these activities of the Company. The principal activities of its subsidiaries are disclosed in Note 5 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### 2.2 Basis of measurement

The financial statements, which are expressed in Ringgit Malaysia ("RM"), have been prepared under the historical cost basis except as disclosed in the accounting policies below.

### 2.3 Adoption of new and amended standards

The Company has adopted the following MFRS and Interpretations (collectively referred to as "MFRSs"), issued by the Malaysian Accounting Standards Board ("MASB") and effective for the financial periods beginning on or after 1 January 2025;

- Amendments to MFRS 121, Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group's and the Company's financial statements.

### 2.4 Standards issued but not yet effective

The standards, amendments and interpretations that are issued but not yet effective up to the date of the Company's financial statements are disclosed below. The Company intend to adopt these standards, if applicable, when they become effective.

#### ***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

- Amendments to MFRS 9 and MFRS 7, Classification and Measurement of Financial Instruments
- Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS10 and MFRS 107, Annual Improvement to MFRS Accounting Standards – Volume 11
- Amendments to MFRS 9 and MFRS 7, Contracts Referencing Nature-dependent Electricity

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.4 Standards issued but not yet effective (Cont'd)

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures
- Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency

***MFRSs, Interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

#### 2.5 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

#### 2.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries and associates used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

##### (a) Subsidiaries and business combination

Subsidiaries are entities (including structure entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.6 Basis of consolidation (Cont'd)****(a) Subsidiaries and business combination (Contd)**

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:  
(Cont'd)

- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 2.31 to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.6 Basis of consolidation (Cont'd)

##### (b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statements of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

##### (c) Associate

Associate is entity over which the Group has significant influence, but not control, to the financial and operating policies.

Investment in an associate is accounted for in the consolidated financial statements using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decrease but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

##### (d) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.7 Separate financial statements**

In the Company's statement of financial position, investment in subsidiaries and associate are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 2.17(b) to the financial statements.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

**2.8 Foreign currency transactions and operations****(a) Translation of foreign currency transactions**

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

**(b) Translation of foreign operations**

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.8 Foreign currency transactions and operations (Cont'd)

##### (b) Translation of foreign operations (Cont'd)

When a foreign operation is disposed of such that control, significant influence is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates that do not result in the Group losing significant influence, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

#### 2.9 Current versus non-current classification

Assets and liabilities in the statement of financial position are presented based on current/non-current classification.

An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realised within twelve months after the reporting periods; or
- (iv) Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting periods; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve
- (v) months after the reporting period.

All other assets and liabilities are classified as non-current.

#### 2.10 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

Except for the trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.10 Financial instruments (Cont'd)

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

##### (a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

##### (i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 2.17(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income ("FVOCI")**

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 2.17(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss. The Group and the Company have not designated any financial asset as financial assets at FVOCI.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.10 Financial instruments (Cont'd)

##### (a) Subsequent measurement (Cont'd)

The Group and the Company categorise the financial instruments as follows (Cont'd):

##### (i) Financial assets (Cont'd)

###### Debt instruments (Cont'd)

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments (Cont'd):

- **Fair value through profit or loss ("FVPL")**

Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

###### Equity instruments

Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment. The Group and the Company have not designated any equity instruments designated as FVOCI.

##### (ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.10 Financial instruments (Cont'd)****(a) Subsequent measurement (Cont'd)**

The Group and the Company categorise the financial instruments as follows (Cont'd):

**(ii) Financial liabilities (Cont'd)**Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 *Financial Instruments* are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

**(b) Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

**(c) Derecognition**

A financial asset or a part of it is derecognised when, and only when:

- (i) the contractual rights to receive the cash flows from the financial asset expire; or
- (ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.10 Financial instruments (Cont'd)

##### (c) Derecognition (Cont'd)

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

##### (d) Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

#### 2.11 Property, plant and equipment

Operating tangible assets that are used for more than one accounting period in the production and supply of goods and services, for administrative purpose or for rental to others are recognised as property, plant and equipment when the Company obtains control of the asset. The assets, including major spares, stand-by equipment and servicing equipment, are classified into appropriate classes based on the nature. Any subsequent replacement of a significant component in an existing asset is capitalised as a new component in the asset and the old component is derecognised.

All property, plant and equipment are initially measured at cost. For a purchased asset, cost comprises purchases price plus all directly attributable costs incurred in bringing the asset to its present location and condition for management's intended use.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.11 Property, plant and equipment (Cont'd)

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. All plant and equipment are depreciated by allocating the depreciable amount over the remaining useful life. The depreciation methods used and useful lives of the respective classes of property, plant and equipment are as follows:

	Method	Useful life
Freehold building	Straight-line	50 years
Leasehold land and building	Straight-line	50 years
Computer system and peripherals	Straight-line	5 to 10 years
Lab and office equipment, furniture and fittings	Straight-line	5 to 10 years
Motor vehicles	Straight-line	5 years
Plant and machineries	Straight-line	5 to 10 years
Renovations	Straight-line	5 to 10 years
Signage and display items	Straight-line	5 to 10 years
Infrastructure expenditure	Straight-line	10 years
Warehouse, shoplot, factory and building	Straight-line	Over the lease term
Leasehold land	Straight-line	Over the lease term
Bearer plants		
- Herbal plants	Straight-line	3 months to 10 years
- Fruit plants	Straight-line	1 to 20 years

At the end of each reporting period, the residual values, useful lives and depreciation methods for the property, plant and equipment are reviewed for reasonableness. Any change in estimate of an item is adjusted prospectively over its remaining useful life, commencing in the current financial year.

The property, plant and equipment work in progress are not depreciated until the assets are ready for their intended use.

#### 2.12 Biological assets

Biological assets comprise living herbal plantation and produce growing on bearer plants. Biological assets are measured at fair value less costs of disposal. Any gain or losses arising from changes in fair value less costs disposal net of transfer to produce stocks are recognised net in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets for bearer plants that are expected to be harvested and livestock that are expected to be sold or used for production on a date not more than 12 months after the reporting date.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.13 Leases

##### (a) Definition of lease

At inception of a contract, the Group and the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company assess whether:

- the contract involves the use of an identified asset;
- the Group and the Company have the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Group and the Company have the right to direct the use of the asset.

##### (b) Lessee accounting

At the lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

##### Right-of-use asset

The right-of-use asset is initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses and adjust for any remeasurement of the lease liabilities. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The depreciation starts from the commencement date of the underlying asset. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.17(b) to the financial statements.

##### Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group and the Company use their incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.13 Leases (Cont'd)

##### (b) Lessee accounting (Cont'd)

###### Lease liability (Cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

The Group and the Company remeasure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

###### Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low value assets. The Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

##### (c) Lessor accounting

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

When the Group and the Company are intermediate lessors, they account for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described in Note 2.13(b), then it classifies the sub-lease as an operating lease.

If an entity in the Group and the Company is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group and the Company is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

When a contract includes lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 2.14 Intangible asset

- (i) Internally-generated intangible assets - research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- its intention to complete and its ability and intention to use or sell the asset;
- how the asset will generate future economic benefits;
- the availability of resources to complete; and
- the ability to measure reliably the expenditure during development

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis.

- (ii) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

- (iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Refers accounting policy Note 2.17(b) to the financial statements on impairment of non-financial assets for intangible assets.

#### 2.15 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of raw material, consumables, finished goods, seedlings, trading goods and work-in-progress consists of the expenditure incurred in bringing the inventories and other costs in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)****2.16 Cash and cash equivalents**

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are presented net of bank overdrafts.

**2.17 Impairment of assets****(a) Impairment of financial assets**

Financial assets measured at amortised cost, and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 Financial Instruments which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, other receivables and inter-company balance, the Group and the Company applies the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group and the Company consider a financial asset to be in default when:

- the borrower is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.17 Impairment of assets (Cont'd)

##### (a) Impairment of financial assets (Cont'd)

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of expected credit losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

##### (b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICIES (CONT'D)****2.17 Impairment of assets (Cont'd)****(b) Impairment of non-financial assets (Cont'd)**

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**2.18 Share capital****(a) Ordinary shares**

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

**(b) Irredeemable Convertible Preference Shares ("ICPS")**

Preference share is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity.

Preference share is classified as financial liability if it is redeemable on a specific date or at the option of the equity holders, or if dividend payments are not discretionary. Dividends thereon are recognised as interest expenses in profit or loss as accrued.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.18 Share capital (Cont'd)

##### (c) Warrants

Warrants are classified as equity instruments and its value is allocated based on the Black-Scholes model upon issuance. The issuance of the ordinary shares upon exercise of warrants is treated as new subscription of ordinary shares for the consideration equivalent to the exercise price of the warrants. Upon exercise of warrants the proceeds are credited to share capital. The warrants reserve in relation to the unexercised warrants at the expiry of the warrants will be reversed.

##### (d) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

#### 2.19 Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group and the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

#### 2.20 Employee benefits

##### (a) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the reporting period in which the associated services are rendered by employees of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick and medical leave are recognised when the absences occur.

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICIES (CONT'D)****2.20 Employee benefits (Cont'd)****(b) Defined contribution plans**

As required by law, companies in Malaysia contribute to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Company has no further payment obligations.

Pursuant to the relevant regulations of the People's Republic of China ("PRC") government, the Group participates in a local municipal government retirement benefits scheme (the "Scheme"), whereby the Group in the PRC is required to contribute a certain percentage of the basic salaries of their employees to the Scheme to fund its retirement benefits. The local municipal government undertakes to assume the retirement benefits obligations of all existing and future retired employees of the subsidiaries. The only obligation of the Group with respect to the Scheme is to pay the ongoing required contributions under the Scheme mentioned above.

Contributions under the Scheme are charged to profit or loss as incurred. There are no provisions under the Scheme whereby forfeited contributions maybe used to reduce future contributions.

**(c) Equity settled share-based payment transactions**

The Group and the Company operate an equity-settled, share-based compensation plan for the employees of the Group and of the Company. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiaries, the fair value of the options granted is recognised as cost of investment in the subsidiaries over the vesting period with a corresponding adjustment to equity in the Group's and the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting period, the Group and the Company revise their estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

**2.21 Revenue****(a) Revenue from contract with customers**

Revenue is recognised when the Company satisfied a performance obligation ("PO") by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.21 Revenue (Cont'd)

##### (a) Revenue from contract with customers (Cont'd)

The Company recognises revenue from the following major sources:

##### (i) Sales of goods

The Company produces and sells the good in local and oversea markets. Revenue from sales of goods is recognised when control of the products has transferred, being the products are delivered to the customers.

Following delivery of the goods to the customers' location, the customers have full discretion over the manner of distribution and price to sell the goods, and bear the risk of obsolescence and loss in relation to the goods.

Revenue is recognised based on the price specified in the contract net of the rebates, discount and taxes.

A receivable is recognised by the Company when the goods are delivered as this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due. No element of financing is deemed present as the revenue recognised with a credit term of 90 to 180 day, which is consistent with market practice.

##### (ii) Management fee

Management fee is recognised on an accrual basis when services are rendered.

There were no management fee transactions recognised during the current financial year.

##### (b) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

##### (c) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

##### (d) Interest income

Interest income is recognised on accruals basis using the effective interest method.

#### 2.22 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

When the grant relates to an expense item, it is recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and transferred to profit or loss on a systematic basis over the useful lives of the related asset.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICIES (CONT'D)****2.22 Government grants (Cont'd)**

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where the Company receives non-monetary government grants, the asset and the grant are recorded at nominal amount and transferred to profit or loss on a systematic basis over the life of the depreciable asset by way of a reduced depreciation charge.

**2.23 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for their intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation

**2.24 Contract liabilities**

A contract liability is the obligation to transfer good services to a customer for which the company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfer goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group perform under the contract.

**2.25 Income taxes**

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

**(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.25 Income taxes (Cont'd)

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (i) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of taxable temporary differences associated with investments in associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (i) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) In respect of deductible temporary differences associated with investments in associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

#### 2.26 Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**2. MATERIAL ACCOUNTING POLICIES (CONT'D)****2.27 Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decisionmakers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

**2.28 Contingent**

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

**2.29 Related parties**

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Company if that person:
- has control or joint control over the Company; or
  - has significant influence over the Company; or
  - is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Company if any of the following conditions applies:
- The entity and the Company are members of the same Company (which means that each parent, subsidiary, and fellow subsidiary is related to the others).
  - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member).
  - Both entities are joint ventures of the same third party.
  - One entity is a joint venture of the third entity and the other entity is an associate of the third entity.
  - The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
  - The entity is controlled or joint-controlled by a person identified in (a) above.
  - The entity or any member of a Company of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

**2.30 Fair value measurements**

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 2. MATERIAL ACCOUNTING POLICIES (CONT'D)

#### 2.30 Fair value measurements (Cont'd)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

There were no transfers between levels of the fair value hierarchy during the financial year.

#### 2.31 Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.17(b) to the financial statements.

#### 2.32 Asset held for sale

Non-current assets or groups of assets are classified as "held for sale" if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Similarly, liabilities directly associated with the disposal groups are also presented separately from other liabilities in the statement of financial position. The individual assets and liabilities of a subsidiary acquired exclusively with a view for resale are not fair valued separately, instead, the net assets as a whole are measured at the lower of carrying amount and fair value less costs to sell with the impairment (if any) netted off against the assets.

Depreciation ceases when an asset is classified as an asset held for sale. Assets held for sale are stated at the lower of carrying amount and fair value less cost to sell.

A discontinuing/discontinued operation is a component of the Group that is classified as a disposal group and represents a separate business or geographical segment, or is a subsidiary acquired exclusively with a view for resale.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)****3.1 Judgement and assumption applied**

The following are the accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Management has assessed those prices are mainly denominated and settled in the respective local currency of the entities of the Group. In addition, most of the entities' cost base is mainly denominated in their respective local currency. Therefore, management concluded that the functional currency of the entities of the Group is their respective local currency.

Determining the lease term of contracts with renewal and termination options Group and Company as lessee

The Group and the Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain to be exercised.

The Group and the Company apply judgement in evaluating whether they are reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

**3.2 Key sources of estimation uncertainty**

The measurement of some assets and liabilities requires directors to use estimates based on various observable inputs and other assumptions. The areas or items that are subject to significant estimation uncertainties of the Company are in measuring:

**(a) Impairment of goodwill on consolidation**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value in use is disclosed in Note 7 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)

#### 3.2 Key sources of estimation uncertainty (Cont'd)

##### (b) Development costs

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of development costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generations of the project, discount rates to be applied and the expected period of benefits. The carrying amount at the reporting date for development costs is disclosed in Note 8 to the financial statements.

##### (c) Recoverability of development costs

During the financial year, the Directors considered the recoverability of the Group's development cost arising from its on-going development of 2 high-value herbal products for diabetes and hormone replacement therapy, and the products development for the formulation of health supplement products. The Group had completed the required submission documents to the National Pharmaceutical Regulatory Agency to obtain for the commencement of phase 1 clinical studied on the botanical drugs.

The project continues to progress in a satisfactory manner, and customer reaction has reconfirmed the Directors' previous estimates of anticipated revenues from the project. However, increased competitor activity has caused the Directors to reconsider their assumptions regarding future market share and anticipated margins of this product. Detailed sensitivity analysis has been carried out and the Directors are confident that the carrying amount of the asset will be recovered in full, even if returns are reduced. This situation will be closely monitored, and adjustments made in future periods, if market activity indicates that such adjustments are appropriate. The carrying amount at the reporting date for development costs is disclosed in Note 8 to the financial statements.

##### (d) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

##### (e) Useful lives of property, plant and equipment and right-of-use assets ("ROU")

The Group and the Company regularly review the estimated useful lives of property, plant and equipment and ROU based on factors such as business plan and strategies, expected level of usage and future technological developments, Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU. The carrying amount at the reporting date for property, plant and equipment and ROU is disclosed in Note 4 to the financial statements.

##### (f) Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 10 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONT'D)****3.2 Key sources of estimation uncertainty (Cont'd)****(g) Provision for expected credit loss of financial assets at amortised cost**

The Group and the Company reviews the recoverability of its receivables, include trade and other receivables and amount due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates.

The Group and the Company use a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience. At every report date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss in a significant estimate. Information about the expected credit loss is disclosed in Notes 11, 12 and 14 to the financial statements.

**(h) Determination of transaction prices**

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no significant financing as the period between the transfer of control or good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

**(i) Employee share options**

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 20(b) to the financial statements.

**(j) Discount rate used in leases**

Where the interest rate implicit in the lease cannot be readily determined, the Group and the Company uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group and the Company would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group and the Company estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

**(k) Income taxes**

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT

Group Cost	Freehold building RM	Leasehold land and building RM	Computer system and peripherals RM	Lab and office equipment, furniture and fittings RM	Motor vehicles RM	Plant and machineries RM	Renovation RM	Signage and display items RM	Infrastructure expenditure RM	Plantation expenditure (a) RM	Warehouse, shoplot, factory and building RM	Leasehold land RM	Capital work-in-progress RM	Total RM
At 1 January 2024	1,725,900	12,817,623	831,271	3,801,943	2,208,011	43,428,722	18,632,151	647,892	4,445,541	2,164,874	6,217,684	2,869,276	300,000	100,090,888
Additions	-	-	82,737	104,321	1,025,669	341,070	128,602	4,900	-	274,898	1,721,913	-	-	3,684,110
Disposals	-	-	(114,258)	(447,702)	(235,810)	-	(854,223)	(41,710)	-	-	-	-	-	(1,693,703)
Written off	-	-	(24,144)	(77,294)	-	(3,040,833)	(2,252,059)	-	-	(125,175)	-	-	-	(5,519,505)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(695,045)	-	-	(695,045)
Modification of lease term	-	-	-	-	-	-	-	-	-	-	(4,886,383)	-	-	(4,886,383)
Reclassification	-	-	(534)	(19,960)	(2,922)	(67,765)	(36,063)	(5,101)	(29,585)	-	(13,512)	-	29,585	(5,101)
Exchange differences	-	-	(660,275)	(255,945)	(80,430)	-	(67,386)	(14,440)	-	-	(711,527)	-	-	(140,756)
Classified as asset held for sale	(1,725,900)	-	-	-	-	-	(67,386)	(14,440)	-	-	(711,527)	-	-	(3,515,903)
At 31 December 2024 and 1 January 2025	-	12,817,623	114,797	3,105,363	2,914,518	40,661,194	15,551,022	591,541	4,415,956	2,314,597	1,633,130	2,869,276	329,585	87,318,602
Additions	-	-	16,182	1,960	-	-	-	-	93,000	321,422	173,290	-	-	605,854
Disposals	-	-	-	-	(1,173,755)	-	-	-	-	-	-	-	-	(1,173,755)
Written off	-	-	-	-	-	-	-	-	-	(133,992)	-	-	-	(133,992)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(161,533)	-	-	(161,533)
Modification of lease term	-	-	-	-	-	-	-	-	-	-	(2,891)	-	-	(2,891)
Exchange differences	-	-	(887)	(64,372)	(39,716)	(112,633)	1,723,757	-	-	-	(192,464)	-	-	1,313,685
At 31 December 2025	-	12,817,623	130,082	3,042,951	1,701,047	40,548,561	17,274,779	591,541	4,508,956	2,502,027	1,449,532	2,869,276	329,585	87,765,970

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold building RM	Leasehold land and building RM	Computer system and peripherals RM	Lab and office equipment, furniture and fittings RM	Motor vehicles RM	Plant and machineries RM	Renovation RM	Signage and display items RM	Infrastructure expenditure RM	Plantation expenditure (a) RM	Warehouse, shoplot, factory and building RM	Leasehold land RM	Capital work-in-progress RM	Total RM
<b>Accumulated depreciation</b>														
At 1 January 2024	331,718	1,956,313	614,701	2,709,506	1,619,727	22,736,568	6,523,822	587,437	2,861,088	577,694	3,128,231	932,515	-	44,579,320
Charge for the financial year	34,424	238,449	87,461	297,015	280,102	4,101,744	1,980,648	17,335	319,345	9,682	1,069,519	95,642	-	8,531,366
Disposals	-	-	(102,919)	(243,751)	(153,277)	-	(275,028)	(23,327)	-	-	-	-	-	(798,302)
Written off	-	-	(24,144)	(77,294)	-	(3,040,833)	(1,966,906)	-	-	-	-	-	-	(5,109,177)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(695,045)	-	-	(695,045)
Modification of lease term	-	-	-	-	-	-	-	-	-	-	(2,649,914)	-	-	(2,649,914)
Reclassification	-	-	-	-	-	-	-	(5,101)	-	-	-	-	-	(5,101)
Exchange differences	-	-	(504)	(10,935)	(2,923)	(65,295)	446,528	-	-	-	(12,193)	-	-	354,678
Classified as asset held for sale	(366,142)	-	(502,478)	(171,181)	(80,430)	-	(24,683)	(10,924)	-	-	(387,107)	-	-	(1,542,945)
<b>At 31 December 2024 and 1 January 2025</b>	-	2,194,762	72,117	2,503,360	1,663,199	23,732,184	6,684,381	565,420	3,180,433	587,376	453,491	1,028,157	-	42,664,880
Charge for the financial year	-	238,256	19,480	108,971	301,011	2,151,016	1,475,719	13,483	112,274	26,718	432,739	95,643	-	4,975,310
Disposals	-	-	-	-	(746,609)	-	-	-	-	-	-	-	-	(746,609)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(161,533)	-	-	(161,533)
Modification of lease term	-	-	-	-	-	-	-	-	-	-	(260,868)	-	-	(260,868)
Exchange differences	-	-	(853)	(43,467)	(39,715)	(110,025)	1,732,844	-	-	-	(3,911)	-	-	1,534,873
<b>At 31 December 2025</b>	-	2,433,018	90,744	2,568,864	1,177,886	25,773,175	9,892,944	578,903	3,292,707	614,094	459,918	1,123,800	-	48,006,053

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold building RM	Leasehold land and building RM	Computer system and peripherals RM	Lab and office equipment, furniture and fittings RM	Motor vehicles RM	Plant and machineries RM	Renovation RM	Signage and display items RM	Infrastructure expenditure RM	Plantation expenditure (a) RM	Warehouse, shoplot, factory and building RM	Leasehold land RM	Capital work-in-progress RM	Total RM
<b>Accumulated impairment losses</b>														
At 1 January 2024	-	-	-	154,332	-	667,073	-	-	211,942	100,064	-	-	-	1,133,411
Impairment for the financial year	-	1,175,567	-	201,825	-	7,469,803	-	-	756,695	681,972	59,017	-	300,000	10,644,879
Exchange differences	-	-	-	697	-	-	-	-	-	-	-	-	-	697
<b>At 31 December 2024 and 1 January 2025</b>	-	1,175,567	-	356,854	-	8,136,876	-	-	968,637	782,036	59,017	-	300,000	11,778,987
Impairment for the financial year	-	-	-	-	-	2,510,982	-	-	-	1,105,897	(59,017)	-	-	3,557,862
Exchange differences	-	-	-	(19,011)	-	-	-	-	-	-	-	-	-	(19,011)
<b>At 31 December 2025</b>	-	1,175,567	-	337,843	-	10,647,858	-	-	968,637	1,887,933	-	-	300,000	15,317,838
<b>At 31 December 2024</b>	-	9,447,294	42,680	245,149	1,251,319	8,792,134	8,866,641	26,121	266,886	945,185	1,120,622	1,841,119	29,585	32,874,735
<b>At 31 December 2025</b>	-	9,209,038	39,348	136,244	523,161	4,127,528	7,381,835	12,638	247,612	-	989,614	1,745,476	29,585	24,442,079

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment RM	Computer system and peripherals RM	Capital work-in- progress RM	Total RM
<b>Cost</b>				
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	1,049	6,005	300,000	307,054
<b>Accumulated depreciation</b>				
At 1 January 2024	1,049	6,005	–	7,054
Charge for the financial year	–	–	–	–
At 31 December 2024, 1 January 2025 and 31 December 2025	1,049	6,005	–	7,054
<b>Accumulated impairment losses</b>				
At 1 January 2024	–	–	–	–
Impairment for the financial year	–	–	300,000	300,000
At 31 December 2024, 1 January 2025 and 31 December 2025	–	–	300,000	300,000
At 31 December 2024	–	–	–	–
At 31 December 2025	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Including in plantation expenditure as follows:

	Mature		Immature		Total RM
	Herbal plants RM	Fruit plants RM	Herbal plants RM	Fruit plants RM	
<b>Cost</b>					
At 1 January 2024	2,058,556	43,521	62,014	783	2,164,874
Additions	149,475	248	125,175	-	274,898
Written off	-	-	(125,175)	-	(125,175)
At 31 December 2024, and 1 January 2025	2,208,031	43,769	62,014	783	2,314,597
Addition	187,430	-	133,992	-	321,422
Written off	-	-	(133,992)	-	(133,992)
At 31 December 2025	2,395,461	43,769	62,014	783	2,502,027
<b>Accumulated depreciation</b>					
At 1 January 2024	571,440	6,254	-	-	577,694
Charge for the financial year	9,682	-	-	-	9,682
At 31 December 2024, and 1 January 2025	581,122	6,254	-	-	587,376
Charge for the financial year	26,718	-	-	-	26,718
At 31 December 2025	607,840	6,254	-	-	614,094

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Including in plantation expenditure as follows: (Cont'd)

	Mature		Immature		Total RM
	Herbal plants RM	Fruit plants RM	Herbal plants RM	Fruit plants RM	
<b>Accumulated impairment losses</b>					
At 1 January 2024	-	37,267	62,014	783	100,064
Impairment for the financial year	681,972	-	-	-	681,972
At 31 December 2024, and 1 January 2025	681,972	37,267	62,014	783	782,036
Impairment for the financial year	1,105,649	248	-	-	1,105,897
At 31 December 2025	1,787,621	37,515	62,014	783	1,887,933
At 31 December 2024	944,937	248	-	-	945,185
At 31 December 2025	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Including in net carrying amount of property, plant and equipment are right-of-use assets as follows:

	2025 RM	Group 2024 RM
Motor vehicles	510,263	1,146,710
Warehouse, shophot, factory and building	989,614	1,120,622
Leasehold land	1,745,476	1,841,119
Leasehold land and building	9,209,038	1,301,471
	<hr/> 12,454,391	<hr/> 5,409,922

(d) Depreciation charge of right-of-use assets are as follows:

	2025 RM	Group 2024 RM
Motor vehicles	130,788	203,959
Warehouse, shophot, factory and building	432,739	1,069,519
Leasehold land	95,643	95,642
Leasehold land and building	238,256	68,498
	<hr/> 897,426	<hr/> 1,437,618

(e) Additions to the right-of-use assets are as follows:

	2025 RM	Group 2024 RM
Warehouse, shophot, factory and building	173,290	1,721,913
Motor vehicles	–	1,025,669
	<hr/> 173,290	<hr/> 2,747,582

(f) Impairment losses of the right-of-use assets are as follows:

	2025 RM	Group 2024 RM
Warehouse, shophot, factory and building	(59,017)	59,017
	<hr/> (59,017)	<hr/> 59,017

(g) Property, plant and equipment pledged to licensed bank as security for the related lease liabilities are as follow:

	2025 RM	Group 2024 RM
Motor vehicles	510,263	909,609
	<hr/> 510,263	<hr/> 909,609

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (h) Property, plant and equipment pledged to non-financial institution as security for the lease liabilities are as follow:

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Motor vehicles	–	237,101

- (i) Property, plant and equipment pledged to non-financial institution as security for the related term loan are as follow:

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Plant and machineries	–	418,899

- (j) The Group's motor vehicles with a total cost of NIL (2024: RM913,755) and carrying amount of NIL (2024: RM487,101) are held in trust by the Directors.

- (k) Including in net carrying amount of plantation expenditure are staff costs capitalised as follows:

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Staff cost	45,927	42,634

- (l) During the financial year, the Group has carried out a review of the recoverable amount of its production equipment because its business had been persistently making losses. An impairment loss of RM3,557,862 (2024: RM10,644,879), representing the write-down of the equipment to the recoverable amount was recognised in "Administrative Expenses" line item of the consolidated statement of profit or loss and other comprehensive income as disclosed in Note 30 to the financial statements.

- (i) Recoverable amount on value in use

For the purpose of impairment testing, the recoverable amount of property, plant and equipment at the end of the financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generated unit ("CGU") and was based on the following assumptions:

- (i) Pre-tax cash flow projection based on the most recent financial budgets covering five (2024: five) years period;
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans for the CGU reflects on the average historical growth rate adjusted for projected market and economic conditions and internal resource efficiency and;
- (iii) Pre-tax discount rate of 12% (2024: 10%) per annual has been applied in determining the recoverable amount of the CGU. The discount rate was based estimated based on the Group's weighted average cost of capital.

The value assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. The management believes that no reasonably possible change in any of the above key assumptions

- (ii) Sensitivity to changes in assumptions

The management believes that a reasonably possible changes in the key assumptions on which management has based on its determination of the CGUs' recoverable amount would not cause the CGUs' carrying amount to exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM	2024 RM
<b>At cost</b>		
Unquoted shares		
- In Malaysia	186,623,230	12,719,230
- Outside Malaysia	40,843,651	997,206
	227,466,881	13,716,436
Less: Accumulated impairment losses		
- In Malaysia	(116,264,714)	(1,245,269)
- Outside Malaysia	(997,206)	(997,206)
	(117,261,920)	(2,242,475)
	110,204,961	11,473,961

Movements in the allowance for impairment losses are as follow:

	Company	
	2025 RM	2024 RM
At 1 January	2,242,475	-
Impairment loss recognised	115,019,445	2,242,475
At 31 December	117,261,920	2,242,475

An impairment loss of RM115,019,445 (2024: RM2,242,475) was recognised in profit or loss.

Details of the subsidiaries are as follows:

Name of company	Place of business / Country of incorporation	Effective interest %		Principal activities
		2025	2024	
Bioalpha International Sdn.Bhd. ("BISB")	Malaysia	100	100	Research and development and manufacturers, importers, exporters, distribution and traders of nutritional and healthcare products
Bioalpha R&D Sdn. Bhd. ("BRDSB")	Malaysia	100	100	Research and development and manufacturers, suppliers, distributions, wholesales or retailers of healthcare and nutritional products
Botanical Distribution Sdn. Bhd. ("BDSB")	Malaysia	100	100	Suppliers, distributors, direct selling agents, wholesaler, retailer or conduct, advertising and promotion activities, which related to health supplements, and nutrition products

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business / Country of incorporation	Effective interest %		Principal activities
		2025	2024	
Bioalpha (HK) Limited *("BHKL")	China (Hong Kong)	100	100	Research and development, manufacturers, importers, exporters, distribution and traders of nutritional and healthcare products
Bioalpha Wellness Sdn. Bhd. ("BWSB")	Malaysia	100	100	Distributing and trading, research and development activities, manufacturing, importing and exporting of personal care and healthcare products, conduct advertising and promotional activities related to personal care and healthcare products
<b>Held through Bioalpha International Sdn. Bhd.:</b>				
Bioalpha Agro Sdn. Bhd. ("BASB")	Malaysia	72	72	Import, export, cultivate, manufacture, distribute and trade in variety of agro products and medical herbs
Bioalpha East Coast Agro Sdn. Bhd. ("BECASB")	Malaysia	100	100	Planters, growers, and merchant in all kinds of herb, fruits, agricultural, agro and organic products
PT Herbal Malindo Makmur * ("PTHMM")	Indonesia	60	60	General trade, wholesale and retail trade or pharmaceutical and traditional medicine
Suzhou Biomedic Biotechnology Co. Ltd. *("SBBCL")	China	47.8	47.8	Import and export of medicines and edible bacteria and food selling on internet
<b>Held through Bioalpha (HK) Limited .:</b>				
Bioalpha (Hainan) Health Biotechnology Limited* ("BHHBL")	China	100	100	Procurement and sales of agricultural products
BHK Development Limited * ("BHKDL")	China (Hong Kong)	100	100	Research and development and activities, manufacturing, import and export and trading of goods including functional foods or healthcare products and land development which included the construction of a new facility for processing and warehousing facilities
Bioalpha (HK) Investment Limited * ("BHKIL")	China (Hong Kong)	100	100	Investment holding

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

Name of company	Place of business / Country of incorporation	Effective interest %		Principal activities
		2025	2024	
<b>Held through Bioalpha Agro Sdn. Bhd.:</b>				
Bioalpha (Johor Herbal) Sdn. Bhd. ("BJHSB")	Malaysia	50.4	50.4	Planters, growers, and merchant in all kinds of herbs, fruits, agricultural, agro and organic products
<b>Held through Bioalpha (Hainan) Health Biotechnology Limited:</b>				
Suzhou Biomedic Biotechnology Co. Ltd. * ("SBBCL")	China	19.2	19.2	Import and export of medicines and edible bacteria and food selling on internet
<b>Held through Bioalpha (HK) Investment Limited:</b>				
Bioalpha (Hainan) Development Ltd * ("BHDL")	China	-	100	Research and development activities, manufacturing, import and export and trading of goods including functional foods or healthcare products and land development which included the construction of a new facility for processing and warehousing facilities
<b>Held through Mediconstant Holding Sdn. Bhd.:</b>				
Mediconstant Pharmacy Sdn. Bhd. ("MPSB")	Malaysia	-	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Ampang) Sdn. Bhd. ("MPASB")	Malaysia	-	100	Pharmacy, druggist and chemicals
Mediconstant Management Sdn. Bhd. ("MMSB")	Malaysia	-	100	Provision of management and consulting services, and trading of pharmaceutical, healthcare and nutrition products
Mediconstant Dynamic Sdn. Bhd. ("MDSB")	Malaysia	-	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Klang) Sdn. Bhd. ("MPKSB")	Malaysia	-	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Sea Park) Sdn. Bhd. ("MPSPSB")	Malaysia	-	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Taman Desa) Sdn. Bhd. ("MPTDSB")	Malaysia	-	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (TTDI) Sdn. Bhd. ("MPTTDSB")	Malaysia	-	100	Pharmacy, druggist and chemicals

\* Subsidiaries not audited by JAMAL, AMIN & PARTNERS

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

#### (a) Material partly-owned subsidiaries

Set out below are the Group's subsidiaries that have material non-controlling interest:

Name of company	Proportion of ownership interest and voting rights held by non-controlling interest		Loss allocated to non-controlling interests		Accumulated non-controlling interest	
	2025	2024	2025	2024	2025	2024
	%	%	RM	RM	RM	RM
BASB	28	28	(7,811)	(1,055,854)	(1,565,914)	(1,558,103)
PTHMM	40	40	(3,369)	(90,767)	(1,240,769)	(1,237,400)
RSBSB	-	-	-	(70,368)	-	-
BJHSB	49.6	49.6	(92,875)	(361,261)	(2,130,447)	(2,037,572)
SBBCL	33	33	(200,613)	37,235	4,004,022	4,204,635
BHDL	-	-	-	(172,571)	-	-
			(304,668)	(1,713,586)	(933,108)	(628,440)

Summarised financial information for each subsidiary that has non-controlling interest that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

#### (i) Summarised statement of financial position

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
<b>2025</b>						
Non-current assets	-	41,008	-	179,813	5,012,415	-
Current assets	2,455	109,453	-	90,999	5,668,138	-
Non-current liabilities	-	-	-	-	-	-
Current liabilities	(5,694,586)	(2,809,403)	-	(4,718,093)	(376)	-
Net (liabilities)/assets	(5,692,131)	(2,658,942)	-	(4,447,281)	10,680,177	-
<b>2024</b>						
Non-current assets	-	85,804	-	105,077	5,596,853	-
Current assets	3,765	148,424	-	196,113	6,123,212	-
Non-current liabilities	-	(12,225)	-	(9,651)	-	-
Current liabilities	(5,667,998)	(3,129,286)	-	(4,551,570)	(33,108)	-
Net (liabilities)/assets	(5,664,233)	(2,907,283)	-	(4,260,031)	11,686,957	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

#### (a) Material partly-owned subsidiaries (Cont'd)

##### (ii) Summarised statement of profit or loss and other comprehensive income

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
<b>2025</b>						
Revenue	41,972	107,763	–	473,347	–	–
Loss for the financial year	(27,898)	(108,008)	–	(187,248)	(396,309)	–
Total comprehensive loss for the financial year	(27,898)	(108,008)	–	(187,248)	(396,309)	–
<b>2024</b>						
Revenue	209,934	133,361	–	304,361	–	–
Loss for the financial year	(3,770,906)	(210,695)	–	(728,351)	(500,340)	–
Total comprehensive loss for the financial year	(3,770,906)	(210,695)	–	(728,351)	(500,340)	–

##### (iii) Summarised statement of cash flows

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
<b>2025</b>						
Net cash generated from/(used in) operating activities	95	(351,268)	–	72,789	(23,624)	–
Net cash used in investing activities	–	–	–	(27,500)	–	–
Net cash used in financing activities	–	(7,997)	–	(52,486)	–	–
Net increase/(decrease) in cash and cash equivalents	95	(359,265)	–	(7,197)	(23,624)	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows: (Cont'd)

#### (a) Material partly-owned subsidiaries (Cont'd)

(iii) Summarised statement of cash flows (Cont'd)

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
<b>2024</b>						
Net cash generated from/ (used) in operating activities	51,416	(225,296)	-	(318,972)	6,513	-
Net cash used in investing activities	-	-	-	-	-	-
Net cash (used in)/ generated from financing activities	(55,874)	(4,985)	-	282,609	-	-
Net (decrease)/increase in cash and cash equivalents	(4,458)	(230,281)	-	(36,363)	6,513	-

#### (b) Disposal of subsidiary companies

- (i) On 19 March 2024, Botanical Distribution Sdn. Bhd. has disposed 5,100,000 ordinary shares in RS Bio Sdn. Bhd., representing 51% of the total issued share capital, for a total consideration of RM144,378.
- (ii) On 30 October 2024, Mediconstant Holding Sdn. Bhd. has disposed 80,003 ordinary shares in Mediconstant Pharmacy (Desa Tasik) Sdn. Bhd., representing 100% of the total issued share capital, for a total consideration of RM1.
- (iii) On 30 October 2024, Mediconstant Holding Sdn. Bhd. has disposed 10 ordinary shares in Mediconstant Pharmacy (Puchong) Sdn. Bhd., representing 100% of the total issued share capital, for a total consideration of RM1.
- (iv) On 5 December 2025, Bioalpha (Hainan) Development Limited, a wholly-owned subsidiary of the Company, was struck off by the relevant authority. As a result, the subsidiary ceased to be part of the Group during the financial year. The impact on the Group's financial statements is not material.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### (b) Disposal of subsidiary companies (Cont'd)

(v) Financial effect arising from disposal are as below:

	2025 RM	Group 2024 RM
Trade receivables	–	4,347
Other receivables	–	36,418
Cash and cash equivalents	–	254,302
Trade payables	–	(10,523)
Other payables	–	(277,812)
Current tax assets	–	12,199
Carrying amount of net assets disposed of	–	18,931
Net disposal proceeds	–	(144,380)
Gain on disposal of subsidiaries	–	(125,449)

(vi) Cash flows arising from disposal are as below:

	2025 RM	Group 2024 RM
Cash proceeds from disposal	–	144,380
Cash and cash equivalents of subsidiary disposed of	–	(254,234)
Net cash outflow from the disposal of subsidiaries	–	(109,854)

#### (c) Acquisition of non-controlling interests

- (i) On 6 May 2024, Bioalpha (HK) Investment Limited entered into a share transfer agreement with an independent third party and acquired an additional 22.7% equity interests in BHDL from its non-controlling interests. The carrying amount of BHDL's net assets in the Group's financial statements on that date was RM217,570. Following the completion of the acquisition, BHDL became a 100%-owned subsidiary of the Company.
- (ii) The following summarises the effect of changes in the equity interests in BHDL that is attributable to the owners of the Company:-

	2025 RM	Group 2024 RM
Equity interest at 1 January	–	1,256,044
Effect of increase in the Company's ownership interest	–	(1,083,473)
Share of post acquisition loss	–	(172,571)
Equity interest at 31 December	–	–

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 6. INVESTMENT IN AN ASSOCIATE

	Group	
	2025 RM	2024 RM
<b>Unquoted shares, at cost</b>		
Outside Malaysia	3,300,000	3,300,000
Share of post-acquisition reserves	(29,194)	(62,647)
Less: Accumulated impairment losses	(3,270,806)	(3,237,353)
	-	-

Details of a material associate is as follows:

Name of company	Place of business / Country of incorporation	Effective interest (%)		Principal activities
		2025	2024	
<b>Held through Bioalpha International Sdn. Bhd.:</b>				
PT Bioalpha International Makmur* ("PTBIM")	Indonesia	30	30	General trade, wholesale and retail trade or pharmaceutical and traditional medicine

\* Not audited by JAMAL, AMIN & PARTNERS

## (a) Acquisition of an associate

There was no acquisition of associates during the financial year.

## (b) Summarised financial information of the Group's material associate is set out below:

Summarised statements of financial position

	PTBIM	
	2025 RM	2024 RM
Non-current assets	-	24,354
Current assets	2,826,363	2,226,978
Current liabilities	(169,316)	(237,677)
Net assets	2,657,047	2,013,655

Summarised statements of profit or loss and other comprehensive income

	PTBIM	
	2025 RM	2024 RM
Profit/(Loss) for the financial year	111,969	(190,092)
Total comprehensive income/(loss) for the financial year	111,969	(190,092)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 7. GOODWILL ON CONSOLIDATION

	2025 RM	Group 2024 RM
At 1 January	–	5,334,030
Accumulated impairment losses	–	(4,449,356)
Classified as asset held for sale	–	(884,674)
<hr/>		
At 31 December	–	–

The carrying amount of goodwill allocated to the Group's cash-generating units ("CGU") are as follows:

	2025 RM	Group 2024 RM
Mediconstant Holding Sdn. Bhd.	–	–

#### (a) Recoverable amount on value in use

For the purpose of impairment testing, the recoverable amount of goodwill at the end of the financial year was determined based on a value-in-use calculation by discounting the future cash flows generated from the continuing use of cash generated unit ("CGU") and was based on following assumptions:

- (i) Pre-tax cash flow projection based on the most recent financial budgets covering a NIL (2024: NIL) year period;
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU reflects on the average historical growth rate adjusted for projected market and economic conditions and internal resource efficiency; and
- (iii) Pre-tax discount rate of NIL (2024: NIL) per annum has been applied in determining the recoverable amount of the CGU. The discount rate was based estimated based on the Group's weighted average cost of capital.

The value assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources.

The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed their recoverable amount.

An impairment loss on goodwill of NIL (2024: RM4,449,356) was recognised as the subsidiary incurred losses during the financial year.

The recoverable amount of goodwill was determined based on value-in-use calculations using cash flow projections approved by management.

The key assumptions used include discount rate and growth rate, which are based on management's best estimates. No impairment loss was recognised during the financial year (2024: RM4,449,356).

#### (b) Sensitivity to changes in assumptions

The management believes that a reasonably possible changes in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 8. INTANGIBLE ASSETS

	Development expenditures RM	Patents RM	Software RM	Total RM
<b>Group Cost</b>				
At 1 January 2024	70,958,816	3,547,103	66,146	74,572,065
Additions	905,640	158,209	–	1,063,849
Exchange differences	(175,127)	477,977	(1,613)	301,237
At 31 December 2024 and 1 January 2025	71,689,329	4,183,289	64,533	75,937,151
Exchange differences	(622,801)	(405,889)	(1,502)	(1,030,192)
At 31 December 2025	71,066,528	3,777,400	63,031	74,906,959
<b>Accumulated amortisation</b>				
At 1 January 2024	25,001,042	713,632	54,213	25,768,887
Charge for the financial year	2,114,171	610,319	7,160	2,731,650
Exchange differences	–	237,587	(1,613)	235,974
At 31 December 2024 and 1 January 2025	27,115,213	1,561,538	59,760	28,736,511
Charge for the financial year	1,553,113	(724,444)	4,773	833,442
Exchange differences	434,058	(362,352)	(1,502)	70,204
At 31 December 2025	29,102,384	474,742	63,031	29,640,157
<b>Accumulated impairment losses</b>				
At 1 January 2024	1,420,197	–	–	1,420,197
Impairment for the financial year	7,026,608	1,119,159	–	8,145,767
Exchange differences	(82)	–	–	(82)
At 31 December 2024 and 1 January 2025	8,446,723	1,119,159	–	9,565,882
Impairment for the financial year	7,504,927	1,497	–	7,506,424
Exchange differences	(841,310)	804,219	–	(37,091)
At 31 December 2025	15,110,340	1,924,875	–	17,035,215
At 31 December 2024	36,127,393	1,502,592	4,773	37,634,758
At 31 December 2025	26,853,804	1,377,783	–	28,231,587

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 8. INTANGIBLE ASSETS (CONT'D)

#### Development expenditures

Development expenditure represents the cost incurred in respect of the on-going development of 2 high value herbal products for diabetes and hormone replacement therapy, and the products development for the formulation of health supplement products.

#### **(a) Recoverable amount on value in use**

For the purpose of impairment testing, the recoverable amount of development expenditures at the end of the financial year was determined based on a value in use calculation by discounting the future cash flows generated from the continuing use of the cash generated unit ("CGU") and was based on the following assumptions:

- (i) Pre-tax cash flow projection based on the most recent financial budgets covering a five (2024: five) years period;
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU reflects on the average historical growth rate adjusted for projected market and economic conditions and internal resource efficiency; and
- (iii) Pre-tax discount rate of 12% (2024: 10%) per annum has been applied in determining the recoverable amount of the CGU. The discount rate was based estimated based on the Group's weighted average cost of capital.

The value assigned to the key assumptions represent management's assessment of future trends in the industry and are based on both external sources and internal sources. The management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the units to materially exceed their recoverable amount.

#### **(b) Sensitivity to changes in assumptions**

The management believes that a reasonably possible change in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

#### Patents

Patents relate to the Group's principal activities and have an average remaining amortisation period of 5 years (2024: 5 years).

#### Software

Software are assessed to have finite life of 2 years upon commercialisation. The amortisation period and amortisation method are review at least annually for appropriateness.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 9. BIOLOGICAL ASSETS

	<b>Group RM</b>
At 1 January 2024	100,000
Fair value adjustment	(5,092)
<hr/>	
At 31 December 2024 and 1 January 2025	94,908
Fair value adjustment	74,599
<hr/>	
At 31 December 2025	169,507

Biological assets comprise living herbal plantation and produce growing on bearer plants. On maturity, the plantations are stated at fair value less estimated point-of-sale costs, with any resultant gain or loss recognised in the profit or loss. Point-of-sales costs included all costs that would be necessary to sell the assets.

The biological assets have been stated at cost and accumulated impairment losses, if any, as there is currently no active market of the biological asset nor reliable alternative estimates of fair value available.

At 31 December 2025, the Group has 423 acres (2024: 1,303 acres) of herbal plantations.

### 10. INVENTORIES

	<b>2025 RM</b>	<b>Group 2024 RM</b>
<b>At cost</b>		
Raw materials	1,813,640	1,998,186
Consumables	1,133,576	999,161
Finished goods	472,420	701,163
Work-in-progress	65,640	–
<hr/>		
	3,485,276	3,698,510
<hr/>		
<b>Recognised in profit or loss</b>		
Inventories recognised as cost of sales	3,880,513	71,988,235
Reversal of provision of slow-moving inventories	–	(580,770)
<hr/>		

### 11. TRADE RECEIVABLES

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Trade receivables	6,651,306	7,151,194
Less: Allowance for expected credit losses ("ECLs")	(5,095,003)	(6,106,940)
<hr/>		
	1,556,303	1,044,254
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11. TRADE RECEIVABLES (CONT'D)

Trade receivables are non-interest bearing and are generally from cash term to 180 days (2024: cash term to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The movement in allowance for ECLs of trade receivables during the financial year is as follows:

	Group	
	2025 RM	2024 RM
At 1 January	6,106,940	17,297,208
Allowance for ECLs	565,947	1,659,789
Reversal of allowance for ECLs	(577,097)	(101,621)
Written off	(720,182)	(10,758,165)
Exchange difference	(280,605)	(201,339)
Classified as asset held for sale	–	(1,788,932)
At 31 December	5,095,003	6,106,940

The following table provide information about the exposure to credit risk and ECLs for trade receivables:

	Gross amount RM	Loss allowance RM	Net amount RM
<b>Group</b>			
<b>2025</b>			
Neither past due nor impaired	1,603,965	(47,662)	1,556,303
1 to 30 days past due not impaired	7,982	(7,982)	–
31 to 60 days past due not impaired	9,872	(9,872)	–
61 to 90 days past due not impaired	95,133	(95,133)	–
More than 91 days past due not impaired	4,752,406	(4,752,406)	–
Individually impaired	6,469,358	(4,913,055)	1,556,303
	181,948	(181,948)	–
	6,651,306	(5,095,003)	1,556,303
<b>Group</b>			
<b>2024</b>			
Neither past due nor impaired	718,101	(99,381)	618,720
1 to 30 days past due not impaired	210,506	(4,297)	206,209
31 to 60 days past due not impaired	11,571	–	11,571
61 to 90 days past due not impaired	14,380	(128)	14,252
More than 91 days past due not impaired	5,269,762	(5,076,260)	193,502
Individually impaired	6,224,320	(5,180,066)	1,044,254
	926,874	(926,874)	–
	7,151,194	(6,106,940)	1,044,254

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11. TRADE RECEIVABLES (CONT'D)

The foreign currency profile of trade receivables are as follows:

	<b>2025</b>	<b>Group</b>	<b>2024</b>
	<b>RM</b>		<b>RM</b>
Indonesian Rupiah ("IDR")	99,549		145,750

### 12. OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Non-trade receivables	6,421,342	8,365,145	–	262
Deposits	604,546	557,130	–	–
Less: Written off	–	(262)	–	(262)
Less: Allowance for ECLs	(5,488,507)	(8,037,294)	–	–
Accrued income	1,537,381	884,719	–	–
Prepayments	7,579	9,029	–	–
Value-added tax ("VAT") recoverable	113,896	382,192	12,500	12,500
Advance to suppliers	50,560	50,215	–	–
Advance to staffs	–	304,692	–	–
Total	9,020	19,040	–	–
Total	1,718,436	1,649,887	12,500	12,500

Non-trade receivables are unsecured, non-interest bearing and repayable on demand.

The movement in allowance for ECLs of other receivables during the financial year is as follows:

	<b>2025</b>	<b>Group</b>	<b>2024</b>
	<b>RM</b>		<b>RM</b>
At 1 January	8,037,294		5,126,161
Allowance for ECLs	–		6,947,289
Reversal	(319,763)		(3,261,819)
Written off	(1,674,516)		(98,890)
Exchange difference	(554,508)		(60,621)
Classified as asset held for sale	–		(614,826)
At 31 December	5,488,507		8,037,294

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 12. OTHER RECEIVABLES (CONT'D)

The currency profile of other receivables are as follows:

	2025 RM	Group 2024 RM
Chinese Yuan ("CNY")	345,898	779,946
Hong Kong Dollar ("HKD")	–	4,558
Indonesian Rupiah ("IDR")	792	2,312
United States Dollar ("USD")	–	54,731

### 13. OTHER INVESTMENTS

	2025 RM	Group 2024 RM
<b>Current</b>		
Fair Value Through Profit or Loss ("FVTPL"):		
- Money market fund	13,532	13,081
- Quoted ordinary shares	13,715,630	25,953,294
	13,729,162	25,966,375

The fair value of the financial asset at FVTPL is classified as at Level 1 fair value item for the purpose of fair value hierarchy disclosures.

Money market fund

Money market fund represent deposits placement with investment fund management companies. The average effective interest rates of the money market fund range from 3.18% to 2.7% (2024: 0.30% to 0.27%) on monthly basis and are readily convertible to cash with insignificant risk of changes in value.

### 14. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	2025 RM	Company 2024 RM
<b>Amount due from subsidiaries</b>		
Non-trade related	1,503,640	215,319,033
Less: Allowance for ECLs	(1,503,640)	(119,880,372)
	–	95,438,661
<b>Amount due to subsidiaries</b>		
Non-trade related		
- Current	(13,515,051)	(12,939,873)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 14. AMOUNT DUE FROM/(TO) SUBSIDIARIES (CONT'D)

Amount due from/(to) subsidiaries are unsecured and non-interest bearing.

The movement in allowance for ECLs of amount due from subsidiaries during the financial year is as follows:

	Company	
	2025 RM	2024 RM
At 1 January	119,880,372	7,951,608
Allowance for ECLs	–	111,928,764
Reversal of allowance for ECLs	(118,376,732)	–
At 31 December	1,503,640	119,880,372

The foreign currency profile of amount due from subsidiaries are as follows:

	Company	
	2025 RM	2024 RM
Chinese Yuan (“CNY”)	–	22,917,937
Hong Kong Dollar (“HKD”)	196,080	1,610,552
United States Dollar (“USD”)	–	15,926,333

### 15. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks				
Maturity:				
- more than 3 months	1,200,000	2,200,000	1,200,000	2,200,000
Fixed deposits pledged with licensed banks	954,816	1,430,620	–	–
	2,154,816	3,630,620	1,200,000	2,200,000

The interest rate of fixed deposits with licensed banks of the Group and of the Company range from 2.05% to 2.70% (2024: 2.70% to 3.05%) per annum and 2.7% (2024: 2.7%) per annum respectively. The maturities of fixed deposits with licensed banks of the Group and of the Company are 365 days (2024: 30 to 365 days).

The fixed deposits with licensed banks of the Group amounted to RM954,816 (2024: RM1,430,620) are pledged to licensed banks and non-financial institution respectively as securities for credit facilities granted to subsidiaries as disclosed in Note 21 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are denominated other than Ringgit Malaysia ("RM")

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Chinese Yuan ("CNY")	2,461,295	5,095,061	20,358	30,545
Hong Kong Dollar ("HKD")	394,528	486,785	–	124,674
Indonesian Rupiah ("IDR")	9,138	3,704	–	–
Singapore Dollar ("SGD")	–	33,111	–	–
United States Dollar ("USD")	20,456	71,606	183	381

### 17. DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

At the end of the current reporting year, the assets and liabilities of the retail pharmacy business have been presented in the consolidated statement of financial position as "Assets of disposal group classified as held for sale" and "Liabilities of disposal group classified as held for sale", and its results have also been presented separately on the consolidated statement of profit or loss and other comprehensive income as "Loss after taxation from discontinued operations". The disposal is completed by January 2025.

The assets of the disposal group are as follows:

	2025 RM	2024 RM
<b>Assets</b>		
Property, plant and equipment	–	1,972,960
Goodwill on consolidation	–	884,674
Inventories	–	1,228,925
Trade receivables	–	622,787
Other receivables	–	94,500
Current tax assets	–	88,125
Cash and cash equivalents	–	47,873
Asset of disposal of group classified as held for sale	–	4,939,844

The liabilities of the disposal group are as follows:

	2025 RM	2024 RM
<b>Liabilities</b>		
Trade payables	–	2,034,855
Other payables	–	409,975
Loan and borrowings	–	2,001,948
Lease liabilities	–	313,066
Liabilities of disposal of group classified as held for sale	–	4,759,844

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 18. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
<b>Issued and fully paid up</b>				
At 1 January	1,406,491,096	1,406,491,096	186,191,208	186,191,208
Conversion of ICPS	3,181	–	700	–
Capital reduction	–	–	(110,000,000)	–
At 31 December	1,406,494,277	1,406,491,096	76,191,908	186,191,208

During the financial year, the Company reduced its share capital from RM186,191,208 to RM76,191,908 by way of:

- (a) On 18 June 2025, 3,181 ordinary shares were issued pursuant to the conversion of ICPS on a cashless basis at an issue price of RM0.22 per share. The conversion was effected on the basis of 11 ICPS for 1 ordinary share.
- (b) During the financial year, the Company undertook a share capital reduction exercise amounting to RM110,000,000. The share capital reduction was approved by the shareholders on 25 April 2025 and was effected in accordance with the relevant provisions of the Companies Act 2016. The share capital reduction resulted in a corresponding adjustment within the equity of the Company. The capital reduction was undertaken to rationalise the capital structure of the Company.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings for the Company. All ordinary shares rank equally with regards to the Company's residual assets.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings for the Company. All ordinary shares rank equally with regards to the Company's residual assets.

### 19. ICPS

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
<b>Issued and fully paid up</b>				
At 1 January	144,468,522	144,468,522	2,889,371	2,889,371
Conversion of ICPS to Ordinary shares	(35,000)	–	(700)	–
At 31 December	144,433,522	144,468,522	2,888,671	2,889,371

During the financial year, the Company reduced its ICPS from RM2,889,371 to RM2,888,671 following the conversion of ICPS into 3,181 ordinary shares on a cashless basis at an issue price of RM0.22 per share. The conversion was effected on the basis of 11 ICPS for 1 ordinary share.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. RESERVES

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Warrant reserve	(a)	18,413,494	18,413,494	18,413,494	18,413,494
SIS option reserve	(b)	1,150,035	803,081	1,150,035	803,081
Merger deficits	(c)	(4,569,128)	(4,569,128)	–	–
Foreign currency translation reserve	(d)	4,636,920	4,803,177	–	–
Accumulated losses		(29,387,323)	(110,187,177)	(617,556)	(111,668,136)
		(9,756,002)	(90,736,553)	18,945,973	(92,451,561)

#### (a) Warrant reserve

Warrants reserve represents reserve allocated to free detachable warrants issued with rights issue.

On 6 February 2024, the Company had issued 526,099,537 warrants pursuant to renounceable right issue of warrants to all the entitled shareholders of the Company on the basis of three (3) warrants for every eight (8) existing ordinary shares held in the Company.

The main features of the warrants are as follows:

	Tenure years	Issue date	Expiry date	Exercise price RM
Warrants	3	6 February 2024	5 February 2027	0.10

The movements of the warrants are as follows:

	At 1 January	Number of units			At 31 December
		Issued	Exercised	Expired	
<b>2025</b>					
Warrants	526,099,537	–	–	–	526,099,537
<b>2024</b>					
Warrants	–	526,099,537	–	–	526,099,537

#### (b) SIS option reserve

At an extraordinary general meeting held on 19 August 2016, the Company's shareholders approved the establishment of SIS for eligible Directors and employees of the Group.

The salient features of the SIS Options are as follows:

- (a) Any employee of the Group shall be eligible if as to the date of offer, the employee:
- (i) Has attained at least eighteen (18) years of age;
  - (ii) Is an employee in a company within the Group, which is not dormant belonging to such categories of employment as determined by the Option Committee; and
  - (iii) Who falls under such categories and criteria that the Option Committee may decide at its absolute discretion from time to time.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. RESERVES (CONT'D)

#### (b) SIS option reserve (Cont'd)

- (b) Any Director of the Group shall be eligible if as at the date of offer, the Director:
- (i) Is at least eighteen (18) years of age; and
  - (ii) Has been appointed as a Director of a company within the Group, which is not dormant.
- (c) The maximum number of new shares to be issued pursuant to the exercise of the SIS Options which may be granted under the SIS Shares shall not exceed thirty percent (30%) of the total issued and paid-up share capital (excluding treasury shares, if any) of the Company at any point of time throughout the duration of the SIS.
- (d) The options granted may be exercised any time upon the satisfaction of vesting conditions of each offer.
- (e) The SIS shall be in force for a period of 5 years from 12 January 2017 to 10 January 2022. The Company had on 6 January 2022 extended the existing SIS which expired on 11 January 2022 for another 2 years from 12 January 2022 to 11 January 2024 in accordance with the Clause 21 Of the SIS Bylaws. On 9 November 2023, the Company further extended the existing SIS which expired on 11 January 2024 for another 3 years from 12 January 2024 to 11 January 2027.
- (f) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of and not less than 100 shares.

Movement in the number of share options and the weighted average exercise prices are as follows:

Date of offer	Exercise Price RM	At 1.1.2025	Cancellation	Number of options Granted		Exercised	At 31.12.2025
<b>2025</b>							
27 February 2017	0.205	1,988,889	-	-	-	-	1,988,889
16 April 2020	0.105	2,275,863	-	-	-	-	2,275,863
11 October 2022	0.090	125,000,000	(98,000,000)	-	-	-	27,000,000
29 December 2025	0.020	-	-	98,000,000	-	-	98,000,000

Date of offer	Exercise price RM	At 1.1.2024	Number of options over ordinary shares			At 31.12.2024
			Cancellation	Granted	Exercised	
<b>2024</b>						
27 February 2017	0.205	1,988,889	-	-	-	1,988,889
16 April 2020	0.105	2,275,863	-	-	-	2,275,863
11 October 2022	0.090	125,000,000	-	-	-	125,000,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 20. RESERVES (CONT'D)

#### (b) SIS option reserve (Cont'd)

The fair value of services received in return for share options granted during the financial year is based on the fair value of share options granted, estimated by the management using Black-Scholes-Merton model taking into account the terms and conditions upon which the options were granted. The weighted average fair value of share options measured at grant date and the assumptions are as follow:

	<b>27</b>	<b>16</b>	<b>11</b>	<b>29</b>
	<b>February</b>	<b>April</b>	<b>October</b>	<b>December</b>
	<b>2017</b>	<b>2020</b>	<b>2022</b>	<b>2025</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Fair value	0.0909	0.0079	0.0060	0.0105
Weighted average share price	0.225	0.110	0.090	0.025
Weighted average exercise price	0.205	0.105	0.090	0.020
Expected volatility	39.88%	28.20%	70.75%	70.75%
Expected life (years)	5 years	1.18 years	5 years	5 years
Risk free rate(%)	3.70	2.52	2.67	2.70
Expected dividend yield (%)	Nil	Nil	Nil	Nil

The expected life of the share options is based on historical data, has been adjusted according to management's best estimate for the effects of non-transferability, exercise restrictions (including the probability of meeting the market conditions attached to the option), and behavioural consideration. The expected volatility is based on the historical share price volatility, adjusted for unusual or extraordinary volatility arising from certain economic or business occurrences which is not reflective of its long-term average level. While the expected volatility is assumed to be indicative of future trends, it may not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

#### (c) Merger deficits

The merger deficit represents the difference between the nominal value of shares issued by the Company and the nominal value of shares of subsidiaries accounted for rising the merger method.

#### (d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

### 21. LOAN AND BORROWINGS

	<b>2025</b>	<b>Group</b>
	<b>RM</b>	<b>2024</b>
		<b>RM</b>
<b>Secured</b>		
Bankers' acceptances	203,073	283,541
Term loans	595,323	699,134
	<b>798,396</b>	<b>982,675</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 21. LOAN AND BORROWINGS (CONT'D)

	2025 RM	Group 2024 RM
<b>Non-current</b>		
Term loans	487,360	595,323
<b>Current</b>		
Bankers' acceptances	203,073	283,541
Term loans	107,963	103,811
	311,036	387,352
	798,396	982,675

The above credit facilities obtained from licensed financial institution and non-financial institution are secured on the following:

- (a) Charge over certain freehold land and building, leasehold land and building, and plant and machineries of the Group as disclosed in Note 4 to the financial statements;
- (b) Charge on fixed deposits with licensed banks of the Group as disclosed in Note 15 to the financial statements; and
- (c) Corporate guarantee by the Company.

Term loan I is repayable by 120 monthly instalments commencing from May 2018.

Term loan II is repayable by 36 monthly instalments commencing from August 2021.

Term loan III is repayable by 108 monthly instalments commencing from August 2021.

Banker's acceptance facilities are repayable within 32 to 79 days days (2024: 101 days).

Revolving credit facilities are repayable within 180 days.

The non-current loan and borrowings of the Company include a secured borrowing RM487,360 (2024: RM595,323) which is repayable range from 36 to 120 months. The loan will be repayable on demand if the covenant is not met. The Company subject to following covenants:

- (i) Maintaining a minimum of 51% Malaysian shareholding;
- (ii) Not creating charges or encumbrances over its assets without prior lender consent;
- (iii) Obtaining the lender's prior written consent for specific corporate actions, including equity changes, establishment of subsidiaries and related party transactions; and
- (iv) Ensuring financed properties are used for own business purposes.

The Company met the covenant requirements as at 31 December 2025 and the loan and borrowings is classified as non-current.

The average effective interest rate are as follows:

	2025 %	Group 2024 %
Banker's acceptances	4.60 - 5.33	4.89 - 5.22
Term loans	4.00	4.00 - 5.13

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 22. LEASE LIABILITIES

	2025 RM	Group 2024 RM
Non-current	3,299,424	3,727,511
Current	486,302	617,979
	<hr/> 3,785,726	<hr/> 4,345,490

The maturity analysis of lease liabilities at the end of the reporting period:

	2025 RM	Group 2024 RM
Within 1 year	596,806	748,355
Between 2 - 5 years	1,326,937	1,835,347
More than 5 years	3,898,639	3,976,639
	<hr/> 5,822,382	<hr/> 6,560,341
Less: Future finance charges	(2,036,656)	(2,214,851)
Present value of lease liabilities	<hr/> 3,785,726	<hr/> 4,345,490

The Group leases various property, land and building and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different term and conditions.

The incremental borrowing rates applied to lease liabilities as at 31 December 2025 ranged from 2.45% to 8.15% (2024: 3.42% to 8.15%) per annum.

### 23. DEFERRED TAX LIABILITIES

	2025 RM	Group 2024 RM
At 1 January	3,863,585	5,520,389
Recognised in profit or loss	(2,209,925)	(2,844,325)
(Over)/Under provision in prior financial years	(1,653,660)	1,187,521
	<hr/> -	<hr/> 3,863,585
At 31 December	<hr/> -	<hr/> 3,863,585

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23. DEFERRED TAX LIABILITIES (CONT'D)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

		<b>Group</b>	
	<b>2025</b>		<b>2024</b>
	<b>RM</b>		<b>RM</b>
Deferred tax liabilities	–		10,170,402
Deferred tax assets	–		(6,306,817)
			–
			3,863,585

The components and movement of deferred tax assets and liabilities at the end of the reporting date prior to offsetting are as follows:

	<b>Accelerated capital allowances RM</b>	<b>Development expenditure RM</b>	<b>Total RM</b>
<b>Deferred tax liabilities</b>			
<b>Group</b>			
At 1 January 2024	2,976,832	9,790,949	12,767,781
Recognised in profit or loss	(1,725,603)	(539,171)	(2,264,774)
Over provision in prior financial years	(36,212)	(296,393)	(332,605)
			–
At 31 December 2024 and 1 January 2025	1,215,017	8,955,385	10,170,402
Recognised in profit or loss	–	(8,657,589)	(8,657,589)
Over provision in prior financial years	(1,215,017)	(297,796)	(1,512,813)
			–
At 31 December 2025	–	–	–

	<b>Unutilised tax losses RM</b>	<b>Unutilised capital allowances RM</b>	<b>Unutilised reinvestment allowances RM</b>	<b>Total RM</b>
<b>Deferred tax assets</b>				
<b>Group</b>				
At 1 January 2024	(1,074,594)	(2,470,960)	(3,701,838)	(7,247,392)
Recognised in profit or loss (Over)/Under provision in prior financial years	– (323,619)	(579,551) 1,843,745	– –	(579,551) 1,520,126
				–
At 31 December 2024 and 1 January 2025	(1,398,213)	(1,206,766)	(3,701,838)	(6,306,817)
Recognised in profit or loss	1,398,213	1,347,613	3,701,838	6,447,664
Over provision in prior financial years	–	(140,847)	–	(140,847)
				–
At 31 December 2025	–	–	–	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property, plant and equipment	419,218	(8,462,709)	–	598
Unutilised business losses	7,505,887	32,591,116	–	1,674,207
Unutilised capital allowances	4,575,297	7,313,611	–	600
	12,500,402	31,442,018	–	1,675,405

In accordance with the provision of Finance Act 2018, the unutilised business losses could be carried forward for a maximum of seven consecutive years of assessment and the unused reinvestment allowance could be carried forward for a maximum of seven consecutive years of assessment after the expiry of the qualifying periods. Any balance of the unutilised business losses and reinvestment allowance at the end of the seventh year shall be disregarded.

The Finance Act 2021 stated that the time frame to carry forward unutilised business losses for year of assessment 2019 and subsequent years of assessment be extended from seven to ten consecutive years of assessment. The other temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiaries that have a recent history of losses.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Utilisation period</b>				
Expiring in YA 2029	1,125,303	703,922	–	–
Expiring in YA 2030	439,022	589,706	–	–
Expiring in YA 2031	4,166,565	6,672,661	–	–
Expiring in YA 2032	876,017	1,821,015	–	–
Expiring in YA 2033	12,869,183	12,582,163	–	–
Expiring in YA 2034	2,029,639	3,790,867	–	–
Expiring in YA 2035	2,536,220	6,430,782	–	1,674,207
	24,041,949	32,591,116	–	1,674,207

### 24. CONTRACT LIABILITIES

	Group	
	2025 RM	2024 RM
Contract liabilities		
- Current	1,746,354	1,532,769
At 31 December	1,746,354	1,532,769

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 24. CONTRACT LIABILITIES (CONT'D)

The contract liabilities refer to advance received from a franchisee and customer for purchases of goods which will be set off against future revenue made with the Group.

The Group expect revenue from unsatisfied performance obligation to be recognised in the financial years as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Financial year ended 31 December	1,746,354	1,532,769

### 25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days) depending on the term of the contracts.

### 26. OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Non-trade payables	2,690,818	1,078,675	320,246	341,239
Accruals	1,028,911	2,641,372	217,048	222,663
Deferred capital grant	–	3,132	–	–
Deposit received	25,500	25,500	–	–
Sales and service tax (“SST”) payable	82,586	124,695	–	–
	3,827,815	3,873,374	537,294	563,902

Deferred capital grant refers to government grant received from Malaysian Bioeconomy Development Corporation Sdn. Bhd. (“MBDC”) and Malaysia Technology Development Corporation (“MTDC”) for the acquisition of equipment for research activities. There are no unfulfilled conditions or contingencies attached to this grant. The grant is being amortised over the useful life of the plant as recognised in profit or loss.

The movement of deferred capital grant is as follows:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
At 1 January	3,132	27,653
Amortised during the financial year	(3,132)	(24,521)
At 31 December	–	3,132
<b>Presented:</b>		
Current	–	3,132

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. OTHER PAYABLES (CONT'D)

The foreign currency profile of the other payables are as follows:

	Group	
	2025 RM	2024 RM
Chinese Yuan ("CNY")	21,220	181,088
Hong Kong Dollar ("HKD")	9,208	138,240
Indonesian Rupiah ("IDR")	–	227,189

### 27. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from contracts with customers:</b>				
Sales of goods	11,482,926	62,024,718	–	–
<b>Revenue from other sources:</b>				
Dividend income	–	–	–	3,700,000
	11,482,926	62,024,718	–	3,700,000
<b>Timing of revenue recognition:</b>				
At a point in time	11,482,926	62,024,718	–	3,700,000

Breakdown of the Group's revenue from contracts with customers:

	Sales of goods RM	Total RM
<b>2025</b>		
Manufacturing	11,482,926	11,482,926
	11,482,926	11,482,926
<b>Geographical market:</b>		
Malaysia	10,974,056	10,974,056
China	22,400	22,400
Others	486,470	486,470
	11,482,926	11,482,926

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 27. REVENUE (CONT'D)

Breakdown of the Group's revenue from contracts with customers: (Cont'd)

	Sales of goods RM	Total RM
<b>2024</b>		
Trading	50,191,073	50,191,073
Manufacturing	11,833,645	11,833,645
	62,024,718	62,024,718
<b>Geographical market:</b>		
Malaysia	11,559,621	11,559,621
China	50,228,369	50,228,369
Others	236,728	236,728
	62,024,718	62,024,718

### 28. OTHER OPERATING INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest from fixed deposits				
with licensed banks	62,918	194,230	22,896	172,174
Interest from other investments	-	38,566	-	-
Foreign exchange gain:				
- realised	2,472	8,543	-	-
- unrealised	10,130	-	10,925	-
Rental income	50,228	50,228	-	-
Amortisation of deferred capital grant	3,132	24,521	-	-
Gain on disposal of property, plant and equipment	16,014	51,066	-	-
Fair value gain on biological assets	74,599	-	-	-
Waiver of debt	-	98,890	-	-
Reversal of allowance for ECLs on:				
- Trade receivables	577,097	-	-	-
- Other receivables	319,763	-	-	-
- Amount due from subsidiaries	-	-	118,376,732	-
Written back of liabilities-Trade	12,428	-	-	-
Other income	292,618	384,646	-	-
	1,421,399	850,690	118,410,553	172,174

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 29. FINANCE COSTS

	Group	
	2025 RM	2024 RM
<b>Finance costs</b>		
Interest on bank overdraft	14,768	9,943
Interest on bankers' acceptance	12,210	14,164
Interest on lease liabilities	194,395	188,147
Interest on term loans	27,965	158,679
	249,338	370,933

### 30. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration				
<i>Statutory:</i>				
- Current year	182,616	258,815	87,000	85,000
- Under provision in prior year	-	5,844	-	-
<i>Non-Statutory:</i>				
- Current year	29,000	36,000	29,000	36,000
- Over provision in prior year	-	(20,000)	-	(20,000)
Allowance for ECLs on:				
- Trade receivables	565,947	1,208,640	-	-
- Other receivables	-	6,332,463	-	-
- Amount due from subsidiaries	-	-	-	111,928,764
Reversal of allowance for ECLs on:				
- Trade receivables	(577,097)	(101,621)	-	-
- Other receivables	(319,763)	(3,261,819)	-	-
- Amount due from subsidiaries	-	-	(118,376,732)	-
Amortisation of intangible assets	833,442	2,731,650	-	-
Bad debts written off	288,923	261	-	262
Fair value loss on quoted shares investments	12,237,664	8,338,653	-	-
Fair value loss on biological assets	-	5,092	-	-
Fair value loss on share-based payment	823,200	-	823,200	-
Depreciation of property, plant and equipment	4,975,310	7,633,560	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 30. (LOSS)/PROFIT BEFORE TAX (CONT'D)

- (a) The Group leases a number of properties and equipment with contract terms of not more than one year. These leases are short-term or leases of low value assets. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss/(Gain) on disposal of subsidiaries	274,576	(43,802)	-	-
Gain on early termination of lease contract	-	(760)	-	-
Reversal of provision of slow-moving inventories	-	(580,770)	-	-
Impairment losses on:				
- Property, plant and equipment	3,557,862	10,644,879	-	300,000
- Intangible assets	7,506,424	8,145,767	-	-
- Investment in an associate	33,453	3,237,353	-	-
- Goodwill	-	4,449,356	-	-
- Investment in subsidiary	-	-	115,019,445	2,242,475
Property, plant and equipment written off	133,992	410,328	-	-
Staff costs (Note 34)	7,036,120	12,422,883	1,240,293	1,180,689
Unrealised (gain)/loss on foreign exchange	(10,130)	396,044	10,925	2,320
Lease expenses relating to:				
- Low value assets (a)	-	10,960	-	-
- Short-term leases (a)	-	378,125	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 31. TAXATION

	2025 RM	2024 RM	2025 RM	2024 RM
<b>Tax expenses recognised in profit or loss</b>				
<b>Current tax</b>				
Current financial year provision	(144,380)	52,066	–	41,300
(Over)/Under provision in priors financial years	(11,018)	9,086	(9,016)	1,368
	(155,398)	61,152	(9,016)	42,668
<b>Deferred tax liabilities</b>				
Origination and reversal of temporary difference	(2,209,925)	(2,844,325)	–	–
(Over)/Under provision in priors financial years	(1,653,660)	1,187,521	–	–
	(3,863,585)	(1,656,804)	–	–
<b>Total tax (income)/expense</b>	(4,018,983)	(1,595,652)	(9,016)	42,668

A reconciliation of income tax expenses applicable to (loss) / profit before tax at the statutory tax rate to income tax expenses at the effective income tax of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
(Loss)/Profit before tax	(33,951,794)	(57,876,683)	565,318	(112,976,915)
Income tax calculated at tax rate of 24% (2024: 24%)	(8,148,431)	(13,890,404)	135,676	(27,114,460)
Expenses not deductible for tax purposes	34,273,605	41,287,646	28,274,740	28,043,760
Income not subject to tax	(28,479,479)	(30,985,462)	(28,410,416)	(888,000)
Movement of deferred tax assets not recognised	–	795,961	–	–
(Over)/Under provision of tax expenses in priors financial years	(11,018)	9,086	(9,016)	1,368
(Over)/Under provision of deferred tax in priors financial years	(1,653,660)	1,187,521	–	–
	(4,018,983)	(1,595,652)	(9,016)	42,668

A subsidiary has received an approval letter dated 20 December 2013 from Ministry of Agriculture and Agro-Based Industry Malaysia in relation to its application for exemption of tax under paragraph 127(3)(b) of the Income Tax Act 1967 for carrying out of herbs project. Pursuant to paragraph 127(3)(b), it has been granted a 100% tax exemption of the statutory income for a period of 10 years commencing from its first statutory income. As such, it is eligible for tax exemption on 100% of its statutory business income (if any) for the year of assessment 2018 to year of assessment 2027.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 32. PROFIT FROM DISCONTINUED OPERATION

As disclosed in Note 17 to the financial statements, the Group is in the process of disposing of its retail pharmacy business which is completed by January 2025.

An analysis of the results of discontinued operations is as follows:

		<b>Group</b>	
	<b>2025</b>		<b>2024</b>
	<b>RM</b>		<b>RM</b>
<b><u>Profit or loss</u></b>			
Revenue	–		19,212,851
Cost of sales	–		(16,877,737)
<hr/>			
Gross profit	–		2,335,114
Other operating income	56		12,679,922
<hr/>			
	56		15,015,036
Administrative expenses	(51,763)		(7,852,267)
Net loss on impairment of financial assets	–		(1,065,975)
Finance costs	–		(236,512)
<hr/>			
(Loss)/Profit before taxation from discontinued operations	(51,707)		5,860,282
Taxation	–		(16,561)
<hr/>			
(Loss)/Profit after taxation from discontinued operations	(51,707)		5,843,721

(a) Included in the results from operating activities are the following:

		<b>Group</b>	
	<b>2025</b>		<b>2024</b>
	<b>RM</b>		<b>RM</b>
Auditors' remuneration:			
- Current year	–		58,000
- Under provision in prior years	–		3,500
Bad debts written off	–		376,910
Depreciation of property, plant and equipment	–		897,806
Gain on disposal of property, plant and equipment	–		(5,229,337)
Gain on disposal of subsidiary	–		(630,706)
Lease expenses relating to:			
- Low value assets (a)	–		20,200
- Short-term leases (a)	–		59,186
Gain on early termination of lease contract	–		(90,644)
Rental income	–		(26,650)
Staff costs (Note 34)	–		4,415,789
Allowance for ECLs on:			
- Trade receivables	–		451,149
- Other receivables	–		614,826
Waiver of debts	–		4,262,341
Impairment losses on goodwill	–		15,543
Interest expenses	–		236,512
Interest income	(56)		(9,141)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 32. LOSS FROM DISCONTINUED OPERATION (CONT'D)

(b) The income tax expenses on discontinued operations are summarised below:

	2025 RM	Group 2024 RM
Tax expense:		
- Current year	-	8,000
- Under provision in prior year	-	8,561
<hr/>		
	2025 RM	Group 2024 RM
(Loss)/Profit before tax	(51,707)	5,860,282
<hr/>		
Income tax calculated at tax rate of 24% (2024: 24%)	(12,410)	1,406,468
Expenses not deductible for tax purposes	12,410	1,048,702
Income not subject to tax	-	(2,120,494)
Movement of deferred tax assets not recognised	-	(309,463)
Under provision of tax expenses in priors financial years	-	8,561
Over provision of deferred tax in priors financial years	-	(17,214)
<hr/>		
	-	16,560
<hr/>		

(c) The cash flows attributable to the discontinued operation are as follows:

	2025 RM	Group 2024 RM
Net cash used in operation activities	(208,430)	(4,110,347)
Net cash from investing activities	-	5,776,194
Net cash used in financing activities	-	(2,269,610)
<hr/>		
Net decrease in cash and cash equivalents	(208,430)	(603,763)
Effect of Exchange Translation Differences	(65,851)	-
Cash and cash equivalents at the beginning of the financial year	274,281	651,636
<hr/>		
Cash and cash equivalentns at the end of the financial year	-	47,873
<hr/>		

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 33. LOSS PER SHARE

#### (a) Loss per share

The basic loss per share are calculated based on the consolidated loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Loss attributable to owners of Company	(29,676,392)	(48,553,393)
<hr/>		
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 January	1,263,892,799	1,263,892,799
Effect of ordinary shares issued during the financial year	1,723	-
<hr/>		
Weighted average number of ordinary shares at 31 December	1,263,894,522	1,263,892,799
<hr/>		
Basic loss per ordinary shares (in sen)	(2.35)	(3.84)

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Basic loss per ordinary shares (in sen)		
- continuing operations	(2.35)	(4.30)
- discontinued operation	-	0.46
<hr/>		
	(2.35)	(3.84)

#### (b) Diluted loss per share

The diluted loss per share has been calculated based on the adjusted consolidated loss for the financial year attributable to the owners of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares as follows:

	<b>2025 RM</b>	<b>Group 2024 RM</b>
Loss attributable to owners of Company	(29,676,392)	(48,553,393)
<hr/>		
Weighted average number of ordinary shares	1,263,894,522	1,263,892,799
Adjustment for incremental shares from assumed conversions:		
SIS		
- Granted on 27 February 2017	1,988,889	1,988,889
- Granted on 16 April 2020	2,275,863	2,275,863
- Granted on 11 October 2022	27,000,000	125,000,000
- Granted on 29 December 2025	98,000,000	-
ICPS	144,433,522	144,468,522
<hr/>		
Weighted average number of ordinary shares 31 December (diluted)	1,537,592,796	1,537,626,073
<hr/>		
Loss per ordinary shares (in sen)	(1.93)	(3.16)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 33. LOSS PER SHARE (CONT'D)

#### (b) Diluted loss per share (Cont'd)

	2025 RM	Group 2024 RM
Diluted loss per ordinary shares (in sen)		
- continuing operations	(1.93)	(3.54)
- discontinued operation	-	0.38
	(1.93)	(3.16)

### 34. STAFF COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, wages and other emoluments	6,403,096	11,292,592	1,131,840	1,079,932
Social security contributions	63,883	109,601	3,645	2,618
Defined contribution plans	607,202	1,051,011	103,695	98,139
Employment insurance scheme	7,866	12,313	1,113	-
	7,082,047	12,465,517	1,240,293	1,180,689
Less: Capitalised into:				
- Plantation expenditure (Note 4)	(45,927)	(42,634)	-	-
	7,036,120	12,422,883	1,240,293	1,180,689

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM1,065,288 and RM992,193 (2024: RM1,447,664 and RM937,389) respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 35. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes:

	<b>Lease liabilities RM</b>	<b>Term loans RM</b>
<b>Group</b>		
At 1 January 2025	4,345,490	699,134
Drawdown	341,410	-
Repayment	(750,079)	(103,811)
Modification of lease term	(148,940)	-
Foreign exchange translation	(2,155)	-
<b>At 31 December 2025</b>	<b>3,785,726</b>	<b>595,323</b>
<b>Group</b>		
At 1 January 2024	5,793,071	2,523,477
Drawdown	2,454,913	1,160,838
Repayment	(1,220,101)	(2,985,181)
Modification of lease term	(2,367,661)	-
Foreign exchange translation	(1,666)	-
Classified as liabilities held for sale	(313,066)	-
<b>At 31 December 2024</b>	<b>4,345,490</b>	<b>699,134</b>

### 36. RELATED PARTY DISCLOSURES

#### (a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control or join control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 36. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant related party transactions

Related party transactions have been entered into the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Company are as follows:

	Company	
	2025 RM	2024 RM
<b>Transaction with a subsidiary</b>		
- Dividend income	-	3,700,000

#### (c) Compensation of key management personnel

The Group considers the directors to be the key management personnel. Disclosure of their remuneration is made in directors' remuneration to the directors' report.

### 37. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, has three reportable segments as follows:

Trading	: Procurement and sales of health food products
Manufacturing	: Research, development, manufacture, importer, exporter, distribution and trader of nutritional and health care products.
Retail pharmacy	: Pharmacist, druggist and chemicals
Others	: Investment holding and provision of management

Management monitors the operating result of its business units separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Information about segment assets and liabilities are neither included in the internal management reports nor provided regularly to the management. Hence, no disclosures are made on segment assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 37. SEGMENT INFORMATION

Group 2025	Note	Trading		(Discontinued Operation)		Total Segments RM	Adjustment and eliminations RM	Consolidated RM
		RM	Manufacturing RM	pharmacy RM	Retail Others RM			
External customer		-	11,482,926	-	-	11,482,926	-	11,482,926
Inter-segment		-	1,531,756	-	-	1,531,756	(1,531,756)	-
Total revenue		-	13,014,682	-	-	13,014,682	(1,531,756)	11,482,926
<b>Results</b>								
Finance income		2,889	60,085	-	56	63,030	(56)	62,974
Finance costs		-	249,338	-	-	249,338	-	249,338
Depreciation on property, plant and equipment		272,360	4,978,222	-	-	5,250,582	(275,272)	4,975,310
Amortisation on intangible asset		399,702	2,116,753	-	-	2,516,455	(1,683,013)	833,442
Other non-cash item	A	18,519,073	20,530,825	-	-	39,049,898	(14,603,769)	24,446,129
Segment loss		(20,985,155)	(27,457,578)	-	(51,707)	(48,494,440)	18,543,375	(29,951,065)
<b>Assets</b>								
Additions to non-current assets other than financial instruments	B	-	605,854	701,343	-	1,307,197	(701,343)	605,854
deferred tax assets	C	18,985,102	215,373,355	4,783,944	-	239,142,401	(160,101,213)	79,041,188
Segment assets								
<b>Liabilities</b>								
Segment liabilities	D	11,565,742	50,317,521	4,734,810	-	66,618,073	(60,446,985)	6,171,088

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

37. SEGMENT INFORMATION (CONT'D)

Group 2024	Note	Trading		(Discontinued Operation)		Total Segments RM	Adjustment and eliminations RM	Consolidated RM
		RM	Manufacturing RM	pharmacy RM	Others RM			
External customer		50,191,073	11,833,645	18,586,851	626,000	81,237,569	–	81,237,569
Inter-segment		–	8,842,486	14,275,345	–	23,117,831	(23,117,831)	–
Total revenue		50,191,073	20,676,131	32,862,196	626,000	104,355,400	(23,117,831)	81,237,569
<b>Results</b>								
Finance income		2,274	230,522	9,141	–	241,937	–	241,937
Finance costs		–	370,933	236,512	–	607,445	–	607,445
Depreciation on property, plant and equipment		387,206	7,246,354	897,806	–	8,531,366	–	8,531,366
Amortisation on intangible asset		113,444	2,618,206	–	–	2,731,650	–	2,731,650
Other non-cash item	A	(571,233)	(6,855,584)	(5,030,311)	(2,248,369)	(14,705,497)	3,024,673	(11,680,824)
Segment loss		(2,491,034)	(53,847,024)	8,103,534	(2,259,813)	(50,494,337)	–	(50,494,337)
<b>Assets</b>								
Additions to non-current assets other than financial instruments	B	–	4,046,616	701,343	–	4,747,959	–	4,747,959
deferred tax assets	C	9,299,243	109,685,142	4,783,944	155,900	123,924,229	(5,230,766)	118,693,463
Segment assets								
<b>Liabilities</b>								
Segment liabilities	D	6,124,989	15,139,317	4,734,810	25,034	26,024,150	(13,940,598)	12,083,552

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. SEGMENT INFORMATION (CONT'D)

#### Adjustments and eliminations

Capital expenditure consists of additions of property, plant and equipment and intangible assets including assets from the acquisition of subsidiaries.

Inter-segment revenues are eliminated on consolidation.

A. Other non-cash items consist of the following as presented in the respective notes to the financial statements:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Other non-cash item:</b>		
Amortisation of deferred capital grant	3,132	24,521
Bad debts written off	(288,923)	(377,171)
Deposits written off	(17,208)	-
Share based payment	(823,200)	-
Allowance for ECLs on:		
- Trade receivables	(565,947)	(1,659,789)
- Other receivables	-	(6,947,289)
Reversal allowance for ECLs on:		
- Trade receivables	577,097	101,621
- Other receivables	319,763	3,261,819
Waiver of debts	(12,428)	-
Fair value adjustment on biological assets	74,599	(5,092)
Fair value loss on quoted shares investments	(12,237,664)	-
Impairment losses on:		
- Property, plant and equipment	(3,557,862)	(10,644,879)
- Intangible assets	(7,506,424)	-
- Investment in an associate	(33,453)	-
Loss on disposal of subsidiary	(274,576)	-
Gain on disposal of property, plant and equipment	16,014	5,280,403
Property, plant and equipment written off	(133,992)	(410,328)
Unrealised gain/(loss) on foreign exchange	10,130	(396,044)
Gain on early termination of lease contract	-	91,404
Gain on modification of lease contract	4,813	-
	(24,446,129)	(11,680,824)

B. Additions to non-current assets other than financial instruments consists of:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Property, plant and equipment	605,854	3,684,110
Intangible assets	-	1,063,849
	605,854	4,747,959

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 37. SEGMENT INFORMATION (CONT'D)

#### Adjustments and eliminations (Cont'd)

- C. The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position.

	2025 RM	Group 2024 RM
Segment assets	79,041,188	118,693,463
Tax recoverable	105,491	297,425
<b>Total assets</b>	<b>79,146,679</b>	<b>118,990,888</b>

- D. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	2025 RM	Group 2024 RM
Segment liabilities	6,171,088	12,083,552
Deferred tax liabilities	–	3,863,585
Lease liabilities	3,785,726	4,345,490
Loan and borrowings	798,396	982,675
<b>Total liabilities</b>	<b>10,755,210</b>	<b>21,275,302</b>

#### Geographic information

Revenue information based on the geographical location of customer is as follows:

	2025 RM	Group 2024 RM
Malaysia	10,974,056	11,559,621
China	22,400	50,228,369
Others	486,470	236,728
	<b>11,482,926</b>	<b>62,024,718</b>

#### Major customer

There are 3 (2024: 2) major customer contributing to RM9,096,140 (2024: RM46,711,562) or more of total revenue of the Group from manufacturing segment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS

#### (a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>At amortised cost</b>				
<b>Financial assets</b>				
Trade receivables	1,556,303	1,044,254	–	–
Other receivables	1,604,540	1,267,695	–	–
Amount due from subsidiaries	–	–	–	95,438,661
Fixed deposits with licensed banks	2,154,816	3,630,620	1,200,000	2,200,000
Cash and cash equivalents	3,554,022	7,159,572	606,696	966,827
	8,869,681	13,102,141	1,806,696	98,605,488
<b>At FVTPL</b>				
<b>Financial asset</b>				
Other investments	13,729,162	25,966,375	–	–
<b>At amortised cost</b>				
<b>Financial liabilities</b>				
Loan and borrowings	798,396	982,675	–	–
Trade payables	596,919	1,917,565	–	–
Other payables	3,745,229	3,748,678	537,294	563,902
Amount due to subsidiaries	–	–	13,515,051	12,939,873
	5,140,544	6,648,918	14,052,345	13,503,775

#### (b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

##### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet their contractual obligations. The Group's exposure to credit risk arises principally from the trade receivables, other receivables, fixed deposits with licensed banks and cash and bank balances. The Company's exposure to credit risk arises principally from the other receivables, amount due from subsidiaries, fixed deposits with licensed banks and cash and bank balances. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with bank and financial institutions with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides financial guarantee to banks for banking facilities granted to certain subsidiary. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and that are written of could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for banking facilities.

There are no significant changes as compared to previous financial year.

As at the end of the finance year, the Group has 3 (2024:3) major customers and accounted for approximately 95% (2024: 78%) of trade receivables outstanding

##### (ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Contractual cash flows RM	Total carrying amount RM
<b>Group</b>					
<b>2025</b>					
<i>Non-derivative financial liabilities</i>					
Term loans	131,776	527,105	10,981	669,862	595,323
Lease liabilities	596,806	1,326,937	3,898,639	5,822,382	3,785,726
Trade payables	596,919	–	–	596,919	596,919
Other payables	3,745,229	–	–	3,745,229	3,745,229
Bankers' acceptance	203,073	–	–	203,073	203,073
	5,273,803	1,854,042	3,909,620	11,037,465	8,926,270
Financial guarantee*	998,396	–	–	998,396	
<b>2024</b>					
<i>Non-derivative financial liabilities</i>					
Term loans	131,776	527,105	142,758	801,639	699,134
Lease liabilities	748,355	1,835,347	3,976,639	6,560,341	4,345,490
Trade payables	1,917,565	–	–	1,917,565	1,917,565
Other payables	3,748,678	–	–	3,748,678	3,748,678
Bankers' acceptance	283,541	–	–	283,541	283,541
	6,829,915	2,362,452	4,119,397	13,311,764	10,994,408
Financial guarantee*	16,182,675	–	–	16,182,675	

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objective and policies (Cont'd)

##### (ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Contractual cash flows RM	Total carrying amount RM
<b>Company</b>					
<b>2025</b>					
<i>Non-derivative financial liabilities</i>					
Other payables	537,294	–	–	537,294	537,294
Amount due to subsidiaries	13,515,051	–	–	13,515,051	13,515,051
	14,052,345	–	–	14,052,345	14,052,345
Financial guarantee*	798,396	–	–	798,396	
<b>2024</b>					
<i>Non-derivative financial liabilities</i>					
Other payables	563,902	–	–	563,902	563,902
Amount due to subsidiaries	12,939,873	–	–	12,939,873	12,939,873
	13,503,775	–	–	13,503,775	13,503,775
Financial guarantee*	982,675	–	–	982,675	

\* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company provides unsecured financial guarantee to banks in respect of credit facilities granted to certain subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on the credit facilities is remote.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk

##### (a) Foreign currency risk

The Group and the Company are 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 CNY, HKD, IDR, SGD and USD.

The Group and the Company 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.

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Trade receivables RM	Other receivables RM	Other payables RM	Cash and bank balances RM	Total RM
<b>Group</b>					
<b>2025</b>					
<u>Denominated in</u>					
CNY	–	345,898	(21,220)	2,461,295	2,785,973
HKD	–	–	(9,208)	394,528	385,320
IDR	99,549	792	–	9,138	109,479
USD	–	–	–	20,456	20,456
	99,549	346,690	(30,428)	2,885,417	3,301,228
<b>2024</b>					
<u>Denominated in</u>					
CNY	–	779,946	(181,088)	5,095,061	5,693,919
HKD	–	4,558	(138,240)	486,785	353,103
IDR	145,750	2,312	(227,189)	3,704	(75,423)
SGD	–	–	–	33,111	33,111
USD	–	54,731	–	71,606	126,337
	145,750	841,547	(546,517)	5,690,267	6,131,047

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk (Cont'd)

##### (a) Foreign currency risk (Cont'd)

The carrying amounts of the Group's and of the Company's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:  
(Cont'd)

	Amount due from subsidiaries RM	Cash and bank balances RM	Total RM
<b>Company</b>			
<b>2025</b>			
<i>Denominated in</i>			
CNY	–	20,358	20,358
HKD	196,080	–	196,080
USD	–	183	183
	196,080	20,541	216,621
<b>2024</b>			
<i>Denominated in</i>			
CNY	22,917,937	30,545	22,948,482
HKD	1,610,552	124,674	1,735,226
USD	15,926,333	381	15,926,714
	40,454,822	155,600	40,610,422

##### Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and of the Company's loss before tax for the financial year to a reasonably possible change in the CNY, HKD, IDR, SGD and USD exchange rates against the functional currencies of the Group and of the Company, with all other variables held constant.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk (Cont'd)

##### (a) Foreign currency risk (Cont'd)

##### Foreign currency sensitivity analysis (Cont'd)

	Change in currency rate	Effect on loss before tax	
		2025 RM	2024 RM
<b>Group</b>			
CNY	Strengthened 1% (2024: 1%)	27,860	56,939
	Weakened 1% (2024: 1%)	(27,860)	(56,939)
HKD	Strengthened 1% (2024: 1%)	3,853	3,531
	Weakened 1% (2024: 1%)	(3,853)	(3,531)
IDR	Strengthened 1% (2024: 1%)	1,095	(754)
	Weakened 1% (2024: 1%)	(1,095)	754
SGD	Strengthened 1% (2024: 1%)	–	331
	Weakened 1% (2024: 1%)	–	(331)
USD	Strengthened 1% (2024: 1%)	205	1,263
	Weakened 1% (2024: 1%)	(205)	(1,263)
<b>Company</b>			
CNY	Strengthened 1% (2024: 1%)	204	229,485
	Weakened 1% (2024: 1%)	(204)	(229,485)
HKD	Strengthened 1% (2024: 1%)	1,961	17,352
	Weakened 1% (2024: 1%)	(1,961)	(17,352)
USD	Strengthened 1% (2024: 1%)	2	159,267
	Weakened 1% (2024: 1%)	(2)	(159,267)

##### (b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group and the Company manage the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitor their interest rates by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (b) Financial risk management objectives and policies (Cont'd)

##### (iii) Market risk (Cont'd)

##### (b) Interest rate risk(Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
<u>Financial asset</u>		
Fixed deposits with licensed banks	2,154,816	3,630,620
<hr/>		
<u>Financial liabilities</u>		
Bankers' acceptance	(203,073)	(283,541)
Lease liabilities	(3,785,726)	(4,345,490)
Term loans	(595,323)	(699,134)
	<hr/>	<hr/>
	(4,584,122)	(5,328,165)
	<hr/>	<hr/>
	(2,429,306)	(1,697,545)
	<hr/>	<hr/>

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
<u>Financial asset</u>		
Fixed deposits with licensed banks	1,200,000	2,200,000
	<hr/>	<hr/>

#### Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

#### Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/ (decreased) the Group's loss before tax by NIL (2024: NIL), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 38. FINANCIAL INSTRUMENTS (CONT'D)

#### (c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and significant impact of discounting.

The table below analyses financial instruments carried at fair value and carrying amounts shown in the statements of financial positions.

	<b>2025</b>	<b>Group</b>
	<b>RM</b>	<b>2024</b>
		<b>RM</b>
<b>Fair value of financial instruments</b>		
<b>carried at fair value</b>		
<b>Level 1</b>		
<u>Financial asset</u>		
Other investments	13,729,162	25,966,375

#### (i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between levels during current and previous financial years.

#### (ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

#### (iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

#### Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

#### (iv) Level 3 fair value

Level 3 fair value for the financial assets and liabilities are estimated using unobservable inputs.

The following table shows the value techniques used in the determination of fair values within level 3, as well as key unobservable inputs used in the valuation method.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 39. FINANCIAL GUARANTEES

	2025 RM	Group 2024 RM
<b>Group</b>		
<b>Unsecured</b>		
Performance bonds in relation to the management of the Herbal Intergrated Cluster Development	200,000	200,000
<b>Secured</b>		
Corporate guarantee given to licensed bank for development cost granted to a subsidiary	–	15,000,000
<b>Company</b>		
<b>Unsecured</b>		
Corporate guarantees given to the licensed financial institution for credit facility granted to a subsidiary	798,396	982,675

### 40. CAPITAL MANAGEMENT

The Group's and the Company's objective when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at the end of the reporting period are as follows:

	2025 RM	Group 2024 RM
Total loans and borrowings (Note 21)	798,396	982,675
Total lease liabilities	3,785,726	4,345,490
Less: Cash and cash equivalents	(3,554,022)	(7,159,572)
Less: Fixed deposits with licensed banks	(2,154,816)	(3,630,620)
Net cash	(1,124,716)	(5,462,027)
Total equity	68,391,469	97,715,586
Gearing ratio	(0.016)	(0.056)

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (i) On 1 January 2025, Botanical Distribution Sdn. Bhd., a wholly owned subsidiary of the Company had entered into a Sale and Purchase Agreement with Advance Health Solutions Sdn. Bhd for the disposal of its entire business including Sale Shares in Mediconstant Holding Sdn Bhd for a total cash consideration of RM180,000. The process of disposing of its retail pharmacy business which is completed by January 2025.
- (ii) On 18 June 2025, 3,181 ordinary shares were issued pursuant to the conversion of ICPS on a cashless basis at an issue price of RM0.22 per share. The conversion was affected on the basis of 11 ICPS for 1 ordinary share.
- (iii) During the financial year, the Company undertook a share capital reduction exercise amounting to RM110,000,000. The share capital reduction was approved by the shareholders on 25 April 2025 and was affected in accordance with the relevant provisions of the Companies Act 2016. The share capital reduction resulted in a corresponding adjustment within the equity of the Company. The capital reduction was undertaken to rationalise the capital structure of the Company.
- (iv) On 5 December 2025, Bioalpha (Hainan) Development Limited, a wholly-owned subsidiary of the Company, was struck off by the relevant authority. As a result, the subsidiary ceased to be part of the Group during the financial year. The impact on the Group's financial statements is not material.

**42. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR**

There were no significant events after the financial year ended.

# LIST OF PROPERTIES

## OWNED

Registered owner	Location	Description and Existing Use	Date of Certificate of Fitness	Built-Up Area/ Land Area Sq. ft.	Tenure	Carrying Amount as at 31 December 2025 RM'000	Date of last revaluation	Age
Bioalpha International Sdn Bhd	No.10, Jalan P9/A, Seksyen 13, 43650 Bandar Baru Bangi, Selangor.	Industrial land with the following buildings erected thereon: <ul style="list-style-type: none"> <li>a semi-detached two (2)-storey building annexed with an open shed for our manufacturing facility;</li> <li>two (2) utility cabins for our restroom and surau; and</li> <li>a guardhouse</li> </ul>	April 30, 2012	8,137 / 11,000	99 years expiring on 20.08.2105	3,175	December 31, 2023	80 years
Bioalpha International Sdn Bhd	No. 1, Jalan Perindustrian Suntrack, Hub Perindustrian Suntrack, Off Jalan P1A, Seksyen 13, Bandar Baru Bangi, 43000 Kajang, Selangor.	Units of 3 Storey Semi-detached Factory with Office	July 07, 2014	6,966 / 10,606	99 years expiring on 20.08.2113	4,801	December 31, 2023	88 years

LIST OF PROPERTIES  
(CONT'D)

## LEASED

Tenant	Landlord	Location	Description and Existing Use	Built-Up Area/ Land Area	Rental RM	Rental/ Lease Period
Bioalpha Holdings Berhad, Bioalpha International Sdn Bhd and Bioalpha East Coast Agro Sdn Bhd	Lembaga Tabung Amanah Warisan Negeri Terengganu	Lot PT 1748, H. S. (D) 1966, Mukim Pasir Raja, Daerah Dungun, Terengganu.	Agricultural land for the cultivation and farming of herbal plants with the following infrastructure erected thereon: <ul style="list-style-type: none"> <li>• an administration and management building;</li> <li>• a fertilizer storage facility;</li> <li>• an equipment store cum repair and maintenance workshop;</li> <li>• residential buildings as follows: <ul style="list-style-type: none"> <li>(i) one (1) unit of bungalow;</li> <li>(ii) twelve (12) units of office terrace;</li> <li>(iii) nine (9) units of family terrace;</li> <li>(iv) two (2) blocks of hostel;</li> <li>(v) surau;</li> <li>(vi) convenience store;</li> </ul> </li> <li>• common facilities as follows: <ul style="list-style-type: none"> <li>(i) skid tank;</li> <li>(ii) guardhouse; and</li> <li>(iii) water storage tank.</li> </ul> </li> </ul>	<sup>(2)</sup> / 123.5 acres	114,500 per annum	07.04.2014 to 06.04.2044
Bioalpha (Johor Herbal) Sdn Bhd	Perbadanan Setiausaha Kerajaan Johor	PTD 4825 H.S.(D) 31408 and PTD 5140 H.S.(D) 34765 Mukim Pantai Timur, Daerah Kota Tinggi, Johor.	Agricultural land for cultivation and farming of herbal and non-herbal plants	300 acres	<sup>(3)</sup>	<sup>(3)</sup>
Botanical Distribution Sdn Bhd	Dewina LSG Sdn Bhd	No. 12, Jalan P/9A, Seksyen 13, Kawasan Perindustrian Bandar Baru Bangi, 43650, Bandar Baru Bangi, Selangor.	Industrial land with a semi-detached one (1) ½-storey building for our manufacturing facility	5,600 / 11,000	9,240 per month	01.02.2025 to 31.01.2027

(1) Not available as the building is freehold.

(2) Not available as the leased buildings and infrastructures are of different types and sizes.

(3) On 27 June 2019, State Secretary (Incorporated) Johor has through Bio Desaru Sdn Bhd (who has been duly granted the power to deal with and undertake the development activities of Desaru Land under the POA registered with the land office Johor on 27 February 2014) has submitted the relevant lease registration documents for Plot 1 and Plot 2 of Desaru Land to the land office. To date, the said lease registration documents in relation to the Desaru Land is being process by the land office.

# ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

## SHARE CAPITAL

Total Number of Issued Shares	:	1,406,494,277 ordinary shares
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

## DISTRIBUTION OF SHAREHOLDINGS

(According to the Records of Depositors as at 31 March 2026)

Size of Holding	No. of Shareholders	No. of Shares Held	%
1 to 99	812	37,034	0.0026
100 to 1,000	990	481,249	0.0342
1,001 to 10,000	3,075	19,467,679	1.3841
10,001 to 100,000	3,871	144,459,856	10.2709
100,001 to <5% of shares	980	856,842,537	60.9204
5% and above	3	385,205,922	27.3877
<b>Total</b>	<b>9,731</b>	<b>1,406,494,277</b>	<b>100.0000</b>

## SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

(As per Register of Substantial Shareholders)

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows: -

No.	Name of Substantial Shareholders	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	JOE Holding (M) Investment Limited	150,000,000	10.6648	-	-
2	JOE Holding Berhad <sup>^</sup>	-	-	150,000,000	10.6648
3	Perbadanan Nasional Berhad	120,855,104	8.5926	-	-
4	Malaysian Technology Development Corporation Sdn Bhd	114,350,818	8.1302	-	-

### Note:

<sup>^</sup> Deemed Interested by virtue of its interest in Joe Holding (M) Investment Limited under Section 8(4) of the Companies Act, 2016.

## LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(According to the Records of Depositors as at 31 March 2026)

No.	Name of Shareholders	No. of Shares	% of Shares Held
1	UOBM NOMINEES (ASING) SDN BHD EXEMPT AN FOR SFGHK LIMITED	150,000,000	10.6648
2	PERBADANAN NASIONAL BERHAD	120,855,104	8.5926
3	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	114,350,818	8.1302
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	70,317,311	4.9995

ANALYSIS OF SHAREHOLDINGS  
(CONT'D)**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)**  
(According to the Records of Depositors as at 31 March 2026)

No.	Name of Shareholders	No. of Shares	% of Shares Held
5	APEX NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR XOX (HONG KONG) LIMITED (STA 1)	68,000,000	4.8347
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	40,216,100	2.8593
7	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	34,000,000	2.4174
8	PERUSAHAAN SAUDEE SDN BHD	33,000,000	2.3463
9	JADI CHEMICALS SDN BHD	32,551,100	2.3143
10	UNIK MAKMUR SDN. BHD.	30,316,400	2.1555
11	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD	24,000,000	1.7064
12	AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	19,380,200	1.3779
13	CHENG CHEW GIAP	17,128,200	1.2178
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	14,726,710	1.0471
15	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	12,000,000	0.8532
16	HO HUEY CHUIN	10,261,900	0.7296
17	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SOON LAI	9,422,182	0.6699
18	AE MULTI INDUSTRIES SDN BHD	7,614,900	0.5414
19	ONG KENG SENG	7,550,000	
20	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM KOK KHONG	7,500,000	0.5332
21	KHOR HSIA JOEW	7,000,000	0.4977
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HEE (E-TCS)	5,554,900	0.3949
23	CAPITAL DYNAMICS ASSET MANAGEMENT SDN BHD	5,333,333	0.3792
24	PUBLIC INVESTMENT BANK BERHAD EXEMPT AN CLEARING FOR CAPITAL DYNAMICS ASSET MANAGEMENT SDN BHD	5,000,000	0.3555
25	TAN TIO CHENG @ TAN CHOW CHENG	4,740,000	0.3370
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD WONG KANG CHIANG	4,581,851	0.3258
27	KENANGA NOMINEES (TEMPATAN) SDN BHD TEH KIAK SENG	4,500,000	0.3199
28	GOH KUANG WEI	3,926,666	0.2792
29	WONG SOO CHAI @ WONG CHICK WAI	3,470,300	0.2467
30	NATASHA NG EU JERN	3,400,000	0.2417
	<b>TOTAL</b>	<b>870,697,975</b>	<b>61.9055</b>

## ANALYSIS OF WARRANTS B 2024/2027 HOLDINGS

AS AT 31 MARCH 2026

No of Warrants B 2024/2027 Issued : 526,099,537  
Maturity Date : 5 February 2027

### DISTRIBUTION OF WARRANTS B HOLDINGS (According to the Records of Depositors as at 31 March 2026)

Size of Holding	No. of Warrants B Holders	No. of Warrants B Held	%
1 to 99	42	2,068	0.0004
100 to 1,000	66	26,267	0.0050
1,001 to 10,000	207	1,123,260	0.2135
10,001 to 100,000	301	11,064,759	2.1032
100,001 to < 5% of Warrants B	126	142,276,257	27.0436
5% and above	9	371,606,926	70.6343
<b>Total</b>	<b>751</b>	<b>526,099,537</b>	<b>100.0000</b>

### LIST OF TOP 30 LARGEST WARRANTS B HOLDERS (According to the Records of Depositors as at 31 March 2026)

No.	Name of Warrants B Holders	No. of Warrants B Held	% of Warrants B Held
1	UOBM NOMINEES (ASING) SDN BHD EXEMPT AN FOR SFGHK LIMITED	56,250,000	10.6919
2	UNIK MAKMUR SDN. BHD.	51,368,650	9.7641
3	PERUSAHAAN SAUDEE SDN BHD	46,375,000	8.8149
4	APEX NOMINEES (ASING) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR XOX (HONG KONG) LIMITED (STA 1)	45,500,000	8.6486
5	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	40,000,000	7.6031
6	PARLO TOURS SDN. BHD.	37,152,857	7.0619
7	GENERAL LABELS & LABELLING (M) SDN BHD	34,295,714	6.5189
8	SUPERNOVA INTERNATIONAL SDN. BHD.	34,295,714	6.5189
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	26,368,991	5.0122
10	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WH CAPITAL SDN BHD	20,000,000	3.8016
11	M & A NOMINEE (TEMPATAN) SDN BHD EXEMPT AN FOR SFGHK LIMITED (ACCOUNT CLIENT)	16,200,000	3.0793
12	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SOON LAI	12,540,505	2.3837
13	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD	9,000,000	1.7107
14	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	8,583,300	1.6315
15	NATASHA NG EU JERN	8,000,000	1.5206

ANALYSIS OF WARRANT B 2024/2027 HOLDINGS  
(CONT'D)**LIST OF TOP 30 LARGEST WARRANTS B HOLDERS (CONT'D)**  
(According to the Records of Depositors as at 31 March 2026)

No.	Name of Warrants B Holders	No. of Warrants B Held	% of Warrants B Held
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	5,522,516	1.0497
17	TAN SOON LAI	5,197,500	0.9879
18	OH GAIK IM	4,500,500	0.8554
19	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM KOK KHONG	4,500,000	0.8554
20	SEAH TIN KIM	3,558,900	0.6765
21	KHOR HSIA JOEW	2,625,000	0.4990
22	KU LIAN SIN	2,035,400	0.3869
23	TEE LAY JING	1,600,000	0.3041
24	TAN TIO CHENG @ TAN CHOW CHENG	1,237,500	0.2352
25	CHONG KAR KHENG	1,228,257	0.2335
26	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE LAY JING	1,100,000	0.2091
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/ KKR)	1,050,000	0.1996
28	YAP KAI MING	1,025,200	0.1949
29	KENANGA NOMINEES (TEMPATAN) SDN BHD CHOO CHAM YUEN	1,000,000	0.1901
30	KENANGA NOMINEES (TEMPATAN) SDN BHD QUAH ENG CHUEN	1,000,000	0.1901
	<b>TOTAL</b>	<b>483,111,504</b>	<b>91.8293</b>

## ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS

AS AT 31 MARCH 2026

Types of Securities : Irredeemable Convertible Preference Shares (ICPS)  
 No. of outstanding ICPS : 144,433,522 ICPS

### DISTRIBUTION OF ICPS HOLDINGS

(According to the Records of Depositors as at 31 March 2026)

Size of Holding	No. of ICPS Holders	No. of ICPS Held	%
1 to 99	144	6,444	0.0045
100 to 1,000	151	80,214	0.0555
1,001 to 10,000	656	2,964,592	2.0526
10,001 to 100,000	366	12,016,909	8.3200
100,001 to < 5% of ICPS	97	64,470,785	44.6370
5% and above	5	64,894,578	44.9304
<b>Total</b>	<b>1,419</b>	<b>144,433,522</b>	<b>100.0000</b>

### LIST OF TOP 30 LARGEST ICPS HOLDERS

(According to the Records of Depositors as at 31 March 2026)

No.	Name of ICPS Holders	No. of ICPS Held	% of ICPS Held
1	VOON SZE LIN	18,583,213	12.8663
2	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	17,867,315	12.3706
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	10,778,800	7.4628
4	NORHALIM BIN YUNUS	10,000,000	6.9236
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	7,665,250	5.3071
6	GV ASIA FUND LIMITED	6,800,300	4.7083
7	VOON JYE WAH	4,979,400	3.4475
8	LEE CHEE SIONG	3,900,400	2.7005
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	3,545,012	2.4544
10	ANG YOON CHU @ ANG YOKE FONG	3,313,400	2.2941
11	TEO TIEW	2,600,012	1.8001
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHOO WEI (E-KUG)	2,530,100	1.7517
13	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GV ASIA FUND LIMITED (STA 1)	2,025,400	1.4023
14	LEOW HO KENG	1,784,800	1.2357
15	VOON JYE WAH	1,625,100	1.1252
16	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN JEE YANG	1,500,000	1.0385

## ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS (CONT'D)

### LIST OF TOP 30 LARGEST ICPS HOLDERS (CONT'D) (According to the Records of Depositors as at 31 March 2026)

No.	Name of ICPS Holders	No. of ICPS Held	% of ICPS Held
17	IFAST NOMINEES (TEMPATAN) SDN BHD VOON JYE YNG	1,348,800	0.9339
18	LIM POH FONG	1,242,600	0.8603
19	KHOR HSIA JOEW	1,088,300	0.7535
20	YONG YOKE FONG	1,055,000	0.7304
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN TI WOOL (ESPT/ WMU)	977,600	0.6769
22	TAN POI GUAN	900,000	0.6231
23	CHAI CHEE FER	889,300	0.6157
24	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHENG KOK SIONG	844,900	0.5850
25	CAPITAL DYNAMICS ASSET MANAGEMENT SDN BHD	833,333	0.5770
26	NENG AIK HONG	804,900	0.5573
27	KOH MEE SENG	800,000	0.5539
28	AFFIN HWANG INVESTMENT BANK BERHAD IVT (YIH) CHEAH YIH JUANG	772,700	0.5350
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK (E-TAI/ KKR)	754,700	0.5225
30	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KHAI MENG (STA 2)	600,000	0.4154
	<b>TOTAL</b>	<b>112,410,635</b>	<b>77.8286</b>

## NOTICE OF THE FIFTEENTH (15TH) ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Fifteenth (15<sup>th</sup>) Annual General Meeting of Bioalpha Holdings Berhad (“Bioalpha” or “the Company”) will be held at Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 24 June 2026 at 9.00 a.m. or any adjournment thereof for the purpose of transacting the following businesses:

### AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. *(Please refer to Explanatory Note 1)*
2. To approve the payment of Directors’ fees and other benefits payable up to RM350,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 15th AGM until the conclusion of the next AGM of the Company in the year 2027. *(Ordinary Resolution 1)*
3. To re-elect the following Directors who are retiring by rotation in accordance with Clause 105(1) of the Company’s Constitution and being eligible, offered themselves, for re-election:
  - i. Dato’ Haji Mohd Yazid Bin Haji Mustafa *(Ordinary Resolution 2)*
  - ii. Ms. Tan Su Ning *(Ordinary Resolution 3)*
4. To re-elect the following Directors who are retiring in accordance with Clause 114 of the Company’s Constitution and being eligible, offered themselves, for re-election:
  - i. Dr. Tan Keng How *(Ordinary Resolution 4)*
  - ii. Ms. Ang Wan Joo *(Ordinary Resolution 5)*
5. To re-appoint Messrs. Jamal, Amin & Partners (AF1067) as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*

### AS SPECIAL BUSINESS:

To consider and if thought fit, pass the following as resolutions:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** *(Ordinary Resolution 7)*

“THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued.

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

## NOTICE OF THE FIFTEENTH (15TH) ANNUAL GENERAL MEETING (CONT'D)

**7. PROPOSED GRANTING OF SIS OPTIONS TO DR. TAN KENG HOW** *(Ordinary Resolution 8)*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Dr. Tan Keng How, being Executive Director of the Company, options to subscribe for new ordinary shares in Bioalpha (“Bioalpha Shares”) (“SIS Options”) and if such options are accepted and exercised, to allot and issue such a number of new Bioalpha Shares as may be required to be issued to her under the SIS, in accordance with the provisions of the By-Laws provided that not more than ten percent (10%) of the total number of SIS Options shall be allocated to Dr. Tan Keng How, as long as Dr. Tan Keng How either singly or collectively through persons connected with his (as defined in the AMLR of Bursa Securities), holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of Bioalpha subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

**8. PROPOSED GRANTING OF SIS OPTIONS TO MS. ANG WAN JOO** *(Ordinary Resolution 9)*

“THAT the Board be and is hereby authorised, at any time and from time to time during the existence of the SIS, to offer and grant to Ms. Ang Wan Joo, being Executive Director of the Company, options to subscribe for new ordinary shares in Bioalpha (“Bioalpha Shares”) (“SIS Options”) and if such options are accepted and exercised, to allot and issue such a number of new Bioalpha Shares as may be required to be issued to her under the SIS, in accordance with the provisions of the By-Laws provided that not more than ten percent (10%) of the total number of SIS Options shall be allocated to Ms. Ang Wan Joo, as long as Ms. Ang Wan Joo either singly or collectively through persons connected with his (as defined in the AMLR of Bursa Securities), holds twenty percent (20%) or more of the total number of issued shares (excluding treasury shares) of Bioalpha subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provisions of the By-Laws.”

**9. To transact any other business for which due notice shall have been given in accordance with the Act.**

BY ORDER OF THE BOARD

**TAN TONG LANG (SSM PC NO. 202208000250 / MAICSA 7045482)**

**THIEN LEE MEE (SSM PC No. 201908002254 / LS0010621)**

Company Secretaries

Dated: 30 April 2026

Notes:-

1. *A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.*
2. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 (“Central Depositories Act”), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.*
3. *Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“Omnibus Account”), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

## NOTICE OF THE FIFTEENTH (15TH) ANNUAL GENERAL MEETING (CONT'D)

### Notes:- (Cont'd)

4. *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.*
5. *The instrument appointing a proxy must be deposited at the Company's Share Registrar, Prosec Share Registration Sdn. Bhd. of DF2-09-02, Level 9, Persoft Tower, 6B, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.*
6. *Only the members whose names appear on the Record of Depositors as at 11 June 2026 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.*
7. *Pursuant to Rule 8.31A (1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.*

### **Explanatory Notes to Ordinary and Special Business:-**

#### **1. Item 1 of the Agenda**

Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provides that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

#### **2. Ordinary Resolution 1 – To approve the payment of Directors' Fees and other benefits payable**

Pursuant to Section 230(1) of the Act, fees and benefits payable to the Directors of a public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable include meeting attendance allowances and other claimable benefits.

In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from the conclusion of the 14th AGM until the next AGM of the Company in the year 2026.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

#### **3. Ordinary Resolutions 2 to 3 – Re-election of Directors who retire by rotation under Clause 105(1) of the Company's Constitution**

Clause 105(1) of the Company's Constitution states that an election of Directors shall take place each year at the annual general meeting of the Company, where one-third of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election, PROVIDED ALWAYS that Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms. Tan Su Ning are standing for re-election as Directors of the Company pursuant to Clause 105(1) of the Company's Constitution and being eligible, have offered themselves for re-election.

To determine the eligibility of the Directors to stand for re-election at the 15th AGM, the Nomination Committee ("NC") has considered and recommended Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms. Tan Su Ning for re-election as Directors according to Clause 105(1) of the Company's Constitution.

## NOTICE OF THE FIFTEENTH (15TH) ANNUAL GENERAL MEETING (CONT'D)

### **Explanatory Notes to Ordinary and Special Business:- (Cont'd)**

#### **4. Ordinary Resolutions 4 to 5 – Re-election of Dr. Tan Keng How and Ms. Ang Wan Joo who retire under Clause 114 of the Company's Constitution**

Clause 114 of the Company's Constitution provides that any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Dr. Tan Keng How and Ms. Ang Wan Joo were appointed as Executive Directors on 19 June 2025 and 2 September 2025, respectively. The NC has considered and recommended that they retire under Clause 114 of the Company's Constitution due to their appointments. Being eligible, they have offered themselves for re-election.

#### **5. Ordinary Resolution 6 – Re-appointment of retiring auditors, Messrs. Jamal, Amin & Partners ("JAP")**

Based on the results of the external auditors' evaluation for the period covered from 13 August 2025 to 31 December 2025, the Audit Committee ("AC") and the Board are satisfied with the quality of service, adequacy of resources provided, communication, independence, objectivity and professionalism demonstrated by the external auditors, JAP, in carrying out their duties. Being satisfied with JAP's performance, the Board recommends their re-appointment for shareholders' approval at the 15th AGM of the Company. JAP have expressed their willingness to continue in office and to hold office as Auditors of the Company for the ensuing year until the conclusion of the next AGM at a fee to be determined by the Board of Directors of the Company.

#### **6. Special Business – Ordinary Resolution 7 Authority to Issue and Allot Shares Pursuant to Sections 75 And 76 of the Act**

*The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.*

*As of the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the 14th Annual General Meeting held on 3 June 2025 and which will lapse at the conclusion of the 15th Annual General Meeting.*

#### **7. Special Business – Ordinary Resolutions 8 to 9 Proposed Granting of SIS Options to Dr. Tan Keng How and Ms. Ang Wan Joo, the Executive Directors of the Company**

Ordinary Resolutions 8 and 9, seek shareholders' approval for the Company to offer and grant SIS Options to the Executive Directors, Dr. Tan Keng How and Ms. Ang Wan Joo, who were appointed on 19 June 2025 and 2 September 2025, respectively, to participate in the SIS in accordance with the AMLR of Bursa Securities.

Dr. Tan Keng How and Ms. Ang Wan Joo are deemed interested in Ordinary Resolutions 8 and 9, respectively, regarding the grant of SIS Options to them. Accordingly, they have abstained and will continue to abstain from deliberation and voting on the resolutions concerning their direct and/or indirect interests in the Company. They will also ensure that persons connected to them abstain from voting on the proposed granting of SIS Options to them, whether in respect of direct or indirect interests in the Company.

## **STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING**

(PURSUANT TO RULE 8.29 OF AMLR OF BURSA SECURITIES)

The Directors standing for re-election at the 15th AGM are Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms. Tan Su Ning, pursuant to Clause 105(1) of the Company's Constitution, and Dr. Tan Keng How and Ms. Ang Wan Joo, pursuant to Clause 114 of the Company's Constitution. The profiles of these Directors are set out in the Company's Annual Report.

No individual, other than the Directors seeking re-election, is standing for election or retention as a Director at the 15th AGM.

The Company will seek shareholders' approval at the general meeting for the issue of securities under Rule 6.04(3) of the AMLR of Bursa Securities. For details, please refer to Proposed Ordinary Resolution 7 in the Notice of the 15th AGM of the Company.



**BIOALPHA HOLDINGS BERHAD**  
[Registration No. 201101021398 (949536-X)]  
(Incorporated in Malaysia)

**PROX FORM**

Number of shares held	CDS Account No.

I/We, ..... (NRIC/Company No.) .....  
(Full Name in Block Letters)

of .....  
(Full Address)

Email Address: ..... Tel No. ....being a member of  
**Bioalpha Holdings Berhad** (Registration No. 201101021398 (949536-X)), hereby appoint:

Name of Proxy 1 (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note 1 set out below)
Address	Email Address	Contact No.

or failing him/her

Name of Proxy 2 (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note 1 set out below)
Address	Email Address	Contact No.

Or failing him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Fifteenth (15th) Annual General Meeting of Bioalpha Holdings Berhad ("Bioalpha" or "the Company") will be held Lot 4.1, 4th Floor, Menara Lien Hoe, No. 8, Persiaran Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 24 June 2026 at 9.00 a.m. as indicated below:

Please indicate with a (x) in the appropriate box against the resolution how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

No.	Resolutions		FOR	AGAINST
1.	To approve the payment of Directors' fees and other benefits payable up to RM350,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 15th AGM until the conclusion of the next AGM of the Company in the year 2027.	Ordinary Resolution 1		
2.	Re-election of Dato' Haji Mohd Yazid Bin Haji Mustafa as Director	Ordinary Resolution 2		
3.	Re-election of Ms. Tan Su Ning as Director	Ordinary Resolution 3		
4.	Re-election of Dr. Tan Keng How as Director	Ordinary Resolution 4		
5.	Re-election of Ms. Ang Wan Joo as Director	Ordinary Resolution 5		
6.	Re-appointment of Messrs. Jamal, Amin & Partners (AF1067) as Auditors for the ensuing year and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6		
7.	Authority to Allot Shares Pursuant to Sections 75 And 76 of the Companies Act, 2016.	Ordinary Resolution 7		
8.	Proposed Granting of SIS Options to Dr. Tan Keng How	Ordinary Resolution 8		
9.	Proposed Granting of SIS Options to Ms. Ang Wan Joo	Ordinary Resolution 9		

\* Delete if not applicable

Signed on this ..... day of ..... 2026.

.....  
Signature/ Common Seal of Shareholder



Notes:

1. A proxy may but need not be a member of the Company and a member may appoint any person to be his/her proxy without limitation. A member shall be entitled to appoint one (1) or more proxies to attend and vote at the same meeting, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
2. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("Central Depositories Act"), it may appoint at least one proxy in respect of each securities account it holds with ordinary shares to the credit of the said securities account.
3. Where a member of the Company is an exempt authorised nominee as defined under the Central Depositories Act which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's Seal or under the hand of an officer or an attorney duly authorised.
5. The instrument appointing a proxy must be deposited at the Company's Share Registrar, Workshire Share Registration Sdn Bhd of A3-3-8, Solaris Dutamas, No. 1, Jalan Dutamas 1, 50480 Kuala Lumpur, Wilayah Persekutuan not less than forty-eight (48) hours before the time fixed for holding the meeting or any adjournment thereof.
6. Only the members whose names appear on the Record of Depositors as at 11 June 2026 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.
7. Pursuant to Rule 8.31A (1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by way of poll.

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AFFIX  
STAMP

The Share Registrar  
**BIOALPHA HOLDINGS BERHAD** [Registration No. 201101021398 (949536-X)]  
c/o Prosec Share Registration Sdn Bhd of  
DF2-09-02, Level 9, Persoft Tower  
6B, Persiaran Tropicana  
Tropicana Golf & Country Resort  
47410 Petaling Jaya  
Selangor

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Fold This Flap For Sealing

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## **BIOALPHA HOLDINGS BERHAD**

Registration No. 201101021398 (949536-X)

### **Headquarter:**

No. 1, Jalan Perindustrian Suntrack, Hub Perindustrian Suntrack  
Off Jalan P1A, Seksyen 13, Bandar Baru Bangi, 43000 Kajang  
Selangor Darul Ehsan, Malaysia

**Tel:** +603 8922 2286 | **Fax:** +603 8922 2287 | **Email:** [info@bioa.com.my](mailto:info@bioa.com.my)