

BIOALPHA HOLDINGS BERHAD

Registration No. 201101021398 (949536-X)
(Incorporated in Malaysia under the Companies Act, 1965)
Stock name and code : BIOHLDG (0179)

ANNUAL
REPORT
2023



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apotec

Chlorophyllin 100mg Liquid

Improve
Oral Health

Eliminating
Body Odor

Prevent
Pimples

Enhanced
Metabolism

Detoxifies
Blood

Strengthen
Immune
System



ABOUT BIOALPHA

Bioalpha Holdings Berhad (“Bioalpha” or “the Company”) is an investment holding company with its subsidiaries (“the Group”) principally involved in manufacturing and sale of health supplement products. Founded in 2005, Bioalpha has grown to become an integrated health supplement company with businesses comprising all segments of the supply chain, including the cultivation of herbal plants as a source of raw materials for the in-house production of its products, research and development (“R&D”), manufacturing, distribution and operating a retail pharmacy chain under the brand “Constant”. The Group’s health supplement products are manufactured and sold under original design manufacturing (“ODM”) basis to its clients as well as under its own proprietary house brands. All of Bioalpha’s health supplement products are Halal-certified and are sold in Malaysia with Indonesia and China as main export markets.

VISION

As a regional health supplement group to improve the total well-being of people through innovative culture, and the adoption of technology and best practices in research, products and human capital development.

MISSION

To increase the breadth and depth of our integrated business model by capitalizing on emerging opportunities and being risk-sensitive.

Agriculture

To secure the quality, supply and pricing of our raw materials via ownership of herb farms and undertaking related R&D activities.

Shareholders

To build industry leading shareholder value through revenue diversification, cost optimisation and appropriate investment policies.

Corporate Governance

To be a responsible corporate citizen that embraces integrity, ethics and exemplary corporate governance to deliver value to our stakeholders.

Products

To continuously improve and expand the quality and range of our products for total health and wellness.

Distribution & Retail

To develop our competency in health supplements retail via strategic partnerships and investments. To engage with customers through various channels.

People

To create a conducive and rewarding working environment by promoting teamwork, creativity, integrity and performance.

Customers

To address our customers' needs by being proactive, innovative and exceeding all expectations.

To be commercially-minded and customer-driven in the area of product development.

Certification & Accreditation

To achieve international recognition in product R&D, herb planting and production processes.

R&D

To continuously improve our extraction methodologies and to discover new medicinal mushroom species and herbs for commercialisation.

R&D (cont'd)

To reinforce research collaboration and strategic partnerships with local and regional experts in the fields of biotechnology and herbal supplements related research.

To be technologically-driven, innovative and cost-conscious in the development of new fermentation techniques, production and cultivation methods.

Regional Expansion

To expand our regional footprint via strategic partnerships and mergers & acquisitions.

Branding

To strengthen our brand by delivering effective and innovative products, building consumer awareness and appropriate market positioning.

**BIOALPHA'S
CORE VALUES****BIOALPHA'S CORE VALUES****iACT****INNOVATION**

Think ahead and offer new ideas.

**ACCOUNTABILITY**

Ownership towards our task and ensuring the best results for ourselves and others.

**CUSTOMER FOCUS**

Deliver products & services with benefits to customers for maximal satisfaction.

**TEAMWORK**

Inter-department working relationship to be smooth in order to achieve the target. Communication is essential to our organisation.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Dato' Haji Mohd Yazid Bin Haji Mustafa

Independent Non-Executive Chairman

Hon Tian Kok @ William

Managing Director/ Chief Executive Officer

Datuk Chong Loong Men

Executive Director

Ho Tze Hiung

Executive Director

Goh Siow Cheng

Group Chief Financial Officer/
Finance Director

Kang Jimmi

Independent Non-Executive Director

Yee Yit Yang

Independent Non-Executive Director

Tan Su Ning

Independent Non-Executive Director

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)

Ho Tze Hiung

Tan Su Ning

INVESTMENT COMMITTEE

Ho Tze Hiung (Chairman)

Datuk Chong Loong Men

Goh Siow Cheng

NOMINATION COMMITTEE

Kang Jimmi (Chairman)

Yee Yit Yang

Tan Su Ning

SHARE ISSUANCE SCHEME ("SIS") OPTION COMMITTEE

Kang Jimmi (Chairman)

Hon Tian Kok @ William

Ho Tze Hiung

Goh Siow Cheng

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

AUDITORS

CHENGCO PLT
Wisma Cheng & Co,
No 8-2 & 10-2, Jalan 2/114,
Kuchai Business Centre,
58200 Kuala Lumpur
Tel. No. : (603) 2242 3780
Fax. No. : (603) 2242 2780

SHARE REGISTRAR

Workshire Share Registration
Sdn Bhd
A3-3-8, Solaris Dutamas
No.1, Jalan Dutamas 1
50480 Kuala Lumpur
Tel No. : (603) 6413 3271
Fax No. : (603) 6413 3270

STOCK EXCHANGE LISTING

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

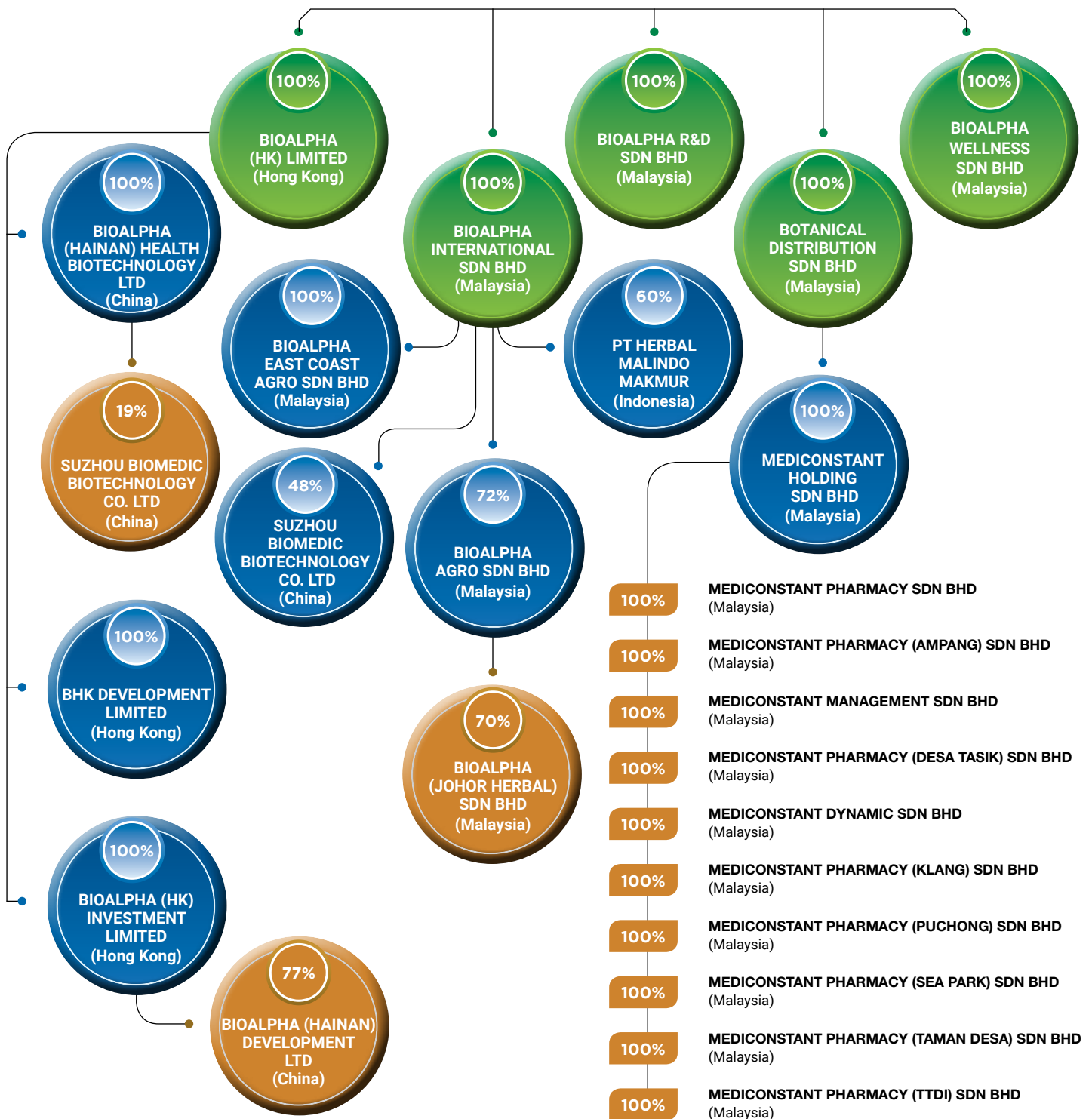
Warrants B

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

ICPS

Stock Name: BIOHLDG-PA
Stock Code: 0179PA

CORPORATE
STRUCTURE



FINANCIAL HIGHLIGHTS

	For Financial Year Ended 31/12/23 RM	For Financial Year Ended 31/12/22 RM	For Financial Year Ended 31/12/21 RM
Financial Results			
Revenue	46,086,810	35,796,829	96,719,364
EBITDA	(33,353,497)	(36,418,300)	9,631,282
Loss before taxation	(45,278,759)	(48,829,663)	(2,772,090)
Loss after taxation	(43,653,769)	(48,793,678)	(1,524,496)
Net loss attributable to:			
Owners of the parent	(42,000,116)	(47,830,550)	(1,286,499)
Non-controlling interests	(1,653,653)	(963,128)	(237,997)
Financial Position			
Assets			
Property, plant and equipment	54,378,157	59,427,489	71,587,396
Goodwill on consolidation	5,334,030	5,334,030	5,334,030
Intangible assets	47,382,981	51,810,908	50,938,236
Biological assets	100,000	175,000	691,731
Other assets	56,030,405	83,902,177	88,912,099
Total assets	163,225,573	200,649,604	217,463,492
Equity			
Share capital	186,191,208	179,939,010	153,233,258
ICPS	2,889,371	9,141,569	9,141,569
Reserves	(61,713,732)	(21,222,103)	24,299,391
Total equity attributable to owners of the company	127,366,847	167,858,476	186,674,218
Non-controlling interests	2,265,246	128,601	(335,548)
Liabilities			
Loan and borrowings	6,098,477	6,951,968	9,343,023
Lease liabilities	5,793,071	4,723,945	5,204,224
Deferred tax liabilities	5,520,389	7,310,126	7,455,396
Other liabilities	16,181,543	13,676,488	9,122,179
Total equity and liabilities	163,225,573	200,649,604	217,463,492
Weighted average no. of ordinary shares	1,263,892,799	1,260,849,697	1,155,508,426
Financial Indicators			
Earnings per share (sen)	(3.32)	(3.80)	(0.11)
Net assets per share (RM)	0.10	0.13	0.16
Return on equity (%)	(32.98)	(28.49)	(0.69)
Share price as at financial year end (RM)	0.110	0.105	0.190

PROFILES OF DIRECTORS

DATO' HAJI MOHD YAZID BIN HAJI MUSTAFA

Independent Non-Executive Chairman

Aged	67
Nationality	Malaysian
Gender	Male

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.

Dato' Haji offers broad range of legal services including counsel work, advisory and strategies.

Dato' Haji currently sits on the Board of LKL International 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.

PROFILES OF DIRECTORS
(CONT'D)

HON TIAN KOK @ WILLIAM

Managing Director/ Chief Executive Officer

Member of SIS Option Committee

Aged	48
Nationality	Malaysian
Gender	Male

Mr. Hon Tian Kok @ William ("Mr. William Hon") is our Founder, Substantial Shareholder, Promoter and Managing Director/Chief Executive Officer. He was appointed to our Board on 21 June 2011 and also a member of SIS Option Committee. He is responsible for overseeing our Group's performance and strategic direction. Mr. William Hon obtained his qualification from the Association of Chartered Certified Accountants in 1998 and has been a member of the Malaysia Institute of Accountants since 2002.

Mr. William Hon has an extensive background and experience in Finance, Audit, Strategic Planning, Marketing, International Business Relations and Biotechnology industry.

He began his career as an Auditor with an accounting firm in 1995 and later joined commercial company as an Assistant Finance Manager in the same year. In 1998, he joined an educational and business consultancy firm, as a Consultant. He subsequently left and joined a public listed company in 2000 as Vice President of Business Development, where he was responsible for identifying and/or assessing new business opportunities for the group in the property investment and development industry as well as other new ventures such as biotechnology. In 2003, he worked as a freelance consultant with a few companies, including companies in the healthcare industry, during which he gained further knowledge of the biotechnology industry and enabled him to establish Bioalpha International Sdn. Bhd. ("BISB") in 2005.

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.

PROFILES OF DIRECTORS
(CONT'D)

DATUK CHONG LOONG MEN

Executive Director

Member of Investment Committee

Aged	45
Nationality	Malaysian
Gender	Male

Datuk Chong Loong Men ("Datuk Chong") was appointed to the Board on 1 June 2022 as an Executive Director. He is also a member of Investment Committee. Datuk Chong graduated from the University of London (external) with a Bachelor in Law (LLB). In addition, he possessed a Certificate of Legal Practice and a higher diploma in Quantity Surveying.

Datuk Chong started his career with the Attorney General's Chambers as Deputy Public Prosecutor before joining the Enforcement Division of the Securities Commission Malaysia in 2007. He started his private practice as a lawyer in 2011 with Messrs. Lim, Chong, Phang & Amy, Advocates & Solicitors, a legal firm that he co-founded. Subsequently, he had also co-founded Messrs. Chong + Kheng Hoe. He was a partner of Messrs. Chong + Kheng Hoe until he took a sabbatical leave from legal practice since 30 July 2022.

He has vast experience in commercial crimes including corporate and accounting fraud, market manipulation, corruption and criminal breach of trust and corporate disputes. He also has vast experience in advising listed companies on foreign and local stock exchange in listing, rights issues, private placements, acquisitions and other corporate transactions. Datuk Chong experiences include helping clients who may be facing significant and unusual challenges, including governance disputes, regulatory and other business crises.

Datuk Chong currently sits on the Board of LKL International Berhad and Parlo 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.

PROFILES OF DIRECTORS
(CONT'D)**HO TZE HIUNG***Executive Director**Chairman of Investment Committee**Member of Risk Management
Committee and SIS Option Committee*

Aged
47
Nationality
Malaysian
Gender
Male

Mr. Ho Tze Hiung is our Executive Director and was appointed to our Board on 21 June 2011. As our Operations Director, he is responsible overseeing the Group's production operations. He is a member of the Risk Management Committee and SIS Option Committee and the Chairman of the Investment Committee.

Mr. Ho Tze Hiung completed his Bachelor of Business, majoring in Business and Management from Oxford Brookes University in 1999 and began his career as a Marketing Executive in the same year. In 2000, he joined a seafood processing industry as a Sales Supervisor. In 2002, he became a Operations Manager in a grocery and frozen food wholesale company. He subsequently joined a multinational insurance company as a Trainer in 2003. In 2004, he joined a health supplement company as a Marketing Manager. Subsequently in 2005, he joined Bioalpha International Sdn. Bhd. ("BISB") as a Marketing Director and was promoted to Operations Director in 2012.

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.

PROFILES OF DIRECTORS
(CONT'D)

GOH SIOW CHENG

Group Chief Financial Officer/Finance Director

Member of Investment Committee and SIS Option Committee

Aged
42
Nationality
Malaysian
Gender
Female

Ms. Goh Siow Cheng ("Ms. Goh") was appointed to our Board on 6 March 2020. Ms Goh is the Group Chief Financial Officer of Bioalpha and has been working with the Group since 2014. She also a member of Investment Committee and SIS Option Committee.

She graduated with Bachelor of Business (Accounting & Finance) from University of Technology Sydney, Australia and a member of CPA Australia.

She is one of the key senior staff who is involved in the listing exercise of the Group. She has responsibly and effectively led her team to take on various corporate exercises, investment and acquisition projects for the Group.

Ms. Goh has more than 10 years of experience in audit and assurance from a large international accounting firm where she was involved in audits for both private limited companies and public listed companies across various industries, including manufacturing, trading, property development, information technology and plantation.

Ms Goh currently sits on the Board of BTM Resources Berhad.

She has no family relationship with any Director and/or major shareholder of the Company. She 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. She has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bioalpha and its subsidiaries.

PROFILES OF DIRECTORS
(CONT'D)**KANG JIMMI***Independent Non-Executive Director**Chairman of Audit Committee, Nomination Committee and SIS Option Committee**Member of Remuneration Committee*

Aged	44
Nationality	Indonesian
Gender	Male

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

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.

PROFILES OF DIRECTORS
(CONT'D)

YEE YIT YANG

Independent Non-Executive Director

Chairman of Risk Management Committee

Member of Audit Committee, Remuneration Committee and Nomination Committee

Aged	57
Nationality	Malaysian
Gender	Male

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 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, Key Alliance Group Berhad, Brahim's 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.

PROFILES OF DIRECTORS
(CONT'D)**TAN SU NING***Independent Non-Executive Director**Chairperson of Remuneration Committee**Member of Audit Committee,
Risk Management Committee and
Nomination Committee*

Aged
32
Nationality
Malaysian
Gender
Female

Ms Tan Su Ning ("Ms Tan") was appointed to our Board as an Independent Non-Executive Director on 4 September 2023 and subsequently, she was appointed as Chairperson of Remuneration Committee and member of Audit Committee, Risk Management Committee and Nomination Committee on 4 September 2023.

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 law. 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 and LKL International Berhad.

She has no family relationship with any Director and/or major shareholder of the Company. She 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. 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,

I am pleased to present the Management Discussion and Analysis (“MD&A”) report for Bioalpha Holdings Berhad (“Bioalpha” or the “Group”) for the financial year ended 31 December 2023 (“FY2023”). This report analyses our financial and operational performance for FY2023, and offers strategic insights into 2024.

ECONOMIC LANDSCAPE IN 2023

The year 2023 presented a complex global economic outlook, marked by persistent headwinds such as elevated inflation, tightening of monetary policies, and growing geopolitical tensions. However, there were signs of stabilisation which offered some respite for the future. While world trade moderated in response to weaker global demand, this adjustment could signal a shift towards a more sustainable growth pattern rather than a sharp downturn.

Back home, the Malaysian economy remained resilient, recording a 3.7% expansion in 2023. The growth was driven by strong domestic demand, which cushioned the impact of the global slowdown. The services and construction sectors continued to lead the way, supported by increased tourism, improved consumer spending, and ongoing investments in both infrastructure and residential developments.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Over in China, Gross Domestic Product (“GDP”) expanded by 5.2% in 2023, surpassing the 3.0% growth of 2022 and was slightly more than the official target. The improvement reflects the positive impact of lifting COVID-related restrictions since December 2022. However, the initial surge of economic activities tapered off in the following quarters weighed down by deepening property crisis, weak consumer and business confidence and high local government debts.

BUSINESS OVERVIEW AND HIGHLIGHTS

Founded in 2005, Bioalpha is an integrated nutraceutical and health supplement group. Its operations span the entire value chain, including the cultivation of herbal raw materials, research & development (“R&D”), the manufacturing of nutritional and healthcare products, trading, distribution, and retail pharmacy operations under the Constant Pharmacy chain. The two key operating markets of Bioalpha are Malaysia and China.

Herbal Farming

To ensure the source of ingredients for Bioalpha’s herbal based health supplements are high quality and reliable, Bioalpha engages in upstream planting activities. The Group operates two expansive herbal parks in Pasir Raja, Terengganu, and Desaru, Johor. These parks are accredited with the Malaysian Good Agriculture Practices (“MyGAP”) certifications from the Ministry of Agriculture and Food Security (“MAFS”), demonstrating commitment to quality, safety, and sustainability.

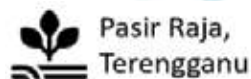
Within the parks, we cultivate a diverse range of herbs and spices, including sought-after species such as Tongkat Ali, Kacip Fatimah, Misai Kucing, Hempedu Bumi, roselle, and soursop. This direct control over the supply chain enables us to sustain rigorous quality standards throughout the entire production process, from planting to finished product.

Bioalpha’s farming practices prioritise environmental responsibility, adhering to well-defined standard operating procedures (“SOPs”), to carefully govern fertiliser choices, harvesting methods, and prioritise organic pest control solutions.

Research & Development (“R&D”)

Bioalpha places a strong emphasis on R&D with our in-house R&D team endeavor to develop and customise formulations to address the unique requirements of our customers. The Group’s R&D activities are conducted at our own laboratory, which upholds internationally recognised ISO 9001 standards for quality management. To date, we have developed over 300 proprietary formulations that form the basis of our diverse health supplement offerings.

This commitment to R&D positions us to respond to evolving health trends. As consumers become more affluent and informed, health awareness has increased, leading to higher demand for health-conscious products. In response, we prioritise the development of new formulations in sought-after categories such as immune support. This approach allows us to align with market needs, while contributing to better public health.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Processing and Manufacturing

The Group's manufacturing operations are primarily housed within two facilities in Selangor: main plant in Bangi and a second plant in Semenyih.

Our Bangi facility is well-equipped to produce a wide array of health supplements and functional foods. With seven production lines, it accommodates diverse output formats including sachet powder, liquid, teabags, capsules, tablets, blisters, and bottles. The facility adheres to international standards, ensuring rigorous health, safety, and quality compliance for all our products.

Our commitment to quality is reflected in the plant's numerous accreditations, including Good Manufacturing Practices ("GMP"), Hazard Analysis and Critical Control Points ("HACCP"), Makanan Selamat Tanggungjawab Industri ("MeSTI"), and Halal certification from the Department of Islamic Development Malaysia ("JAKIM"). Additionally, the plant is registered with the United States Food and Drug Administration ("US FDA") and holds accreditation as a "Quality and Safe Plant" by CAIQTEST Malaysia Sdn. Bhd., authorising safe and quality-assured exports to China.

Supplementing our manufacturing capabilities, we operate a Collection, Processing & Packaging Centre ("CPPC") at our herbal farm in Pasir Raja, Terengganu and a primary processing plant in Desaru, Johor. These facilities streamline the processing of raw materials harvested from our own farms.

Trading

Bioalpha supplies health food ingredients for the preparation of nutritional meals that are distributed throughout the Guizhou province in China, serving both public and private sectors.

In FY2023, deliveries of nutritional meals to customers gradually picked up following China's re-opening in December 2022. We have also undertaken measures to streamline processes and localised operations in China to improve efficiencies, including establishing an office in the Yangpu Economic Development Zone (Hainan province) to streamline order management, a warehouse and processing center in Guizhou to expedite deliveries, and dedicated procurement teams in both Guizhou and Hainan focused on sourcing premium quality ingredients.

Products and Distribution

At Bioalpha, we develop and manufacture a comprehensive array of health products, including herbal and non-herbal supplements, and functional foods. Our Original Design Manufacturing ("ODM") services allow us to tailor solutions for commercial clients, while our Apotec brand offers these high-quality products directly to consumers through our retail pharmacy network.



Malaysia

We prioritise serving the needs of our leading multinational ODM clients within the health supplement industry. In 2023, we successfully delivered on this commitment by commercialising new products tailored to diverse needs, including general health, men's and women's health, children's nutrition, beauty & skin health, and anti-aging. To cater to evolving consumer priorities, we remain steadfast in expanding our offerings to include more in-demand immunity-related products and actively seek new ODM partnerships.

China

Our commitment to China's healthcare market is evident in the planned commercialisation of health formulas designed to meet specific consumer demands. Leveraging our established infrastructure and resources, we remain confident in securing a foothold within this dynamic market.

To better streamline our operations in China, the Group had with a heavy heart terminated the Collaboration Agreement between its wholly owned subsidiary Bioalpha (Hainan) Development Limited and Gaolin Village Council to jointly develop a Malaysian Agricultural Hub in Hainan, China signed earlier on July 2022. This decision is made

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

based on much deliberation and careful consideration of the prevailing market uncertainties which poses increased risk to the project's viability and sustainability, at which Bioalpha have shift its focus to the development of an Agro Park domestically in Langkawi instead.

Retail Pharmacy

Bioalpha operates Constant Pharmacy, a retail pharmacy chain with 17 locations across Malaysia via combination of owned outlets, as well as under franchising/licensing arrangement. Our pharmacies offer a comprehensive range of products, including prescription and over-the-counter medications, vitamins, supplements, and personal care items. Our licensed pharmacists provide personalised consultations, ensuring expert advice tailored to individual needs. Constant Pharmacy is dedicated to convenient access and serving as a trusted healthcare companion within our communities.



During the year, 7 new outlets were opened across Klang Valley, in line with our plans to expand Constant Pharmacy's network.

Development of Langkawi Agro Park

On 2 December 2023, we entered into a Manage and Operate Agreement with the Langkawi Development Authority ("LADA") to develop, manage, and operate an 8-acre agro park in Langkawi ("Langkawi Agro Park" or the "Park").

The Langkawi Agro Park will feature attractions showcasing the entire health supplement supply chain through its integrated facility encompassing from herbal farming, R&D to product processing via Herbal Park, Herbal Gallery, Demo Showroom, and many more. This partnership project with LADA will further advance Langkawi's status as a prominent tourist destination, boosting Langkawi's agro-tourism sector, while providing Bioalpha with new revenue streams through the commercialisation of high-value herbal products.

Development is underway at the moment, with the anticipated park opening in three years. Bioalpha expects revenue contribution from the Park from year 2026 onwards through the commercialisation of high-value herbal products to be sold to 3 million annual visitors as a new revenue stream.

LADA is an agency under Malaysia's Ministry of Finance, tasked to propel the tourism economy of Langkawi with the aim of advancing the island to become a world-renowned tourist destination.

FINANCIAL PERFORMANCE REVIEW

Revenue

The Group's revenue in FY2023 increased 28.7% to RM46.1 million as compared to the RM35.8 million achieved in the last financial year ended 31 December 2022 ("FY2022").



Group Revenue FY2023

RM46.1 million

The manufacturing segment generated a turnover of RM14.1 million in FY2023, exceeding the RM12.7 million recorded in FY2022. Within this segment, domestic manufacturing contributed RM13.5 million on the back of higher customer order volumes, against RM10.7 million in the previous year.

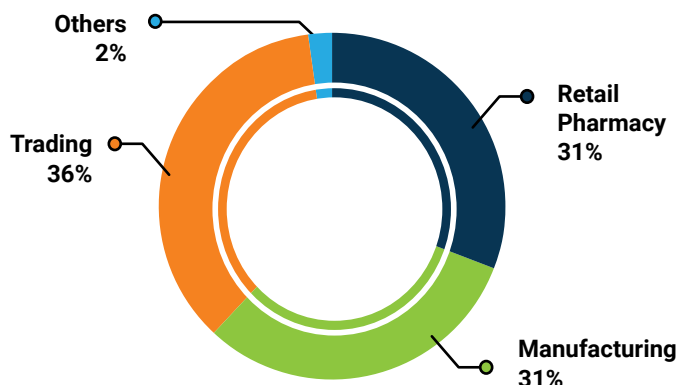
Meanwhile, the relaxation of COVID-19 restrictions in China from December 2022 created a more favourable environment for the Group's trading operations in China, to allow increased deliveries of nutritional meals by the Group to customers, which in turn led to a rise in sales for the trading segment. FY2023 revenue for the trading segment reached RM16.6 million, surpassing the RM10.9 million recorded in FY2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Simultaneously, the retail pharmacy business saw a notable surge in revenue, reaching RM14.1 million in FY2023 vis-à-vis RM12.2 million in FY2022. This growth can be attributed to the contribution of newly opened stores.

In terms of segmental breakdown, revenue contributions by each key segment were well-balanced. The Group's trading division accounted for 36% of FY2023 revenue, followed closely by the manufacturing arm and retail pharmacy operations at 31% respectively, with the other services contributed the remaining 2%.

Sales Mix by Segment FY2023



Gross Loss

In FY2023, the Group's gross profit amounted to RM0.1 million, as compared to a gross loss of RM6.0 million in FY2022. FY2023 cost of sales amounted to RM46.0 million, as compared to RM41.8 million last year.

Net Loss Attributable to Owners of the Company ("Net Loss")

Bioalpha reported a net loss of RM42.0 million in FY2023, in part affected by the impairment of financial assets amounting to RM6.3 million during the year.

While the Group experienced a loss in FY2023, improving operational performance across all key segments provides a basis for optimism for the coming year. Barring unforeseen circumstances, Bioalpha anticipates FY2024 to be a year of recovery.

FINANCIAL POSITION

Bioalpha maintained a strong balance sheet with deposit, cash, and bank balances totalling RM11.4 million as of 31 December 2023. The Group also reduced total borrowings to RM6.1 million from RM7.0 million at the end of 2023, demonstrating proactive debt management. Shareholders' equity stood at RM127.4 million, with net assets per share at 10.1 sen.

Going forward, we will continue to maintain a prudent approach to capital resources and expenditures, carefully balancing operating commitments with financial stability. Our focus remains on maximising returns for stakeholders through effective resource allocation.

Net Operating Cash Flow

Bioalpha generated positive net operating cash flow of RM1.2 million in FY2023 against a negative outflow of RM3.8 million a year ago.

CORPORATE EXERCISE

During the year under review, Bioalpha proposed a 3-for-8 Renounceable Rights Issue of Warrants ("Warrants") entailing the issuance of 526,099,537 Warrants at an issue price of RM0.035 per Warrant, to raise gross proceeds of RM18.4 million. These funds shall be utilised for the expansion of our Group's pharmacy business, launching of new health supplement products, repayment of bank borrowings, working capital, as well as to defray the estimated expenses in relation to the Warrants. The exercise was subsequently completed on 14 February 2024, with the listing of the Warrants on Bursa Malaysia Securities Berhad.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

ANTICIPATED RISKS

Operational Disruptions

We are cognisant of external variables such as pandemics, natural disasters, and civil unrest, which may cause disruptions to our business. These unforeseen events could impact supply chains and escalate raw material costs, thereby potentially impacting our profit margins.

While some interruptions may be beyond our control, we proactively mitigate operational risks, such as fire hazard and workplace accidents, through robust insurance coverage and ongoing employee training, as well as continuous efforts to anticipate and address potential disruptions. Our unwavering dedication underscores Bioalpha's resilience in safeguarding our business operations amidst evolving challenges.

Changes in Regulatory Frameworks and Public Policies

Given the specific focus of our business on the production and distribution of functional foods and health supplements, Bioalpha operates under stringent regulatory scrutiny as compared to other industries. With our operations extending across multiple countries, notably Malaysia and China, compliance with the respective local legal frameworks is imperative, each of which may differ significantly. Consequently, any significant alterations in these regulations could impede our ability to operate, distribute, or promote our products.

To navigate these regulatory challenges effectively, we maintain regular communication with relevant authorities to remain abreast of any regulatory changes that may affect our industry. Moreover, we adopt cautious strategies to ensure strict compliance with current regulations, thereby minimising any potential adverse impacts on our operations and financial performance. This proactive stance underscores our commitment to regulatory compliance and risk management within Bioalpha's operations.

Product Liability Risk

In the nutraceutical and health supplement industry, Bioalpha faces potential risks related to product liability. Any defects or unintended contamination in our health supplement products could lead to legal action and extensive product recalls. These incidents not only pose immediate financial challenges, but also threaten Bioalpha's brand and reputation, impeding our ability to market future products effectively.

To mitigate these risks, we have established comprehensive SOPs governing our formulation and manufacturing processes. Our primary manufacturing facility in Bangi is certified with GMP and HACCP certifications. Additionally, we have obtained sufficient product liability insurance coverage to shield us from potential financial losses. As of now, we have not encountered any personal injury claims resulting from alleged product defects.

MOVING AHEAD

The global nutraceutical and health supplements sector is expected to experience robust growth, driven by a surge in consumer interest in health and wellness. According to Grand View Research, the global dietary supplement market is projected to reach USD620.8 billion by 2030, with a compound annual growth rate ("CAGR") of 6.3%. This expansion is fuelled by factors such as increasing health awareness and the reliance on supplements to improve general health conditions.

Mirroring global trends, Malaysia's market indicates similar potential with more consumers prioritising preventative health measures, boosting demand for immune-supporting supplements. The Malaysian Dietary Supplement Association highlights room for substantial growth, as less than 30% of the population currently utilises dietary supplements – lower than comparable Asian markets like South Korea (60-70%) and Taiwan (40-50%). Similarly, China's nutritional supplements industry is projected to reach USD87.7 billion by 2027, with a CAGR of 14.5%, according to Research Nester.

At Bioalpha, we are positioning the Group to capitalise on emerging market opportunities while navigating external challenges. Domestically, we are enhancing our manufacturing offerings with more immunity-related products to capitalise on rising health consciousness among consumers. At the same time, we are working to secure more ODM customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

In China, we anticipate gradual growth for our health food supply venture in 2024. We remain focused on maintaining lean operations and optimising our supply chain to further improve efficiencies. Meanwhile, for our retail pharmacy business in Malaysia, we will continue our efforts in expanding Constant Pharmacy's physical footprint.

Overall, we remain adaptable within this dynamic market landscape. We are continuously strengthening our capabilities and offerings to maintain competitiveness. As we move forward, Bioalpha is dedicated to delivering value to our stakeholders and improving lives through our high-quality products and services.

SUSTAINABILITY MATTERS

Bioalpha places sustainability at the heart of its business practices. We recognise the crucial need to conduct business in a manner that supports environmental protection, social responsibility, and economic viability. Our sustainability initiatives focus on reducing our carbon footprint, conserving natural resources, fostering diversity and inclusion, and engaging with our stakeholders to build stronger communities. We understand that sustainability is an ongoing journey and are committed to continuous improvement and transparent reporting of our progress. By integrating sustainability into our operations, we aim to create enduring value for all our stakeholders while contributing to a more sustainable future. For further details on our sustainability journey, please refer to the Sustainability Statement within this Annual Report.

APPRECIATION

On behalf of the management team, I extend my deepest gratitude to everyone at Bioalpha for the unwavering dedication demonstrated throughout the past year. Though filled with challenges both internal and external, your unwavering support and hard work made our achievements possible.

My heartfelt appreciation also goes to our valued stakeholders – shareholders, clients, suppliers, bankers, regulators, and government agencies – for your steadfast support.

To the Board of Directors, thank you for your invaluable guidance and insights throughout 2023.

I would also like to extend a warm welcome to Yang Berbahagia Dato' Haji Mohd Yazid Bin Haji Mustafa as Bioalpha's Independent Non-Executive Chairman, and Miss Tan Su Ning as Independent Non-Executive Director. Your vast experience and expertise will undoubtedly enrich Bioalpha.

On behalf of the Board, I extend special recognition to Yang Berbahagia Tan Sri Dato' Dr Syed Jalaludin Bin Syed Salim and Encik Mohd Nasir Bin Abdullah, who stepped down as Independent Non-Executive Chairman and Independent Non-Executive Director, respectively, in June 2023. We deeply appreciate your invaluable guidance during your tenure and wish you both the very best in your future endeavors.

Hon Tian Kok @ William
Managing Director/Chief Executive Officer

SUSTAINABILITY STATEMENT

Bioalpha Holdings Berhad (“Bioalpha”) is pleased to present our Sustainability Statement. This statement encompasses our material Environment, Economy and Social (“EES”) matters for the financial year. Our sustainability initiatives reflect our continuous drive towards maximising opportunities for strong fiscal growth and optimising operational efficiency in tandem with long-term value creation based on EES considerations.

Bioalpha is committed to building a sustainable business with integrity. As an integrated health supplement company, we are mindful that good sustainability practices are integral to our long-term business growth. To this end, the Board strives to embed strong governance culture, socially responsible values and sound environmental practices throughout the Group.

STAKEHOLDER ENGAGEMENT

We recognise that our stakeholders are important to the Group’s long-term growth and success. Although external stakeholders were not engaged specifically to examine most material EES factors, we have regular interactions with them which allow us to glean information on areas they may have the most concerns. Our key stakeholders and their areas of interest based on our various engagements with them and are set out below:

Stakeholders	Engagement methods
Investors and shareholders	<ul style="list-style-type: none"> • Annual Report • Quarterly Bursa announcements • AGM for shareholders • Corporate website with Investor Relation updates • Media News/releases • Analyst Reports/Interview • Email communications – investorrelations@bioa.com.my
Employees	<ul style="list-style-type: none"> • Employee handbook-code of conduct • New Staff Orientation • Trainings, teambuilding and company event • Whistle blowing policy • Anti-Bribery Policy
Customers	<ul style="list-style-type: none"> • Engagement with sales personnel • Factory visits • Exhibition/Trade show • Awareness programmes and health forums
Suppliers	<ul style="list-style-type: none"> • Supplier selection process • Suppliers’ assessment • Meetings with suppliers
Regulators	<ul style="list-style-type: none"> • Seminar/updates received from local government agencies • Internal processes in place to ensure compliance with local government laws and regulations
Local communities	<ul style="list-style-type: none"> • Compliance with local government laws and regulations such as pollution at surrounding factory areas, chemical discharge to drainage, etc.

SUSTAINABILITY STATEMENT (CONT'D)

OUR COMMITMENT

We perceived corporate sustainability as our commitment to create long term value to our shareholders, environment and society through innovation and overall operational excellence. We understand our choices today have an impact on our stakeholder i.e. customers and suppliers and the success of their businesses in the future. Our business imperative is to carry out our activities responsibly and with integrity. Our people are expected to behave in an ethical manner in accordance with our policies, code of conduct and guidelines.

Mindful of the need to be a corporately responsible organisation, the Group undertook various steps to play its part in contributing to the welfare of the society and communities in the environment it operates. The Group recognises that for long term sustainability, its strategic orientation will need to look beyond the financial parameters.

Within this context we have defined our commitment to corporate sustainability across three material areas:

ENVIRONMENTAL INITIATIVES

Manufacturing Process

We understand that our operations and activities have an environmental footprint and it is our responsibility to minimise these through continuous improvement of our manufacturing facilities. We ensure that our manufacturing processes comply with GMP, HACCP, MeSTI and ISO requirements. To meet these requirements, quality assurance principal is to ensure the quality and safety of our products and we believe that this commitment can best be delivered through the following policies:

- To comply with all relevant environmental laws and regulations.
- To prevent environmental pollution whenever possible and implement waste minimization through 3R principles (Reduce, Reuse and Recycle).
- To raise awareness among employees towards the environment and encourage them to act in a more responsible manner towards the environment.
- To improve and enhance environmental care responsibilities in this company from time to time.
- To implement an effective emergency response plan to address any incidents involving pollution to the environment.

Our processes and equipment used for fermentation of medicinal mushrooms and manufacturing of products have been inspected by JAKIM, which have enabled us to obtain Halal certifications for our products in relation to the manufacturing process.

Our manufacturing facilities adhere to strict regulations and procedures to ensure that materials and energy resources are used efficiently to minimise waste. These include monitoring energy consumption, materials planning and waste management.

ECONOMY INITIATIVES

We remain committed and maintain open dialogue with shareholders, the investment community and stakeholders. Annual general meetings are the principal forum for dialogue with shareholders and provide them the opportunity to raise questions and seek clarifications on the Group's operations, performance and strategies. Directors were present in person to engage virtually with the shareholders of the Company during the annual general meetings held in 2023.

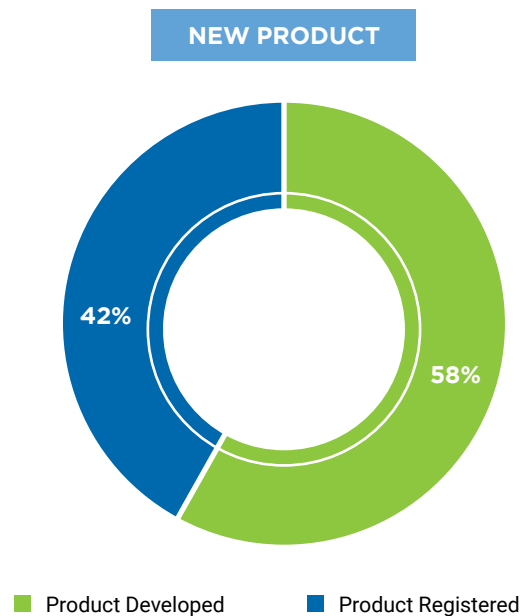
ECONOMY INITIATIVES (CONT'D)

Research & Development (R&D)

Given our reach in the pharmaceutical arena, we are dedicated to maintaining the affordability and accessibility of health supplement while upholding our standards of safety, quality and efficacy.

We are able to ensure this through our commitment to R&D into high quality and cost competitive supplement products for various segments.

As such, we were committed to continuously develop and register new product in year 2023 as shown below.



Marketplace

The Group is continuously committed to promote and maintain transparency, accountability and ethics in the conduct of its business and operations with the stakeholders, including Malaysian government and authorities, shareholders and investors, customers, suppliers, employees and communities. This includes the implementation of internal control systems such as a financial authority framework and risk management framework.

The Group strive to continuously improve our relationships, trust, mutual respect, understanding with our stakeholders who have an effect on, or is affected by our businesses. The Group has introduced various channels to engage with our stakeholders to understand and respond to their expectations and interests with regard to our services and operations.

The Group works closely with suppliers to create a high-quality, reliable supply chain that meets our standards. The Group has had regular engagement sessions with suppliers to identify areas and methods for improvement and to resolve issues.

SUSTAINABILITY STATEMENT
(CONT'D)

ECONOMY INITIATIVES (CONT'D)

Business Expansion

Manage and Operate Agreement with Langkawi Development Authority

Bioalpha Wellness Sdn Bhd, a wholly owned subsidiary of Bioalpha Holdings Berhad had entered into a Manage and Operate Agreement with Langkawi Development Authority (“LADA”) on 2nd December 2023 to develop, manage and operate an Agro Park on a piece of land under a 30-year land use rights granted by LADA. The land measuring approximately 7.98 acres are located in Bandar Padang Mat Sirat, Langkawi, Kedah.

The Agro Park will feature attraction showcasing the entire supply chain through its integrated facility encompassing herbal farming, Research and Development (“R&D”), product processing, Herbal Gallery, Demo Showroom and many more. The Group expects revenue contribution from the Project from 2026 onwards by the commercialization of more than 100 high-value herbal products to be sold to 3 million annual visitors as a new revenue stream.

The Project is targeted to advance Langkawi’s status as a prominent tourist destination through the establishment of the Langkawi Agro Park. Recognised as Southeast Asia’s first UNESCO Global Geopark, Langkawi possesses unique attributes including its rich biodiversity and heritage, making it an ideal destination for agro-tourism.

SOCIAL INITIATIVES

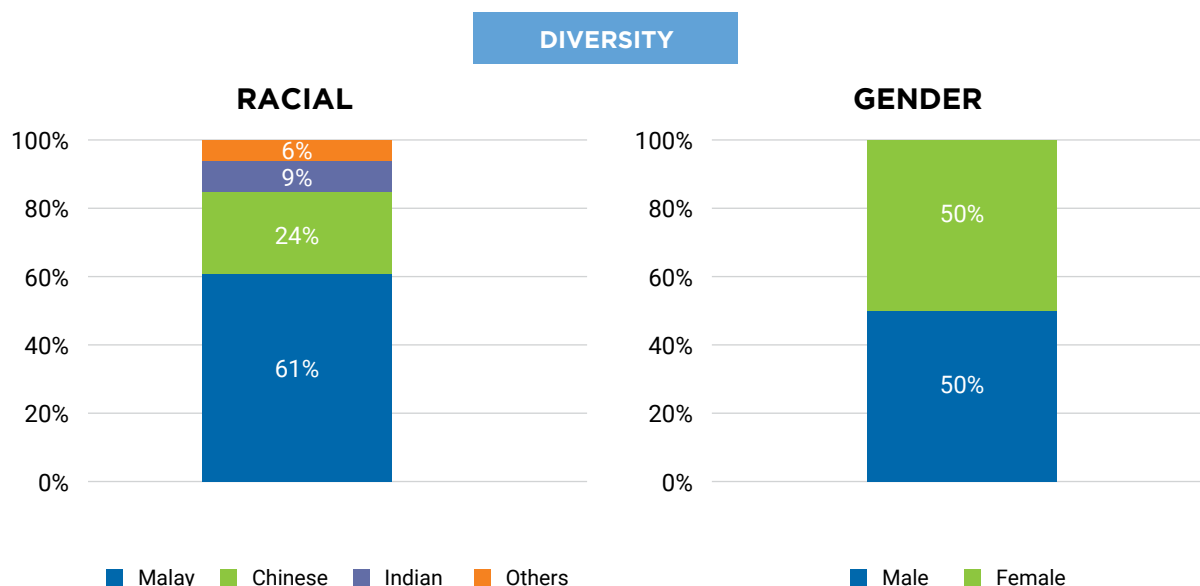
Our People

We believe we are only as good as our people, hence our employees have essential roles in ensuring the sustainability and success of the Group. As such, we are focused on attracting and retaining a highly skilled workforce while prioritising the wellbeing of our people.

We believe in the inherent strength of a diversified workforce. Hence, we take into account the current diversity and strive for equality in the gender, age and race/ethnicity of the existing workforce. This is integral to our employees value proposition and helps to attract the best talents.

Besides that, we believe providing equal remuneration inspires our employees to feel valued and trusted to the group and in return are more engaged with their work. Hence, we embedded equal remuneration into the business culture as a core and business function.

The brief information of the Company’s workforce for Year 2023 is tabulated below:



SOCIAL INITIATIVES (CONT'D)

Training and Development

The Group believes in providing continuous learning and development opportunities towards career development for employees through inhouse training, attending seminar, workshops and talks to help them realise their true potential, as well as to benefit from better performance and productivity. This will equip them with the latest job-related updates and knowledge/know-how. The total budget allocated for employees' training on year 2024 is RM218,000.

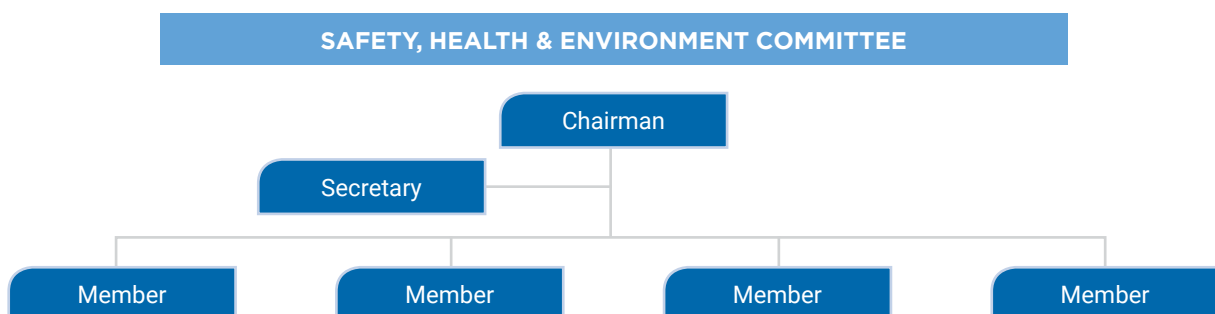
Festive Celebrations 2023

Program	Date
Festival Open House	
- CNY Festival Celebration	30 th Jan 2023
- Hari Raya Festival Celebration	13 th May 2023
- Deepavali Festival Celebration	24 th Nov 2023

Occupational Safety and Health

We recognise that the very nature of our business itself involves occupational health and safety risks. The safety and health of our employees as well as the safety of our contractors, service providers and visitors to our manufacturing facilities remain a priority through our commitment to:

- Comply with local Occupational Safety and Health regulations.
- Comply with all applicable environmental laws and regulations.
- Implement Safety, Health & Environment ("SHE") training programs to ensure adequate training of all employees and contractors.
- Continue to identify potential hazards and implement appropriate measures.
- Investigate all incidents, diseases and dangerous occurrences and ensure appropriate action to prevent recurrence.
- Communicate and update all employees and contractors on worker safety and asset protection.
- Ensure that appropriate Emergency Response Plans are in place.
- Continuously improve our environment management system.



SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL INITIATIVES (CONT'D)

Community

As an organisation with its business deeply rooted in the community that it serves, Bioalpha is aware of its social obligations to the community. Bioalpha is privileged to have been able to support communities in need and make a difference in their lives.

During the year under the review, the Group initiated several cultural and welfare activities as follows:-

1. Donation to Charity Bodies

Welfare	Items	Date
i. Sekolah Menengah San Min (Suwa)	Provide funding for the construction of new building via donation	March 2023
ii. Starfish Malaysia Foundation	Kid sponsorship	December 2023
iii. Openhands Fellowship Care Center, Kajang (Orphanage)	Christmas gift	December 2023
iv. Shephards Center Foundation Malaysia, Selangor (Orphanage)	Christmas gift	December 2023
v. Rumah Sejahtera, Batu Pahat (Old Folks Home)	Daily necessities & birthday cake monthly	2023
vi. Batu Pahat Orphanage	Health supplement, daily necessities & birthday cake monthly	2023

Moving Forward

The Board will work progressively towards improving the Group's sustainability reporting in relation to the management of our Economic, Environment and Social risks and opportunities.

This Sustainability Statement is prepared in accordance with the resolution of the Board of Directors dated 23 April 2024.

CONSTANT RETAIL OUTLETS

KUALA LUMPUR

SOLARIS DUTAMAS, KUALA LUMPUR

A3-G2-07, Solaris Dutamas,
Jalan Dutamas No. 1, Kuala Lumpur
50480 Wilayah Persekutuan.
Tel: +603 6413 7388
Whatsapp/SMS: 011-5969 2990

TAMAN DAHLIA, CHERAS

No. 83, Jalan 34/154, Taman Dahlia, Cheras
Kuala Lumpur 56000, Wilayah Persekutuan.
Tel: +603 9101 7018
Whatsapp/SMS: 011-26205530

TAMAN SRI RAMPAI, SETAPAK

No. 33, Jalan 45A/26, Taman Sri Rampai, Setapak
Kuala Lumpur 53300, Wilayah Persekutuan.
Tel: +603 4149 7018
Whatsapp/SMS: 017-9278288

TAMAN DESA TASIK, SUNGAI BESI

No. 24, Jalan Tasik Selatan 20C/146,
Taman Desa Tasik
Sungai Besi, Kuala Lumpur 57000, Wilayah
Persekutuan.
Tel: +603 9054 3013
Whatsapp/SMS: 012-3631541

SELANGOR

AMPANG POINT, AMPANG

No. 89, Ground Floor, Lorong Mamanda 1
Ampang Point, Jalan Ampang,
68000 Ampang, Selangor.
Tel: +603 4252 8018
Whatsapp/SMS: 016-6772776

BANDAR RIMBAYU, TELUK PANGLIMA GARANG

No. 16-G Ground Floor, Jalan Flora 1/1,
Blossom Square
Bandar Rimbayu, 42500 Teluk Panglima Garang,
Selangor.
Tel: +603 5131 6723
Whatsapp/SMS: 011-26265625

BUKIT RAJA, KLANG

No. 6, Ground Floor, Jalan Astaka 1C/KU2,
Bandar Bukit Raja
41050 Klang, Selangor.
Tel: +603 3359 5759
Whatsapp/SMS: 019-579 0499

BUKIT SERDANG, SERI KEMBANGAN

No D-G-35, Pusat Perdagangan Bukit Serdang
Jalan BS 14/1, Taman Bukit Serdang, Seksyen 14
43300 Seri Kembangan, Selangor.
Tel: +603 8938 5219
Whatsapp/SMS: 014-3606686

ECO GRANDEUR, PUNCAK ALAM

No. 40-G, Jalan Eco Grandeur 1/9A,
Eco Grandeur
42300 Puncak Alam, Selangor.
Tel: +603 5871 3015
Whatsapp/SMS: 012-363 7018

GATEWAY @ KLIA 2, SEPANG

Lot No. L2-117, Level 2, Terminal KLIA 2
KL International Airport, Jalan KLIA 2/1,
64000 KLIA Sepang, Selangor.
Tel: +603 878 8130
Whatsapp/SMS: 010-2018230

JADE HILLS, KAJANG

No. 20-1, Jalan Dataran Jade 2, Dataran Jade
Jade Hills Kajang, 43000 Kajang, Selangor.
Tel: +6012 927 9018
Whatsapp/SMS: 012-9279018

KELANA CENTRE POINT, KELANA JAYA

No. 127, Block A, Kelana Centre Point
No. 3, Jalan SS7/19, 47301 Petaling Jaya, Selangor.
Tel: +603-7886 1380

MERU, KLANG

No. 145, Ground Floor, Jalan Susur Off Jalan Meru,
41050 Klang, Selangor.
Tel: +603 3343 6579
Whatsapp/SMS: 017-3173728

PARAMOUNT GARDEN, PETALING JAYA

Lot 9175, Jalan 20/16A, Paramount Garden,
46300 Petaling Jaya, Selangor.
Tel: +603 7865 1682
Whatsapp/SMS: 012-2537018

PERSIARAN RAJA MUDA MUSA, KLANG

No. 2984, Ground Floor, Persiaran Raja Muda Musa
41100 Klang, Selangor.
Tel: +603 3372 8891
Whatsapp/SMS: 012-2907018

SHAFTSBURY SQUARE, CYBERJAYA

P1-33A, Shaftsbury Square, Cyber 6,
Persiaran Multimedia,
63000 Cyberjaya, Selangor.
Tel: +603 3832 0962 6
Whatsapp/SMS: 013-8236598

SRI SERDANG, SERI KEMBANGAN

No. 3337-G, Jalan 18/32, Taman Sri Serdang
43300 Seri Kembangan, Selangor.
Tel: +603 8957 6043
Whatsapp/SMS: 012-2309018

TAMAN PUCHONG PRIMA, PUCHONG

No. F-01-04, Pusat Perdagangan Puchong Prima
Blok F, Jalan Prima 5/3, Taman Puchong Prima
47100 Selangor.
Tel: +603 8061 4018
Whatsapp/SMS: 012-3446765

TAMAN PUNCAK JALIL, SERI KEMBANGAN

No. 88-GF, Jalan PJU 3/2, Taman Puncak Jalil,
Bandar Putra Permai, 43300 Seri Kembangan, Selangor.
Tel: +603 8082 4018
Whatsapp/SMS: 016-8122624

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 2023 (“**FYE 2023**”) 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.

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 the 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 of the 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 for decision are defined in the Board Charter, which is available on the Company at 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”), Investment Committee (“IC”), Nomination Committee (“NC”), Remuneration Committee (“RC”), Risk Management Committee (“RMC”) and Share Issuance Scheme (“SIS”) Option Committee. 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, which are properly set out in their respective Terms of Reference.

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**

Tan Sri Dato' Dr Syed Jalaludin Bin Syed Salim was re-designated as the Independent Non-Executive Chairman on 25 January 2022 until he retired as an Independent Non-Executive Chairman on 7 June 2023.

On 4 September 2023, Dato' Haji Mohd Yazid Bin Haji Mustafa was appointed as the Independent Non-Executive Chairman.

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.

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

The positions of the Chairman and the Managing Director/Chief Executive Officer are held by different individuals. Tan Sri Dato' Dr Syed Jalaludin Bin Syed Salim was the Independent Non-Executive Chairman from 25 January 2022 until 7 June 2023. Thereafter, Dato' Haji Mohd Yazid Bin Haji Mustafa was the Independent Non-Executive Chairman from 4 September 2023 whilst Mr Hon Tian Kok @ William is the Managing Director/Chief Executive Officer of the Company.

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

The roles and responsibilities of the Chairman and Managing Director/Chief Executive Officer are provided in the Board Charter, which is available on the Company's website at 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.

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 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.

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, to 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.

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)****1.6 Sustainability Governance (Cont'd)**

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 the Sustainability Statement included within pages 23 to 28 in this Annual Report. 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.

2. DEMARCATION OF RESPONSIBILITIES

The Board acknowledges the importance of the demarcation of responsibilities between the Board, Board Committees and the 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 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.

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 behaviors and practices within the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS
(CONT'D)

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

Part I - Board Responsibilities (Cont'd)

3. GOOD BUSINESS CONDUCT AND CORPORATE CULTURE (CONT'D)

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.

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.

Part II - Board Composition

In order to achieve the intended outcome of the MCGG 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 MCGG 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.

The Board consists of eight (8) members, as designated below:

one (1) Independent Non-Executive Chairman;
one (1) Managing Director/Chief Executive Officer;
Two (2) Executive Directors;
one (1) Group Chief Financial Officer/Finance Director; and
Three (3) Independent Non-Executive Directors.

The present composition of the Board is in compliance with Rule 15.02 of the AMLR and MCGG 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.

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)****4.2 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 2023 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 2023.

Following the amendment to AMLR of Bursa Securities, which restricts the tenure of an Independent Director 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 do 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.

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.

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)****4.4 Gender Diversity (Cont'd)**

The Board currently has two female directors among its eight members, namely Ms Goh Siow Cheng and Ms Tan Su Ning. 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 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.

On 4 September 2023, the Board has appointed Dato' Haji Mohd Yazid Bin Haji Mustafa as Independent Non-Executive Chairman and Ms Tan Su Ning as Independent Non-Executive Director of the Company.

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 at least once 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, Mr Ho Tze Hiung and Ms Goh Siow Cheng are subject to retirement by rotation pursuant to Clause 105 of the Company's Constitution at the forthcoming Thirteenth Annual General Meeting ("13th AGM") and Mr Ho Tze Hiung and Ms Goh Siow Cheng has expressed their willingness to seek for re-election. The profiles of retiring Directors standing for re-election are set out in the Directors' Profile in the Annual Report 2023.

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 (Cont'd)**

The NC and the Board have considered the results of the annual assessment for Mr Ho Tze Hiung and Ms Goh Siow Cheng and agreed that they can each meet the criteria of character, experience, integrity, competence, and time required to effectively discharge their roles as Director.

The Board approved the NC's recommendation that these directors who retire following the Company's Constitution are eligible to stand for re-election.

Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms Tan Su Ning are subject to re-election as Directors of the Company at the forthcoming 13th AGM and they have expressed their willingness to seek for re-election and the Board has approved the NC's recommendation to put forward for shareholders' approval on their re-election as Directors pursuant to Clause 114 of the Company's Constitution.

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	Independent Non-Executive Director
Yee Yit Yang	Member	Independent Non-Executive Director
Tan Su Ning (appointed 4 September 2023)	Member	Independent Non-Executive Director

The Terms of Reference of the NC can be viewed on the Company's website at www.bioa.com.my

The summary activities undertaken by the NC in the discharge of its duty for FYE 2023 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;
- vi) Recommended the re-election of the Directors who are due for retirement by rotation at the 13th AGM; and
- vii) Recommended the re-election of newly appointed Directors to retire pursuant to Clause 114 of the Company's Constitution.

The NC had undertaken a review and assessment of the Independent Directors during FYE 2023 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS
(CONT'D)**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part II - Board Composition (Cont'd)****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 the NC, conducted the following annual assessments in the FYE 2023:-

- 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 the FYE 2023, the NC was satisfied with the performance of the Board as a whole, the Board Committees and each individual Director.

5.1.1 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.

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)****5.1 Annual assessment of the Directors, Board as a whole and Board Committees (Cont'd)****5.1.1 Time Commitment and Directorship in Other Public Listed Companies (Cont'd)**

During FYE 2023, 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
Hon Tian Kok @ William	5/5
Datuk Chong Loong Men	4/5
Ho Tze Hiung	5/5
Goh Siow Cheng	5/5
Kang Jimmi	5/5
Yee Yit Yang	5/5
Dato' Haji Mohd Yazid Bin Haji Mustafa (appointed on 4 September 2023)	1/1
Tan Su Ning (appointed on 4 September 2023)	1/1

5.1.2 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.

Details of seminars/conferences/training programmes attended by the Board members during FYE 2023 are listed below:

Director	Seminars / Conferences / Training Programmes Attended
Dato' Haji Mohd Yazid Bin Haji Mustafa	Mandatory Accreditation Program (MAP) - ICDM Virtual Classroom
Hon Tian Kok @ William	MIA Webinar Series : Principles of Fraud Investigation

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)

5.1 Annual assessment of the Directors, Board as a whole and Board Committees (Cont'd)

5.1.2 Continuing Education Programs/ Directors' Training (Cont'd)

Director	Seminars / Conferences / Training Programmes Attended
Datuk Chong Loong Men	Briefing on the Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and Other Amendments
Ho Tze Hiung	1. JCI Asia Pacific Conference (Jakarta) 2. JCI World Congress (Switzerland)
Kang Jimmi	Pembahasan K3 dan Contractor Safety Management System (CSMS) Full Cycle
Yee Yit Yang	Mandatory Accreditation Program (MAP) - Leading for Impact (LIP)
Tan Su Ning	Briefing on the Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad relating to Sustainability Training for Directors, Conflict of Interest and Other Amendments
Goh Siow Cheng	Standard Chartered Global - Research Briefing 1H2023: A year of two halve

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.

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)****6.1 Remuneration Policies and Procedures (Cont'd)**

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.

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 follow: -

Name	Designation	Directorship
Tan Su Ning (appointed 4 September 2023)	Chairperson	Independent Non-Executive Director
Kang Jimmi (redesigned on 4 September 2023)	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 2023 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS
(CONT'D)**PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Part III - Remuneration (Cont'd)****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	–	1,636,720	1,636,720
Non-Executive Directors	151,373	29,500	180,873

*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 2023 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.

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.

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)****8.3 Assessment of Suitability and Independence of External Auditors (Cont'd)**

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 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.

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 ChengCo PLT as the External Auditors of the Company for the financial year ending 31 December 2024.

8.4 Composition of the AC

The AC consists entirely of three (3) Independent Non-Executive Directors. During FYE 2023, the composition of the AC is Kang Jimmi (Chairman) (*redesigned on 4 September 2023*), Yee Yit Yang and Tan Su Ning (*appointed on 4 September 2023*). 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENTS
(CONT'D)

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

Part II – Risk Management and Internal Control Framework (Cont'd)

9. EFFECTIVE RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

The details of the Group's risk management and internal control framework are elaborated in page 48 to 50 of the Statement on Risk Management and Internal Control of this Annual Report 2023, 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 follow: -

Chairman:	Yee Yit Yang (Independent Non-Executive Director)
Members:	Ho Tze Hiung (Independent Non-Executive Director)
	Tan Su Ning (Independent Non-Executive Director)(<i>appointed on 4 September 2023</i>)

10. INTERNAL AUDIT FUNCTION

The details of the Group's internal audit function are elaborated in page 52 to 53 on the AC Report of this Annual Report 2023.

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 embrace 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 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.

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.

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.

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****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 12th AGM dated 28 April 2023 to shareholders at least 28 days before the 12th AGM held on 7 June 2023, 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.

The 12th AGM of the Company held on 7 June 2023 was conducted on a fully virtual basis via live streaming and through the Remote Participation and Voting ("RPV") facilities. Shareholders who attended the 12th AGM could submit their questions during the meeting, which would be addressed by the Board and/or the Management during the AGM.

All the Directors (save for Datuk Chong Loong Men) were present at the 12th AGM to engage directly with shareholders 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 13th 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 fully virtual 12th AGM of the Company held on 7 June 2023, the Board members attended the fully virtual 12th AGM, and the representatives of the management and the external auditors attended the meeting to respond to the questions raised by the shareholders or proxies.

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

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 present 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.

All resolutions set out in the Notice of the 12th AGM 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 MCG 2021, AMLR and all applicable laws and regulations throughout the FYE 2023.

This Corporate Governance Overview Statement was approved by the Board of Directors on 23 April 2024.

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 2023, 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 23 April 2024.

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 limitations that are inherent in any system of internal control, Group’s internal control system is designed to manage, rather than eliminate, the risk of not adhering to the Group’s policies, and achieving objectives within the risk tolerance established by the Board and Management. Therefore, the system provides reasonable, but not absolute assurance against the occurrence of any 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 thus committed to continually promote the culture of risk awareness and builds the necessary knowledge in identifying, evaluating, mitigating, monitoring and managing the significant risks on an on-going basis. In discharging its responsibilities, the Board has taken into account 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) Frequent on-site visits to the operating units by senior management so as to acquire a first-hand view on various operational matters and addressing the issues accordingly;
- (iv) The Board gathers and reviews key financial and operating statistics on a monthly basis and constantly keep track and monitor the achievement of the Group’s performance;
- (v) Regular visit by internal auditors which provide independent assurance on the effectiveness of the Group’s system of internal control and advising the Management on the areas for further improvement;
- (vi) The AC reviews on a quarterly basis the quarterly unaudited financial results to monitor the Group’s progress towards achieving the Group’s business objectives. Authority is given to the AC members to investigate and report on any areas of improvement for the betterment of the Group; and
- (vii) Regular interactive meetings 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 informed of any matters brought up in the ARMC meetings.

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. The firm is appointed by AC and reports directly to the 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 RM28,000 for the financial year ended 31 December 2023.

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, the Chairman Statement 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 of the Directors' responsibilities for preparing the financial statements is set out on page 47 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 clear 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 Managing Director/Chief Executive Officer and Group Chief Financial Officer 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 2023 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 23 April 2024.

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 2023 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) (*redesigned on 4 September 2023*)
- 2) Yee Yit Yang (Member, Independent Non-Executive Director)
- 3) Tan Su Ning (Member, Independent Non-Executive Director) (*appointed on 4 September 2023*)

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.

ATTENDANCE OF MEETINGS

A total of five (5) meetings were held in FYE 2023. Details of attendance of the AC members are as follows:

Name of Members	Total Meetings Attended
Kang Jimmi (<i>redesigned on 4 September 2023</i>)	5/5
Yee Yit Yang	5/5
Tan Su Ning (<i>appointed on 4 September 2023</i>)	1/1

The composition of the AC is in compliance with Practice 1.4 of the MCGG 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.

AUDIT COMMITTEE REPORT
(CONT'D)

SUMMARY ACTIVITIES OF THE AC (CONT'D)

The activities of the AC during the financial year ended 31 December 2023 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 2023;
- 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 Management's response to these recommendations;
- e) Evaluated the performance of the External Auditors for the financial year ended 31 December 2023 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 re-appointment of new External Auditors, Messrs ChengCo PLT for the financial year ending 31 December 2024 and recommended to the Board's for approval;
- g) Reviewed and assessed the adequacy of the scope and functions of the internal audit plan;
- h) Reviewed the internal audit reports presented and considered the findings of internal audit through the review of the internal audit reports tabled and the Management's responses thereof;
- i) Reviewed the effectiveness of the Group's system of internal control;
- j) Reviewed the proposed fees for the external auditors and internal auditors in respect of their audit of the Company and the Group;
- k) Reviewed related party transactions and conflict of interest situations that may arise within the Company or the Group;
- l) Reviewed the Company's compliance with the AMLR, applicable Approved Accounting Standards and other relevant legal and regulatory requirements;
- m) Reviewed the AC Report and Statement on Risk Management and Internal Control before recommending to the Board for approval and inclusion in the Annual Report; and
- n) 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.

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 as 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 financial year ended 31 December 2023 is approximately RM28,000.

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

i) Purchasing review

- To ensure policies and procedures are documented and adhered to at all time.
- To ensure new supplier are assessed, selected, and appointed before purchasing activities.
- To ensure existing suppliers' performance/ assessment is evaluated.
- To ensure competitive pricing and quality prior to order placement.
- To ensure purchase requisition/ order are approved by authorized personnel.
- To ensure stock safety level are in place to avoid insufficient stock.

ii) Sales review

- To ensure established policies and procedures are documented and adhered to all time.
- To ensure sales target are monitored and report.
- To ensure under achieved target are reviewed and immediate action is taken.
- To ensure product price quoted are according to approved sales price.
- To ensure sales order are timely process and delivered.
- To ensure appropriate Value Added Tax ("VAT") rate is charged on sales and service.
- To ensure tax invoice ("fapiao") is record, reconciled, and submit with VAT return by the due date.

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 48 to 50 in this Annual Report 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

The Company has undertaken a Renounceable Rights Issue of Warrants which was completed on 14 February 2024 following the listing and quotation of 526,099,537 Warrants on the Ace Market of Bursa Securities and has raised gross proceeds of RM18,413,494.

No.	Purpose	Proposed Usage RM'000	Intended time Frame for Utilisation
(a)	Expansion of group's pharmacy business	5,500	Within 24 months
(b)	Launching of new products	3,500	Within 24 months
(c)	Repayment of bank borrowings	6,000	Within 12 months
(d)	Working capital	2,663	Within 12 months
(e)	Expenses in relation to Right Issue of Warrants	750	Within 1 month
Total		18,413	

2. AUDIT AND NON-AUDIT FEES PAID TO EXTERNAL AUDITORS

The amount of audit and non-audit fees paid to the firm or corporation affiliated to the External Auditors by the Company and the Group for the financial year ended 31 December 2023 are as follows:

	Company (RM)	Group (RM)
Audit Services Rendered	70,000	330,134
Non-Audit Services Rendered		
(a) Review of Statement on Risk Management and Internal Control	5,000	5,000
(b) Review of foreign subsidiaries report for consolidation purpose	31,000	31,000

3. 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.

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

4. 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 a period of 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 pursuant to the Bylaws shall not in aggregate exceed a duration of 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 Bylaws.

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 1.1.2023 ('000)	Granted ('000)	Exercised ('000)	At 31.12.2023 ('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	-	-	125,000

Please refer to page 127 and page 128 of the Annual Report 2023 for the further details on the Share Issuance Scheme.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

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	(43,653,769)	2,733,116
<hr/>		
Attributable to:		
Owners of the Company	(42,000,116)	2,733,116
Non-controlling interest	(1,653,653)	-
	(43,653,769)	2,733,116

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

During the financial year, the Company increase its share capital from RM179,939,010 to RM 186,191,208 by way of:

- (a) On 30 June 2023, 14 September 2023, 18 September 2023, 21 September 2023 and 4 October 2023, issuance of 25,909,094, 1,088,963, 600,000, 15,454 and 805,574 new ordinary shares as a result of conversion of ICPS at issue price of RM0.22 to RM5,700,000, RM239,572, RM132,000, RM3,400 and RM177,226 respectively;

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)

OPTIONS GRANTED OVER UNISSUED SHARES

At extraordinary general meeting held on 19 August 2016, the Company's shareholders approved the establishment of 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 19(a) to the financial statements.

As at 31 December 2023, 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 31.12.2023
		1.1.2023	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	-	-	-	-	125,000,000

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:

Hon Tian Kok @ William *	
Datuk Chong Loong Men	
Ho Tze Hiung *	
Kang Jimmi	
Yee Yit Yang	
Goh Siow Cheng	
Dato' Haji Mohd Yazid Bin Haji Mustafa	(appointed on 4 September 2023)
Tan Su Ning	(appointed on 4 September 2023)
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	(resigned on 7 June 2023)
Mohd Nasir Bin Abdullah	(resigned on 7 June 2023)

* *Director of the Company and of its subsidiaries*

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' REPORT
(CONT'D)**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:

	Number of ordinary shares			
	At 1.1.2023	Bought/ Conversion	Sold	At 31.12.2023
Interest in the Company				
Direct Interest				
Hon Tian Kok @ William	50,350,199	28,649,894	(33,000,093)	46,000,000
	Number of ICPS			
	At 1.1.2023	Bought	Sold	At 31.12.2023
Interest in the Company				
Direct Interest				
Hon Tian Kok @ William	237,161,736	47,838,300	(285,000,036)	–
Goh Siow Cheng	10,000,000	–	(10,000,000)	–

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 34(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' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors				
Salaries and other emoluments	1,474,389	1,272,260	987,213	759,063
Social security contributions	3,119	3,216	3,119	2,214
Defined contribution plan	159,212	130,972	115,154	87,038
Share based payment	–	515,738	–	515,738
	1,636,720	1,922,186	1,105,486	1,364,053
Non-executive Directors				
Salaries and other emoluments	29,500	44,100	29,500	44,100
Fees	151,373	169,750	151,373	157,750
Share based payment	–	(4,352)	–	(4,352)
	180,873	209,498	180,873	197,498
Total directors' remuneration	1,817,593	2,131,684	1,286,359	1,561,551

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' REMUNERATION (CONT'D)

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	
	2023	2022
	RM	RM
Executive directors:		
RM150,001 - RM200,000	–	1
RM250,001 - RM300,000	2	1
RM450,001 - RM500,000	–	2
RM500,001 - RM550,000	1	–
RM550,001 - RM600,000	1	–
Non-executive directors:		
RM1 - RM50,000	4	3
RM50,001 - RM100,000	–	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.

OTHER STATUTORY INFORMATION (CONT'D)

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

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for all directors and certain officers of the Company were RM1,000,000 and RM6,476 respectively.

No indemnity was given to or insurance effected for auditors of the Group during the financial year.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company are amounted to RM330,134 and RM70,000 (2022: RM212,289 and RM61,500) 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 39 to the financial statements.

SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

The detail of the significant events after the financial year are disclosed in Note 40 to the financial statements.

AUDITORS

The auditors, CHENGGCO PLT, have expressed their willingness to continue in office.

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

HON TIAN KOK @ WILLIAM
Director

HO TZE HIUNG
Director

Kuala Lumpur
Date:

STATEMENT BY DIRECTORS

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

We, Hon Tian Kok @ William and Ho Tze Hiung, 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 67 to 156 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 2023 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,

HON TIAN KOK @ WILLIAM

Director

Kuala Lumpur

Date:

HO TZE HIUNG

Director

STATUTORY DECLARATION

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

I, Hon Tian Kok @ William (MIA Membership No: 32907), 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 67 to 156, 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)

on this)

Before me,

HON TIAN KOK @ WILLIAM

Director

SAMUEL JOHN A/L PONNIAH

Membership no.: B437

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 2023 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 a summary of material accounting policies, as set out on pages 67 to 156.

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 2023, 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 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 financial year. The key audit matters for the audit of the financial statements of the Group are described below. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

INDEPENDENT AUDITORS' REPORT
(CONT'D)**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)***Key Audit Matters (Cont'd)***1. Impairment assessment of goodwill**

As at 31 December 2023, the carrying amount of the Group's goodwill on consolidation amounted to RM5,334,030 mainly arising from acquisition of Mediconstant Holding Sdn. Bhd.. The risk arise from the potential impairment of goodwill.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We reviewed the measurement method adopted by the Group in accordance to the requirements of MFRS 136 Impairment of Assets;
- We tested the mathematical accuracy of the impairment assessment;
- We obtained and assessed the discounted cash flow by comparing the cash flow projections to available business plan and comparing the actual results with previous budget to assess the performance of the business and reliability of forecasting process; and
- Assessed the adequacy of disclosure of goodwill in the financial statements.

2. Impairment assessment of intangible assets

As at 31 December 2023, the carrying amount of the Group's intangible assets on consolidation amounted to RM47,382,981. The intangible assets included development expenditure, patents, and software. The risk arising from the potential impairment of intangible assets.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We reviewed the appropriateness of the estimated useful lives in relation to its industry and nature of the assets;
- We checked reasonableness of the amortisation charge during the financial year for the selected categories;
- We have review and determine whether the indication that the intangible assets may be impaired exists. Where impairment losses are identified, ascertain that they are accounted for and disclosed;
- Assessed the management's determination of the discount rate by evaluation the appropriateness of the models used and the reasonableness of the inputs thereon;
- Performed sensitivity analysis to assess the impact on the recoverable amount; and
- Reviewed the adequacy disclosure in the financial statements.

3. Trade receivables impairment review

The Group's trade receivables amounting to RM5,635,502, representing approximately 11% of the Group's total current assets as at 31 December 2023. The assessment of recoverability of receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer concentration, customer creditworthiness and customer payment terms.

In addressing this, we have involved the group auditors in performing, amongst others, the following audit procedures:

- We obtained and evaluated the Group's credit risk policy, and tested the processes used by management to assess credit exposures;
- We assessed the recoverability of trade receivables by checking past payment trend and assessing the receipts during the financial year and subsequent to year end collections; and
- We have reviewed the appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITORS' REPORT
(CONT'D)**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**

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 directors' and 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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.

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.

INDEPENDENT AUDITORS' REPORT
(CONT'D)**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)***Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)*

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our 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, related safeguards.

From the matters communicated with the directors, we determine those matters that were most significance 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the 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

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.

CHENGCO PLT
201806002622
(LLP0017004-LCA) & AF0886
Chartered Accountants

VOON XUAM MING
03738/05/2025 J
Chartered Accountant

Kuala Lumpur
Date:

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Notes	Group		Company	
		2023	2022	2023	2022 (Restated)
		RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	54,378,157	59,427,489	300,000	300,806
Investment in subsidiaries	5	–	–	13,716,436	13,716,436
Investment in an associate	6	3,294,380	–	–	–
Goodwill on consolidation	7	5,334,030	5,334,030	–	–
Intangible assets	8	47,382,981	51,810,908	–	–
		110,389,548	116,572,427	14,016,436	14,017,242
Current assets					
Biological assets	10	100,000	175,000	–	–
Inventories	11	6,742,895	8,497,538	–	–
Trade receivables	12	5,635,502	8,944,684	–	–
Other receivables	13	7,053,100	16,668,049	13,676	52,369
Amount due from subsidiaries	9	–	–	190,439,739	188,069,533
Tax recoverable		386,394	1,001,601	48,905	23,832
Other investments	14	21,477,010	9,026,826	–	–
Fixed deposits with licensed banks	15	1,017,551	22,791,034	–	7,500,000
Cash and cash equivalents	16	10,423,573	16,972,445	482,801	198,125
		52,836,025	84,077,177	190,985,121	195,843,859
TOTAL ASSETS		163,225,573	200,649,604	205,001,557	209,861,101

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

STATEMENTS OF FINANCIAL POSITION
(CONT'D)

		Group		Company	
	Notes	2023 RM	2022 RM	2023 RM	2022 RM
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	186,191,208	179,939,010	186,191,208	179,939,010
ICPS	18	2,889,371	9,141,569	2,889,371	9,141,569
Reserves	19	(61,713,732)	(21,222,103)	2,154,528	(578,588)
		127,366,847	167,858,476	191,235,107	188,501,991
Non-controlling interests		2,265,246	128,601	-	-
TOTAL EQUITY		129,632,093	167,987,077	191,235,107	188,501,991
LIABILITIES					
Non-current liabilities					
Loan and borrowings	20	2,103,963	2,965,804	-	-
Lease liabilities	21	4,247,294	4,171,162	-	-
Deferred tax liabilities	22	5,520,389	7,310,126	-	-
		11,871,646	14,447,092	-	-
Current liabilities					
Contract liabilities	23	1,388,760	1,189,840	-	-
Trade payables	25	4,114,291	4,789,633	-	-
Other payables	24	10,678,492	7,258,173	826,577	419,237
Amount due to subsidiaries	9	-	-	12,939,873	20,939,873
Loan and borrowings	20	3,994,514	3,986,164	-	-
Lease liabilities	21	1,545,777	552,783	-	-
Tax payable		-	438,842	-	-
		21,721,834	18,215,435	13,766,450	21,359,110
TOTAL LIABILITIES		33,593,480	32,662,527	13,766,450	21,359,110
TOTAL EQUITY AND LIABILITIES		163,225,573	200,649,604	205,001,557	209,861,101

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

STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
 FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Notes	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	26	46,086,810	35,796,829	6,000,000	5,000,000
Cost of sales		(45,962,751)	(41,778,647)	-	-
Gross profit/(loss)		124,059	(5,981,818)	6,000,000	5,000,000
Other operating income	27	5,457,039	1,242,381	448,088	308,816
Administration expenses		(43,889,483)	(31,858,381)	(2,467,673)	(2,177,398)
Net loss on impairment of financial assets		(6,283,370)	(11,462,167)	(1,232,455)	(3,974,350)
(Loss)/Profit from operation		(44,591,755)	(48,059,985)	2,747,960	(842,932)
Finance costs	28	(687,004)	(769,678)	-	-
(Loss)/Profit before tax	29	(45,278,759)	(48,829,663)	2,747,960	(842,932)
Share of loss of associated company		(5,620)	-	-	-
Taxation	30	1,630,610	35,985	(14,844)	(62,588)
(Loss)/Profit for the financial year		(43,653,769)	(48,793,678)	2,733,116	(905,520)

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

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

	Notes	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Items that are may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation		1,562,879	2,128,851	-	-
Other comprehensive income for the financial year, net of tax		1,562,879	2,128,851	-	-
Total comprehensive (loss)/income for the financial year		(42,090,890)	(46,664,827)	2,733,116	(905,520)
(Loss)/Profit for the financial year attributable to:					
Owners of the Company		(42,000,116)	(47,830,550)	2,733,116	(905,520)
Non-controlling interests		(1,653,653)	(963,128)	-	-
		(43,653,769)	(48,793,678)	2,733,116	(905,520)
Total comprehensive (loss)/income for the financial year attributable to:					
Owners of the Company		(40,491,629)	(45,689,355)	2,733,116	(905,520)
Non-controlling interests		(1,599,261)	(975,472)	-	-
		(42,090,890)	(46,664,827)	2,733,116	(905,520)
Loss per share:					
Basic (sen)	31 (a)	(3.32)	(3.80)		
Diluted (sen)	31 (b)	(2.10)	(2.91)		

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

STATEMENTS OF
CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company										Total equity RM
	Non-distributable					Retained earnings/					
Notes	Share capital RM	ICPS RM	Warrant reserve RM	SIS option reserve RM	Merger deficits RM	Foreign currency translation reserve RM	Other reserve RM	(Accumulated losses) RM	Non-controlling interests RM	Total RM	Total equity RM
Group											
At 1 January 2022	153,233,258	9,141,569	15,517,253	635,220	(4,569,128)	276,781	(15,517,253)	27,956,518	(335,548)	186,674,218	186,338,670
Loss for the financial year	-	-	-	-	-	-	-	(47,830,550)	(963,128)	(48,793,678)	(48,793,678)
Foreign exchange translation reserve	-	-	-	-	-	2,141,195	-	-	(12,344)	2,141,195	2,128,851
Total comprehensive income/(loss) for the financial year	-	-	-	-	-	2,141,195	-	(47,830,550)	(975,472)	(46,664,827)	(46,664,827)
Transactions with owners:											
Share options granted under SIS	-	-	-	1,100,085	-	-	-	-	-	1,100,085	1,100,085
Exercised of SIS	23,860,583	-	-	(340,583)	-	-	-	-	-	23,520,000	23,520,000
Cancellation of SIS	-	-	-	(591,641)	-	-	-	-	-	(591,641)	(591,641)
Exercised of warrants	2,845,169	-	(1,634,679)	-	-	-	1,634,679	-	-	2,845,169	2,845,169
Expired of warrant	-	-	(13,882,574)	-	-	-	13,882,574	-	-	-	-
Dilution in a subsidiary	-	-	-	-	-	-	-	-	1,439,621	-	1,439,621
Transactions with owners	26,705,752	-	(15,517,253)	167,861	-	-	15,517,253	-	1,439,621	26,873,613	28,313,234
At 31 December 2022	179,939,010	9,141,569	-	803,081	(4,569,128)	2,417,976	-	(19,874,032)	128,601	167,858,476	167,987,077

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

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Attributable to owners of the Company							Total equity RM
	Share capital RM	ICPS RM	SIS option reserve RM	Merger deficits RM	Foreign currency translation reserve RM	Accumulated losses RM	Total RM	
Group								
At 1 January 2023	179,939,010	9,141,569	803,081	(4,569,128)	2,417,976	(19,874,032)	167,858,476	167,987,077
Loss for the financial year	-	-	-	-	-	(42,000,116)	(42,000,116)	(43,653,769)
Foreign exchange translation reserve	-	-	-	-	1,268,123	240,364	1,508,487	1,562,879
Total comprehensive income/(loss) for the financial year	-	-	-	-	1,268,123	(41,759,752)	(40,491,629)	(42,090,890)
Transactions with owners:								
Conversion of ICPS	6,252,198	(6,252,198)	-	-	-	-	-	-
Dilution in a subsidiary	-	-	-	-	-	-	-	3,735,906
Transactions with owners	6,252,198	(6,252,198)	-	-	-	-	-	3,735,906
At 31 December 2023	186,191,208	2,889,371	803,081	(4,569,128)	3,686,099	(61,633,784)	127,366,847	129,632,093

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

STATEMENTS OF CHANGES IN EQUITY
(CONT'D)

	Notes	Share capital RM	ICPS RM	Warrant reserve RM	SIS option reserve RM	Other reserve RM	(Accumulated losses)/ Retained earnings RM	Total equity RM
Company								
At 1 January 2022		153,233,258	9,141,569	15,517,253	635,220	(15,517,253)	(476,149)	162,533,898
Loss for the financial year, representing total comprehensive loss for the financial year		-	-	-	-	-	(905,520)	(905,520)
Transactions with owners:								
Share options granted under SIS	19	-	-	-	1,100,085	-	-	1,100,085
Exercised of SIS	19	23,860,583	-	-	(340,583)	-	-	23,520,000
Cancellation of SIS	19	-	-	-	(591,641)	-	-	(591,641)
Exercised of warrants		2,845,169	-	(1,634,679)	-	1,634,679	-	2,845,169
Expired of warrants		-	-	(13,882,574)	-	13,882,574	-	-
Transactions with owners		26,705,752	-	(15,517,253)	167,861	15,517,253	-	26,873,613
At 31 December 2022/1 January 2023		179,939,010	9,141,569	-	803,081	-	(1,381,669)	188,501,991
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	-	2,733,116	2,733,116
Transactions with owners:								
Conversion of ICPS	17	6,252,198	(6,252,198)	-	-	-	-	-
Transactions with owners		6,252,198	(6,252,198)	-	-	-	-	-
At 31 December 2023		186,191,208	2,889,371	-	803,081	-	1,351,447	191,235,107

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Notes	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(45,278,759)	(48,829,663)	2,747,960	(842,932)
Adjustments for:					
Amortisation of intangible assets		2,618,056	2,417,572	-	-
Amortisation of deferred capital grant		(37,160)	(405,019)	-	-
Bad debts written off		14,248	356,705	-	-
Deposits written off		11,463	-	-	-
Depreciation of property, plant and equipment		8,915,160	10,156,011	806	1,306
Dividend income		-	-	(6,000,000)	(5,000,000)
Share based payment		-	508,444	-	508,444
(Gain)/Loss on disposal of property, plant and equipment		(130,537)	2,522	-	-
Gain on disposal of quoted shares		(561,300)	-	-	-
(Gain)/Loss on dilution of a subsidiary		(65,972)	1,439,621	-	-
Written off of plantation expenditure		-	2,114,958	-	-
Fair value loss on biological assets		75,000	516,731	-	-
Fair value loss on quoted shares investments		13,553,153	-	-	-
Allowance of expected credit losses:					
- Trade receivables		3,533,754	10,930,843	-	-
- Other receivables		5,193,863	-	-	-
- Amount due from subsidiaries		-	-	1,232,455	3,974,350
Reversal of allowance for expected credit losses:					
- Trade receivables		(2,444,247)	(293,785)	-	-
- Other receivables		-	(47,725)	-	-
Impairment of property, plant and equipment		1,133,411	-	-	-
Impairment on intangible assets		1,423,023	-	-	-
Interest expenses		687,004	769,678	-	-
Interest income		(257,798)	(526,879)	(74,858)	(307,992)
Provision of slow-moving inventories		-	580,730	-	-
Reversal of provision of slow-moving inventories		(10,236)	-	-	-
Inventories written off		18,101	758,789	-	-
Gain on early termination of lease contract		-	(83,717)	-	-

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

STATEMENTS OF CASH FLOWS
(CONT'D)

	Notes	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities (cont'd)					
Property, plant and equipment written off		388,600	3,289,959	-	-
Intangible assets written off		1,316,199	620,520	-	-
Rent concession related to COVID-19		-	-	-	147,815
Unrealised (gain)/loss on foreign exchange		(235,071)	981,193	-	-
Operating loss before working capital changes		(10,140,045)	(14,742,512)	(2,093,637)	(1,519,009)
Change in working capital:					
Inventories		1,746,778	295,024	-	-
Receivables		6,615,050	6,302,195	38,692	(11,164)
Payables		2,981,057	4,539,818	407,342	(277,307)
		11,342,885	11,137,037	446,034	(288,471)
Cash from/(used in) operations		1,202,840	(3,605,475)	(1,647,603)	(1,807,480)
Tax refund		295,825	-	-	-
Tax paid		(278,587)	(219,025)	(39,917)	(66,586)
Net cash from/(used in) operating activities		1,220,078	(3,824,500)	(1,687,520)	(1,874,066)
Cash flows from investing activities					
Acquisition of intangible assets	A	(388,132)	(3,696,202)	-	-
Purchase of property, plant and equipment	B	(2,966,939)	(3,128,431)	-	(60,000)
Decrease/(Increase) in short-term placement		16,485,950	(9,014,920)	-	-
Addition investment in associated companies		(3,300,000)	-	-	-
Proceed from diluted of shares in investment in subsidiary		-	1	-	-
Net cash inflows arising from acquisition from non-controlling interest ("NCI")		3,856,268	-	-	-
Proceeds from disposal of property, plant and equipment		185,000	42,150	-	-
Acquisition of other investments		(41,927,987)	-	-	-
Interest received		257,798	526,879	74,858	307,992
Dividend received		-	-	6,000,000	5,000,000
Net cash (used in)/from investing activities		(27,798,042)	(15,270,523)	6,074,858	5,247,992

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

STATEMENTS OF CASH FLOWS
(CONT'D)

	Notes	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities					
Repayments to subsidiaries		-	-	(11,602,662)	(33,879,988)
Withdrawal in fixed deposits pledged and maturity more than 3 months		7,845,236	-	7,500,000	-
Placement in fixed deposits pledged and maturity more than 3 months		(217,779)	-	-	-
Proceed from exercise of SIS		-	23,520,000	-	23,520,000
Proceed from issuance of shares upon exercise of warrants		-	2,845,167	-	2,845,167
Decrease in short-term deposits pledged with licensed bank		-	(20,690)	-	-
Repayments of lease liabilities	C	(1,727,707)	(1,290,651)	-	-
Repayments of term loans		(2,041,491)	(2,391,055)	-	-
Drawdown of banker acceptance		1,188,000	-	-	-
Interest paid		(687,004)	(769,678)	-	-
Net cash from/(used in) financing activities		4,359,255	21,893,093	(4,102,662)	(7,514,821)
Net (decrease)/increase in cash and cash equivalents					
Effect of exchange translation differences		1,523,811	1,006,341	-	(147,815)
Cash and cash equivalents at beginning of financial year		31,118,471	27,314,060	198,125	4,486,835
Cash and cash equivalents at end of financial year		10,423,573	31,118,471	482,801	198,125
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances		10,423,573	16,972,445	482,801	198,125
Fixed deposits with licensed banks		1,017,551	22,791,034	-	7,500,000
		11,441,124	39,763,479	482,801	7,698,125
Less: Fixed deposit pledged with licensed banks		(799,772)	(1,145,008)	-	-
Less: Fixed deposit maturity more than 3 months		(217,779)	(7,500,000)	-	(7,500,000)
		10,423,573	31,118,471	482,801	198,125

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

STATEMENTS OF CASH FLOWS
(CONT'D)

NOTE TO STATEMENT OF CASH FLOWS

	Notes	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
A. Acquisition of intangible assets					
Total addition	8	388,132	3,696,202	-	-
Cash payment		388,132	3,696,202	-	-
B. Purchase of property, plant and equipment					
Total addition	4	5,590,460	4,902,489	-	60,000
Purchase through lease arrangements		(2,623,521)	(1,774,058)	-	-
Cash payment		2,966,939	3,128,431	-	60,000
C. Cash outflows for leases as a lessee					
<u>Included in net cash from operating activities:</u>					
Payment relating to low value assets	29	17,705	-	-	-
Payment relating to short-term leases	29	472,867	-	-	-
		490,572	-	-	-
<u>Included in net cash from operating activities:</u>					
Payment of lease liabilities		1,727,707	1,290,651	-	-
Payment on interest of lease liabilities		207,435	162,891	-	-
		1,935,142	1,453,542	-	-
		2,425,714	1,453,542	-	-

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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 Group and 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 2023;

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, Insurance Contracts
- Amendments to MFRS 17, Insurance Contracts
- Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 101, Presentation of Financial Statements – Disclosures of Accounting Estimates
- Amendments to MFRS 112, Income Tax – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112, Income Tax – International Tax Reform – Pillar Two Model Rules

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 financial statements.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.4 Standards issued but not yet effective

The Company has not adopted the following standards that have been issued as of the reporting date but are not yet effective:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2024

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

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, Lack of Exchangeability

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

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

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.

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

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
- 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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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 purchase 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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (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
Plantation expenditure	Straight-line	9 months - 15 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	12 months to 10 years
- Fruit plants	Straight-line	5 to 6 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.13 Leases (Cont'd)

(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.

The Group and the Company present right-of-use assets and lease liabilities as separate lines in the statements of financial position.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)****2.13 Leases (Cont'd)****(b) Lessee accounting (Cont'd)**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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.14 Intangible asset (Cont'd)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)****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 and 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.

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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.17 Impairment of assets (Cont'd)

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

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.

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.

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

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.

(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. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)****2.20 Employee benefits (Cont'd)**

(c) Equity settled share-based payment transactions (Cont'd)

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.

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 accrual basis when services are rendered.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.21 Revenue (Cont'd)

(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.

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

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)****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.

(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.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)

2.25 Income taxes (Cont'd)

(b) *Deferred tax (Cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONT'D)****2.29 Related parties (Cont'd)**

A related party is defined as follows: (Cont'd)

(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.

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 initially 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.

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:

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 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.

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

(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.

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

3.2 Key sources of estimation uncertainty (Cont'd)

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

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 11 to the financial statements.

- (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 immediate holding company 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 9, 12 and 13 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.

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)**

(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 18(a) 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	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	Renovations 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 2022	1,725,900	12,817,623	2,401,029	5,104,177	3,044,251	52,159,972	20,633,940	1,303,984	7,236,324	4,149,958	5,351,783	2,869,276	240,000	119,038,217
Additions	-	-	51,229	156,226	201,286	904,733	1,692,557	-	62,400	-	1,774,058	-	60,000	4,902,489
Disposals	-	-	-	(9,996)	(74,490)	-	-	(79,661)	-	-	-	-	-	(164,147)
Written off	-	-	(643,218)	(929,025)	(904,539)	(3,400,000)	(2,486,480)	(225,677)	(2,903,614)	(2,114,958)	-	-	-	(13,607,511)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(2,016,772)	-	-	(2,016,772)
Reclassification	-	-	-	-	-	(18,660)	-	-	-	-	-	-	-	(18,660)
Exchange differences	-	-	(264)	24,926	(1,392)	(13,636)	-	-	-	-	11,426	-	-	21,060
At 31 December 2022 and 1 January 2023	1,725,900	12,817,623	1,808,776	4,346,308	2,265,116	49,632,409	19,840,017	998,646	4,395,110	2,035,000	5,120,495	2,869,276	300,000	108,154,676
Additions	-	-	48,773	123,228	375,000	1,214,280	993,672	2,040	166,731	368,215	2,298,521	-	-	5,590,460
Disposals	-	-	-	-	(434,105)	(150,000)	-	-	-	-	(758,681)	-	-	(1,342,786)
Written off	-	-	(714,871)	(452,065)	-	(7,314,347)	(1,922,076)	(311,973)	(116,300)	(89,124)	-	-	-	(10,920,756)
Exchange differences	-	-	(311,407)	(215,528)	2,000	46,380	(279,462)	(40,821)	-	-	(442,651)	-	-	(1,241,489)
At 31 December 2023	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	2,134,091	6,217,684	2,869,276	300,000	100,240,105

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group	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	Renovations 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
Accumulated depreciation														
At 1 January 2022	262,085	1,479,415	1,834,288	3,273,126	2,408,473	23,467,177	6,404,729	1,101,757	3,363,063	488,653	2,626,824	741,231	-	47,450,821
Charge for the financial year	34,918	238,449	151,373	585,660	279,311	4,933,890	2,138,001	51,376	605,022	-	1,042,368	95,643	-	10,156,011
Disposals	-	-	-	(6,338)	(33,476)	-	-	(79,661)	-	-	-	-	-	(119,475)
Written off	-	-	(617,849)	(921,813)	(904,539)	(2,720,000)	(1,450,122)	(203,016)	(1,385,255)	-	(624,577)	-	-	(8,202,594)
Expiration of lease contract	-	-	-	-	-	-	-	-	-	-	(624,577)	-	-	(624,577)
Reclassification	-	-	-	-	-	(18,660)	-	-	-	-	-	-	-	(18,660)
Exchange differences	-	-	(222)	(2,601)	(1,055)	(7,596)	93,947	-	-	-	3,188	-	-	85,661
At 31 December 2022 and 1 January 2023	297,003	1,717,864	1,367,590	2,928,034	1,748,714	25,654,811	7,186,555	870,456	2,582,830	488,653	3,047,803	836,874	-	48,727,187
Charge for the financial year	34,715	238,449	132,054	395,788	252,736	4,464,203	1,604,000	49,129	326,719	89,041	1,232,685	95,641	-	8,915,160
Disposals	-	-	-	-	(383,642)	(145,000)	-	-	-	-	(663,059)	-	-	(1,193,701)
Written off	-	-	(590,696)	(398,365)	-	(7,281,200)	(1,922,108)	(291,328)	(48,459)	-	-	-	-	(10,582,156)
Exchange differences	-	-	(294,247)	(215,951)	1,919	43,754	(344,625)	(40,820)	(2)	149,217	(487,198)	-	-	(1,187,953)
At 31 December 2023	331,718	1,956,313	614,701	2,709,506	1,619,727	22,736,568	6,523,822	587,437	2,861,088	726,911	3,128,231	932,515	-	44,728,537
Accumulated impairment														
At 1 January 2022	-	-	-	-	-	-	-	-	-	-	-	-	-	-
31 December 2022 and 1 January 2023	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment for the financial year	-	-	-	154,332	-	667,073	-	-	211,942	100,064	-	-	-	1,133,411
At 31 December 2023	-	-	-	154,332	-	667,073	-	-	211,942	100,064	-	-	-	1,133,411
At 31 December 2022	1,428,897	11,099,759	441,186	1,418,274	516,402	23,977,598	12,653,462	128,190	1,812,280	1,546,347	2,072,692	2,032,402	300,000	59,427,489
At 31 December 2023	1,394,182	10,861,310	216,570	938,105	588,284	20,025,081	12,108,329	60,455	1,372,511	1,487,116	3,089,453	1,936,761	300,000	54,378,157

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

	Office equipment RM	Computer system and peripherals RM	Capital work -in-progress RM	Total RM
Company Cost				
At 1 January 2022	1,049	6,005	240,000	247,054
Additions	-	-	60,000	60,000
At 31 December 2022 and 1 January 2023	1,049	6,005	300,000	307,054
Additions	-	-	-	-
At 31 December 2023	1,049	6,005	300,000	307,054
Accumulated depreciation				
At 1 January 2022	840	4,102	-	4,942
Charge for the fhe financial year	-	1,306	-	1,306
At 31 December 2022 and 1 January 2023	840	5,408	-	6,248
Charge for the fhe financial year	209	597	-	806
At 31 December 2023	1,049	6,005	-	7,054
At 31 December 2022	209	597	300,000	300,806
At 31 December 2023	-	-	300,000	300,000

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Including in plantation expenditure as follows:

	Mature		Immature		Total RM
	Herbal plants RM	Fruit plants RM	Herbal plants RM	Fruit plants RM	
Cost					
At 1 January 2022	4,037,325	27,286	83,825	1,522	4,149,958
Written off	(2,093,147)	-	(21,811)	-	(2,114,958)
At 31 December 2022 and 1 January 2023	1,944,178	27,286	62,014	1,522	2,035,000
Addition	114,378	16,235	80,590	7,795	218,998
Written off	-	-	(80,590)	(8,534)	(89,124)
At 31 December 2023	2,058,556	43,521	62,014	783	2,164,874
Accumulated depreciation					
At 1 January 2022,					
31 December 2022 and					
1 January 2023	482,399	6,254	-	-	488,653
Charge for the financial year	89,041	-	-	-	89,041
At 31 December 2023	571,440	6,254	-	-	577,694
Accumulated impairment					
At 1 January 2022,					
31 December 2022 and					
1 January 2023	-	-	-	-	-
Charge for the financial year	-	37,267	62,014	783	100,064
At 31 December 2023	-	37,267	62,014	783	100,064
At 31 December 2022	1,461,779	21,032	62,014	1,522	1,546,347
At 31 December 2023	1,487,116	-	-	-	1,487,116

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)**

(b) Including in net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Group	
	2023 RM	2022 RM
Motor vehicles	338,155	246,276
Warehouse, shoplot, factory and building	3,089,451	2,072,692
Leasehold land	1,936,761	2,032,402
Leasehold land and building	10,861,310	11,099,759
	16,225,677	15,451,129

(c) Depreciation charge of right-of-use assets are as follows:

	Group	
	2023 RM	2022 RM
Motor vehicles	129,096	152,757
Warehouse, shoplot, factory and building	1,232,685	1,042,368
Leasehold land	95,641	95,643
Leasehold land and building	238,449	238,449
	1,695,871	1,529,217

(d) Additions to the right-of-use assets are as follows:

	Group	
	2023 RM	2022 RM
Warehouse, shoplot, factory and building	2,298,521	1,774,058
Motor vehicles	325,000	-
	2,623,521	1,774,058

(e) Property, plant and equipment pledged to licensed bank as security for the related lease liabilities are as follow:

	Group	
	2023 RM	2022 RM
Motor vehicles	338,155	70,148

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

- (f) Property, plant and equipment pledged to non-financial institution as security for the lease liabilities are as follow:

	Group	
	2023 RM	2022 RM
Motor vehicles	–	176,128

- (g) Property, plant and equipment pledged to financial institution as security for the related term loan are as follow:

	Group	
	2023 RM	2022 RM
Freehold building	1,394,182	1,428,897
Leasehold land and building	9,491,340	9,661,291
	10,885,522	11,090,188

- (h) Property, plant and equipment pledged to non-financial institution as security for the related term loan are as follow:

	Group	
	2023 RM	2022 RM
Plant and machineries	–	270,000

- (i) The motor vehicle of the Group with a total cost of RM931,822 (2022: RM579,728) which carrying amount amounted to RM442,833 (2022: RM230,796) are being held in trust by Directors.

- (j) Including in net carrying amount of plantation expenditure are staff costs capitalised as follows:

	Group	
	2023 RM	2022 RM
Staff cost	47,013	–

5. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares, at cost		
- In Malaysia	12,719,230	12,719,230
- Outside Malaysia	997,206	997,206
	13,716,436	13,716,436

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**5. INVESTMENT IN SUBSIDIARIES (CONT'D)**

Details of the subsidiaries are as follows:

Name of company	Place of business / Country of incorporation	Effective interest(%)		Principal activities
		2023	2022	
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
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
<i>Held through Bioalpha International Sdn. Bhd.:</i>				
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	–	Import and export of medicines and edible bacteria and food selling on internet

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
		2023	2022	
<i>Held through Botanical Distribution Sdn. Bhd.:</i>				
RS Bio Sdn. Bhd. (Formerly known as Alphacare Sdn. Bhd.) ("RSBSB")	Malaysia	51	51	Concept shop operators, general merchants, online trading agents franchisors, whole saler or retailer of healthcare, nutritional products, food & beverages
Mediconstant Holding Sdn. Bhd. ("MHSB")	Malaysia	100	100	Investment holding and provision of management services
<i>Held through Bioalpha (HK) Limited .:</i>				
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
<i>Held through Bioalpha Agro Sdn. Bhd.:</i>				
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
<i>Held through Bioalpha (Hainan) Health Biotechnology Limited:</i>				
Suzhou Biomedic Biotechnology Co. Ltd. * ("SBBCL")	China	19.2	81.02	Import and export of medicines and edible bacteria and food selling on internet

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
		2023	2022	
<i>Held through Bioalpha (HK) Investment Limited:</i>				
Bioalpha (Hainan) Development Ltd * ("BHDL")	China	77.3	77.3	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
<i>Held through Mediconstant Holding Sdn. Bhd.:</i>				
Mediconstant Pharmacy Sdn.Bhd. ("MPSB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Ampang) Sdn. Bhd. ("MPASB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Management Sdn Bhd. ("MMSB")	Malaysia	100	100	Provision of management and consulting services, and trading of pharmaceutical, healthcare and nutrition products
Mediconstant Pharmacy (Desa Tasik) Sdn. Bhd. ("MPDTSB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Dynamic Sdn.Bhd. ("MDSB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Klang) Sdn. Bhd. ("MPKSB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Puchong) Sdn. Bhd. ("MPPSB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Sea Park) Sdn. Bhd. ("MPSPSB")	Malaysia	100	100	Pharmacy, druggist and chemicals
Mediconstant Pharmacy (Taman Desa) Sdn. Bhd.("MPTDSB")	Malaysia	100	100	Pharmacy, druggist and chemicals

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
		2023	2022	
Held through Mediconstant Holding Sdn. Bhd.: (cont'd)				
Mediconstant Pharmacy (TTDI) Sdn. Bhd. ("MPTTDISB")	Malaysia	100	100	Pharmacy, druggist and chemicals

* Subsidiaries not audited by CHENGCO PLT

(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 interests and voting rights held by non- controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
	2023	2022	2023	2022	2023	2022
	%	%	RM	RM	RM	RM
BASB	28	28	(113,894)	(103,007)	(502,249)	(388,355)
PTHMM	40	40	(745,593)	(126,215)	(1,146,633)	(401,040)
RSBSB	49	49	(113,077)	(253,803)	166,995	280,072
BJHSB	49.6	49.6	(329,906)	(415,566)	(1,676,311)	(1,346,405)
SBBCL	33	18.98	(142,522)	(47,573)	4,167,400	574,016
BHDL	22.7	22.7	(154,269)	(29,308)	1,256,044	1,410,313
			(1,599,261)	(975,472)	2,265,246	128,601

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
2023						
Non-current assets	330,602	134,283	-	684,376	6,236,520	905,640
Current assets	3,204,085	106,345	356,086	117,076	6,660,445	4,772,474
Non-current liabilities	-	-	-	(8,557)	-	-
Current liabilities	(5,342,443)	(3,136,500)	(15,276)	(4,172,557)	(25,358)	(26,862)
Net (liabilities)/assets	(1,807,756)	(2,895,872)	340,810	(3,379,662)	12,871,607	5,651,252

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**5. INVESTMENT IN SUBSIDIARIES (CONT'D)**

(a) Material partly-owned subsidiaries (Cont'd)

(i) Summarised statement of financial position (Cont'd)

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
2022						
Non-current assets	437,301	171,917	223,037	767,967	-	507,394
Current assets	3,107,605	1,493,584	364,795	273,600	6,208,050	5,719,435
Non-current liabilities	-	-	-	-	-	-
Current liabilities	(4,931,894)	(2,668,106)	(16,252)	(3,756,096)	(3,183,900)	(13,989)
Net (liabilities)/assets	(1,386,988)	(1,002,605)	571,580	(2,714,529)	3,024,150	6,212,840

(ii) Summarised statement of profit or loss and other comprehensive income

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
2023						
Revenue	50,648	141,668	1,175	246,425	-	-
Loss for the financial year	(420,768)	(1,863,983)	(230,770)	(665,134)	(596,693)	(679,600)
Total comprehensive loss for the financial year	(420,768)	(1,863,983)	(230,770)	(665,134)	(596,693)	(679,600)
2022						
Revenue	253,188	9,868	-	349,455	-	-
Loss for the financial year	(367,883)	(315,539)	(517,966)	(837,836)	(250,636)	(129,105)
Other comprehensive income/(loss) for the financial year	-	10,382	-	-	(19,938)	(2,788)
Total comprehensive loss for the financial year	(367,883)	(305,157)	(517,966)	(837,836)	(270,574)	(131,893)

(iii) Summarised statement of cash flows

	BASB RM	PTHMM RM	RSBSB RM	BJHSB RM	SBBCL RM	BHDL RM
2023						
Net cash generated from/ (used in) operating activities	3,745	217,077	(8,709)	264,078	(6,996,072)	(3,878,383)
Net cash used in investing activities	-	-	-	(180,076)	(6,505,366)	(398,246)
Net cash (used in)/generated from financing activities	(11,510)	(3,564)	-	(56,366)	10,321,945	-
Net (decrease)/increase in cash and cash equivalents	(7,765)	213,513	(8,709)	27,636	(3,179,493)	(4,276,629)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

5. INVESTMENT IN SUBSIDIARIES (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
2022						
Net cash (used in)/generated from operating activities	(245,047)	(360,910)	(53,444)	(256,475)	3,013,367	(137,984)
Net cash used in investing activities	-	-	-	-	-	(507,394)
Net cash generated from financing activities	79,484	345,814	-	224,876	-	6,481,000
Net (decrease)/increase in cash and cash equivalents	(165,563)	(15,096)	(53,444)	(31,599)	3,013,367	5,835,622

(b) Dilution of shares of a subsidiary

- (i) On 30 August 2022, BHKIL, a wholly-owned subsidiary of the Company entered into a share transfer agreement with an independent third party and disposed of 22.7% equity interest in BHDL to that independent third party at a cash consideration of CNY1.

The effect of the dilution of shares of BHDL on the financial position of the Group as at the date of dilution was as follows:

	RM
Property, plant and equipment	517,938
Cash and cash equivalents	5,815,039
Trade and other receivables	24,150
Trade and other payables	(15,182)
Net current assets	6,341,945
Non-controlling interest's share of net assets	1,439,622
Proceed from issuance of shares in a subsidiary of NCI	1
Loss on dilution of a subsidiary	1,439,621

- (ii) During the year, the Group's equity interest in SBBCL via BHHBL and BISB wholly-owned subsidiaries of the Company, decreased from 81.02% to 67% following the issuance of shares to the new shareholder of SBBCL, namely Suzhou Medicalsystem Technology Co. Ltd. ("MEDIC") to the Subscription Agreement entered into between the parties therein dated 8 May 2023.

The Group recognised a gain on dilution of equity interest amounting to RM65,972 during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**6. INVESTMENT IN AN ASSOCIATE**

	Group	
	2023 RM	2022 RM
Unquoted shares, at cost		
Outside Malaysia	3,300,000	-
Share of post-acquisition reserves	(5,620)	-
	3,294,380	-

Details of a material associate is as follows:

Name of company	Place of business / Country of incorporation	Effective interest(%)		Principal activities
		2023	2022	
Held through Bioalpha International Sdn. Bhd.:				
PT Bioalpha International Makmur ("PTBIM")*	Indonesia	30	-	General trade, wholesale and retail trade or pharmaceutical and traditional medicine

* Exempted or not statutorily required to be audited

(a) Acquisition of an associate

On 1 August 2023, BISB, a wholly-owned subsidiary of the Company, entered into the following agreements for the acquisition of PTBIM:

As at the date of the agreement, PT Alfa Sehat Indonesia Group of Companies ("PTAS") indebted to BISB a sum of US Dollars Seven Hundred Ninety-Three Thousand Nine Hundred Ninety-Three and Thirty-Two Cent Only (USD793,993.32), equivalent to Ringgit Malaysia Three Million Three Hundred Twenty-Eight Thousand Six Hundred Sixty-Eight and Twenty Two Sen Only (RM3,328,668.22) ("Settlement Amount") being amount owing to BISB for goods sold.

In the case of full and final settlement, PTAS shall pay to BISB the Settlement Amount by transferring the shares of PTAS into a newly incorporated company, PT Bioalpha International Makmur ("PTBIM") and to allot 30% of the shares in PTBIM to BISB and to pay BISB Ringgit Malaysia Twenty-Eight Thousand Six Hundred Sixty-Eight and Twenty-Two Sen Only (RM28,668.22) upon execution of the agreement.

The acquisition had been completed during the year. Consequently, PTBIM became 30% owned associated of BISB.

(b) Summarised financial information of the Group's material associates are set out below:Summarised statements of financial position

	PTBIM	
	2023 RM	2022 RM
Current assets	4,297,083	-
Current liabilities	(619,217)	-
Net assets	3,677,866	-

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

6. INVESTMENT IN ASSOCIATE (CONT'D)

(b) Summarised financial information of the Group's material associates are set out below: (Cont'd)

Summarised statements of profit or loss and other comprehensive income

	2023 RM	PTBIM	2022 RM
Loss for the financial year	(18,740)		-
Other comprehensive loss for the financial year	-		-
Total comprehensive loss for the financial year	(18,740)		-

7. GOODWILL ON CONSOLIDATION

	2023 RM	Group	2022 RM
At 1 January	5,891,157		5,891,157
Accumulated impairment losses	(557,127)		(557,127)
At 31 December	5,334,030		5,334,030

The carrying amount of goodwill allocated to the Group's cash-generating units ("CGU") are as follows:

	2023 RM	Group	2022 RM
Mediconstant Holding Sdn. Bhd.	5,334,030		5,334,030

(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 five (2022: five) year period;
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU is 5.87% (2022: 4.9%); and
- (iii) Pre-tax discount rate of 8% (2022: 7.75%) 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**7. GOODWILL ON CONSOLIDATION (CONT'D)**

(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.

8. INTANGIBLE ASSETS

Group	Development expenditures RM	Patents RM	Software RM	Total RM
Cost				
At 1 January 2022	70,443,544	2,906,674	64,063	73,414,281
Additions	3,036,367	657,442	2,393	3,696,202
Written off	(1,538,016)	–	–	(1,538,016)
Exchange differences	276,645	(50,190)	(903)	225,552
At 31 December 2022 and 1 January 2023	72,218,540	3,513,926	65,553	75,798,019
Additions	388,132	–	–	388,132
Written off	(1,889,896)	–	–	(1,889,896)
Exchange differences	242,040	33,177	593	275,810
At 31 December 2023	70,958,816	3,547,103	66,146	74,572,065
Accumulated amortisation				
At 1 January 2022	22,201,842	252,366	21,837	22,476,045
Charge for the financial year	2,176,223	220,551	20,798	2,417,572
Written off	(917,496)	–	–	(917,496)
Exchange differences	–	10,201	789	10,990
At 31 December 2022 and 1 January 2023	23,460,569	483,118	43,424	23,987,111
Charge for the financial year	2,114,170	493,656	10,230	2,618,056
Written off	(573,697)	–	–	(573,697)
Exchange differences	–	(263,142)	559	(262,583)
At 31 December 2023	25,001,042	713,632	54,213	25,768,887
Accumulated impairment				
At 1 January 2022, 31 December 2022 and 1 January 2023	–	–	–	–
Impairment for the financial year	1,423,023	–	–	1,423,023
Exchange differences	(2,826)	–	–	(2,826)
At 31 December 2023	1,420,197	–	–	1,420,197
At 31 December 2022	48,757,971	3,030,808	22,129	51,810,908
At 31 December 2023	44,537,577	2,833,471	11,933	47,382,981

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 five (2022: five) years period;
- (ii) The anticipated annual revenue growth rate used in the cash flow budgets and plans of the CGU is range from 7.90% to 7.92% (2022: 4.90% to 5.50%); and
- (iii) Pre-tax discount rate of 8% (2022: 7.65%) 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 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 15 years (2022: 15 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. AMOUNT DUE FROM/(TO) SUBSIDIARIES**

	Company	
	2023	2022
	RM	RM
		(Restated)
Amount due from subsidiaries		
Non-trade related	198,391,347	194,788,686
Less: Allowance for expected credit losses ("ECLs")	(7,951,608)	(6,719,153)
	<hr/> 190,439,739	<hr/> 188,069,533
Amount due to subsidiaries		
Non-trade related		
- Current	(12,939,873)	(20,939,873)

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	
	2023	2022
	RM	RM
At 1 January	6,719,153	2,744,803
Allowance for ECLs	1,232,455	3,974,350
	<hr/> 7,951,608	<hr/> 6,719,153

The foreign currency profile of amount due from subsidiaries are as follows:

	Company	
	2023	2022
	RM	RM
Hong Kong Dollar ("HKD")	1,611,156	1,693,274
Chinese Yuan ("CNY")	22,956,127	28,311,674
United States Dollar ("USD")	15,926,333	17,827,665

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

10. BIOLOGICAL ASSETS

	Group RM
At 1 January 2022	691,731
Fair value adjustment	(516,731)
At 31 December 2022 and 1 January 2023	175,000
Fair value adjustment	(75,000)
As at 31 December 2023	100,000

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 2023, the Group has 1,303 acres (2022: 1,303 acres) of herbal plantations.

11. INVENTORIES

	2023 RM	Group 2022 RM
At cost		
Raw materials	1,900,151	2,516,162
Consumables	1,215,199	1,268,209
Finished goods	382,211	667,640
Trading goods	3,245,334	4,045,527
	6,742,895	8,497,538
Recognised in profit or loss		
Inventories recognised as cost of sales	34,475,139	27,820,818
Inventories written off	18,101	758,789
Provision of slow-moving inventories	-	580,730
Reversal of provision of slow-moving inventories	(10,236)	-

12. TRADE RECEIVABLES

	2023 RM	Group 2022 RM
Trade receivables	22,932,710	24,852,261
Less: Allowance for ECLs	(17,297,208)	(15,907,577)
	5,635,502	8,944,684

Trade receivables are non-interest bearing and are generally from cash term to 180 days (2022: cash term to 180 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**12. TRADE RECEIVABLES (CONT'D)**

The movement in allowance for ECLs of trade receivables during the financial year is as follows:

	2023 RM	Group 2022 RM
At 1 January	15,907,577	5,643,609
Allowance for ECLs	3,533,754	10,930,402
Reversal of allowance for ECLs	(2,444,247)	(293,785)
Written off	-	(381,736)
Exchange difference	300,124	8,646
At 31 December	17,297,208	15,907,577

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
Group			
2023			
Neither past due nor impaired	3,851,768	(1,745)	3,850,023
1 to 30 days past due not impaired	370,448	-	370,448
31 to 60 days past due not impaired	30,426	(4,558)	25,868
61 to 90 days past due not impaired	653,914	(17,961)	635,953
More than 91 days past due not impaired	11,514,110	(10,760,900)	753,210
Individually impaired	16,420,666	(10,785,164)	5,635,502
	6,512,044	(6,512,044)	-
	22,932,710	(17,297,208)	5,635,502
Group			
2022			
Neither past due nor impaired	722,894	(1,083)	721,811
1 to 30 days past due not impaired	354,145	-	354,145
31 to 60 days past due not impaired	487,397	-	487,397
61 to 90 days past due not impaired	6,732,214	(2,594,125)	4,138,089
More than 91 days past due not impaired	4,602,205	(1,358,963)	3,243,242
Individually impaired	12,898,855	(3,954,171)	8,944,684
	11,953,406	(11,953,406)	-
	24,852,261	(15,907,577)	8,944,684

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

12. TRADE RECEIVABLES (CONT'D)

The foreign currency profile of trade receivables are as follows:

	Group	
	2023 RM	2022 RM
Chinese Yuan ("CNY")	2,644,820	3,730,594
Indonesian Rupiah ("IDR")	78,451	2,670
United States Dollar ("USD")	437,460	3,564,920

13. OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade receivables	6,276,013	6,575,371	262	261
Deposits	4,504,421	971,070	-	-
Less: Allowance for ECLs	(5,126,161)	(509,694)	-	-
	5,654,273	7,036,747	262	261
Accrued income	11,591	72,710	-	47,983
Prepayments	955,466	7,441,478	13,414	4,125
Value-added tax ("VAT") recoverable	69,284	64,173	-	-
Advance to suppliers	321,802	2,028,295	-	-
Advance to staffs	40,684	24,646	-	-
	7,053,100	16,668,049	13,676	52,369

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:

	Group	
	2023 RM	2022 RM
At 1 January	509,694	673,188
Allowance for ECLs	5,193,863	-
Reversal	-	(47,725)
Written off	(509,694)	(115,769)
Exchange difference	(67,702)	-
At 31 December	5,126,161	509,694

The currency profile of other receivables are as follows:

	Group	
	2023 RM	2022 RM
Hong Kong Dollar ("HKD")	6,611	4,103
Chinese Yuan ("CNY")	4,562,398	6,834,072
Indonesian Rupiah ("IDR")	8,668	1,606,042
United States Dollar ("USD")	-	4,552,840

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**14. OTHER INVESTMENTS**

	Group	
	2023	2022
	RM	RM
Current		
Fair Value Through Profit or Loss ("FVTPL")		
- Money market fund	12,663	9,026,826
- Quoted ordinary shares	21,464,347	-
	21,477,010	9,026,826

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 0.23% to 0.30% on monthly basis and are readily convertible to cash with insignificant risk of changes in value.

15. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Fixed deposits with licensed banks				
Maturity:				
- less than 3 months	-	14,146,026	-	-
- more than 3 months	217,779	7,500,000	-	7,500,000
Fixed deposits pledged with licensed banks	799,772	1,145,008	-	-
	1,017,551	22,791,034	-	7,500,000

The interest rate of fixed deposits with licensed banks of the Group and of the Company range from 1.75% to 2.33% (2022: 1.60% to 2.32%) per annum and nil (2022: 1.60% to 2.32%) per annum respectively. The maturities of fixed deposits with licensed banks of the Group and of the Company are 365 days (2022: 30 to 365 days).

The fixed deposits with licensed banks of the Group amounted to RM1,017,551 (2022: RM145,008) are pledged to licensed banks and non-financial institution respectively as securities for credit facilities granted to subsidiaries as disclosed in Note 20 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Hong Kong Dollar ("HKD")	525,518	565,442	145,162	20
Chinese Yuan ("CNY")	7,031,441	14,518,488	32,302	-
Indonesian Rupiah ("IDR")	28,379	13,281	-	-
Singapore Dollar ("SGD")	35,260	33,984	-	-
United States Dollar ("USD")	204,594	615,001	575	761

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid up				
At 1 January	1,378,072,011	1,197,139,425	179,939,010	153,233,258
Conversion of ICPS	28,419,085	-	6,252,198	-
Issuance of shares				
- Exercise of SIS	-	168,000,000	-	23,860,583
- Exercise of warrants	-	12,932,586	-	2,845,169
At 31 December	1,406,491,096	1,378,072,011	186,191,208	179,939,010

During the financial year, the Company increase its share capital from RM179,939,010 to RM186,191,208 by way of:

- (a) On 30 June 2023, 14 September 2023, 18 September 2023, 21 September 2023 and 4 October 2023, issuance of 25,909,094, 1,088,963, 600,000, 15,454 and 805,574 new ordinary shares as a result of conversion of ICPS at issue price of RM0.22 to RM5,700,000, RM239,572, RM132,000, RM3,400 and RM177,226 respectively;

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**18. ICPS**

	Group and Company			
	Number of ordinary shares		Amount	
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and fully paid up				
At 1 January	457,078,472	457,078,472	9,141,569	9,141,569
Conversion of ICPS to Ordinary shares	(312,609,950)	–	(6,252,198)	–
At 31 December	144,468,522	457,078,472	2,889,371	9,141,569

19. RESERVES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
SIS option reserve	(a)	803,081	803,081	803,081	803,081
Merger deficits	(b)	(4,569,128)	(4,569,128)	–	–
Foreign currency translation reserve	(c)	3,686,099	2,417,976	–	–
(Accumulated losses)/ Retained earnings		(61,633,784)	(19,874,032)	1,351,447	(1,381,669)
		(61,713,732)	(21,222,103)	2,154,528	(578,588)

(a) 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:
- Has attained at least eighteen (18) years of age;
 - 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
 - Who falls under such categories and criteria that the Option Committee may decide at its absolute discretion from time to time.
- (b) Any Director of the Group shall be eligible if as at the date of offer, the Director:
- Is at least eighteen (18) years of age; and
 - 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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

19. RESERVES (CONT'D)

(a) SIS option reserve (Cont'd)

- (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	Brought forward	Number of options over ordinary shares			Carried forward
			Cancellation	Granted	Exercised	
2023						
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
2022						
Date of offer	Exercise price	Brought forward	Adjustment	Granted	Exercised	Carried Forward
27 February 2017	0.205	1,988,889	-	-	-	1,988,889
16 April 2020	0.105	2,275,863	-	-	-	2,275,863
10 September 2021	0.225	153,000,000	(153,000,000)	-	-	-
17 May 2022	0.140	-	(75,000,000)	243,000,000	(168,000,000)	-
11 October 2022	0.090	-	-	125,000,000	-	125,000,000

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:

	Number of units		
	27 February 2017 RM	16 April 2020 RM	11 October 2022 RM
Fair value	0.0909	0.0079	0.0060
Weighted average share price	0.225	0.110	0.090
Weighted average exercise price	0.205	0.105	0.090
Expected volatility	39.88%	28.20%	70.75%
Expected life (years)	5 years	1.18 years	5 years
Risk free rate(%)	3.70	2.52	2.67
Expected dividend yield (%)	Nil	Nil	Nil

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**19. RESERVES (CONT'D)**

(a) SIS option reserve (Cont'd)

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.

(b) 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 using the merger method.

(c) 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.

20. LOAN AND BORROWINGS

	Group	
	2023 RM	2022 RM
Secured		
Bankers' acceptances	2,575,000	1,387,000
Revolving credit	1,000,000	1,000,000
Term loans	2,523,477	4,564,968
	<hr/> 6,098,477	<hr/> 6,951,968
	Group	
	2023 RM	2022 RM
Non-current		
Term loans	2,103,963	2,965,804
Current		
Bankers' acceptances	2,575,000	1,387,000
Revolving credit	1,000,000	1,000,000
Term loans	419,514	1,599,164
	<hr/> 3,994,514	<hr/> 3,986,164
	<hr/> 6,098,477	<hr/> 6,951,968

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

20. LOAN AND BORROWINGS (CONT'D)

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;
- (c) Joint and severally guaranteed by certain of Directors of the Company; and
- (d) Corporate guarantee by the Company.

Term loan I is repayable by 240 monthly instalments commencing from January 2014.

Term loan II is repayable by 120 monthly instalments commencing from May 2018.

Term loan III is repayable by 36 monthly instalments commencing from August 2021.

Term loan IV is repayable by 114 monthly instalments commencing from August 2021.

Banker's acceptance facilities are repayable within 120 days.

Revolving credit facilities are repayable within 180 days.

The average effective interest rate are as follows:

	2023 %	Group 2022 %
Banker's acceptances	2.59 - 5.00	2.59 - 5.00
Revolving credit	3.84 - 4.12	3.84 - 4.12
Term loans	4.00 - 5.13	4.00 - 5.13

21. LEASE LIABILITIES

	2023 RM	Group 2022 RM
Non-current	4,247,294	4,171,162
Current	1,545,777	552,783
	5,793,071	4,723,945

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**21. LEASE LIABILITIES (CONT'D)**

The maturity analysis of lease liabilities at the end of the reporting period:

	2023 RM	Group 2022 RM
Within 1 year	1,458,584	1,401,143
Between 2 - 5 years	3,214,659	1,827,605
More than 5 years	2,347,367	2,676,821
	7,020,610	5,905,569
Less: Future finance charges	(1,227,539)	(1,181,624)
Present value of lease liabilities	5,793,071	4,723,945

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 2023 ranged from 2.33% to 8.15% (2022: 2.33% to 8.15%) per annum.

22. DEFERRED TAX LIABILITIES

	2023 RM	Group 2022 RM
At 1 January	7,310,126	7,455,396
Recognised in profit or loss	(1,913,062)	(2,229,865)
Under provision in prior financial years	123,325	2,084,595
At 31 December	5,520,389	7,310,126

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	2023 RM	Group 2022 RM
Deferred tax liabilities	12,767,781	13,903,250
Deferred tax assets	(7,247,392)	(6,593,124)
	5,520,389	7,310,126

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

22. DEFERRED TAX LIABILITIES (CONT'D)

The components and movement of deferred tax assets and liabilities at the end of the reporting date prior to offsetting are as follows:

Deferred tax liabilities	Accelerated capital allowances RM	Development expenditure RM	Total RM
Group			
At 1 January 2022	2,767,813	10,545,672	13,313,485
Recognised in profit or loss	51,833	(183,704)	(131,871)
Under provision in prior financial years	525,881	195,755	721,636
<hr/>			
At 31 December 2022 and 1 January 2023	3,345,527	10,557,723	13,903,250
Recognised in profit or loss	(80,543)	(617,849)	(698,392)
Over provision in prior financial years	(288,152)	(148,925)	(437,077)
<hr/>			
At 31 December 2023	2,976,832	9,790,949	12,767,781

Deferred tax assets	Unutilised tax losses RM	Unutilised capital allowances RM	Unutilised reinvestment allowances RM	Others RM	Total RM
Group					
At 1 January 2022	(710,125)	(441,628)	(3,457,676)	(1,248,660)	(5,858,089)
Recognised in profit or loss	(693,848)	(1,404,146)	-	-	(2,097,994)
Over/(Under) provision in prior financial years	203,332	25,416	(114,449)	1,248,660	1,362,959
<hr/>					
At 31 December 2022 and 1 January 2023	(1,200,641)	(1,820,358)	(3,572,125)	-	(6,593,124)
Recognised in profit or loss	(366,614)	(848,056)	-	-	(1,214,670)
Over / (Under) provision in prior financial years	492,661	197,454	(129,713)	-	560,402
<hr/>					
At 31 December 2023	(1,074,594)	(2,470,960)	(3,701,838)	-	(7,247,392)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Property, plant and equipment	(13,329,724)	(14,196,858)	(288)	(238)
Unutilised business losses	10,999,975	9,333,592	-	-
Unutilised capital allowances	3,125,252	2,134,261	-	-
<hr/>				
	795,503	(2,729,005)	(288)	(238)

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**22. DEFERRED TAX LIABILITIES (CONT'D)**

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.

23. CONTRACT LIABILITIES

	2023 RM	Group 2022 RM
Contract liabilities		
- Current	1,388,760	1,189,940
At 31 December	1,388,760	1,189,940

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:

	2023 RM	Group 2022 RM
Financial years ending 31 December		
- 2023	1,388,760	1,189,940

24. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables	1,681,486	2,100,023	590,961	230,777
Accruals	1,991,102	1,842,658	235,616	188,460
Deferred capital grant	27,653	64,813	-	-
Deposit received	6,845,851	3,171,215	-	-
Sales and service tax ("SST") payable	132,400	79,464	-	-
	10,678,492	7,258,173	826,577	419,237

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.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

24. OTHER PAYABLES (CONT'D)

The movement of deferred capital grant is as follows:

	2023 RM	Group 2022 RM
At 1 January	64,813	469,832
Amortised during the financial year	(37,160)	(405,019)
At 31 December	27,653	64,813
Presented:		
Current	27,653	64,813

The foreign currency profile of the other payables are as follows:

	2023 RM	Group 2022 RM
Hong Kong Dollar ("HKD")	33,583	29,514
Chinese Yuan ("CNY")	127,750	4,440,681
Indonesian Rupiah ("IDR")	108,402	60,705

25. TRADE PAYABLES

The normal trade credit terms granted to the Group range from 30 to 90 days (2022: 30 to 90 days) depending on the term of the contracts.

26. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers:				
Sales of goods	44,756,810	35,754,329	-	-
Franchise fee	-	42,500	-	-
Management fee	1,330,000	-	-	-
	46,086,810	35,796,829	-	-
Revenue from other sources:				
Dividend income	-	-	6,000,000	5,000,000
	46,086,810	35,796,829	6,000,000	5,000,000
Timing of revenue recognition:				
At a point in time	46,086,810	35,796,829	6,000,000	5,000,000

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**26. REVENUE (CONT'D)**

Breakdown of the Group's revenue from contracts with customers:

	Sales of goods RM	Major goods and services		Total RM
		Franchise fee RM	Management fee RM	
2023				
Trading	16,553,222	-	-	16,553,222
Manufacturing	14,120,571	-	-	14,120,571
Retail pharmacy	14,083,017	-	-	14,083,017
Others	-	-	1,330,000	1,330,000
	44,756,810	-	1,330,000	46,086,810
Geographical market:				
Malaysia	27,607,425	-	1,330,000	28,937,425
China	16,553,222	-	-	16,553,222
Indonesia	141,473	-	-	141,473
Others	454,690	-	-	454,690
	44,756,810	-	1,330,000	46,086,810
2022				
Trading	10,871,085	-	-	10,871,085
Manufacturing	12,694,470	-	-	12,694,470
Retail pharmacy	12,188,774	-	-	12,188,774
Others	-	42,500	-	42,500
	35,754,329	42,500	-	35,796,829
Geographical market:				
Malaysia	22,845,689	42,500	-	22,888,189
China	10,868,954	-	-	10,868,954
Indonesia	382,586	-	-	382,586
Others	1,657,100	-	-	1,657,100
	35,754,329	42,500	-	35,796,829

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

27. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest from fixed deposits				
with licensed banks	17,778	526,879	-	307,992
Interest from other investments	240,020	-	74,858	-
Foreign exchange gain:				
- realised	-	824	-	824
- unrealised	235,071	-	372,928	-
Rental income	115,228	27,600	-	-
Grant received	540,061	-	-	-
Amortisation of deferred capital grant	37,160	405,019	-	-
Gain on dilutions of a subsidiary	65,972	-	-	-
Gain on disposal of quoted shares	561,300	-	-	-
Gain on disposal of property, plant and equipment	130,537	164	-	-
Net income from pre-setup cost from licensee	2,477,437	-	-	-
Other income	1,036,475	281,895	302	-
	5,457,039	1,242,381	448,088	308,816

28. FINANCE COSTS

	Group	
	2023 RM	2022 RM
Finance costs		
Interest on bank overdraft	18,895	5,266
Interest on bankers' acceptance	62,567	21,636
Interest on lease liabilities	207,435	162,891
Interest on term loans	346,637	551,158
Interest on revolving credit	51,470	28,727
	687,004	769,678

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**29. (LOSS)/PROFIT BEFORE TAX**

Loss before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration				
- Current year	330,134	212,289	70,000	61,500
- Under provision in prior years	4,170	-	-	-
- Non-audit	36,000	24,000	36,000	24,000
Allowance for ECLs :				
- Trade receivables	3,533,754	10,930,843	-	-
- Other receivables	5,193,863	-	-	-
- Amount due from subsidiaries	-	-	1,232,455	3,974,350
Reversal of allowance for ECLs:				
- Trade receivables	(2,444,247)	(293,785)	-	-
- Other receivable	-	(47,725)	-	-
Amortisation of intangible assets	2,618,056	2,417,572	-	-
Bad debts written off	14,248	356,705	-	-
Deposits written off	11,463	-	-	-
Fair value loss on quoted shares investments	13,553,153	-	-	-
Fair value loss on biological assets	75,000	516,731	-	-
Depreciation of property, plant and equipment	8,915,160	10,156,011	806	1,306
Loss on disposal of property, plant and equipment	-	2,522	-	-
Inventories written off	18,101	758,789	-	-
Gain on early termination of lease contract	-	(83,717)	-	-
Written off of plantation expenditure	-	2,114,958	-	-
Provision of slow-moving inventories	-	580,730	-	-
Reversal of provision of slow-moving inventories	(10,236)	-	-	-
Impairment of property, plant and equipment	1,133,411	-	-	-
Intangible assets written off	1,423,023	620,520	-	-
Property, plant and equipment written off	388,600	3,289,959	-	-
Staff costs (Note 32)	10,535,885	8,896,701	1,286,359	1,558,609
Loss on foreign exchange:				
- Realised	1,127	824	-	-
- Unrealised	-	981,193	-	147,815
Lease expenses relating to:				
- Low value assets (a)	17,705	-	-	-
- Short-term leases (a)	472,867	-	10,000	-
Share based payment	-	508,444	-	508,444
Loss on dilution of a subsidiary	-	1,439,621	-	-

- (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 recognised right-of-use assets and lease liabilities for these leases

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

30. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	162,400	60,900	12,400	55,000
(Over)/Under provision in priors financial years	(3,273)	48,385	2,444	7,588
	159,127	109,285	14,844	62,588
Deferred tax liabilities				
Origination and reversal of temporary difference	(1,913,062)	(2,229,865)	–	–
Under provision in priors financial years	123,325	2,084,595	–	–
	(1,789,737)	(145,270)	–	–
Total tax (income)/expense	(1,630,610)	(35,985)	14,844	62,588

A reconciliation of income tax expenses applicable to loss 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Loss before tax	(45,278,759)	(48,829,663)	2,747,960	(842,932)
Income tax calculated at tax rate of 24% (2021: 24%)	(10,866,902)	(11,719,119)	659,510	(202,304)
Expenses not deductible for tax purposes	11,501,158	7,086,089	792,890	1,457,135
Income not subject to tax	(3,996,365)	(1,318,414)	(1,440,000)	(1,200,000)
Movement of deferred tax assets not recognised	1,611,447	3,782,479	–	169
(Over)/Under provision of tax expenses in priors financial years	(3,273)	48,385	2,444	7,588
Under provision of deferred tax in priors financial years	123,325	2,084,595	–	–
	(1,630,610)	(35,985)	14,844	62,588

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)**31. 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:

	2023 RM	Group 2022 RM
Loss attributable to owners of Company	(42,000,116)	(47,830,550)
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at 1 January	1,260,849,697	1,155,508,426
Effect of ordinary shares issued during the financial year	3,043,102	105,341,271
Weighted average number of ordinary shares at 31 December	1,263,892,799	1,260,849,697
Basic loss per ordinary shares (in sen)	(3.32)	(3.80)

(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:

	2023 RM	Group 2022 RM
Loss attributable to owners of Company	(42,000,116)	(47,830,550)
Weighted average number of ordinary shares	1,263,892,799	1,260,849,697
Adjustment for incremental shares from assumed conversions:		
SIS		
- Granted on 27 February 2017	1,988,889	1,988,899
- Granted on 16 April 2020	2,275,863	2,275,863
- Granted on 11 October 2022	125,000,000	25,684,932
ICPS	144,468,522	457,078,472
Weighted average number of ordinary shares 31 December (diluted)	1,537,626,073	1,747,877,863
Loss per ordinary shares (in sen)	(2.73)	(2.74)

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

32. STAFF COSTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, wages and other emoluments	9,525,681	7,612,662	1,168,086	960,913
Social security contributions	91,167	74,914	3,119	2,214
Defined contribution plans	953,663	682,985	115,154	87,038
Employment insurance scheme	12,387	17,696	–	–
Share based payment	–	508,444	–	508,444
	10,582,898	8,896,701	1,286,359	1,558,609
Less: Capitalised into:				
- Plantation expenditure (Note 4)	(47,013)	–	–	–
	10,535,885	8,896,701	1,286,359	1,558,609

Included in employee benefits expense of the Group and the Company are executive directors' remuneration amounting to RM1,636,720 and RM1,105,486 (2022: RM1,922,186 and RM1,364,053) respectively.

33. 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:

	Lease liabilities RM	Term loans RM
Group		
At 1 January 2023	4,723,945	4,564,968
Drawdown	2,623,521	–
Repayment	(1,727,707)	(2,041,491)
Foreign exchange translation	173,312	–
At 31 December 2023	5,793,071	2,523,477
Group		
At 1 January 2022	5,204,224	6,956,023
Drawdown	1,756,021	–
Repayment	(1,240,849)	(2,391,055)
Modification of lease term	(963,685)	–
Foreign exchange translation	(31,766)	–
At 31 December 2022	4,723,945	4,564,968

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**34. 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.

(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	
	2023	2022
	RM	RM
Transaction with a subsidiary		
- Dividend income	6,000,000	5,000,000

(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.

35. 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)

35. SEGMENT INFORMATION (CONT'D)

Group	Note	Trading RM	Manufacturing RM	Retail pharmacy RM	Others RM	Total Segments RM	Adjustments and eliminations RM	Consolidated RM
2023								
External customer		16,553,222	14,120,571	14,083,017	1,330,000	46,086,810	-	46,086,810
Inter-segment		-	2,444,882	9,015,555	-	11,460,437	(11,460,437)	-
Total revenue		16,553,222	16,565,453	23,098,572	1,330,000	57,547,247	(11,460,437)	46,086,810
Results								
Finance income		4,007	250,140	3,651	-	257,798	-	257,798
Finance costs		-	476,025	210,979	-	687,004	-	687,004
Depreciation on property, plant and equipment		16,915	7,912,597	985,648	-	8,915,160	-	8,915,160
Amortisation on intangible asset		118,783	2,499,273	-	-	2,618,056	-	2,618,056
Other non-cash item	A	(1,766,305)	(6,138,459)	(230,244)	(636,644)	(8,771,652)	-	(8,771,652)
Segment (loss)/profit		(2,211,324)	(23,883,722)	343,217	-	(25,751,829)	(17,901,940)	(43,653,769)
Assets								
Additions to non-current assets other than financial instruments deferred tax assets	B	3,849,873	5,170,612	217,970	55,859	5,829,375	-	5,829,375
Segment assets	C	13,070,437	442,473,111	15,474,788	-	471,018,336	(307,792,763)	163,225,573
Liabilities								
Segment liabilities	D	7,231,479	262,813,670	20,382,233	-	290,427,382	(256,833,902)	33,593,480

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. SEGMENT INFORMATION (CONT'D)

Group	Note	Trading RM	Manufacturing RM	Retail pharmacy RM	Others RM	Total Segments RM	Adjustments and eliminations RM	Consolidated RM
2022								
External customer		10,871,085	12,694,470	12,188,774	42,500	35,796,829	-	35,796,829
Inter-segment		-	1,085,501	410,855	5,000,000	6,496,356	(6,496,356)	-
Total revenue		10,871,085	13,779,971	12,599,629	5,042,500	42,293,185	(6,496,356)	35,796,829
Results								
Finance income		10,528	206,471	1,888	307,992	526,879	-	526,879
Finance costs		-	(627,690)	(141,928)	(60)	(769,678)	-	(769,678)
Depreciation on property, plant and equipment		(439,432)	(8,932,381)	(772,671)	(11,527)	(10,156,011)	-	(10,156,011)
Amortisation on intangible asset		(127,860)	(2,289,712)	-	-	(2,417,572)	-	(2,417,572)
Other non-cash item	A	(4,283,191)	(14,885,421)	(558,330)	(1,543,827)	(21,270,769)	-	(21,270,769)
Segment loss		(2,926,367)	(36,676,142)	(3,851,529)	(1,338,757)	(44,792,795)	(4,553,715)	(49,346,510)
Assets								
Additions to non-current assets other than financial instruments deferred tax assets	B	5,678,803	7,626,974	321,519	82,395	8,598,691	-	8,598,691
Segment assets	C	18,297,837	255,039,530	4,777,035	193,604,076	471,718,478	(271,068,874)	200,649,604
Liabilities								
Segment liabilities	D	10,370,957	244,843,370	12,264,356	2,659,033	270,137,716	(237,475,189)	32,662,527

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

35. 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:

	2023 RM	Group 2022 RM
Other non-cash item:		
Amortisation of deferred capital grant	37,160	405,019
Bad debts written off	(14,248)	(356,705)
Deposits written off	(11,463)	-
Share based payment	-	(508,444)
Allowance for ECLs:		
- Trade receivables	(3,533,754)	(10,930,843)
- Other receivables	(5,193,863)	-
Reversal allowance for ECLs:		
- Trade receivables	2,444,247	293,785
- Other receivables	-	47,725
Written off of plantation expenditure	-	(2,114,958)
Fair value adjustment on biological assets	(75,000)	(516,731)
Intangible assets written off	(1,316,199)	(620,520)
Impairment of property, plant and equipment	(1,133,411)	-
Inventories written off	(18,101)	(758,789)
Provision of slow-moving inventories	-	(580,730)
Gain/(Loss) on disposal of property, plant and equipment	130,537	(2,522)
Property, plant and equipment written off	(388,600)	(3,289,959)
Unrealised loss/(gain) on foreign exchange	235,071	(981,193)
Gain on early termination of lease contract	-	83,717
Gain/(Loss) on dilution of a subsidiary	65,972	(1,439,621)
	(8,771,652)	(21,270,769)

- B. Additions to non-current assets other than financial instruments consists of:

	2023 RM	Group 2022 RM
Property, plant and equipment	5,441,243	4,902,489
Intangible assets	388,132	3,696,202
	5,829,375	8,598,691

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**35. 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.

	2023	Group
	RM	2022
		RM
Segment assets	157,505,149	194,313,973
Tax recoverable	386,394	1,001,601
Goodwill	5,334,030	5,334,030
Total assets	163,225,573	200,649,604

- D. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position.

	2023	Group
	RM	2022
		RM
Segment liabilities	16,181,543	13,237,646
Deferred tax liabilities	5,520,389	7,310,126
Lease liabilities	5,793,071	4,723,945
Loan and borrowings	6,098,477	6,951,968
Tax payable	-	438,842
Total liabilities	33,593,480	32,662,527

Geographic information

Revenue information based on the geographical location of customer is as follows:

	2023	Group
	RM	2022
		RM
Malaysia	28,937,425	22,888,189
China	16,553,222	10,868,954
Indonesia	141,473	382,586
Others	454,690	1,657,100
Total	46,086,810	35,796,829

Major customer

There are 2 (2022: 1) major customer contributing to RM15,348,430 (2022: RM10,855,997) or more of total revenue of the Group from trading segment.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
At amortised cost				
Financial assets				
Trade receivables	5,635,502	8,944,684	–	–
Other receivables	6,097,634	9,226,571	262	48,244
Amount due from subsidiaries	–	–	190,439,739	188,069,533
Fixed deposits with licensed banks	1,017,551	22,791,034	–	7,500,000
Cash and cash equivalents	10,423,573	16,972,445	482,801	198,125
	23,174,260	57,934,734	190,922,802	195,815,902
At FVTPL				
Financial asset				
Other investments	21,477,010	9,026,826	–	–
At amortised cost				
Financial liabilities				
Loan and borrowings	6,098,477	6,951,968	–	–
Trade payables	4,114,291	4,789,633	–	–
Other payables	10,546,092	7,178,709	826,577	419,237
Amount due to subsidiaries	–	–	12,939,873	20,939,873
	20,758,860	18,920,310	13,766,450	21,359,110

(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.

36. 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 off 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 6 (2022:2) major customers and accounted for approximately 64% (2022: 57%) of trade receivables outstanding

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

36. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objective and policies (Cont'd)

(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.

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
Group					
2023					
<i>Non-derivative financial liabilities</i>					
Term loans	367,408	1,956,384	880,748	3,204,540	2,523,477
Lease liabilities	1,458,584	3,214,659	2,347,367	7,020,610	5,793,071
Trade payables	4,114,291	-	-	4,114,291	4,114,291
Other payables	10,546,092	-	-	10,546,092	10,546,092
Bankers' acceptance	2,575,000	-	-	2,575,000	2,575,000
Revolving credit	1,000,000	-	-	1,000,000	1,000,000
	20,061,375	5,171,043	3,228,115	28,460,533	26,551,931
Financial guarantee*	200,000	-	-	200,000	
2022					
<i>Non-derivative financial liabilities</i>					
Term loans	1,891,163	2,409,205	1,160,340	5,460,708	4,564,968
Lease liabilities	1,401,143	1,827,605	2,676,821	5,905,569	4,723,945
Trade payables	4,789,633	-	-	4,789,633	4,789,633
Other payables	7,178,709	-	-	7,178,709	7,178,709
Bankers' acceptance	1,387,000	-	-	1,387,000	1,387,000
Revolving credit	1,000,000	-	-	1,000,000	1,000,000
	17,647,648	4,236,810	3,837,161	25,721,619	23,644,255
Financial guarantee*	200,000	-	-	200,000	

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**36. 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
Company					
2023					
<i>Non-derivative financial liabilities</i>					
Other payables	826,577	–	–	826,577	826,577
Amount due to subsidiaries	12,939,873	–	–	12,939,873	12,939,873
	13,766,450	–	–	13,766,450	13,766,450
Financial guarantee*	4,405,319	–	–	4,405,319	
2022					
<i>Non-derivative financial liabilities</i>					
Other payables	419,237	–	–	419,237	419,237
Amount due to subsidiaries	20,939,873	–	–	20,939,873	20,939,873
	21,359,110	–	–	21,359,110	21,359,110
Financial guarantee*	4,000,000	–	–	4,000,000	

* 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)

36. 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
Group 2023					
<u>Denominated in</u>					
HKD	–	–	(4,201)	525,518	521,317
CNY	2,644,820	323,443	(8,067)	7,031,441	9,991,637
IDR	78,451	6,093	(66,906)	28,379	46,017
SGD	–	–	–	35,260	35,260
USD	437,460	–	–	204,594	642,054
	3,160,731	329,536	(79,174)	7,825,192	11,236,285
2022					
<u>Denominated in</u>					
HKD	–	4,103	(29,514)	565,442	540,031
CNY	3,730,594	6,834,072	(4,440,681)	14,518,488	20,642,473
IDR	2,670	1,606,042	(60,705)	13,281	1,561,288
SGD	–	–	–	33,984	33,984
USD	3,564,920	4,552,840	–	615,001	8,732,761
	7,298,184	12,997,057	(4,530,900)	15,746,196	31,510,537

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)**36. 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
Company			
2023			
<i>Denominated in</i>			
CNY	22,956,127	32,302	22,988,429
HKD	1,611,156	145,162	1,756,318
USD	15,926,333	575	15,926,908
	<hr/> 40,493,616	<hr/> 178,039	<hr/> 40,671,655
<hr/>			
2022			
<i>Denominated in</i>			
CNY	28,311,674	-	28,311,674
HKD	1,693,274	20	1,693,294
USD	17,827,665	761	17,828,426
	<hr/> 47,832,613	<hr/> 781	<hr/> 47,833,394
<hr/>			

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)

36. 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)

Group	Change in currency rate	Effect on loss before tax	
		2023 RM	2022 RM
HKD	Strengthened 1% (2022: 1%)	5,213	5,400
	Weakened 1% (2022: 1%)	(5,213)	(5,400)
CNY	Strengthened 1% (2022: 1%)	99,916	206,425
	Weakened 1% (2022: 1%)	(99,916)	(206,425)
IDR	Strengthened 1% (2022: 1%)	460	15,613
	Weakened 1% (2022: 1%)	(460)	(15,613)
SGD	Strengthened 1% (2022: 1%)	353	340
	Weakened 1% (2022: 1%)	(353)	(340)
USD	Strengthened 1% (2022: 1%)	6,421	87,328
	Weakened 1% (2022: 1%)	(6,421)	(87,328)
Company			
CNY	Strengthened 1% (2022: 1%)	229,884	283,117
	Weakened 1% (2022: 1%)	(229,884)	(283,117)
HKD	Strengthened 1% (2022: 1%)	17,563	16,933
	Weakened 1% (2022: 1%)	(17,563)	(16,933)
USD	Strengthened 1% (2022: 1%)	159,269	178,284
	Weakened 1% (2022: 1%)	(159,269)	(178,284)

(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)**36. 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:

	Group	
	2023	2022
	RM	RM
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	1,017,551	22,791,034
<hr/>		
<u>Financial liabilities</u>		
Bankers' acceptance	(2,575,000)	(1,387,000)
Lease liabilities	(5,793,071)	(4,723,945)
Revolving credit	(1,000,000)	(1,000,000)
Term loans	-	(85,022)
	(9,368,071)	(7,195,967)
	<hr/>	<hr/>
Net financial assets	(8,350,520)	15,595,067
<hr/>		
Floating rate instruments		
<u>Financial liability</u>		
Term loans	(2,523,477)	(4,479,946)
<hr/>		
	<hr/>	<hr/>
	<hr/>	<hr/>
	Company	
	2023	2022
	RM	RM
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	-	7,500,000
<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 RM25,234 (2022: RM44,799), 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)

36. 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.

	2023 RM	Group	2022 RM
Fair value of financial instruments carried at fair value			
Level 1			
<u>Financial asset</u>			
Other investment	21,477,010		9,026,826

(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)**37. FINANCIAL GUARANTEES**

	2023	Group
	RM	2022
		RM
Group		
Unsecured		
Performance bonds in relation to the management of the Herbal Intergrated Cluster Development	200,000	200,000
Company		
Unsecured		
Corporate guarantees given to the licensed financial institution for credit facility granted to a subsidiary	4,405,319	4,000,000

38. 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:

	2023	Group
	RM	2022
		RM
Total loans and borrowings (Note 20)	6,098,477	6,951,968
Total lease liabilities	5,793,071	4,723,945
Less: Cash and cash equivalents	(10,423,573)	(16,972,445)
Less: Fixed deposits with licensed banks	(1,017,551)	(22,791,034)
Net cash	450,424	(28,087,566)
Total equity	129,632,093	167,987,077
Gearing ratio	0.003	N/A

There were no changes in the Group's approach to capital management during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
(CONT'D)

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

On 8 May 2023, Bioalpha International Sdn. Bhd. ("BISB") a wholly owned subsidiary of Bioalpha Holdings Berhad and its joint venture partner, Suzhou Medicalsystem Technology Co. Ltd. ("MEDIC") had completed an increased paid-up capital of Suzhou BioMedic Biotechnology Co. Ltd. ("BioMedic") from RMB5.0 million (RM3.2 million) to RMB21.1 million (RM13.6 million) via Bioalpha's four proprietary formulations valued at RMB10.1 million (RM6.5 million) through BISB and cash injection of RMB6 million (RM3.9 million) by MEDIC.

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

On 2 December 2023, Bioalpha Wellness Sdn. Bhd. ("Bioalpha Wellness") a wholly owned subsidiary of Bioalpha Holdings Berhad had entered into a Manage and Operate Agreement ("the Agreement") with the Langkawi Development Authority ("LADA") to develop, manage and operate an Agro Park ("the Park") on a piece of leasehold vacant Malay Reserve Land erected on H.S.(D) 1598, PT 506, Bandar Padang Mat Sirat, Daerah Langkawi, Negeri Kedah Darul Aman ("PT 506") and H.S.(D) 1599, PT 507, Bandar Padang Mat Sirat, Daerah Langkawi, Negeri Kedah Darul Aman ("PT 507") measuring approximately 7.98 acres (both PT 506 and PT 507 collectively known as "Property") under a 30-year land use rights granted by LADA ("the Project").

40. SIGNIFICANT EVENTS AFTER THE FINANCIAL YEAR

On 14 February 2024, the Company had increased its issued and paid-up capital by way of Right Issues of 526,099,537 Warrants of RM0.10 each at an issue price of RM0.035 per Rights Share on the basis of 3 Warrants for every 8 existing ordinary shares.

On 19 March 2024, BDSB a wholly owned subsidiary of the Company had disposed its all the shares in RSBSB.

On 5 April 2024, Aluxcare Wellness Sdn. Bhd. had entered into a Sale and Purchase Agreement with MPASB, a wholly owned subsidiary of the Company for the acquisition of the business of three (3) pharmacy outlets including associated rights, properties, assets and inventory for a total purchase consideration of RM4,800,000 ("Proposed Acquisition").

41. COMPARATIVE FIGURES

Certain comparative figures have also been reclassified to conform with current reporting period presentation

	As previously reported RM	Reclassification RM	As restated RM
Group			
Statement of Financial Position for the year ended 31 December 2022			
<u>Non-current assets</u>			
Amount due from subsidiaries	104,068,533	(104,068,533)	-
<u>Current assets</u>			
Amount due from subsidiaries	84,001,000	104,068,533	188,069,533

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 2023 RM'000	Date of last revaluation	Age
Bioalpha International Sdn Bhd	No.10, Jalan P9/A, Seksyen 13, Bandar Baru Bangi, Selangor.	Industrial land with the following buildings erected thereon: <ul style="list-style-type: none"> • a semi-detached two (2)-storey building annexed with an open shed for our manufacturing facility; • two (2) utility cabins for our restroom and surau; and • a guardhouse 	April 30, 2012	8,137 / 11,000	99 years expiring on 20.08.2105	3,317	December 31, 2023	82 years
Mediconstant Pharmacy Sdn Bhd	83, Jalan 34/154, Taman Dahlia, Cheras, 56000, Kuala Lumpur.	Two (2) units of adjoining double storey shop lots for our retail pharmacy	N/A	1,647	Freehold	1,394	December 31, 2023	(1)
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	6,175	December 31, 2023	90 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"> • an administration and management building; • a fertilizer storage facility; • an equipment store cum repair and maintenance workshop; • residential buildings as follows: <ul style="list-style-type: none"> (i) one (1) unit of bungalow; (ii) twelve (12) units of office terrace; (iii) nine (9) units of family terrace; (iv) two (2) blocks of hostel; (v) surau; (vi) convenience store; • common facilities as follows: <ul style="list-style-type: none"> (i) skid tank; (ii) guardhouse; and (iii) water storage tank. 	⁽²⁾ / 123.5 to 1,003 acres	152,527.50 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	⁽³⁾	⁽³⁾
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	8,800 per month	01.02.2023 to 31.01.2025
Mediconstant Pharmacy Sdn Bhd	Natural Options Sdn Bhd	Unit No. 548 & 550, Block A, Kelana Center Point, 3, Jalan Ss7/19, 47301, Petaling Jaya, Selangor.	Two (2) units of office lots for Mediconstant HQ office	3,057	6,000 per month	01.08.2022 to 31.07.2024

(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 1 APRIL 2024

Total Number of Issued Shares	:	1,406,491,096
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share held

DISTRIBUTION OF SHAREHOLDINGS AS AT 1 APRIL 2024

(As per Records of Depositors as at 1 April 2024)

Size of Holding	No. of shareholders	No. of Shares Held	%
1 to 99	754	34,557	0.0025
100 to 1,000	1,009	506,453	0.0360
1,001 to 10,000	3,469	22,201,046	1.5785
10,001 to 100,000	4,478	167,648,935	11.9197
100,001 to <5% of shares	1,062	830,894,183	59.0757
5% and above	3	385,205,922	27.3877
Total	10,775	1,406,491,096	100.0000

SUBSTANTIAL SHAREHOLDERS AS AT 1 APRIL 2024

(As per Register of Substantial Shareholders as at 1 April 2024)

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 Shareholder	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	JOE Holding (M) Investment Limited	150,000,000	10.66	-	-
2	JOE Holding Berhad [^]	-	-	150,000,000	10.66
3	Perbadanan Nasional Berhad	120,855,104	8.59	-	-
4	Malaysian Technology Development Corporation Sdn Bhd	114,350,818	8.13	-	-

Note:

[^] Deemed Interested by virtue of its interest in Joe Holding (M) Investment Limited under Section 8(4) of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS
(CONT'D)

DIRECTORS' INTERESTS IN SHARES AS AT 1 APRIL 2024

(As per Register of Directors' Shareholdings as at 1 April 2024)

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

No.	Name of Director	No. of Shares held		No. of Shares held	
		Direct	%	Indirect	%
1	Hon Tian Kok @ William	46,000,000	3.2706	–	–

LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS

(According to the Records of Depositors as at 1 April 2024)

No.	Name of Shareholders	No. of Shares	%
1	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR FINEXIA SECURITIES LTD	150,000,000	10.6648
2	PERBADANAN NASIONAL BERHAD	120,855,104	8.5927
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
5	UOBM NOMINEES (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED	68,000,000	4.8347
6	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	49,057,600	3.4879
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	G RUBBER SDN. BHD.	30,316,400	2.1555
10	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD	24,000,000	1.7064
11	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CLSA LIMITED (CUST-NON RES)	22,888,800	1.6274
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	14,726,710	1.0471
13	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR MORGAN STANLEY & CO. INTERNATIONAL PLC (IPB CLIENT ACCT)	12,300,000	0.8745
14	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	12,000,000	0.8532
15	HO HUEY CHUIN	10,261,900	0.7296

ANALYSIS OF SHAREHOLDINGS
(CONT'D)**LIST OF TOP 30 LARGEST SECURITIES ACCOUNTS HOLDERS (CONT'D)**

(According to the Records of Depositors as at 1 April 2024)

No.	Name of Shareholders	No. of Shares	%
16	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SOON LAI (MY0871)	9,800,000	0.6968
17	SEAH TIN KIM	9,490,666	0.6748
18	ONG KENG SENG	7,550,000	0.5368
19	KHOR HSIA JOEW	7,000,000	0.4977
20	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM KOK KHONG (AA0039387)	6,600,000	0.4693
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON HEE (E-TCS)	5,428,000	0.3859
22	CAPITAL DYNAMICS ASSET MANAGEMENT SDN BH	5,333,333	0.3792
23	TAN TIO CHENG @ TAN CHOW CHENG	4,740,000	0.3370
24	YUNG BOON HONG @ YANG KOK CHING	4,095,066	0.2912
25	GOH KUANG WEI	3,926,666	0.2792
26	NATASHA NG EU JERN	3,400,000	0.2417
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KANDASAMY A/L PERIASAMY	3,338,100	0.2373
28	M & A NOMINEE (TEMPATAN) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	3,190,700	0.2269
29	WONG SOO CHAI @ WONG CHICK WAI	3,070,300	0.2183
30	TAN HAN CHONG	3,000,000	0.2133

ANALYSIS OF WARRANT B 2024/2027 HOLDINGS

AS AT 1 APRIL 2024

No of Warrant B 2024/2027 Issued : 526,099,537
Maturity Date : 5 February 2027

DISTRIBUTION OF WARRANT HOLDINGS AS AT 1 APRIL 2024

(As per Records of Depositors as at 1 April 2024)

Size of Holding	No. of Warrants B Holders	No. of Warrants B held	%
1 to 99	17	702	0.0001
100 to 1,000	61	23,580	0.0045
1,001 to 10,000	238	1,297,214	0.2466
10,001 to 100,000	357	13,448,447	2.5563
100,001 to < 5% of shares	133	129,362,668	24.5890
5% and above	9	381,966,926	72.6035
Total	815	133,332,785	100.0000

DIRECTORS' WARRANT B HOLDINGS

(As per Register of Directors' Shareholdings as at 1 April 2024)

The particulars of Directors' Warrant B Holdings in the Company are as follows:

No.	Name of Director	No. of Warrants B held		No. of Warrants B held	
		Direct	%	Indirect	%
1	Hon Tian Kok @ William	60,110,000	11.425	–	–

LIST OF TOP 30 LARGEST WARRANTS B HOLDERS

(According to the Records of Depositors as at 1 April 2024)

No.	Name of Warrant B Holders	No. of Warrant B Held	% of Warrant B Held
1	RHB NOMINEES (ASING) SDN BHD EXEMPT AN FOR FINEXIA SECURITIES LTD	56,250,000	10.6919
2	G RUBBER SDN. BHD.	51,368,650	9.7641
3	TA NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	50,360,000	9.5723
4	PERUSAHAAN SAUDEE SDN BHD	46,375,000	8.8149
5	M & A NOMINEE (ASING) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	45,500,000	8.6486
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

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 1 April 2024)

No.	Name of Warrant B Holders	No. of Warrant B Held	% of Warrant B Held
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	26,368,991	5.0122
10	M & A NOMINEE (TEMPATAN) SDN BHD EXEMPT AN FOR SANSTON FINANCIAL GROUP LIMITED (ACCOUNT CLIENT)	16,200,000	3.0793
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HON TIAN KOK @ WILLIAM	9,750,000	1.8533
12	AFFIN WANG NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR LAZARUS SECURITIES PTY LTD	9,000,000	1.7107
13	CITIGROUP NOMINEES (ASING) SDN BHD (199301009138) EXEMPT AN FOR CLSA LIMITED (CUST-NON RES)	8,583,300	1.6315
14	NATASHA NG EU JERN	8,000,000	1.5206
15	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SOON LAI	7,794,500	1.4816
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	5,522,516	1.0497
17	OH GAIK IM	4,500,500	0.8554
18	TAN SOON LAI	4,298,405	0.8170
19	SEAH TIN KIM	3,558,900	0.6765
20	KENANGA NOMINEES (TEMPATAN) SDN BHD LIM KOK KHONG	3,500,000	0.6653
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHOON PING	3,168,700	0.6023
22	KU LIAN SIN	2,900,000	0.5512
23	KHOR HSIA JOEW	2,625,000	0.4990
24	YONG SIEW NGEE	1,500,000	0.2851
25	TEE LAY JING	1,400,000	0.2661
26	TAN TIO CHENG @ TAN CHOW CHENG	1,237,500	0.2352
27	CHONG KAR KHENG	1,228,257	0.2335
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK	1,050,000	0.1996
29	CHE ALIAS BIN MAT	1,000,000	0.1901
30	KENANGA NOMINEES (TEMPATAN) SDN BHD CHOO CHAM YUEN	1,000,000	0.1901

ANALYSIS OF IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”) HOLDINGS

AS AT 1 APRIL 2024

Total number of ICPS issued : 144,468,522
Types of Securities : Irredeemable Convertible Preference Shares (“ICPS”)

DISTRIBUTION OF ICPS SHAREHOLDINGS AS AT 1 APRIL 2024

(As per Records of Depositors as at 1 April 2024)

Size of Holding	No. of ICPS Holders	No. of ICPS Held	%
1 to 99	123	5,464	0.0038
100 to 1,000	152	81,080	0.0561
1,001 to 10,000	692	3,121,330	2.1606
10,001 to 100,000	382	13,036,418	9.0237
100,001 to < 5% of shares	95	63,329,652	43.8363
5% and above	5	64,894,578	44.9195
Total	1,449	144,468,522	100.0000

LIST OF TOP 30 LARGEST ICPS HOLDERS

(According to the Records of Depositors as at 1 April 2024)

No.	Name of ICPS Holders	No. of ICPS Held	% of ICPS Held
1	VOON SZE LIN	18,583,213	12.8632
2	MALAYSIAN TECHNOLOGY DEVELOPMENT CORPORATION SDN BHD	17,867,315	12.3676
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR OOI KENG THYE	10,778,800	7.4610
4	NORHALIM BIN YUNUS	10,000,000	6.9219
5	CARTABAN NOMINEES (TEMPATAN) SDN BHD ICAPITAL.BIZ BERHAD	7,665,250	5.3058
6	GV ASIA FUND LIMITED	6,800,300	4.7071
7	VOON JYE WAH	4,979,400	3.4467
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHENG CHEW GIAP	3,545,012	2.4538
9	LEE CHEE SIONG	3,400,800	2.3540
10	ANG YOOK CHU @ ANG YOKE FONG	3,313,400	2.2935
11	TEO TIEW	2,600,012	1.7997
12	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHOO WEI (E-KUG)	2,530,100	1.7513
13	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR GV ASIA FUND LIMITED (STA 1)	2,025,400	1.4020
14	VOON JYE WAH	1,625,100	1.1249

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 1 April 2024)

No.	Name of ICPS Holders	No. of ICPS Held	% of ICPS Held
15	CHIN JEE YANG	1,500,000	1.0383
16	IFAST NOMINEES (TEMPATAN) SDN BHD VOON JYE YNG	1,348,800	0.9336
17	LIM POH FONG	1,262,600	0.8740
18	LOH YU TE	1,097,600	0.7598
19	KHOR HSIA JOEW	1,088,300	0.7533
20	YONG YOKE FONG	1,055,000	0.7303
21	CHANG YOKE KENG	1,000,000	0.6922
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNTFOR GAN TI WOUI	977,600	0.6767
23	TAN POI GUAN	900,000	0.6230
24	CHAI CHEE FER	889,300	0.6156
25	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHENG KOK SIONG	844,900	0.5848
26	CAPITAL DYNAMICS ASSET MANAGEMENT SDN BHD	833,333	0.5768
27	KOH MEE SENG	800,000	0.5538
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM CHOON EEK	754,700	0.5224
29	APEX NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN KHAI MENG	600,000	0.4153
30	TAN FHEE CHIN	598,200	0.4141

NOTICE OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirteenth (13th) Annual General Meeting of Bioalpha Holdings Berhad (“Bioalpha” or “the Company”) will be held as a fully virtual meeting via live streaming and online remote voting from the Broadcast Venue at No. 1, Jalan Perindustrian Suntrack, Hub Perindustrian Suntrack, Off Jalan P1A, Seksyen 13, Bandar Baru Bangi, 43000 Kajang, Selangor Darul Ehsan, Malaysia on Friday, 7 June 2024 at 10.00 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 2023 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 RM550,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 13th AGM until the conclusion of the next AGM of the Company in the year 2025. *(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. Ho Tze Hiung *(Ordinary Resolution 2)*
 - ii. Goh Siow Cheng *(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. Dato’ Haji Mohd Yazid Bin Haji Mustafa *(Ordinary Resolution 4)*
 - ii. Tan Su Ning *(Ordinary Resolution 5)*
5. To re-appoint Messrs ChengCo PLT 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 approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 (“the Act”) read together with Clause 61 of the Company’s Constitution.

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 THIRTEENTH (13TH) ANNUAL GENERAL MEETING
(CONT'D)**7. PROPOSED GRANTING OF SHARE ISSUANCE SCHEME ("SIS") OPTIONS TO DATUK CHONG LOONG MEN** *(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 Datuk Chong Loong Men, 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 him 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 Datuk Chong Loong Men, as long as Datuk Chong Loong Men 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 MR YEE YIT YANG *(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 Mr Yee Yit Yang, being Independent Non-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 his 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 Mr Yee Yit Yang, as long as Mr Yee Yit Yang 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. PROPOSED GRANTING OF SIS OPTIONS TO DATO' HAJI MOHD YAZID BIN HAJI MUSTAFA *(Ordinary Resolution 10)*

"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 Dato' Haji Mohd Yazid Bin Haji Mustafa, being Independent Non-Executive Chairman 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 him 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 Dato' Haji Mohd Yazid Bin Haji Mustafa, as long as Dato' Haji Mohd Yazid Bin Haji Mustafa, 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."

NOTICE OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING
(CONT'D)10. **PROPOSED GRANTING OF SIS OPTIONS TO MS TAN SU NING***(Ordinary Resolution 11)*

"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 Tan Su Ning, being Independent Non-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 Tan Su Ning, as long as Ms Tan Su Ning either singly or collectively through persons connected with her (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."

11. To transact any other business of which due notices 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

Date: 30 April 2024

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 31 May 2024 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.*

NOTICE OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING
(CONT'D)**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 13th AGM until the next AGM of the Company in the year 2025.

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 in accordance with 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 at least once 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.

Mr Ho Tze Hiung and Ms Goh Siow Cheng are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election.

For the purpose of determining the eligibility of the Directors to stand for re-election at the 13th AGM, the Nomination Committee has considered and recommended Mr Ho Tze Hiung and Ms Goh Siow Cheng for re-election as Directors pursuant to Clause 105(1) of the Company's Constitution.

4. Ordinary Resolutions 4 to 5 - Re-election of Directors who retire in accordance with 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.

Dato' Haji Mohd Yazid Bin Haji Mustafa and Ms Tan Su Ning were appointed on 4 September 2023 as the Independent Non-Executive Directors of the Company respectively.

NOTICE OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING
(CONT'D)**5. 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 12th Annual General Meeting held on 7 June 2023 and which will lapse at the conclusion of the 13th Annual General Meeting.

As of the date of this Notice, no new ordinary shares were issued and allotted pursuant to the mandate granted to the Directors at the 12th AGM held on 7 June 2023 which will lapse at the conclusion of this 13th AGM.

Section 85(1) of the Companies Act 2016 provides as follows:

"85. Pre-emptive rights to new shares

- 1) *Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders."*

Clause 61 of the Company's Constitution provides as follows:

"Subject to any direction to the contrary that may be given by the Company in general meeting, all new shares or other convertible Securities shall, before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or Securities to which they are entitled. The offer shall be made by notice specifying the number of shares or Securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or Securities offered, the Directors may dispose of those shares or Securities in such manner as they think most beneficial to the Company. The Directors may, likewise, also dispose of any new shares or Securities which (by reason of the ratio which the new shares or Securities bear to shares or Securities held by persons entitled to an offer of new shares or Securities) cannot, in the opinion of the Directors, be conveniently offered under this Clause."

By voting in favour of the proposed ordinary resolution 7, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Companies Act, 2016 and Clause 61 of the Company's Constitution to be first offered any new shares ranking equally to the existing issued shares of the Company which will result in a dilution of their shareholding percentage in the Company.

NOTICE OF THE THIRTEENTH (13TH) ANNUAL GENERAL MEETING
(CONT'D)**6. Ordinary Resolutions 8 to 11 – Proposed Granting of SIS Options to Directors of the Company**

Ordinary Resolutions 8 to 11 are to seek shareholders' approval for the Company to offer and grant SIS Options to the Directors of the Company, namely Datuk Chong Loong Men (appointed on 1 June 2022 as Executive Director), Mr Yee Yit Yang (appointed on 1 June 2022 as Independent Non-Executive Director ("IND")), Dato' Haji Mohd Yazid Bin Haji Mustafa (appointed on 4 September 2023 as Independent Non-Executive Chairman) and Ms Tan Su Ning (appointed on 4 September 2023 as the IND) to participate in the SIS in accordance with the AMLR of Bursa Securities.

The Directors of the Company namely, Datuk Chong Loong Men Mr Yee Yit Yang, Dato' Haji Mohd Yazid Bin Haji and Ms Tan Su Ning are deemed interested in the respective resolutions on the grant of SIS Options to themselves and accordingly have abstained and shall continue to abstain from deliberation and voting in respect of themselves direct and indirect interest in the Company and will ensure that persons connected with them will abstain from voting in respect of their direct and indirect interest in the Company, in the respective allocation to them.

STATEMENT ACCOMPANYING NOTICE OF
ANNUAL GENERAL MEETING
(PURSUANT TO RULE 8.29 OF AMLR OF BURSA SECURITIES)

The Directors who are standing for re-election at the 13th AGM are Mr Ho Tze Hiung and Ms Goh Siow Cheng. The profiles of the Directors are set out in the Annual Report of the Company.

No individual seeking for election as a director other than the Directors are seeking for re-election and retention as a director at the 13th 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. Please refer to the Proposed Ordinary Resolution 7 as stated in the Notice of the 13th AGM of the Company for details.



BIOALPHA HOLDINGS BERHAD
[Registration No. 201101021398 (949536-X)]
(Incorporated in Malaysia)

PROXY 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 2 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 2 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 Thirteenth (13th) Annual General Meeting of Bioalpha Holdings Berhad ("Bioalpha" or "the Company") will be held as a fully virtual meeting via live streaming and online remote voting from the Broadcast Venue at No. 1, Jalan Perindustrian Suntrack, Hub Perindustrian Suntrack, Off Jalan P1A, Seksyen 13, Bandar Baru Bangi, 43000 Kajang, Selangor Darul Ehsan, Malaysia on Friday, 7 June 2024 at 10.00 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 RM550,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 13 th AGM until the conclusion of the next AGM of the Company in the year 2025.	Ordinary Resolution 1		
2.	Re-election of Mr Ho Tze Hiung as Director	Ordinary Resolution 2		
3.	Re-election of Ms Goh Siow Cheng as Director	Ordinary Resolution 3		
4.	Re-election of Dato' Haji Mohd Yazid Bin Haji Mustafa as Director	Ordinary Resolution 4		
5.	Re-election of Ms Tan Su Ning as Director	Ordinary Resolution 5		
6.	Re-appointment of Messrs. ChengCo PLT 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 Datuk Chong Loong Men	Ordinary Resolution 8		
9.	Proposed Granting of SIS Options to Mr Yee Yit Yang	Ordinary Resolution 9		
10.	Proposed Granting of SIS Options to Dato' Haji Mohd Yazid Bin Haji Mustafa	Ordinary Resolution 10		
11.	Proposed Granting of SIS Options to Ms Tan Su Ning	Ordinary Resolution 11		

* Delete if not applicable

Signed on this _____ day of _____ 2024.

Signature/ Common Seal of Shareholder

- 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.
- 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.
- 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.
- 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.
- 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.
- Only the members whose names appear on the Record of Depositors as at 31 May 2024 shall be entitled to attend and vote at this meeting or appoint proxy(ies) to attend and vote on their behalf.
- 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.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Share Registrar
BIOALPHA HOLDINGS BERHAD
[Registration No. 201101021398 (949536-X)]
c/o Workshire Share Registration Sdn Bhd
A3-3-8, Solaris Dutamas,
No. 1, Jalan Dutamas 1,
50480 Kuala Lumpur,
Wilayah Persekutuan

1st fold here



The First Step to Overall Wellness

SHAREHOLDER EXCLUSIVE



BIOALPHA HOLDINGS BERHAD

Registration No. 201101021398 (949536-X)
STOCK CODE: BIOHLDG (0179)

apotec range

**BUY 1
FREE 1**



Valid until December 31, 2024.

*T & C apply.