

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

No securities will be allotted or issued based on this Abridged Prospectus after 6 months from the date of this Abridged Prospectus.

THIS ABRIDGED PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS ABRIDGED PROSPECTUS. IF IN DOUBT AS TO THE ACTION YOU SHOULD TAKE, PLEASE CONSULT A PROFESSIONAL ADVISER IMMEDIATELY. FOR INFORMATION CONCERNING RISK FACTORS WHICH SHOULD BE CONSIDERED BY PROSPECTIVE INVESTORS, PLEASE REFER TO "RISK FACTORS" AS SET OUT IN SECTION 6 HEREIN. If you have sold or transferred all your shares in our Company, you should immediately hand this Abridged Prospectus together with the NPA and RSF (collectively referred to as "Documents") to the purchaser or transferee or agent/broker through whom you have effected the sale or transfer for onward transmission to the purchaser or transferee. You should address all enquiries concerning the Rights Issues to our Share Registrar, Boardroom Share Registrars Sdn Bhd, at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor.

The Documents are only despatched to our Entitled Shareholders whose names appear in our Record of Depositors as at 5.00 p.m. on 23 April 2021 at their registered addresses in Malaysia or who have provided our Share Registrar with their Malaysian addresses in writing by 5.00 p.m. on 23 April 2021. The Documents are not intended to be (and will not be) issued, circulated or distributed in any countries or jurisdictions other than Malaysia. No action has been or will be taken to ensure that the Rights Issues or the Documents comply with the laws of any countries or jurisdictions other than the laws of Malaysia. The Documents do not constitute an offer, solicitation or invitation to subscribe for the Rights Issues in any jurisdiction other than Malaysia or to any person to whom it may be unlawful to make such an offer, solicitation or invitation. It shall be the sole responsibility of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) who are residents in countries or jurisdictions other than Malaysia to consult their legal and/or other professional adviser as to whether their acceptance and/or renunciation (as the case may be) of their entitlement to the Rights Issues would result in the contravention of any laws of such countries or jurisdictions. Such Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) should note the additional terms and restrictions as set out in Section 10 of this Abridged Prospectus. Neither our Company, Principal Adviser nor any other professional advisers to the Rights Issues shall accept any responsibility or liability whatsoever to any party in the event that any acceptance and/or sale/renunciation made by the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) is or shall become illegal, unenforceable, voidable or void in any such countries or jurisdictions in which the said Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) are residents.

This Abridged Prospectus has been registered by the SC. The registration of this Abridged Prospectus should not be taken to indicate that the SC recommends the Rights Issues or assumes responsibility for the correctness of any statement made, opinion expressed or report contained in this Abridged Prospectus. The SC has not, in any way, considered the merits of the Rights Issues. The Documents have also been lodged with the Registrar of Companies who takes no responsibility for the contents of the Documents.

Our shareholders have approved the Rights Issues at our EGM held on 6 April 2021. Approval has also been obtained from Bursa Securities vide its letter dated 8 March 2021 for, among others, the admission of Rights ICPS to the Official List of Bursa Securities as well as the listing of and quotation for the Rights Shares, Rights ICPS and new Bioalpha Shares to be issued upon the conversion of the Rights ICPS on the ACE Market of Bursa Securities. Admission to the Official List of Bursa Securities and quotation of the new securities are not to be taken as an indication of the merits of the Rights Issues. Bursa Securities takes no responsibility for the correctness of any statement made or opinion expressed in the Documents. The listing of and quotation for the Rights Shares and Rights ICPS will commence after, amongst others, receipt of confirmation from Bursa Depository that all the CDS accounts of the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable) have been duly credited with the relevant securities allotted to them and notices of allotment have been despatched to the Entitled Shareholders and/or their renounee(s)/transferee(s) (if applicable).

The SC is not liable for any non-disclosure on our part and takes no responsibility for the contents of this Abridged Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Abridged Prospectus.



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

- (I) **RENOUNCEABLE RIGHTS ISSUE OF UP TO 83,335,241 NEW ORDINARY SHARES IN BIOALPHA HOLDINGS BERHAD AT AN ISSUE PRICE OF RM0.20 EACH ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 15 EXISTING BIOALPHA SHARES HELD AS AT 5.00 P.M. ON 23 APRIL 2021; AND**
- (II) **RENOUNCEABLE RIGHTS ISSUE OF UP TO 208,338,103 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN BIOALPHA AT AN ISSUE PRICE OF RM0.02 EACH ON THE BASIS OF 1 RIGHTS ICPS FOR EVERY 6 EXISTING BIOALPHA SHARES HELD AS AT 5.00 P.M. ON 23 APRIL 2021**

Principal Adviser

TA SECURITIES

AN UNWAVERING COMMITMENT

TA SECURITIES HOLDINGS BERHAD (14948-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

IMPORTANT RELEVANT DATES AND TIMES

Entitlement date	: Friday, 23 April 2021 at 5.00 p.m.
Last date and time for:	
Sale of provisional allotment of rights	: Monday, 3 May 2021 at 5.00 p.m.
Transfer of provisional allotment of rights	: Wednesday, 5 May 2021 at 4.30 p.m.
Acceptance and payment	: Tuesday, 11 May 2021 at 5.00 p.m.
Excess application and payment	: Tuesday, 11 May 2021 at 5.00 p.m.

This Abridged Prospectus is dated 23 April 2021

All terms and abbreviations used herein shall have the same meanings as those defined in the "Definitions" section of this Abridged Prospectus unless stated otherwise.

OUR BOARD HAS SEEN AND APPROVED ALL THE DOCUMENTATION RELATING TO THE RIGHTS ISSUES. OUR BOARD COLLECTIVELY AND INDIVIDUALLY ACCEPTS FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION, HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, OUR BOARD CONFIRMS THAT THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS WHICH IF OMITTED, WOULD MAKE ANY STATEMENT IN THIS ABRIDGED PROSPECTUS FALSE OR MISLEADING.

TA SECURITIES, BEING THE PRINCIPAL ADVISER FOR THE RIGHTS ISSUES, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS ABRIDGED PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE RIGHTS ISSUES.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

YOU SHOULD NOTE THAT YOU MAY SEEK RECOURSE UNDER SECTIONS 248, 249 AND 357 OF THE CMSA FOR BREACHES OF SECURITIES LAWS INCLUDING ANY STATEMENT IN THE ABRIDGED PROSPECTUS THAT IS FALSE, MISLEADING, OR FROM WHICH THERE IS A MATERIAL OMISSION, OR FOR ANY MISLEADING OR DECEPTIVE ACT IN RELATION TO THIS ABRIDGED PROSPECTUS OR THE CONDUCT OF ANY OTHER PERSON IN RELATION TO OUR COMPANY.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC ON THE PREMISE OF FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE RIGHTS ISSUES, FOR WHICH ANY PERSON SET OUT IN SECTION 236 OF THE CMSA, IS RESPONSIBLE.

THE DISTRIBUTION OF THE DOCUMENTS IS SUBJECT TO LAWS OF MALAYSIA. WE AND OUR ADVISERS ARE NOT RESPONSIBLE FOR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT TAKEN ANY ACTION TO PERMIT AN OFFERING OF OUR SECURITIES BASED ON THE DOCUMENTS OR THE DISTRIBUTION OF THE DOCUMENTS OUTSIDE OF MALAYSIA. THE DOCUMENTS MAY NOT BE USED FOR AN OFFER TO SELL OR AN INVITATION TO BUY OUR SECURITIES IN ANY COUNTRY OR JURISDICTION OTHER THAN MALAYSIA. WE AND OUR ADVISERS REQUIRE YOU TO BE INFORMED AND TO OBSERVE SUCH RESTRICTIONS.

THE DOCUMENTS HAVE BEEN PREPARED AND PUBLISHED SOLELY FOR THE RIGHTS ISSUES UNDER THE LAWS OF MALAYSIA. WE AND OUR ADVISERS HAVE NOT AUTHORISED ANYONE TO PROVIDE YOU WITH INFORMATION WHICH IS NOT CONTAINED IN THE DOCUMENTS.

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DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Abridged Prospectus and the accompanying appendices:

COMPANIES:

“Bioalpha” or “Company”	: Bioalpha Holdings Berhad
“Bioalpha Hainan”	: Bioalpha (Hainan) Health Biotechnology Limited, a wholly-owned subsidiary of Bioalpha (HK), which in turn is a wholly-owned subsidiary of our Company
“Bioalpha HK”	: Bioalpha (HK) Limited, a wholly-owned subsidiary of our Company
“Bioalpha Group” or “Group”	: Our Company and our subsidiaries, collectively
“Bursa Depository”	: Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	: Bursa Malaysia Securities Berhad
“GYHX”	: Guizhou Yuhexin Trading Ltd.
“HSFF”	: Hainan Shifengfu Co., Ltd.
“MTDC”	: Malaysian Technology Development Corporation Sdn Bhd
“PNS”	: Perbadanan Nasional Berhad
“SC”	: Securities Commission Malaysia
“Share Registrar”	: Boardroom Share Registrars Sdn Bhd
“SMITH ZANDER”	: Smith Zander International Sdn Bhd, an independent market researcher
“TA Securities” or “Principal Adviser”	: TA Securities Holdings Berhad

GENERAL:

“5D-VWAP”	: 5-day volume weighted average market price of Bioalpha Shares
“Abridged Prospectus”	: This Abridged Prospectus dated 23 April 2021 issued by our Company in relation to the Rights Issues
“Act”	: Companies Act 2016, as amended from time to time and any re-enactment thereof
“Announcement”	: Announcement dated 19 January 2021 in relation to the Corporate Exercises
“Additional Warrants”	: Up to 1,251,454 additional Warrants 2017/2022 in our Company pursuant to the Adjustments
“Adjustments”	: Adjustments to the exercise prices and numbers of Warrants 2017/2022, SIS Options A and SIS Options B consequent to the Rights Issues, in accordance with the provisions of the Deed Poll and By-Laws
“ATM”	: Automated teller machine within Malaysia

DEFINITIONS (CONT'D)

“Authorised Nominee”	: A person who is authorised to act as a nominee as defined under the Rules of Bursa Depository
“Bioalpha Shares” or “Shares”	: Ordinary shares in our Company
“Board”	: Board of Directors of our Company
“By-Laws”	: By-Laws governing the share issuance scheme of our Company
“Cash Conversion”	: Conversion of a combination of 1 ICPS and cash payment of RM0.20, into 1 new Bioalpha Share
“Cashless Conversion”	: Conversion of 11 ICPS into 1 new Bioalpha Share
“CDS”	: Central Depository System
“Closing Date”	: 11 May 2021 at 5.00 p.m., being the last date and time for the acceptance of and payment for the Provisional Rights Shares and/ or Provisional Rights ICPS as well as excess Rights Shares and/or excess Rights ICPS
“China”	: People’s Republic of China
“CMSA”	: Capital Markets and Services Act 2007
“Code”	: Malaysian Code on Take-overs and Mergers 2016
“Constitution”	: Constitution of our Company
“Constitution Amendments”	: Amendments to the Constitution of Bioalpha to facilitate the issuance of the ICPS
“Conversion Price”	: Conversion price for the ICPS into 1 new Bioalpha Share
“Conversion Ratio”	: Conversion ratio for the ICPS into 1 new Bioalpha Share, by way of either the Cash Conversion or Cashless Conversion
“Corporate Exercises”	: Rights Issue of Shares, Rights Issue of ICPS, Placement of ICPS, Constitution Amendments and Deed Poll Amendments, collectively
“Deed Poll”	: Deed poll dated 23 November 2016 constituting our Company’s Warrants 2017/2022
“Deed Poll Amendments”	: Amendments to the Deed Poll to align the Deed Poll with the provisions of the Act
“Director”	: A natural person who holds a directorship in our Company, whether in an executive or non-executive capacity, and shall have the meaning given in Section 2(1) of the Act and Section 2(1) of the CMSA
“Documents”	: This Abridged Prospectus and accompanying NPA and RSF, collectively
“EGM”	: Extraordinary general meeting of our Company held on 6 April 2021
“Entitled Shareholders”	: Our shareholders whose names appear in our Company’s Record of Depositors on the Entitlement Date
“Entitlement Date”	: 23 April 2021 at 5.00 p.m., being the date and time on which our shareholders must be registered in the Record of Depositors of our Company in order to be entitled to the Rights Issues

DEFINITIONS (CONT'D)

“EPS”	: Earnings per Bioalpha Share
“e-RSF”	: Electronic RSF
“Electronic Application”	: Application for the Rights Shares, Rights ICPS and/or excess Rights Shares and excess Rights ICPS through the ATMs of Participating Financial Institutions
“GDP”	: Gross Domestic Product
“Foreign Addressed Shareholders”	: Entitled Shareholders who have not provided an address in Malaysia for the service of the Documents
“FYE”	: Financial year ended / ending, as the case may be
“ICPS”	: Rights ICPS and Placement ICPS, collectively
“IMR Report”	: Independent market research report on the health supplement manufacturing industry in Malaysia and the health supplement market in Malaysia, Indonesia and China, prepared by SMITH ZANDER
“LAT”	: Loss after taxation attributable to the owners of our Company
“LBT”	: Loss before taxation
“Listing Requirements”	: ACE Market Listing Requirements of Bursa Securities
“LPD”	: 25 March 2021, being the latest practicable date prior to the registration of this Abridged Prospectus
“LPS”	: Loss per Bioalpha Share
“LTD”	: 6 April 2021, being the last trading day prior to the date of fixing of the issue prices of the Rights Shares and Rights ICPS as well as Conversion Price for the Rights ICPS
“Market Day”	: Any day between Monday to Friday (inclusive of both days) (excluding Saturday, Sunday and public holiday) and a day on which Bursa Securities is open for trading in securities
“Maturity Date”	: The day immediately preceding the 5 th anniversary from the date of issuance of the ICPS
“Maximum Scenario”	: Scenario whereby it is collectively the Maximum Scenario (Shares), Maximum Scenario (Rights ICPS) and all Placement ICPS are subscribed by Willian Hon pursuant to his Placement ICPS Undertaking
“Maximum Scenario (Shares)”	: 83,335,241 Rights Shares to be issued, after taking into consideration the following: <ul style="list-style-type: none">(i) our Company’s issued share capital of RM135,824,495.50 comprising 1,110,470,832 Bioalpha Shares as at the LPD;(ii) assuming 133,332,785 Warrants 2017/2022 are fully exercised into 133,332,785 new Shares prior to the Entitlement Date;(iii) assuming 2,175,000 SIS Options A are fully exercised into new 2,175,000 Shares prior to the Entitlement Date;

DEFINITIONS (CONT'D)

- (iv) assuming 4,050,000 SIS Options B are fully exercised into new 4,050,000 Shares prior to the Entitlement Date; and
- (v) all the Entitled Shareholders subscribing in full for their entitlements of Rights Shares
- “Maximum Scenario (Rights ICPS)” : 208,338,103 Rights ICPS to be issued, after taking into consideration the following:
- (i) our Company’s issued share capital of RM135,824,495.50 comprising 1,110,470,832 Bioalpha Shares as at the LPD;
- (ii) assuming 133,332,785 Warrants 2017/2022 are fully exercised into 133,332,785 new Shares prior to the Entitlement Date;
- (iii) assuming 2,175,000 SIS Options A are fully exercised into 2,175,000 new Shares prior to the Entitlement Date;
- (iv) assuming 4,050,000 SIS Options B are fully exercised into 4,050,000 new Shares prior to the Entitlement Date; and
- (v) all the Entitled Shareholders subscribe for their entitlements of Rights ICPS in full
- “MCO” : Movement control order issued by the Malaysian government under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967
- “Minimum Scenario” : Scenario whereby it is collectively the Minimum Scenario (Shares), Minimum Scenario (Rights ICPS) and all Placement ICPS are subscribed by Directors in accordance with the allocations of Placement ICPS
- “Minimum Scenario (Rights ICPS)” : 130,000,000 Rights ICPS to be issued, after taking into consideration the following:
- (i) our Company’s issued share capital of RM135,824,495.50 comprising 1,110,470,832 Bioalpha Shares as at the LPD;
- (ii) assuming none of our Company’s 133,332,785 Warrants 2017/2022, 2,175,000 SIS Options A and 4,050,000 SIS Options B are exercised into new Bioalpha Shares prior to the Entitlement Date; and
- (iii) subscription by William Hon pursuant to his Rights ICPS Undertaking such that the minimum subscription level of the Rights Issue of ICPS is 130,000,000 Rights ICPS, and no other Entitled Shareholders subscribing for their entitlements of Rights ICPS
- “Minimum Scenario (Shares)” : 13,000,000 Rights Shares to be issued, after taking into consideration the following:
- (i) our Company’s issued share capital of RM135,824,495.50 comprising 1,110,470,832 Bioalpha Shares as at the LPD;

DEFINITIONS (CONT'D)

- (ii) assuming none of our Company's 133,332,785 Warrants 2017/2022, 2,175,000 SIS Options A and 4,050,000 SIS Options B are exercised into new Bioalpha Shares prior to the Entitlement Date; and
- (iii) subscription by William Hon pursuant to his Shares Undertaking such that the minimum subscription level of the Rights Issue of Shares is 13,000,000 Rights Shares, and no other Entitled Shareholders subscribing for their entitlements of Rights Shares
- “NA” : Net assets attributable to the owners of our Company
- “NPA” : Notice of provisional allotment in relation to the Rights Issues
- “NRS” : Nominee Rights Subscription service offered by Bursa Depository, at the request of our Company, to Authorised Nominees for electronic subscription of Rights Issues through Bursa Depository's existing network facility with the Authorised Nominees
- “Official List” : A list specifying all securities listed on the ACE Market of Bursa Securities
- “PAT” : Profit after taxation attributable to the owners of our Company
- “PBT” : Profit before taxation
- “Placement ICPS” : Up to 290,000,000 new ICPS to be issued pursuant to the Placement of ICPS
- “Placement ICPS Undertaking” : An unconditional and irrevocable written undertaking dated 19 January 2021 from William Hon that he:
- (i) will subscribe in full for his allocation of 220,000,000 Placement ICPS;
- (ii) will subscribe for up to 70,000,000 additional Placement ICPS which are not subscribed by the other Directors; and
- (iii) has sufficient financial resources to fulfil his Placement ICPS Undertaking
- “Placement of ICPS” : Private placement of up to 290,000,000 Placement ICPS to the Directors of Bioalpha at an issue price to be fixed and announced by the Board
- “Provisional Rights ICPS” : Rights ICPS provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of ICPS
- “Provisional Rights Securities” : Provisional Rights Shares and/or Provisional Rights ICPS
- “Provisional Rights Shares” : Rights Shares provisionally allotted to the Entitled Shareholders pursuant to the Rights Issue of Shares
- “R&D” : Research and development
- “Record of Depositors” : A record of securities holders established by Bursa Depository under the Rules of Bursa Depository

DEFINITIONS (CONT'D)

- “Rights Entitlement File” : An electronic file forwarded by Bursa Depository to an Authorised Nominee who has subscribed for NRS, containing information of such Authorised Nominee's entitlement under the Rights Issues as at the Entitlement Date
- “Rights ICPS” : Up to 208,338,103 new ICPS to be issued pursuant to the Rights Issue of ICPS
- “Rights ICPS Undertaking” : An unconditional and irrevocable written undertaking dated 19 January 2021 from William Hon that he:
- (i) will subscribe in full for his entitlement of the Rights ICPS;
 - (ii) will subscribe for additional Rights ICPS which are not subscribed by other Entitled Shareholders, by way of excess application, to such extent the minimum subscription level for the Rights Issue of ICPS is 130,000,000 Rights ICPS;
 - (iii) has sufficient financial resources to fulfil his Rights ICPS Undertaking; and
 - (iv) will not transfer, dispose of or reduce his existing shareholding of Shares from the date of the announcement of the Rights Issue of ICPS and up to the Entitlement Date
- “Rights Issue of ICPS” : Renounceable rights issue of up to 208,338,103 Rights ICPS on the basis of 1 Rights ICPS for every 6 existing Bioalpha Shares held on the Entitlement Date at an issue price of RM0.02 per Rights ICPS
- “Rights Issue of Shares” : Renounceable rights issue of up to 83,335,241 Rights Shares on the basis of 1 Rights Share for every 15 existing Bioalpha Shares held on the Entitlement Date at an issue price of RM0.20 per Rights Share
- “Rights Issues” : Rights Issue of Shares and Rights Issue of ICPS, collectively
- “Rights Shares” : Up to 83,335,241 new Bioalpha Shares to be issued pursuant to the Rights Issue of Shares
- “Rights Subscription File” : An electronic file submitted by an Authorised Nominee who has subscribed for NRS, to Bursa Depository containing information pertaining to such Authorised Nominee's subscription of the Rights Shares and/or Rights ICPS
- “RM” and “sen” : Ringgit Malaysia and sen, respectively
- “RMB” : Renminbi
- “RSF” : Rights subscription form in relation to the Rights Issues
- “Rules of Bursa Depository” : Rules of Bursa Depository as issued pursuant to SICDA
- “Rules” : Rules on Take-overs, Mergers and Compulsory Acquisitions
- “Shares Undertaking” : An unconditional and irrevocable written undertaking dated 19 January 2021 from William Hon that he:
- (i) will subscribe in full for his entitlement of the Rights Shares;

DEFINITIONS (CONT'D)

- (ii) will subscribe for additional Rights Shares which are not subscribed by other Entitled Shareholders, by way of excess application, to such extent that the minimum subscription level for the Rights Issue of Shares is 13,000,000 Rights Shares;
 - (iii) has sufficient financial resources to fulfil his Shares Undertaking; and
 - (iv) will not transfer, dispose of or reduce his existing shareholding of Bioalpha Shares from the date of the announcement and up to the Entitlement Date
- “SICDA” : Securities Industry (Central Depositories) Act 1991
- “SIS Options A” : 2,175,000 outstanding share issuance scheme options of our Company which are exercisable into 2,175,000 new Bioalpha Shares at RM0.205 each
- “SIS Options B” : 4,050,000 outstanding share issuance scheme options of our Company which are exercisable into 4,050,000 new Bioalpha Shares at RM0.105 each
- “TEAP” : Theoretical ex-all price of Bioalpha Shares
- “Undertakings” : Shares Undertaking and Rights ICPS Undertaking, collectively
- “Warrants 2017/2022” : 133,332,785 outstanding warrants 2017/2022 of our Company as constituted by the Deed Poll and expiring on 5 January 2022
- “Warrant Holders” : Holders of the Warrants
- “William Hon” : Hon Tian Kok @ William

All references to “our Company” and/or “Bioalpha” in this Abridged Prospectus are to Bioalpha. References to “our Group” and/or “Bioalpha Group” are to Bioalpha and our subsidiaries and references to “we”, “us” “our” and “ourselves” are to Bioalpha and where the context does require, shall include our subsidiaries.

All references to “you” or “your” in this Abridged Prospectus are to Entitled Shareholders and/or, where the context requires otherwise, their renounee(s) and/or transferee(s).

Words incorporating the singular shall, where applicable, include the plural and vice versa. Words incorporating the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Any reference to persons shall include a corporation, unless otherwise specified.

Any reference in this Abridged Prospectus to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of a day in this Abridged Prospectus shall be reference to Malaysian time, unless otherwise specified.

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ADVISERS' DIRECTORY

- PRINCIPAL ADVISER** : TA Securities Holdings Berhad
32nd Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel. no.: 03-2072 1277
Fax. no.: 03-2026 0127
- SOLICITORS FOR RIGHTS ISSUES** : Chooi & Company + Cheang & Ariff
Level 5, Menara BRDB
285, Jalan Maarof
Bukit Bandaraya
59000 Kuala Lumpur
Tel. no.: 03-2055 3888
Fax. no.: 03-2055 3880
- SHARE REGISTRAR** : Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13
46200 Petaling Jaya
Selangor
Tel. no.: 03-7890 4700
Fax. no.: 03-7890 4670
- COMPANY SECRETARIES** : Tan Tong Lang (MAICSA 7045482)
(SSM PC No. 201908002253)
Thien Lee Mee (LS0009760)
(SSM PC No. 201908002254)
- Boardroom.com Sdn Bhd
Level 5, Block B, Dataran PHB, Saujana Resort
Section U2, 40150 Shah Alam
Selangor
Tel: 03-7890 0638
Fax: 03-7890 1032
- INDEPENDENT MARKET RESEARCHER** : Smith Zander International Sdn Bhd
15-01, Level 15, Menara MBBR
1, Jalan Syed Putra
58000 Kuala Lumpur
Tel. no.: 03-2732 7537
Fax. no.: -
- Managing Partner: Dennis Tan Tze Wen
(Bachelor of Science from Memorial University of
Newfoundland, Canada)
- STOCK EXCHANGE LISTING** : ACE Market of Bursa Securities

SUMMARY OF RIGHTS ISSUES

THIS SUMMARY OF RIGHTS ISSUES ONLY HIGHLIGHTS THE KEY INFORMATION FROM OTHER PARTS OF THIS ABRIDGED PROSPECTUS. AS THIS SUMMARY DOES NOT CONTAIN ALL INFORMATION THAT MAY BE IMPORTANT TO YOU. YOU SHOULD READ AND UNDERSTAND THE CONTENTS OF THE ENTIRE ABRIDGED PROSPECTUS.

RIGHTS ISSUE OF SHARES					
Issue size	:	Up to 83,335,241 Rights Shares.			
Basis of allotment	:	1 Rights Share for every 15 existing Bioalpha Shares held on the Entitlement Date.			
Issue price and proceeds	:	At the issue price of RM0.20 for each Rights Share, gross proceeds of approximately RM16.67 million will be raised if the Rights Shares are fully subscribed under the Maximum Scenario (Shares). Refer to Section 2.1 of this Abridged Prospectus for further details.			
Minimum Scenario (Shares)	:	The Rights Issue of Shares is undertaken under the Minimum Scenario (Shares) basis, whereby William Hon (our Managing Director / Chief Executive Officer) has provided his Shares Undertaking to subscribe for 13,000,000 Rights Shares which will raise gross proceeds of RM2,600,000 based on the issue price of RM0.20. The shareholding of William Hon under the Minimum Scenario (Shares) would be as follows:			
		As at the LPD		After the Rights Issue of Shares (Minimum Scenario (Shares))	
		No. of Shares	%	No. of Shares	%
		92,000,000	8.28	105,000,000	9.35
		Refer to Section 2.2 of this Abridged Prospectus for further details.			
RIGHTS ISSUE OF ICPS					
Issue size	:	Up to 208,338,103 Rights ICPS.			
Basis of allotment	:	1 Rights ICPS for every 6 existing Bioalpha Shares held on the Entitlement Date.			
Issue price and proceeds	:	At the issue price of RM0.02 for each Rights ICPS, gross proceeds of approximately RM4.17 million will be raised if the Rights ICPS are fully subscribed under the Maximum Scenario (Rights ICPS). Refer to Section 3.1 of this Abridged Prospectus for further details.			
Conversion price and conversion ratios	:	The Conversion Price for the Rights ICPS is RM0.22. The Rights ICPS can be converted into 1 new Bioalpha Share either by: (a) surrendering 11 Rights ICPS (Cashless Conversion); or (b) surrendering 1 Rights ICPS and cash payment of RM0.20 (Cash Conversion). Refer to Section 3.3 of this Abridged Prospectus for further details.			
Minimum Scenario (Rights ICPS)	:	The Rights Issue of ICPS is undertaken under the Minimum Scenario (Rights ICPS), whereby William Hon (our Managing Director / Chief Executive Officer) has provided his Rights ICPS Undertaking to subscribe for 130,000,000 Rights ICPS which will raise gross proceeds of RM2,600,000 based on the issue price of RM0.02. The shareholding of William Hon under the Minimum Scenario (Rights ICPS) would be as follows:			
		As at the LPD		After full conversion of the Rights ICPS solely by William Hon (Minimum Scenario (Rights ICPS))⁽¹⁾	
		No. of Shares	%	No. of Shares	%
		92,000,000	8.28	103,818,181 ⁽²⁾	9.25
		Notes:			
		(1) Based on Cashless Conversion - by surrendering 11 Rights ICPS for conversion into 1 new Bioalpha Share.			
		(2) Any fractional new Bioalpha Shares arising from the conversion of the Rights ICPS will be disregarded.			
		Refer to Section 3.2 of this Abridged Prospectus for further details.			

SUMMARY OF RIGHTS ISSUES (CONT'D)

RIGHTS ISSUES					
Rationale	: The Rights Issues are intended to raise funds primarily for our Group's working capital for use by Bioalpha Hainan in relation to a supply contract agreement in China involving the supply of health food and nutritional meals, as set out in Section 5 of this Abridged Prospectus. Refer to Section 4 of this Abridged Prospectus for further details.				
Utilisation of proceeds	: Gross proceeds from the Rights Issues will be used in the following manner:				
	Minimum Scenario		Maximum Scenario		Expected time frame for the usage (from the listing date of the Rights Shares and Rights ICPS)
	(RM'000)	%	(RM'000)	%	
Working capital	4,450	85.58	20,084	96.40	Within 12 months
Expenses in relation to the Corporate Exercises	750	14.42	750	3.60	Within 2 weeks
Total	5,200	100.00	20,834	100.00	
	Refer to Section 5 of this Abridged Prospectus for further details.				
Risk factors	: You should consider the following key risk factors before subscribing for the Rights Issues:				
	<ul style="list-style-type: none"> (i) The COVID-19 pandemic and the measures taken to contain the pandemic have a continuing adverse effect on our Group's business and operations, by way of reduced demand and movement restrictions; (ii) Our Group faces operational risks in China in relation to its supply of health food and nutritional meals as part of its supply contract agreement, which may result in a material impact on our Group's business and financial performance; (iii) Our Group faces existing and potential competition in the health supplement sector in the pharmaceutical industry, which may have a material impact on the business and financial performance of our Group; (iv) Our Group's operations depend on various licences, permits and certificates which are subject to periodic inspections, fulfilment of conditions and renewal, and therefore any revocation or non-renewal may have a material impact on our Group's ability to continue our operations and on our business sustainability; (v) Our Group faces harvesting risk for our plantations, which may disrupt our production of herbal-based health supplements and may have an adverse effect on our operations and financial performance; (vi) Our Group may be exposed to product liability risk which would affect our Group's reputation and consumer demand for our products; (vii) Our Group may be exposed to foreign currency exchange risk from our sales of products in USD, Renminbi and SGD, and adverse currency movements may affect the financial performance of our Group; (viii) Our Group's R&D activities to improve our product range and enhance our processes may not be successful and R&D costs may need to be written off which would affect our financial performance; (ix) Our Group may be exposed to delays in or non-payment by our trade debtors, particularly due to the COVID-19 pandemic, with resulting adverse impact on our financial position; and (x) The Rights Issues may be delayed or not implemented due to force majeure events or circumstances beyond the control of our Company and Principal Adviser, resulting in the funds not raised for our Group's use. 				
	Refer to Section 6 of this Abridged Prospectus for further details.				
Procedures for acceptance and payment	: Acceptance of and payment for the Provisional Rights Shares and/or Provisional Rights ICPS and application for the excess Rights Shares and/or excess Rights ICPS must be made by way of the respective RSF enclosed with this Abridged Prospectus, Electronic Application or by way of NRS and must conform with the terms and conditions of the respective RSF or the notes and instructions contained therein. The last day, date and time for acceptance of and payment for the Provisional Rights Shares and/or Provisional Rights ICPS and the application for the excess Rights Shares and/or excess Rights ICPS is on Tuesday, 11 May 2021 at 5.00 p.m. Refer to Section 10 of this Abridged Prospectus and the respective RSF for further details on the instructions on acceptance, payment, sale/transfer and excess application for the Rights Issues.				



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

Registered Office:

Level 5, Block B, Dataran PHB
Saujana Resort, Section U2
40150 Shah Alam, Selangor

23 April 2021

Board of Directors

Tan Sri Abd Rahman Bin Mamat (Independent Non-Executive Chairman)
Hon Tian Kok @ William (Managing Director / Chief Executive Officer)
Ho Tze Hiung (Executive Director)
Goh Siow Cheng (Group Chief Financial Officer / Finance Director)
Dato' Norhalim Bin Yunus (Non-Independent Non-Executive Director)
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim (Independent Non-Executive Director)
Mohd Nasir Bin Abdullah (Independent Non-Executive Director)
Kang Jimmi (Independent Non-Executive Director)

Dear Sir/Madam,

- (I) **RENOUNCEABLE RIGHTS ISSUE OF UP TO 83,335,241 NEW ORDINARY SHARES IN BIOALPHA HOLDINGS BERHAD AT AN ISSUE PRICE OF RM0.20 EACH ON THE BASIS OF 1 RIGHTS SHARE FOR EVERY 15 EXISTING BIOALPHA SHARES HELD AS AT 5.00 P.M. ON 23 APRIL 2021; AND**
- (II) **RENOUNCEABLE RIGHTS ISSUE OF UP TO 208,338,103 NEW IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES IN BIOALPHA AT AN ISSUE PRICE OF RM0.02 EACH ON THE BASIS OF 1 RIGHTS ICPS FOR EVERY 6 EXISTING BIOALPHA SHARES HELD AS AT 5.00 P.M. ON 23 APRIL 2021**

1. INTRODUCTION

On 19 January 2021, our Board announced that our Company proposed to undertake the Corporate Exercises.

Bursa Securities had vide its letter dated 8 March 2021 approved the following:

- (i) listing of and quotation for up to 83,335,241 Rights Shares to be issued pursuant to the Rights Issue of Shares;
- (ii) admission to the Official List and the listing of and quotation for up to 498,338,103 ICPS to be issued pursuant to the Rights Issue of ICPS (up to 208,338,103 Rights ICPS) and Placement of ICPS (290,000,000 Placement ICPS);
- (iii) listing of and quotation for up to 498,338,103 new Bioalpha Shares to be issued pursuant to the conversion of the ICPS;
- (iv) admission to the Official List and listing of and quotation for up to 1,251,454 Additional Warrants 2017/2022; and
- (v) listing of and quotation for up to 1,251,454 new Bioalpha Shares to be issued pursuant to the exercise of the Additional Warrants,

on the ACE Market of Bursa Securities.

The approval of Bursa Securities is subject to the following conditions:

	Conditions imposed	Status of compliance
(a)	Bioalpha and TA Securities must fully comply with the relevant provisions under the Listing Requirements pertaining to the implementation of the Rights Issue of Shares, Rights Issue if ICPS and Placement of ICPS;	To be complied.
(b)	Bioalpha and TA Securities to inform Bursa Securities upon the completion of the Corporate Exercises;	To be complied.
(c)	Bioalpha to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Rights Issue of Shares, Rights Issue of ICPS and Placement of ICPS are completed; and	To be complied.
(d)	Bioalpha to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the conversion of the ICPS as at the end of each quarter together with a detailed computation of listing fees payable.	To be complied.

Our shareholders had approved the Rights Issues at our EGM held on 6 April 2021.

On behalf of our Board, TA Securities had announced the following on 7 April 2021:

- (i) the fixing of the issue price for up to 83,335,241 Rights Shares at RM0.20 each;
- (ii) the fixing of the Conversion Price of RM0.22 for the Rights ICPS; and
- (iii) the fixing of the issue price for up to 208,338,103 Rights ICPS at RM0.02 each.

The Rights ICPS may be converted into new Bioalpha Shares based on the following conversion modes:

- (a) Cashless Conversion - by surrendering 11 Rights ICPS for conversion into 1 new Bioalpha Share; or
- (b) Cash Conversion - by surrendering 1 Rights ICPS and cash payment of RM0.20 for conversion into 1 new Bioalpha Share.

On behalf of our Board, TA Securities had on 9 April 2021 announced the Entitlement Date together with the other relevant dates pertaining to the Rights Issues.

No person is authorised to give any information or to make any representation not contained in this Abridged Prospectus in connection with the Rights Issues and if given or made, such information or representation must not be relied upon as having been authorised by us or TA Securities in connection with the Rights Issues.

2. DETAILS OF THE RIGHTS ISSUE OF SHARES

Our Company proposes to issue up to 83,335,241 Rights Shares on the basis of 1 Rights Share for every 15 existing Bioalpha Shares held by the Entitled Shareholders on the Entitlement Date.

The basis of 1 Rights Share for every 15 existing Bioalpha Shares was arrived at after taking into consideration, among others, the following:

- (i) the rationale for the Rights Issue of Shares as set out in **Section 4** of this Abridged Prospectus;
- (ii) the issue price of the Rights Shares at RM0.20 each; and
- (iii) the amount of proceeds that Bioalpha wishes to raise, as detailed in **Section 5** of this Abridged Prospectus.

The entitlements for the Rights Shares are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue of Shares. In determining the shareholders' entitlements to the Rights Shares, any fractional entitlements arising from the Rights Issue of Shares, if any, will be disregarded and dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

Any Rights Shares which are not subscribed shall be made available for excess applications by the Entitled Shareholders and/or the renounee(s)/transferee(s) (if applicable). Our Board intends to allocate any excess Rights Shares in a fair and equitable manner on a basis as set out in **Section 10.8** of this Abridged Prospectus.

As you are an Entitled Shareholder, your CDS account will be duly credited with the number of Provisional Rights Shares which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of Shares. Enclosed with this Abridged Prospectus, you will find the NPA notifying you of the crediting of such Provisional Rights Shares into your CDS account and the RSF to enable you to subscribe for the Provisional Rights Shares, as well as to apply for excess Rights Shares if you choose to do so.

Any dealing in our securities will be subject to SICDA and Rules of Bursa Depository. Accordingly, the Rights Shares will be credited directly into the respective CDS accounts of the successful applicants. No physical share certificates will be issued to the Entitled Shareholders and/or the renounee(s)/transferee(s) (if applicable).

A notice of allotment will be despatched to successful applicants within 8 Market Days from the Closing Date or such period as may be prescribed by Bursa Securities.

The Rights Shares will then be quoted on the ACE Market of Bursa Securities within 2 Market Days after the application for quotation is made to Bursa Securities as specified in the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the Rights Shares.

2.1 Basis of determining and justification for the issue price of the Rights Shares

Our Board has fixed the issue price of the Rights Shares at RM0.20 each after taking into consideration the following:

- (i) the rationale for the Rights Issue of Shares as set out in **Section 4** of this Abridged Prospectus;
- (ii) the amount of proceeds that Bioalpha wishes to raise for its working capital, as detailed in **Section 5** of this Abridged Prospectus; and
- (iii) the TEAP of RM0.2204 based on the 5D-VWAP up to and including the LTD of RM0.2218, with a discount of not more than 20% to the TEAP.

The issue price of RM0.20 per Rights Share is at a discount of RM0.0204 or 9.26% to the TEAP of RM0.2204, calculated based on the 5D-VWAP up to and including the LTD of RM0.2218.

Our Board is of the opinion that the discount is reasonably attractive to encourage the Entitled Shareholders to subscribe for their respective entitlements of Rights Shares.

2.2 Minimum Scenario (Shares)

Our Company will raise minimum gross proceeds of RM2,600,000, based on an issue price of RM0.20 for each of the 13,000,000 Rights Shares under the Minimum Scenario (Shares), after taking into consideration the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus.

In order to meet the Minimum Scenario (Shares), our Company has obtained the Shares Undertaking from William Hon and he has confirmed that he has sufficient financial resources to fulfil his Shares Undertaking as well as his Rights ICPS Undertaking and Placement ICPS Undertaking. TA Securities, being the Principal Adviser for the Rights Issue of Shares, has verified that William Hon has sufficient financial resources to fulfil his Shares Undertaking as well as his Rights ICPS Undertaking and Placement ICPS Undertaking.

The number of Rights Shares pursuant to the Shares Undertaking are as follows:

Undertaking shareholder	Shareholding as at the LPD		No. of Rights Shares		Total undertaking		Amount
	No. of Shares	%	Entitlement ⁽¹⁾	Via excess application	No. of Rights Shares	% ⁽²⁾	RM
William Hon	92,000,000	8.28	6,133,333	6,866,667	13,000,000	100	2,600,000

Notes:

(1) Based on his shareholding as at the LPD.

(2) Based on 13,000,000 Rights Shares to be issued under the Minimum Scenario (Shares).

For illustrative purpose, if the Entitled Shareholders (other than William Hon) do not subscribe for their entitlements under the Minimum Scenario (Shares), their shareholdings in Bioalpha will be diluted as follows:

	As at the LPD		After the Rights Issue of Shares	
	No. of Shares	%	No. of Shares	%
William Hon	92,000,000	8.28	105,000,000	9.35
Other Entitled Shareholders	1,018,470,832	91.72	1,018,470,832	90.65
Total	1,110,470,832	100.00	1,123,470,832	100.00

As the Rights Issue of Shares will be implemented based on the Minimum Scenario (Shares), no underwriting will be arranged for the Rights Shares.

The fulfilment of the Shares Undertaking is not expected to result in any breach of the public shareholding spread requirement by our Company under Rule 8.02(1) of the Listing Requirements, which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders. As at the LPD, our Company does not hold any treasury shares.

In the event the Shares Undertaking is not fulfilled, resulting in the Minimum Scenario (Shares) not being achieved, the Rights Issue of Shares shall be aborted and all application monies received by our Company pursuant to the Rights Issue of Shares will be refunded without interest to the Entitled Shareholders and/or the renouncee(s)/transferee(s) (if applicable) who has/have subscribed for the Rights Shares in accordance with Section 243 of the CMSA.

2.3 Ranking of the Rights Shares

The Rights Shares shall, upon allotment and issuance, rank equally in all respects with the then existing Bioalpha Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the dates of allotment and issuance of the Rights Shares.

2.4 Take-over implications

The subscription of the Rights Shares by William Hon pursuant to the Shares Undertaking will not give rise to any mandatory general offer obligations pursuant to the Code and the Rules issued by the SC.

William Hon has undertaken to observe and comply at all times with the provisions of the Code and the Rules and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

3. DETAILS OF THE RIGHTS ISSUE OF ICPS

Our Company proposes to issue up to 208,338,103 Rights ICPS on the basis of 1 Rights ICPS for every 6 existing Bioalpha Shares held by the Entitled Shareholders as at the close of business on the Entitlement Date (being the same Entitlement Date as the Rights Issue of Shares). The basis was arrived at after taking into consideration, among others, the following:

- (i) the rationale for the Rights Issue of ICPS as set out in **Section 4** of this Abridged Prospectus; and
- (ii) the issue price of the Rights ICPS at RM0.02 each; and
- (iii) the amount of proceeds that Bioalpha wishes to raise for its working capital, as detailed in **Section 5** of this Abridged Prospectus.

The Rights Shares will not be entitled to the Rights ICPS. The actual number of Rights ICPS to be provisionally allotted and issued to the Entitled Shareholders will depend on the number of issued Bioalpha Shares on the Entitlement Date.

The entitlements for the Rights ICPS are renounceable in full or in part. Accordingly, the Entitled Shareholders may fully or partially renounce their entitlements under the Rights Issue of ICPS. In determining the shareholders' entitlements to the Rights ICPS, any fractional entitlements arising from the Rights Issue of ICPS, if any, will be disregarded and dealt with by our Board in such manner and on such terms and conditions as our Board in its absolute discretion may deem fit or expedient and in the best interests of our Company.

Any Rights ICPS which are not subscribed shall be made available for excess applications by the Entitled Shareholders and/or the renounee(s)/transferee(s) (if applicable). It is the intention of our Board to allocate the excess Rights ICPS in a fair and equitable manner on a basis as set out in **Section 10.8** of this Abridged Prospectus.

The Rights ICPS will be issued in registered form and its terms and provisions will be set out in our Company's Constitution.

As you are an Entitled Shareholder, your CDS account will be duly credited with the number of Provisional Rights ICPS which you are entitled to subscribe for in full or in part under the terms of the Rights Issue of ICPS. Enclosed with this Abridged Prospectus, you will find the NPA notifying you of the crediting of such Provisional Rights ICPS into your CDS account and the RSF to enable you to subscribe for the Provisional Rights ICPS, as well as to apply for excess Rights ICPS if you choose to do so.

Any dealing in our securities will be subject to SICDA and Rules of Bursa Depository. Accordingly, the Rights ICPS will be credited directly into the respective CDS accounts of the successful applicants. No physical share certificates will be issued to the Entitled Shareholders and/or the renounee(s)/transferee(s) (if applicable).

A notice of allotment will be despatched to the successful applicants within 8 Market Days from the Closing Date or such period as may be prescribed by Bursa Securities.

The Rights ICPS will then be quoted on the ACE Market of Bursa Securities within 2 Market Days after the application for quotation is made to Bursa Securities as specified in the Listing Requirements, which will include amongst others, confirmation that all notices of allotment have been despatched to successful applicants, and after receipt of confirmation from Bursa Depository that all CDS Accounts of successful applicants have been duly credited with the Rights ICPS.

3.1 Basis of determining and justification for the issue price and the conversion price of the Rights ICPS

(i) Issue price of the Rights ICPS

Our Board has fixed the issue price of the Rights ICPS at RM0.02 each after taking into consideration the following:

- (a) the rationale for the Rights Issue of ICPS as set out in **Section 4** of this Abridged Prospectus;

- (b) the amount of proceeds that Bioalpha wishes to raise for its working capital, as detailed in **Section 5** of this Abridged Prospectus;
- (c) the TEAP of RM0.2204 based on the 5D-VWAP up to and including the LTD of RM0.2218;
- (d) the Conversion Price of RM0.22 for the Rights ICPS with the following Conversion Ratio:
 - (1) 11 Rights ICPS to be converted into 1 new Bioalpha Share (i.e., Cashless Conversion); or
 - (2) a combination of 1 Rights ICPS and cash payment of RM0.20, for 1 new Bioalpha Share (i.e., Cash Conversion).

(ii) Conversion Price of the Rights ICPS

Our Board has fixed the Conversion Price of the Rights ICPS at RM0.22 each and the Rights ICPS may be converted into new Bioalpha Shares by way of the following conversion modes:

- (a) Cashless Conversion - by surrendering 11 Rights ICPS for conversion into 1 new Bioalpha Share; or
- (b) Cash Conversion - by surrendering 1 Rights ICPS and cash payment of RM0.20 for conversion into 1 new Bioalpha Share.

The Conversion Price of RM0.22 is at a discount of RM0.0004 or 0.18% (being no lower than at a discount of 5%) to the TEAP of RM0.2204, calculated based on the 5D-VWAP up to and including the LTD of RM0.2218. Our Board is of the opinion that the Conversion Price is reasonably attractive to encourage Entitled Shareholders to subscribe for the Rights ICPS.

The maximum number of new Bioalpha Shares to be issued pursuant to (a) and (b) above, would be 18,939,827 Bioalpha Shares based on the Cashless Conversion and 208,338,103 Bioalpha Shares based on the Cash Conversion.

The Rights ICPS can be converted into new Bioalpha Shares any time from the date of issuance of the Rights ICPS up to the Maturity Date. Any Rights ICPS that are not converted would be mandatorily converted into new Bioalpha Shares on the Maturity Date.

Any fractional new Bioalpha Shares arising from the mandatory conversion of the Rights ICPS on the Maturity Date will be disregarded and will be dealt with by our Board as it may deem fit and expedient in the best interests of our Company.

3.2 Minimum Scenario (Rights ICPS)

Our Company will raise minimum gross proceeds of RM2,600,000, based on an indicative issue price of RM0.02 for each of the 130,000,000 Rights ICPS under the Minimum Scenario (Rights ICPS), after taking into consideration the funding requirements of our Group as set out in **Section 5** of this Abridged Prospectus.

In order to meet the Minimum Scenario (Rights ICPS), our Company has obtained the Rights ICPS Undertaking from William Hon and he has confirmed that he has sufficient financial resources to fulfil the Rights ICPS Undertaking as well as his Shares Undertaking and Placement ICPS Undertaking. TA Securities, being the Principal Adviser for the Rights Issue of ICPS, has verified that William Hon has sufficient financial resources to fulfil the Rights ICPS Undertaking as well as his Shares Undertaking and Placement ICPS Undertaking.

The number of Rights ICPS pursuant to the Rights ICPS Undertaking are as follows:

Undertaking shareholder	Shareholding as at the LPD		No. of Rights ICPS		Total undertaking		Amount
	No. of Shares	%	Entitlement ⁽¹⁾	Via excess application	No. of Rights ICPS	% ⁽²⁾	RM
William Hon	92,000,000	8.28	15,333,333	114,666,667	130,000,000	100	2,600,000

Notes:

- (1) Based on his shareholding as at the LPD.
- (2) Based on 130,000,000 Rights ICPS to be issued under the Minimum Scenario (Rights ICPS).

For illustrative purpose, if the Entitled Shareholders (other than William Hon) do not subscribe for their entitlements under the Minimum Scenario (Rights ICPS), their shareholdings in Bioalpha will be diluted as follows:

	As at the LPD		After full conversion of the Rights ICPS solely by William Hon ⁽¹⁾	
	No. of Shares	%	No. of Shares	%
William Hon ⁽³⁾	92,000,000	8.28	103,818,181 ⁽²⁾	9.25
Other Entitled Shareholders	1,018,470,832	91.72	1,018,470,832	90.75
Total	1,110,470,832	100.00	1,122,289,013	100.00

Notes:

- (1) Based on Cashless Conversion - by surrendering 11 Rights ICPS for conversion into 1 new Bioalpha Share.
- (2) Any fractional new Bioalpha Shares arising from the conversion of the Rights ICPS will be disregarded.
- (3) Under the Minimum Scenario, William Hon will hold a total of 136,818,181 Bioalpha Shares (comprising approximately 11.78% of Bioalpha's enlarged share capital) after taking into consideration 13,000,000 Rights Shares pursuant to his Shares Undertaking, 11,818,181 Shares from his Cashless Conversion of 130,000,000 Rights ICPS pursuant to his Rights ICPS Undertaking and 20,000,000 Shares from his Cashless Conversion of 220,000,000 Placement ICPS pursuant to his Placement ICPS Undertaking.

As the Rights Issue of ICPS will be implemented based on the Minimum Scenario (Rights ICPS), no underwriting will be arranged for the Rights ICPS.

The fulfilment of the Rights ICPS Undertaking is not expected to result in any breach of the public shareholding spread requirement by our Company under Rule 8.02(1) of the Listing Requirements (after the conversion of the Rights ICPS into new Bioalpha Shares), which stipulates that a listed corporation must ensure that at least 25% of its total listed shares (excluding any treasury shares) are in the hands of public shareholders. As at the LPD, our Company does not hold any treasury shares.

In the event the Rights ICPS Undertaking is not fulfilled, resulting in the Minimum Scenario (Rights ICPS) not being achieved, the Rights Issue of ICPS shall be aborted and all application monies received by our Company pursuant to the Rights Issue of ICPS will be refunded without interest to the Entitled Shareholders and/or the renouncee(s)/transferee(s) (if applicable) who has/have subscribed for the Rights ICPS in accordance with Section 243 of the CMSA.

3.3 Salient terms of the Rights ICPS

The salient terms of the Rights ICPS are as follows:

Terms	Details
Issue size	: Up to 208,338,103 Rights ICPS to be issued pursuant to the Rights Issue of ICPS
Issue price	: RM0.02 per Rights ICPS.
Tenure	: 5 years commencing from and inclusive of the date of issuance of the Rights ICPS ("Tenure").

Terms	Details
Maturity date	: The day immediately preceding the 5 th anniversary from the date of issuance of the Rights ICPS. If such day falls on a non-market day, then the Maturity Date would be the preceding market day.
Dividend rate	: Our Company has full discretion over the declaration of dividends, if any. In the event dividends are declared, it will be paid annually in arrears and such dividends are non-cumulative and shall be paid in priority over the ordinary shares of our Company during the Tenure.
Redemption	: Not redeemable for cash.
Board lot	: For the purpose of trading on Bursa Securities, 1 board lot of Rights ICPS shall comprise 100 Rights ICPS, or such other denomination as determined by Bursa Securities from time to time.
Form and denomination	: The Rights ICPS will be issued in registered form and will be constituted by our Company's Constitution.
Conversion rights	: <ul style="list-style-type: none">(a) Each Rights ICPS carries the entitlement to be converted into new Bioalpha Shares at the Conversion Ratio through the surrender of the Rights ICPS.(b) No adjustment to the Conversion Price shall be made for any declared and unpaid dividends on the Rights ICPS surrendered for conversion.(c) If the conversion results in a fractional entitlement to the ordinary shares of our Company, such fractional entitlement shall be disregarded and no refund or credit, whether in the form of the Rights ICPS, cash or otherwise, shall be given in respect of the disregarded fractional entitlement.
Conversion period	: <ul style="list-style-type: none">(a) The Rights ICPS can be converted at any time within 5 years commencing on and including the date of issue of the Rights ICPS up to and including the Maturity Date, as determined by the Conversion Ratio and Conversion Price.(b) Any remaining Rights ICPS that is not converted by the Maturity Date shall be automatically converted into new Bioalpha Shares at the conversion ratio of 11 Rights ICPS for 1 new Bioalpha Share.
Conversion Price	: The conversion price for the Rights ICPS shall be based on the issue price of the Rights ICPS multiplied by 11.
Conversion Ratio	: The conversion ratio of the Rights ICPS for 1 new Bioalpha Share is either: <ul style="list-style-type: none">(a) 11 Rights ICPS to be converted into 1 new Bioalpha Share (i.e., Cashless Conversion); or(b) a combination of 1 Rights ICPS and cash payment of RM0.20, for 1 new Bioalpha Share (i.e., Cash Conversion).

Terms	Details
Ranking of the Rights ICPS and liquidation preference :	<p>The Rights ICPS shall rank equally amongst themselves and shall rank in priority to any other class of shares in the capital of our Company. In the event of liquidation, dissolution, winding-up, reduction of capital or other repayment of capital:</p> <p>(a) The Rights ICPS shall confer on the holders the rights to receive in priority to the holders of ordinary shares in our Company, cash repayment in full of the amount of any non-cumulative preferential dividend that has been declared and remaining in arrears (if any). After the payment of any dividends to the holders of Rights ICPS, the remaining assets shall be distributed first to the holders of Rights ICPS in full of the amount which is equal to the issue price for each Rights ICPS, provided that there shall be no further right to participate in any surplus capital or surplus profits of our Company.</p> <p>(b) In the event that our Company has insufficient assets to permit payment of the full issue price to the Rights ICPS holders, the assets of Bioalpha shall be distributed pro rata on an equal priority to the Rights ICPS holders in proportion to the amount that each Rights ICPS holder would otherwise be entitled to receive.</p>
Ranking of new Bioalpha Shares to be issued pursuant to the conversion of the Rights ICPS :	<p>All new Bioalpha Shares to be issued pursuant to the conversion of the Rights ICPS shall, upon allotment and issuance, rank equally in all respects with the existing Bioalpha Shares except that such new Bioalpha Shares shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Bioalpha Shares arising from the conversion of the Rights ICPS.</p>
Adjustment to the Conversion Price and Conversion Ratio :	<p>The Conversion Price and/or Conversion Ratio will be adjusted at the determination of Bioalpha in all or any of the following events:</p> <p>(a) an alteration to the number of Bioalpha Shares by reason of consolidation or subdivision; or</p> <p>(b) a bonus issue of fully paid-up ordinary shares by Bioalpha or any other capitalisation issue for accounting purposes; or</p> <p>(c) a capital distribution to shareholders made by Bioalpha whether on a reduction of capital or otherwise, but excluding any cancellation of capital which is loss or unrepresented by assets; or</p> <p>(d) a rights issue of ordinary shares by Bioalpha; or</p> <p>(e) any other circumstances that our Board deems necessary,</p> <p>provided that any adjustment to the Conversion Price will be rounded down to the nearest RM0.01. No adjustment to the Conversion Price and/or Conversion Ratio will be made unless the computation has been certified by the external auditors of Bioalpha.</p>

Terms	Details
Rights of the Rights ICPS holders	<p>Rights ICPS holders are not entitled to any voting right or participation in any rights, allotments and/or other distributions in our Company until and unless such holders convert their Rights ICPS into new Shares, except in the following circumstances:</p> <ul style="list-style-type: none">(a) when the dividend or part of the dividend as declared on the Rights ICPS is in arrears for more than 6 months;(b) on a proposal to reduce our Company's share capital;(c) on a proposal for sanctioning the sale of the whole of our Company's property, business and undertaking;(d) on a proposal that directly affects their rights and privileges attached to the Rights ICPS;(e) on a proposal to wind-up our Company; and(f) during the winding-up of our Company.
Listing	<p>The Rights ICPS will be listed and traded on the ACE Market of Bursa Securities. Approval has been obtained from Bursa Securities for the admission of the Rights ICPS to the Official List of the ACE Market of Bursa Securities and the listing of and quotation for the Rights ICPS and the new Bioalpha Shares to be issued pursuant to the conversion of the Rights ICPS on the ACE Market of Bursa Securities.</p>
Transfer	<p>The Rights ICPS will be transferable only by instrument in writing in the usual or common form or such other form as the Directors of Bioalpha and the relevant authorities may approve. As the Rights ICPS will be listed and traded on the ACE Market of Bursa Securities, they will be deposited in a central depository system and will be subject to the rules of such system.</p>
Modification of rights	<p>Our Company may from time to time with the consent or sanction of the holders of the Rights ICPS make modifications to the terms of which in the opinion of our Company are not materially prejudicial to the interest of the holders of the Rights ICPS or are to correct a manifest error or to comply with mandatory provisions of the laws of Malaysia and the relevant regulations.</p> <p>Any variation, modification or abrogation of the rights and privileges attached to the Rights ICPS shall require the sanction of a special resolution of the holders of Rights ICPS holding or representing not less than 75% of the outstanding Rights ICPS, present and voting either in person or by proxy or by attorney at the meeting convened for the holders of Rights ICPS to sanction such purpose(s).</p>
Governing law	<p>The laws of Malaysia.</p>

3.4 Ranking of the Rights ICPS and the new Bioalpha Shares arising therefrom

The Rights ICPS shall rank in priority to any other class of shares in the capital of Bioalpha.

The new Bioalpha Shares to be issued arising from the conversion of the Rights ICPS shall, upon allotment and issuance, rank equally in all respects with the then existing Bioalpha Shares, save and except that the new Bioalpha Shares shall not be entitled to any dividends, rights, allotments and/or other forms of distributions, the entitlement date of which is prior to the date of allotment and issuance of the new Bioalpha Shares arising from the conversion of the Rights ICPS.

3.5 Take-over implications

Conversion of the Rights ICPS into new Bioalpha Shares by William Hon, pursuant to the Rights ICPS Undertaking, will not give rise to any mandatory general offer obligations pursuant to the Code and the Rules issued by the SC.

William Hon has undertaken to observe and comply at all times with the provisions of the Code and the Rules, and will seek from the SC the necessary exemptions from undertaking such mandatory take-over offer, if required.

4. RATIONALE FOR THE RIGHTS ISSUES

The Rights Issues are intended to raise funds primarily for the working capital of Bioalpha Hainan to be used in relation to a supply contract agreement in China involving the supply of health food and nutritional meals, as set out in **Section 5** of this Abridged Prospectus.

The benefits of the Rights Issues include the following:

- (i) the proceeds from the Rights Issues will improve the cash flow of our Group and their usage are expected to contribute positively to our Group's future earnings and improve its financial performance;
- (ii) they would not cause the Group to incur interest costs associated with bank borrowings or the issuance of debt instruments, thereby minimising any potential cash outflow arising from interest servicing costs;
- (iii) they would enable all Entitled Shareholders of the Company to participate in raising fund for the Group at issue prices which the Board deemed as attractive and would encourage high levels of subscription;
- (iv) subscription to the Rights Shares provides an opportunity for the existing shareholders of Bioalpha to increase their equity participation in our Company. The subscription to the Rights ICPS also provides them with the opportunity to increase their equity participation in our Company if they convert their Rights ICPS into new Bioalpha Shares;
- (v) the issuance of new Bioalpha Shares via the Rights Issue of Shares will not dilute our existing shareholders' equity interests, assuming all Entitled Shareholders fully subscribe for their respective entitlements; and
- (vi) the Rights ICPS will have no immediate dilutive effect on our Company's EPS until they are converted over a conversion period of 5 years.

5. UTILISATION OF PROCEEDS

Based on the issue prices of RM0.20 per Rights Share and RM0.02 per Rights ICPS, our Company expects to raise the following gross proceeds from the Rights Issues:

	Minimum Scenario		Maximum Scenario	
	(RM'000)	%	(RM'000)	%
Issuance of Rights Shares	2,600	50.00	16,667	80.00
Issuance of Rights ICPS	2,600	50.00	4,167	20.00
Total	5,200	100.00	20,834	100.00

The proceeds are intended to be used by our Group as follows:

Descriptions	Notes	Minimum Scenario		Maximum Scenario		Expected time frame*
		(RM'000)	%	(RM'000)	%	
Working capital requirements	(1)	4,450	85.58	20,084	96.40	Within 12 months
Expenses in relation to the Corporate Exercises	(2)	750	14.42	750	3.60	Within 2 weeks
Total		5,200	100.00	20,834	100.00	

Notes:

* From the dates of listing of the Rights Shares and Rights ICPS.

- (1) On 22 July 2020, our Company announced that Bioalpha HK had entered into the following agreements:
- (i) a partnership agreement with GYHX and HSFF for the purpose of establishing a long-term business partnership with multiple stakeholders in China that involve technology transfer (i.e., the transfer of health food formulations by Bioalpha HK to GYHX), research and development, manufacturing and trading (“**Partnership Agreement**”). The Partnership Agreement shall be valid perpetually upon execution until mutual termination by the parties; and
 - (ii) a supply contract agreement with GYHX for the supply of health food and nutritional meals in China (“**Supply Contract Agreement**”). The Supply Contract Agreement shall be valid for a period of 5 years upon execution.

Bioalpha HK was incorporated in Hong Kong, Special Administrative Region of China (“**Hong Kong**”), and is principally involved in research and development, manufacturing, import, export, distribution and trading of health food and supplement products. Bioalpha Hainan was incorporated in Hainan, China, and is principally involved in import and export of health food production, trading and selling of food products as well as import and export of pharmaceutical goods production.

GYHX was incorporated in Guizhou, China and is principally involved in trading of food products including health food and nutritional meals which are supplied to public and private sectors across Guizhou province, China and other provinces. HSFF was incorporated in Hainan, China and is a health food consultant with experience in R&D, formulation of health and nutritional meals throughout China.

GYHX and HSFF currently supply health food and nutritional meals to both the public and private sectors in China. HSFF is desirous to upgrade its technical knowledge through Bioalpha HK’s expertise in the formulation of health food and nutritional meals. Pursuant to the Partnership Agreement, HSFF has appointed Bioalpha HK as its main contractor and technical adviser to source for ingredients worldwide for its health food and nutritional meals. The health food and nutritional meals supplied and/or manufactured by Bioalpha HK pursuant to the Supply Contract Agreement will be sold to GYHX for further processing (if necessary) and thereafter GYHX will resell the health food and nutritional meals mainly to the province of Guizhou in China and other provinces in China. The contract value for solely the supply of health food and nutritional meals by Bioalpha HK to GYHX and thereon to the public and private sectors in China is approximately RMB700 million per year (equivalent to RM426.70 million). The Partnership Agreement and Supply Contract Agreement have commenced in September 2020.

The role of Bioalpha HK pursuant to the Supply Contract Agreement has been assigned to Bioalpha Hainan on 28 August 2020 pursuant to the execution of the assignment agreement. Bioalpha Hainan will operate as our Company’s gateway to China with the localisation of our operations in Hainan, China. Bioalpha Hainan also provides other services related to agricultural products such as production, sales, processing, transportation and storage. Bioalpha Hainan’s operations in China commenced in September 2020.

As at the LPD, Bioalpha Hainan has cash and bank balances of approximately RMB8.30 million (equivalent to approximately RM5.26 million) which are only sufficient for it to purchase ingredients (such as grains, cereal, soy protein and fruits extract) from nearby provinces around its base of operations in Guizhou province in China as these suppliers provide longer credit terms up to 30 days, compared to suppliers from other further provinces in China which generally require cash on delivery.

The additional working capital using proceeds from the Rights Issues would enable Bioalpha Hainan to purchase ingredients from further provinces within China such as Shandong and Sichuan and even internationally from Malaysia, resulting in Bioalpha Hainan being able to expand the variety of premium ingredients (such as almonds, barley, black beans, buckwheat, coix seeds, corn and hazelnuts) that it would be able to purchase.

The introduction of premium ingredients may increase the profit margin for the sale of its health food products (such as Wuchang rice, Hetao flour, Shandong edible oil and Inner Mongolia milk). In addition, Bioalpha Hainan would be able to meet the shorter credit terms imposed by the local suppliers as well as advance payments as required by local business practices in China.

Proceeds of up to approximately RM20.08 million from the Rights Issues (which excludes the amount allocated for expenses in relation to the Corporate Exercises) will be used by Bioalpha HK to provide a loan of a similar amount to Bioalpha Hainan as working capital in order for it to meet its orders in hand with better profit margin.

2 The breakdown of estimated expenses in relation to the Rights Issues is as follows:

Description	Amount (RM'000)
Professional fees ⁽¹⁾	581
Fees to relevant authorities	103
Other incidental expenses in relation to the Rights Issues ⁽²⁾	66
Total	750

Notes:

- (1) Comprising fees primarily payable to the Principal Adviser, Solicitors for Rights Issues, Independent Market Researcher, Share Registrar and Company Secretaries.
- (2) Comprising expenses to convene the EGM, printing, advertising and other ancillary expenses.

Any surplus or shortfall of proceeds for the expenses in relation to the Rights Issues will be adjusted accordingly to/from the proceeds allocated for the working capital of our Group.

The actual proceeds to be raised from the Rights Issues are dependent on the actual number of Rights Shares and Rights ICPS to be issued. Any variation in the actual proceeds raised will be adjusted against the proceeds allocated for our Group's working capital requirements.

If the actual expenses incurred in relation to the Rights Issues are more than the allocated amount, the deficit will be funded from the proceeds allocated for working capital requirements. Conversely, any surplus of funds following payment of expenses will be utilised for working capital requirements.

Pending utilisation of the proceeds, the money will be placed in deposits with financial institutions or short-term money market instruments as our Board may deem fit. The interests derived from the deposits with the financial institutions or any gain arising from the short-term money market instruments will be used for our Group's working capital requirements.

The amount of proceeds that may be raised from the conversion of the Rights ICPS will depend upon the actual number of Rights ICPS converted during their conversion period and the Conversion Ratio. The proceeds to be raised from the conversion of the Rights ICPS shall be utilised within a period of 12 months after they are received, for our Group's working capital purposes, including staff costs, operating expenses and general expenses. However, if all Rights ICPS are converted by way of Cashless Conversion, no proceeds will be raised therefrom.

6. RISK FACTORS

In addition to other information contained in this Abridged Prospectus, you and/or your renounee(s)/transferee(s) (if applicable) should carefully consider the following risk factors which may have an impact on the future performance of our Group before making decision on whether to subscribe for the Rights Shares and/or Rights ICPS.

6.1 Risks relating to our Group

(a) Impact of containment measures to curb the COVID-19 virus on our Group's business and operations

Over the last financial quarters, the COVID-19 pandemic has spread across the world resulting in lockdown or similar measures imposed by governments worldwide to curb the spread of the virus. These have resulted in adverse impact to the performance of the world's economies including Malaysia. Even with the gradual relaxation of lockdown measures, consumer sentiment is expected to remain dampened in the near future as consumers stay cautious in their spending.

Our Group has taken appropriate steps to comply with the standard operating procedures that are in line with the National Security Council and the Ministry of Health's specifications in relation to the COVID-19 infection control measures which include, among others, daily body temperature measurements and symptom screening for employees and clients, registration with the MySejahtera application and provision of personal protective equipment to employees according to their work needs. As at the LPD, our Group has not been compounded for any non-compliance with standard operating procedures in relation to MCO measures by the Government of Malaysia.

With the recent resurgence of COVID-19 infections across the world, lockdown or similar measures may be re-imposed by governments worldwide to curb the spread of the virus. The government of Malaysia imposed MCO since March 2020 followed by the 2nd MCO imposed from 13 January 2021 to contain the COVID-19 pandemic. The lockdowns or similar measures to curb the COVID-19 pandemic may continue to have a material adverse impact on the industries in which our Group operates.

In China, effective and well-targeted efforts have helped control the spread of the virus, even as many other countries continue to grapple with the resurgence of COVID-19 outbreaks. After the initial strict lockdown in early 2020, the authorities have adopted a targeted virus-control strategy involving wide-scale testing, contact-tracing, and locally targeted restrictions. Notwithstanding the occasional localised COVID-19 flare-ups, active confirmed cases have fallen dramatically from their peak of over 58,000 in mid-February 2020 to below 1,000 since late April 2020. The crisis in 2020, nonetheless, resulted in deficient demand and a large negative output gap. The collapse in supply has temporarily decreased potential growth in 2020. Industrial production experienced a large fall in 1st quarter of 2020, followed by a stronger rebound than sales, which remained sluggish for much of 2020. In 2021, a sustained rebound in exports and a recovery in domestic demand are expected to begin closing the output gap in China.

For the FYE 31 December 2020, our Group's revenue decreased by RM27.15 million (or 42.64%) to RM36.52 million (FYE 31 December 2019: RM63.67 million), mainly due to lower revenue generated from the manufacturing and sale of finished health supplement products segment as a result of the decrease in demand from local and overseas customers due to the COVID-19 pandemic.

In addition, revenue generated from the retail pharmacy segment also fell because of international travel restrictions. Our Group's supplement products are sold by retail pharmacies at designated tourist destination spots which have been closed since January 2020 in the wake of the drop in Chinese tourist numbers as a result of the COVID-19 pandemic.

The vaccination programs across the globe should pave the way for gradual recovery. Nevertheless, the trajectory towards normalcy could still be punctuated by the lingering effects of the pandemic.

Against the challenging operating backdrop due to the COVID-19 pandemic, our Group endeavours to strengthen our business segments and execute our growth strategies which include among others, venturing into the procurement and distribution of vaccines in Malaysia, including but not limited to the COVID-19 vaccine as further set out in **Section 7.5** of this Abridged Prospectus.

Our Group also continues to seek to introduce new products that can boost immunity as consumers seek to strengthen their immune systems to protect against the COVID-19 virus and we have localised our operations in Hainan, Guizhou province, China through Bioalpha Hainan with the supply of ingredients for the preparation of health food and nutritional meals to customers in Guizhou province, China since September 2020.

The outbreak of COVID-19 is a force majeure event beyond the control of our Group. The COVID-19 pandemic and any new movement restrictions that may be imposed by the governments of Malaysia, Indonesia and China may have additional material adverse impact on the market conditions and industries in which our Group operates.

(b) Risks relating to business venture into China

Since September 2020, our Group has localised its operations in Hainan, Guizhou province, China through Bioalpha Hainan for the supply of ingredients for the preparation of health food and nutritional meals to customers in Guizhou province, China pursuant to the Partnership Agreement and Supply Contract Agreement. As a result, our Group is exposed to the risks relating to its new business venture into China and to the Chinese economy. China is the second largest global economy and the largest exporter, and it has a highly diversified economy which is dominated by the manufacturing and agricultural sectors, and one of the largest producers and consumers of agricultural products. The agricultural sector is estimated to have employed 24.7% of the active population in 2020 (World Bank, 2020) and accounted for 7.1% of Chinese's GDP.

Our Group is required to comply with China's laws and regulations including trade laws, investment sanction laws, environmental laws, tax laws, industry laws and capital control regulations. Our Group conducted in-country risk assessments on China to understand the legal and regulatory operating environment and the political, economic and competitive conditions including terrorism or military conflict, natural disasters, the emergence of diseases and changes in interest rates. Our Group is of the view that adverse local legal, regulatory, political, economic or competitive developments may have material effects on our business, financial condition or results of operations in China.

In 2021, China's most immediate challenge is related to the economic, social and public health impact of the COVID-19 pandemic which had caused significant economic disruption both in China and the rest of the world, and in turn led to uncertainty protracted weakness in consumer and business confidence. This could force struggling corporations into bankruptcy, worsening credit risk and financial stability and aggravating debt overhangs. In addition, lingering bilateral tensions between China and its key trading partners could also undermine recovery. Such an adverse development could also harm potential growth by restricting China's access to imports of critical technology. Longer-term risks are related to the possibility of deeper and long-lasting effects of the pandemic on potential output. Even if none of the downside risks materialise and the rebound proceeds as expected, the COVID-19 pandemic has already caused output losses in China and the rest of the world.

The aforementioned factors, which are beyond our control, may have a material impact on our Group's business operations in China and financial performance of our Group. Our Group has taken considerable steps to ensure viability and sustainability of our operations in China which include implementing prudent management policies, working closely with distributors and partners in China and maintaining cordial relationship with the relevant authorities in China. A swifter and more widespread rollout of effective vaccines would boost domestic and global consumer and business confidence and support stronger growth. In addition, a de-escalation of economic tensions between China and key trading partners would provide an additional boost to growth in 2021 and beyond.

(c) Political, economic and regulatory considerations

Our Group conducts business locally in Malaysia as well as abroad, namely in China and Indonesia. As such, we operate under a wide range of laws and regulations, as well as different economic conditions, that may affect multiple aspects of our operations and supply chain. Any adverse changes in political, economic and regulatory conditions or developments, vulnerabilities and volatility of emerging market economies and currencies and severe fluctuation in interest rate, can affect investors' confidence in the financial and stock markets which, in turn, may have a material adverse impact on our Group's business, results of operations, financial condition and prospects. As a result of globalisation, economic or market instability in a single country or region are increasingly affecting other markets in general. A continuation of these situations could adversely affect global economic conditions and world markets, and in turn, could cause a chain reaction effect and thus may adversely affect our Group's business and financial performance.

Most of the above changes may be beyond our control and may materially and adversely affect the performance of our Group. As a prime example, the COVID-19 pandemic and the resulting movement restriction measures by governments worldwide have caused disruptions to our operations and revenue generation.

(d) Dependency on key personnel

Our Group's business sustainability depends largely on the abilities, skills and experience as well as continued efforts of our existing Executive Directors and key management personnel. The loss of any Executive Director and/or key management personnel without suitable and timely replacement, or the inability of our Group to attract and retain other qualified personnel, may adversely affect our Group's revenue and profitability. Our Group may not be able to identify, attract and retain skilled personnel from time to time in the future, and any loss of key personnel may not be easily and quickly replaced without major disruption to our Group's operations.

6.2 Risks relating to our group's business and industry

(a) Competition risk

Although the health supplement sector in the pharmaceutical industry is niche in Malaysia, competition from existing players as well as the potential entrance of new competitors exists. Potential challenges arising from this includes but is not limited to efficiency of distribution channels, pricing, customer services and ability to develop new products to meet prevailing market demand. There can be no assurance that we will be able to compete effectively against our competitors in the future who may come up with better formulations at a competitive price.

The aforementioned factors may have a material impact on the business and financial performance of our Group and that there are no assurances that the demand for our Group's products can be sustained. Notwithstanding this, our Group's strategy is to constantly meet and improve on fulfilling customers' needs and requirements as well as to utilise resources efficiently to remain competitive in this industry. Our Group has also taken considerable steps to ensure our products are competitively priced and of high quality, aside from keeping abreast with changing consumer preference and requirements.

(b) Dependency on operating licenses and/or certifications

Our Group has been granted with various licences, permits and/or certificates from various governmental authorities. Some of these licences, permits and certificates are subject to periodic inspections, changes and/or fulfilment of certain conditions imposed by the relevant authorities in Malaysia, Indonesia and China.

Our manufacturing operations in Malaysia are carried out at our main manufacturing facility in Bangi, Selangor, which is certified with Good Manufacturing Practice ("GMP"), Hazard Analysis and Critical Control Points ("HACCP") and in compliance with International Organization for Standardization (ISO) requirements.

To meet these requirements, quality assurance principal is to ensure the quality and safety of our products. Our processes and equipment used for fermentation of medicinal mushrooms and manufacturing of products have been inspected by Jabatan Kemajuan Islam Malaysia (JAKIM), which have enabled us to obtain Halal certifications for our products.

Our Group had obtained, among others, a trading business licence from Capital Investment Coordinating Board of Indonesia which allows our Group to undertake the business activity of wholesale of traditional medicine in Indonesia through PT Herbal Malindo Makmur. Meanwhile in China, our Group has in place, among others, business licence from Hainan Provincial Market Supervision Administration for Bioalpha Hainan to conduct business in Hainan, China, the Administrative Discipline Decision of the Company to apply for Directory Registration of Import Entities from State Administrative of Foreign Exchange which allows our Group to undertake the import of health food products as well as Food Operation Licences from Yangpu Economic Development District Market Supervision Administration for Bioalpha Hainan's health food operations.

Failure to comply with the conditions or requirements imposed by the relevant authorities in Malaysia, Indonesia and China may cause our Company's licences, permits and certificates to be revoked or not renewed. Any revocation or non-renewal of our licences, permits and certificates from the relevant authorities in Malaysia, Indonesia and China, may have a material impact on our Group's ability to continue our operations in Malaysia, Indonesia and China and hence, may affect our profitability.

(c) Harvesting risk

Our plantations are exposed to harvesting risk, which include outbreaks of diseases, damage from pests and fire or other natural disasters. This may cause disruption to our production of herbal-based health supplements. We take proactive steps by keeping up to date with the latest advancements in areas relating to planting technologies and materials, disease prevention and farm operations. We also have a dedicated agriculture development team overseeing the progress of the herbal parks, in addition to supply and quality of the produces. Harvesting risk, if not contained or eliminated entirely, may have a material and adverse effect on our operations and financial performance.

(d) Product liability risk

As an integrated health supplement company in healthcare supplement sectors, product contamination is an area of key concern as it could lead to a widespread product recall. This would affect our bottom line, as well as jeopardise our Group's reputation and demand for products. We have adequate product liability insurance coverage to protect against claims of injury caused by defective products.

Additionally, our operations are in compliance with stringent control procedures for processes relating to product formulation and manufacturing whereby our main manufacturing facility in Bangi, Selangor is also certified with GMP and HACCP certifications. We have not experienced any product recalls from the market, nor any product liability claims, since our inception.

(e) Foreign currency exchange risk

Our Group is exposed to foreign currency exchange risk from sales of products in United States Dollar (USD), Renminbi and Singapore Dollar (SGD). These transactions are translated to the functional currencies of our Group's subsidiaries at exchange rates on the dates of transactions. Any difference in the prevailing exchange rates on the dates of settlement may give rise to foreign currency exchange gains or losses that would affect our Group's financial performance. If significant foreign currency fluctuations occur in the future, they may adversely and materially affect the financial performance of our Group.

(f) R&D activities may not lead to successful products

The success and earnings growth of our Company in this industry is partly dependent on our ability to continuously be efficient in the production of our products and to develop new products to meet prevailing market demand. To this end, we are committed to undertake R&D activities to develop new product formulations and to enhance our production process. Given our reach in the pharmaceutical arena, we are dedicated to maintaining the affordability and accessibility of health supplements 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. However, there can be no assurance that our R&D activities will be successful. Unsuccessful R&D activities may have an adverse impact on our financial performance as the R&D expenses incurred may have to be written off or sales of the newly developed products may be insufficient to cover the expenses incurred.

(g) Financial risk

Our Group's working capital and capital expenditure requirements are funded by internally-generated funds and/or bank borrowings. As at the LPD, our Group's total borrowings amounted to approximately RM11.14 million. All our bank borrowings are interest-bearing based on variable rates. As such, any fluctuation in interest rates could have a material effect on our finance costs. As at the LPD, our Group enjoys good credit standing with our bankers as our Group has never defaulted on payments of either interest or principal sums, in respect of any borrowings during the FYE 31 December 2020 and the subsequent period up to the LPD. Our Group also has adequate credit facilities. As at the LPD, our Group's gearing ratio stood at approximately 0.07 times. Our Board is confident of our ability to meet our financial obligations when they become due and payable, after taking into consideration the banking facilities currently available to us and the usage of proceeds to be raised from the Rights Issues. Nevertheless, if significant future fluctuations in interest rates occur, they may adversely and materially affect our Group's performance and profitability.

(h) Credit risk relating to our trade debtors

Our Group is exposed to the risk of default by our trade debtors. Our Group may experience delays in payment for our products, or in more severe cases, our Group may not be able to collect payments from our trade debtors. In the event of payment defaults, our Group would have to impair or write off the debts, which will have an adverse impact on our profitability. In the FYE 31 December 2020, we have recorded bad debts written-off of RM3.14 million (FYE 31 December 2019: Nil) as the customer has closed down their business as a result of their businesses had been affected due to the COVID-19 pandemic as well as impairment losses on trade receivables of RM3.43 million (FYE 31 December 2019: Nil) as a result of the COVID-19 pandemic that led to lower collection from customers.

Our Group will assess the financial and credit positions of prospective customers prior to accepting their orders, while for existing customers, our Group will continually assess and review their financial and credit positions and maintain close contact with these customers. In addition, our Group regularly reviews our trade receivables ageing and monitor collection of debts. Nevertheless, any significant future default in payments by our trade debtors may adversely and materially affect our Group's performance and cash flows.

6.3 Risks relating to the Rights Issues

(a) Delay or failure to implement the Rights Issues

The Rights Issues are exposed to the risk that they may be delayed or not implemented due to the occurrence of force majeure events or circumstances which are beyond the control of our Company and Principal Adviser arising prior to the implementation of the Rights Issues. Such events or circumstances include, epidemics or pandemics, natural disasters, adverse developments in political, economic and government policies in Malaysia, including changes in inflation and interest rates, global economic downturn, acts of war, acts of terrorism, riots, expropriations and changes in political leadership.

Pursuant to Rule 6.52 of the Listing Requirements, Bioalpha is required to have at least 100 Rights ICPS holders holding not less than 100 Rights ICPS each.

There can be no assurance that the abovementioned events will not occur and cause a delay or failure to implement the Rights Issues. If not implemented, all monies received from the Rights Issues will be refunded without interest to the Entitled Shareholders/subscribers and/or the renounee(s)/transferee(s) (if applicable).

If such monies are not repaid within 14 days after our Company becomes liable, our Company will repay such monies with interest at the rate of 10% per annum or such other rate as may be prescribed by the Securities Commission Malaysia in accordance with Section 243(2) of the CMSA.

In the event that the Rights Shares and/or new Bioalpha Shares to be issued pursuant to the conversion of the Rights ICPS have been allotted to the successful Entitled Shareholders/subscribers and/or the renounee(s)/transferee(s) (if applicable) and the Rights Issue of Shares and/or Rights Issue of ICPS is subsequently cancelled or terminated, a return of monies to the shareholders can only be achieved by way of cancellation of Bioalpha's share capital as provided under the Act. Such cancellation requires the approval of the shareholders of our Company by way of special resolution in a general meeting, consent of the creditors of our Company (where applicable) and may require the confirmation of the High Court of Malaya (where applicable). There can be no assurance that such monies can be returned within a short period of time or at all under such circumstances.

Our Company has procured the Undertakings from William Hon in order to meet the Minimum Scenario (Shares) and Minimum Scenario (Rights ICPS). The successful implementation of the Rights Issues is dependent on the fulfilment of the Undertakings from William Hon. In addition, our Company will endeavour to obtain the requisite approvals and take all reasonable and necessary steps to ensure completion of the Rights Issues.

(b) No prior market for the Rights ICPS

The Rights ICPS are new instruments to be issued by our Company, for which there is currently no public market. No assurance can be given that an active market for these new instruments will develop upon or subsequent to the listing of and quotation for this instrument on the ACE Market of Bursa Securities or, if developed, that such a market will be sustainable or adequately liquid during the tenure of the Rights ICPS.

The market price of the Rights ICPS, like other securities traded on Bursa Securities, is subject to fluctuations and will be influenced by, amongst others, prevailing market sentiments, volatility of the share market, economic and political condition in Malaysia and overseas, the market price of the underlying Shares, interest rate movements, trades of substantial amounts of the Rights ICPS on Bursa Securities in the future, corporate developments as well as the future prospects of the industries in which our Group operates.

While most of the factors as mentioned above are beyond our Group's control, our Group will endeavour to improve our operational performance and profitability, leading to a likely positive reflection in the market price of Bioalpha Shares and potentially increase the trading liquidity of the Rights ICPS.

(c) Investment and capital market risk

The market prices of the Rights Shares and Rights ICPS are influenced by, amongst others, the prevailing market sentiments, the volatility of equity markets, the liquidity of Bioalpha Shares, the outlook of the industries in which our Group operates, changes in regulatory requirements or market conditions, as well as the financial performance and fluctuations in our Group's operating results.

In addition, the performance of the Malaysian share market (where Bioalpha Shares are listed) is dependent on the economic and political conditions in Malaysia and overseas as well as external factors such as, amongst others, the performance of the world bourses and flows of foreign funds. In view of this, there can be no assurance that the Rights Shares and the Rights ICPS will trade above their respective issue prices or TEAP upon or subsequent to their listing on the ACE Market of Bursa Securities.

Our Group will endeavour to improve its revenue and earnings thereby increasing the likelihood of a positive reflection in the market price of Bioalpha Shares.

(d) Potential dilution of existing shareholders' shareholdings

Entitled Shareholders who do not subscribe for their entitlements under the Rights Issues will experience dilution of their shareholding percentages as a result of the issuance of the Rights Shares and conversion of Rights ICPS into new Bioalpha Shares. Consequently, their proportionate entitlements to any dividends, rights, allotments and/or other distributions that our Company may declare, make or pay after completion of the Rights Issues will be correspondingly diluted.

In order to attract the Entitled Shareholders to subscribe for the Rights Issues and mitigate the risk of potential dilution of their shareholdings, our Board has fixed the issue price for the Rights Shares and Conversion Price of the Rights ICPS at a discount to the TEAP as set out in **Sections 2.1 and 3.1** of this Abridged Prospectus.

(e) Forward-looking statements

Certain statements in this Abridged Prospectus are based on historical information, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All statements, other than statements of historical data, included in this Abridged Prospectus, including without limitation, those regarding the financial position, risk factors, prospects and future plans of our Group are forward-looking statements.

Such forward-looking statements contained in this Abridged Prospectus are based on estimates and assumptions made by our Company, unless stated otherwise. Although our Board believes that these forward-looking statements are reasonable at this point in time given the prevailing circumstances, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. In view of the above, the inclusion of any forward-looking statements in this Abridged Prospectus should not be regarded as a representation or warranty by our Company, the Principal Adviser and/or other advisers in relation to the Rights Issues that the plans and objectives of our Group will be achieved.

7. INDUSTRY OUTLOOK AND FUTURE PROSPECTS OF OUR GROUP

7.1 Overview and outlook of the Malaysian economy

The Malaysian economy recorded a negative growth of 3.4% in the fourth quarter 2020 (3Q 2020: -2.6%), largely attributable to the imposition of the conditional MCO on a number of states since mid-October. The restrictions on mobility, especially on inter-district and inter-state travel, weighed on economic activity. Nevertheless, the continued improvement in external demand provided support to growth. Consequently, except for manufacturing, all economic sectors continued to record negative growth. In terms of sectoral performance, all economic sectors, except manufacturing, registered negative growth in the fourth quarter.

For Malaysia, the momentum in economic recovery was affected by the resurgence in COVID-19 cases and the introduction of targeted containment measures in several states in the fourth quarter 2020. While there were minimal restrictions on production capacity, the movement restrictions implemented in selected states partly affected domestic demand during the quarter.

For 2021, while near-term growth will be affected by the re-introduction of stricter containment measures, the impact, however, will be less severe than that experienced in 2020. The growth trajectory is projected to improve from the second quarter onwards. Improvement will be driven by the recovery in global demand, turnaround in public and private sector expenditure amid continued support from policy measures including PENJANA, KITA PRIHATIN, 2021 Budget and PERMAI, and higher production from existing and new facilities in the manufacturing and mining sectors. The vaccine rollout from February 2021 onwards is also expected to lift sentiments. The balance of risks remains tilted to the downside, stemming mainly from ongoing uncertainties surrounding the dynamics of the pandemic and potential challenges that might affect the rollout of vaccines both globally and domestically. The outlook, however, is subject to global oil and commodity price developments.

(Source: Economic and Financial Developments in Malaysia in the 4th Quarter of 2020, Bank Negara Malaysia)

The Malaysian economy experienced the full impact of the COVID-19 pandemic in the second quarter of 2020, with the real gross domestic product (“GDP”) contracting by 17.1%. The contraction was mainly attributed to the imposition of the MCO to contain the outbreak. Though affecting all sectors in the economy, the move was necessary to flatten the COVID-19 curve and save lives. Hence, the Government has announced several stimulus packages totalling RM305 billion to support both households and businesses. Reinforced by the reopening of the economy in phases, growth is expected to improve gradually during the second half of the year, cushioning the significant contraction in the first half.

Thus, Malaysia’s GDP is expected to contract by 4.5% in 2020 (2019: 4.3%), before rebounding between 6.5% – 7.5% in 2021. With the bold and swift measures undertaken, Malaysia has been recognised as one of the most successful countries in managing the socio-economic impact of the pandemic. Although domestic demand is expected to remain soft throughout 2020, there are signs of recovery in the second half of the year, particularly in private consumption. On the supply side, all sectors are expected to contract, affected by the unprecedented crisis. Nevertheless, the pace of improvement gathered momentum in the third quarter, especially in the services and manufacturing sectors, with the resumption of economic activities.

(Source: Economic Outlook 2021, Ministry of Finance Malaysia)

7.2 Overview and outlook of the Chinese economy

Following a collapse in the first quarter of 2020, economic activity in China has normalized faster than expected, aided by an effective pandemic-control strategy, strong policy support, and resilient exports. While swift, the recovery has been uneven, with domestic demand recovering more slowly than production and consumption more slowly than investment. China recorded real GDP growth of 6.1 percent in 2019.

Real GDP growth is projected to slow to 2 percent in 2020 before accelerating to 7.9 percent in 2021, as consumer spending and business investment continue to catch up, along with improving corporate profits, labour market conditions, and incomes. The growth outlook is predicated on the assumption that well-targeted containment efforts supported by the gradual rollout of effective COVID-19 vaccines starting in early 2021 will continue to keep new infection rates low and prevent the resurgence of large-scale outbreaks.

The growth outlook envisages that localized COVID-19 flareups - occurring until the effective rollout of an effective vaccine - are effectively contained and will not cause major disruptions to economic activity in China. Under this scenario, the recovery in China is projected to continue in 2021, as economic activity broadens to private investment and consumption in response to improved consumer and business confidence and better labour market conditions.

The outlook is predicated on a resumption of structural reforms in China, which are expected to bolster business confidence and support private investment spending. Financial conditions are assumed to remain broadly stable, even though some segments of the economy will continue to experience liquidity pressures as de-risking efforts intensify, and the economy returns to the path of structural moderation that predates the pandemic.

(Source: China Economic Update – December 2020, World Bank Group)

7.3 Overview and outlook of the Indonesian economy

The Indonesian economy is projected to recover gradually but risks are high. The outlook rests on assumptions on the impact of the crisis and the dynamics of the pandemic. The second and third quarter macroeconomic data show the extent of the contraction and recovery. At the same time, substantial uncertainty remains regarding the dynamics of the pandemic and its medium-term effects. The partial rebound observed in Q3 2020 and during part of Q4 2020 is expected to slowly and gradually take root in 2021 provided the pandemic is well contained and there is no substantial increase in mobility restrictions or social distancing.

The growth projection for 2020 is revised to -2.2 percent from -1.6 percent in September 2020, reflecting weaker-than-expected recovery in the third quarter and part of the fourth quarter and persistent mobility restrictions and social distancing amid rising COVID-19 cases.

The Indonesian economy is expected to start rebounding in 2021 and to gradually strengthen in 2022. This is predicated on a steady reopening of the economy in 2021 followed by further reopening and decline in social distancing through 2022. Growth would rebound to 4.4 percent in 2021 driven primarily by a recovery in private consumption. This assumes that consumer confidence improves, and that household income losses remain low thanks to improved labor market outcomes and adequate social assistance. Driven by stronger consumption and investment, growth would strengthen to 4.8 percent in 2022 as confidence improves provided an effective and safe vaccine is available to a large part of the population. Contact-intensive sectors would recover gradually in 2021-2022 but remain subdued for certain services such as tourism. Growth in more export-oriented sectors such as manufacturing and mining would be supported by stronger global growth, trade and commodity prices.

(Source: Indonesia Economic Prospects – December 2020, World Bank Group)

7.4 Overview and outlook of the health supplement manufacturing industry in Malaysia and the health supplement market in Malaysia, Indonesia and China

Health supplement intakes are viewed as a way to maintain general wellness without having to make drastic lifestyle changes. Health supplements comprise the categories of herbal and non-herbal supplements, functional foods and nutritional meals. These products are generally manufactured using herbal and non-herbal materials and are generally consumed for the purpose of maintaining and improving health conditions.

Herbal materials refer to plant-based or botanical active ingredients. Botanical active ingredients basically contain biologically active compounds or phytochemicals, such as polyphenols in fruits, isoflavones in the legume soy and beta-carotene in vegetables, which offer the potential of improved health or reduced risk of disease. Meanwhile, non-herbal materials are active compounds found in non-plant-based sources including animals and other sources such as pearls and corals.

In general, health supplements are sold in the forms of health food ingredients and finished health supplements. Health food ingredients are herbal and non-herbal intermediary products either in dried form or extract form, which are used as materials in the manufacturing of finished health supplements. Health food ingredients in dried form have undergone primary processing which include cleaning, drying, cutting and/ or grinding; while health food ingredients in extract form are formulated ingredients which have undergone processes to extract its active compounds. Finished health supplements refer to packed and processed health supplements and these products have taken a dosage form (i.e., tablet and capsule), a functional food form or a nutritional meal form.

Over the years, the health supplement manufacturing industry in Malaysia has developed in terms of its manufacturing and product formulation processes. For example, today, herbal products are not just sold in dried form, but are also further processed into herbal extracts which are more potent and have better absorption rates.

In addition, through extensive researches and studies on herbal and non-herbal active ingredients, health supplement manufacturers are also able to combine these active ingredients to provide end-user customers or consumers with various health benefits. This has resulted in the increase in efficacy of these herbal and non-herbal active ingredients.

With the growing health supplement consumption, the health supplement manufacturing industry in Malaysia is expected to continue to demonstrate further potential for growth.

Since early 2020, the outbreak of COVID-19 has impacted many countries around the world. On 30 January 2020, the World Health Organisation (“WHO”) declared a public health emergency of international concern on COVID-19. Later, on 11 March 2020, the WHO made the assessment that COVID-19 can be characterised as a pandemic due to the alarming levels of spread and severity and levels of inaction.

Health supplements are products which can strengthen immune system to fight off infection and maintain and improve health conditions. As such, consumers became more receptive towards health supplements to strengthen or boost immune system during the current COVID-19 pandemic.

The health supplement manufacturing industry in Malaysia

The health supplement manufacturing industry in Malaysia grew from RM1.18 billion in 2017 to RM1.40 billion in 2019, registering a compound annual growth rate (“CAGR”) of 8.92%. (Source: SMITH ZANDER analysis)

In view of the current COVID-19 pandemic, there has been overall increased health awareness leading to demand for health supplements by consumers to strengthen their immune system and to maintain and improve general health conditions. Consequently, in anticipation of the increase in demand for health supplements, health supplement manufacturers may increase manufacturing activities to cater to the anticipated increase in demand, thus driving the health supplement manufacturing industry. Due to the increase in manufacturing activities, SMITH ZANDER estimates the size of the health supplement manufacturing industry in Malaysia to have reached RM1.99 billion in 2020, an increase of 42.14% from 2019.

Moving forward, when the infection of the COVID-19 virus has subsided or is contained, the demand for health supplements may gradually normalise to pre-COVID-19 levels. Nevertheless, the demand for health supplements will be continuously driven by the overall increased health awareness, increasing income of the population, rapid urbanisation, rising population as well as growing aging population. SMITH ZANDER forecasts the size of the health supplement manufacturing industry in Malaysia to normalise to pre-COVID-19 levels, with a decline of 19.60% from RM1.99 billion in 2020 to RM1.60 billion in 2021.

The parameters used by SMITH ZANDER for the estimate and forecast on the sizes of the health supplement manufacturing industry in Malaysia in 2020 and 2021 were based on the historical growth in the size of the health supplement manufacturing industry in Malaysia as well as the future drivers and restraints of the health supplement manufacturing industry in Malaysia specifically in relation to the COVID-19 pandemic and post-COVID-19 pandemic.

The health supplement market in Malaysia

The health supplement market in Malaysia, measured by apparent consumption of health supplements, grew from RM4.72 billion in 2017 to RM6.24 billion in 2019, registering a CAGR of 14.98%. (Sources: Department of Statistics Malaysia, SMITH ZANDER analysis)

In anticipation of the increase in demand for health supplements due to the COVID-19 pandemic, SMITH ZANDER estimates the size of the health supplement market in Malaysia to have reached RM7.41 billion in 2020, an increase of 18.75% from 2019.

When the infection of the COVID-19 virus has subsided or is contained, SMITH ZANDER forecasts the size of the health supplement market in Malaysia to normalise to pre-COVID-19 levels, with a decline of 10.53% from RM7.41 billion in 2020 to RM6.63 billion in 2021.

The health supplement market in Indonesia

The health supplement market in Indonesia, measured by retail value of health supplements, grew from United States Dollar (“USD”) 1.59 billion (RM6.84 billion) in 2017 to USD1.78 billion (RM7.37 billion) in 2019, registering a CAGR of 5.81%. (Source: IMR Report)

In anticipation of the increase in demand for health supplements due to the COVID-19 pandemic, SMITH ZANDER estimates the size of the health supplement market in Indonesia to have reached USD1.97 billion (RM8.28 billion) in 2020, an increase of 10.67% from 2019.

When the infection of the COVID-19 virus has subsided or is contained, SMITH ZANDER forecasts the size of the health supplement market in Indonesia to normalise to pre-COVID-19 levels, with a decline of 5.08% from USD1.97 billion (RM8.28 billion) in 2020 to USD1.87 billion (RM7.61 billion) in 2021.

The health supplement market in China

The health supplement market in China, measured by retail value of health supplements, increased from USD22.02 billion (RM94.70 billion) in 2017 to USD24.76 billion (RM99.91 billion) in 2018 but decreased to USD24.18 billion (RM100.17 billion) in 2019. The health supplement market in China grew from 2017 to 2019 at a CAGR of 4.79%. (Source: IMR Report)

In anticipation of the increase in demand for health supplements due to the COVID-19 pandemic, SMITH ZANDER estimates the size of the health supplement market in China to have reached USD27.71 billion (RM116.41 billion) in 2020, an increase of 14.60% from 2019.

When the infection of the COVID-19 virus has subsided or is contained, SMITH ZANDER forecasts the size of the health supplement market in China to normalise to pre-COVID-19 levels, with a decline of 10.61% from USD27.71 billion (RM116.41 billion) in 2020 to USD24.77 billion (RM100.31 billion) in 2021.

The parameters used by SMITH ZANDER for the estimates and forecasts on the sizes of the health supplement markets in Malaysia, Indonesia and China in 2020 and 2021 were based on the historical growth in the sizes of the health supplement markets in Malaysia, Indonesia and China as well as the future drivers and restraints of the health supplement markets in Malaysia, Indonesia and China, specifically in relation to the COVID-19 pandemic and post-COVID-19 pandemic.

(Source: IMR Report)

7.5 Prospects of our Group

Moving forward, our Group shall remain focused on building a robust foundation to be better positioned in pursuit of sustainable growth. Against the challenging operating backdrop due to the COVID-19 pandemic, our Group endeavours to strengthen its business segments and execute its growth strategies.

For its manufacturing business, our Group will continue its efforts to build a solid product pipeline by intensifying its research and development activities on developing formulations and launching of new health supplement offerings in high demand areas related to immunity, obesity-care, anti-ageing and antioxidant, amongst others. This is to cater to the demand for such health supplement products from its existing Original Design Manufacturing (ODM) clients as well as securing new customers.

In efforts to grow our business in China, our Group will continue to work closely with local distributors and partners in China. Meanwhile, our Group's newly-secured Supply Contract Agreement (as defined in **Section 5** of this Abridged Prospectus) is expected to accelerate its growth in China, opening a new income stream and market segment. For this venture, our Group has commenced the delivery of health food ingredients to Guizhou province, China in September 2020.

Further, our Group has obtained several registration approvals for its health supplement products from the National Agency of Drug and Food Control, Indonesia which enable the supply of the approved health supplement products in Indonesia. Moving forward, our Group plans to obtain more registration approvals to expand its product offerings in Indonesia.

For its retail pharmacy business, our Group's efforts are channelled on improving customer services at the Constant pharmacy outlets, while intensifying our Group's promotional and marketing initiatives. Our Group is also working towards enhancing its online presence to increase customer reach by leveraging on the greater adoption of e-commerce amongst consumers due to the COVID-19 pandemic.

For our agriculture business, our Group remains steadfast in developing its herbal parks and increasing its planted acreage. Our Group is hopeful for a larger harvest volume as more plants reach maturity, in addition to cultivating more high-yielding crops.

As the situation of the COVID-19 pandemic is still developing, our Group will remain vigilant by closely monitoring developments to ascertain the magnitude of the on-going impact from the COVID-19 pandemic and has taken proactive measures to mitigate any such impact such as adopting stricter cost control measures, improving asset utilisation and aligning our Group's cost structure with current production levels.

Our Group is confident that it will be able to navigate through these headwinds through the support of its ongoing initiatives, solid financial position and extensive experience of 15 years in the health supplement industry.

On 25 January 2021, our Company announced that Bioalpha International Sdn Bhd ("**Bioalpha International**"), a wholly-owned subsidiary of Bioalpha, had entered into the following:

- (i) Memorandum of Understanding with iHEAL Medical Services Sdn Bhd ("**iHEAL**"), which outlines the intention of both parties to work in collaboration to provide COVID-19 vaccination services to the public for a period of 1 year from 25 January 2021. iHEAL was incorporated in Malaysia on 29 August 2008 under the Companies Act 1965 as a private limited company and is deemed registered under the Act. iHEAL owns and operates iHEAL Medical Centre Kuala Lumpur, a medical centre licensed by the Ministry of Health which focuses on heart and heart-related diseases.

The Memorandum of Understanding establishes the framework and intention of both parties on areas of collaboration in relation to the administration of the COVID-19 vaccine in Malaysia which includes, among others, arranging on-site vaccine administration exercises with a mobile team of medical practitioners, designating areas to undertake mass vaccinations efficiently, providing certificates of vaccination and professional consultations post-vaccination, subject to our Group obtaining the relevant regulatory approvals to import and distribute COVID-19 vaccines in Malaysia as set out in **Sections 7.5(ii) and 7.5(iii)** of this Abridged Prospectus.

The proposed collaboration under the Memorandum of Understanding, if materialised, would solidify our Group's efforts to make available COVID-19 vaccine in Malaysia and further strengthen Bioalpha's presence in the healthcare sector in Malaysia;

- (ii) Procurement and Distribution Agreement with Shanghai Bukun Trading Co., Ltd ("**Shanghai Bukun**"), a wholly-owned subsidiary of Sinopharm (Hainan) Health Industry Co., Ltd for the procurement and distribution of vaccines in Malaysia, including but not limited to the COVID-19 vaccine developed by Sinovac Biotech Co., Ltd. ("**Sinovac Biotech**") for a period of 2 years from 25 January 2021, subject to relevant authorities' approvals which include the National Pharmaceutical Regulatory Agency, Ministry of Health and Ministry of Science, Technology and Innovation. This arrangement has also been endorsed by Sinovac Biotech with regards to the COVID-19 vaccine. Since March 2021, the COVID-19 vaccine by Sinovac Biotech has been rolled out in Malaysia for emergency usage in line with COVID-19 national immunisation programme. As at the LPD, our Group is in communication with the regulatory authorities (i.e., Ministry of Health and Ministry of Science, Technology and Innovation) to obtain approvals for the import of the COVID-19 vaccine to Malaysia.

Shanghai Bukun's principal business is in trading services, including import and export of medicine, health foods and medical devices, as well as provision of technology development and technology transfer in the fields of biotechnology and pharmaceutical technology.

The Procurement and Distribution Agreement will enable our Group to expand our business into distribution of vaccines, such as vaccines for COVID-19, which has favourable prospects following the recent pandemic and which would further strengthen our Group's presence in the healthcare sector in Malaysia. Our Group intends to market and distribute the vaccine to the private sector, targeting expatriates as well as foreign workers. Our Group believes there is a market for employers who want to vaccinate their foreign workers at the soonest possible time; and

- (iii) Memorandum of Understanding with Zuellig Pharma Sdn Bhd (“Zuellig”) on 22 January 2021 to facilitate the importation, warehousing and distribution of the COVID-19 vaccine in Malaysia, subject to approval from the relevant authorities for the distribution and sale of the COVID-19 vaccine in Malaysia which include Ministry of Health, the National Pharmaceutical Regulatory Agency and Ministry of Science, Technology and Innovation. As at the LPD, our Group is in communication with the regulatory authorities (i.e., Ministry of Health and Ministry of Science, Technology and Innovation) to obtain approvals for the import and distribute of the COVID-19 vaccine in Malaysia. The Memorandum of Understanding with Zuellig is valid from the date of execution until such time that both parties agree to mutually terminate the Memorandum of Understanding.

Zuellig is the largest vaccine distributor in Malaysia and has extensive capabilities to warehouse and distribute such products in temperature-controlled environments. Zuellig is currently the largest vaccine distributor in Malaysia and has extensive capabilities to warehouse and distribute such products in temperature-controlled environments. It operates healthcare distribution facilities both in West Malaysia (Klang Valley) and East Malaysia (Kota Kinabalu and Kuching). The Memorandum of Understanding will enable our Group to expand our business into distribution of vaccines, such as COVID-19 vaccines, which has favourable prospects following the recent pandemic.

The Rights Issues are expected to be able to address our Group’s cash flow requirements, further strengthen the capital base of our Company and is expected to contribute positively to the future earnings of our Group when the economic and financial benefits of the usage of proceeds are realised.

After taking into consideration the above and the outlook of the economy, health supplement manufacturing industry in Malaysia and health supplement markets in Malaysia, China and Indonesia as set out in Sections 7.1 to 7.4 of this Abridged Prospectus, the management is cautiously optimistic that the Rights Issues are in the best interest of our Company and our Group will be able to continue delivering positive results and in turn, enhance our shareholders’ value.

(Source: Management of Bioalpha)

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8.2 NA and gearing

The pro forma effects of the Corporate Exercises on the NA and gearing of our Group, based on the unaudited consolidated financial statements of our Company as at 31 December 2020 are as follows:

Minimum Scenario

	(I) (Unaudited) As at 31 December 2020 (RM)	(II) After (I) and the Rights Issue of Shares (RM)	(III) After (II) and the Rights Issue of ICPS (RM)	(IV) After (III) and the Placement of ICPS (RM)	(V) After (IV) and assuming full conversion of ICPS (RM)
Share capital	135,824,496*	138,424,496 ⁽¹⁾	138,424,496	138,424,496	146,824,496 ⁽¹⁾
Warrant reserve	16,853,263	16,853,263	16,853,263	16,853,263	16,853,263
SIS Option reserve	227,925	227,925	227,925	227,925	227,925
Merger deficits	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)
Foreign currency translation reserve	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)
Equity component of ICPS	-	-	2,600,000 ⁽²⁾	8,400,000 ⁽²⁾	-
Other reserve	(16,853,263)	(16,853,263)	(16,853,263)	(16,853,263)	(16,853,263)
Retained earnings	32,970,274	32,220,274 ⁽²⁾	32,220,274	32,220,274	32,220,274
Shareholders' funds/ NA	163,995,565	165,845,565	168,445,565	174,245,565	174,245,565
No. of Shares	1,110,470,832	1,123,470,832	1,123,470,832	1,123,470,832	1,161,652,650
NA per Share (sen)	14.77	14.76	14.99	15.51	15.00
Total borrowings (RM)	12,267,213	12,267,213	12,267,213	12,267,213	12,267,213
Gearing (times)	0.07	0.07	0.07	0.07	0.07

Notes:

* Based on additional listing announcement dated 7 December 2020.

(1) Based on the issue price of RM0.20 per Rights Share.

(2) After deducting estimated expenses of RM750,000 in relation to the Corporate Exercises.

(3) Based on the issue price of RM0.02 per Rights ICPS and assuming an issue price of RM0.02 per Placement ICPS.

(4) Assuming conversion of 420,000,000 ICPS by way of 11 ICPS for 1 new Bioalpha Share.

Maximum Scenario

	(I) (Unaudited) As at 31 December 2020 (RM)	(II) After (I) and assuming full exercise of outstanding Warrants 2017/2022 (RM)	(III) After (II) and assuming full exercise of outstanding SIS Options A (RM)	(IV) After (III) and assuming full exercise of outstanding SIS Options B (RM)	(V) After (IV) and the Rights Issue of Shares (RM)	(VI) After (V) and the Rights Issue of ICPS (RM)	(VII) After (VI) and the Placement of ICPS (RM)	(VIII) After (VII) and assuming full conversion of ICPS (RM)
Share capital	135,824,496*	165,157,708 ⁽¹⁾	165,799,333 ⁽²⁾	166,256,758 ⁽³⁾	182,923,806 ⁽⁴⁾	182,923,806	182,923,806	292,558,188 ⁽⁷⁾
Warrant reserve	16,853,263	- ⁽¹⁾	-	- ⁽³⁾	-	-	-	-
SIS Option reserve	227,925	227,925	32,175 ⁽²⁾	- ⁽³⁾	-	-	-	-
Merger deficits	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)	(4,969,130)
Foreign currency translation reserve	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)	(58,000)
Equity component of ICPS	-	-	-	-	-	4,166,762 ⁽⁶⁾	9,966,762 ⁽⁶⁾	-
Other reserve	(16,853,263)	- ⁽¹⁾	-	-	-	-	-	-
Retained earnings	32,970,274	32,970,274	32,970,274	32,970,274	32,220,274 ⁽⁵⁾	32,220,274	32,220,274	32,220,274
Shareholders' funds/ NA	163,995,565	193,328,777	193,774,652	194,199,902	210,116,950	214,283,712	220,083,712	319,751,332
No. of Shares	1,110,470,832	1,243,803,617	1,245,978,617	1,250,028,617	1,333,363,858	1,333,363,858	1,333,363,858	1,831,701,961
NA per Share (sen)	14.77	15.54	15.55	15.54	15.76	16.07	16.51	17.46
Total borrowings (RM)	12,267,213	12,267,213	12,267,213	12,267,213	12,267,213	12,267,213	12,267,213	12,267,213
Gearing (times)	0.07	0.06	0.06	0.06	0.06	0.06	0.06	0.04

Notes:

- * Based on additional listing announcement dated 7 December 2020.
- (1) Assuming full exercise of 133,332,785 outstanding Warrants 2017/2022 at RM0.22 each into 133,332,785 new Bioalpha Shares.
 - (2) Assuming full exercise of 2,175,000 outstanding SIS Options A at RM0.205 each into 2,175,000 new Bioalpha Shares.
 - (3) Assuming full exercise of 4,050,000 outstanding SIS Options B at RM0.105 each into 4,050,000 new Bioalpha Shares.
 - (4) Based on the issue price of RM0.20 per Rights Share.
 - (5) After deducting estimated expenses of RM750,000 in relation to the Corporate Exercises.
 - (6) Based on the issue price of RM0.02 per Rights ICPS and assuming an issue price of RM0.02 per Placement ICPS.
 - (7) Assuming conversion of 498,338,103 ICPS by way of 1 ICPS and RM0.20 in cash for 1 new Bioalpha Share.

8.3 Earnings and EPS

The Rights Issues are not expected to have an immediate material effect on the consolidated earnings/losses and EPS/LPS of our Group for the financial year ending 31 December 2021 as the Rights Issues are only expected to be completed in the second quarter of 2021 while the proceeds to be raised are only expected to be utilised over a period of 12 months from the date of listing of the Rights Shares and Rights ICPS. Nevertheless, the Rights Issues are expected to contribute positively to the future earnings and EPS of our Group when the benefits of the utilisation of proceeds are realised.

The consolidated EPS/LPS of our Group shall be correspondingly diluted as a result of the increase in the number of Bioalpha Shares arising from the issuance of the Rights Shares and/or conversion of the Rights ICPS in the future. The effects of any conversion of the Rights ICPS on the consolidated EPS/LPS of our Group would be dependent on the Cashless Conversion or Cash Conversion for the Rights ICPS and the returns generated by our Group from the utilisation of proceeds arising from the Rights Issues.

For illustrative purposes, the pro forma effects of the Rights Issues on our Group's LPS is as follows:

Minimum Scenario

	(Unaudited)	(I)	(II)	(III)
	As at 31 December 2020 (RM'000)	After the Rights Issue of Shares (RM'000)	After (I) and the Rights Issue of ICPS (RM'000)	After (II) and assuming full conversion of the Rights ICPS based on Cashless Conversion (RM'000)
LAT	(37,781)	(38,531) ⁽¹⁾	(38,531)	(38,531)
No. of Shares in issue ('000)	1,110,471	1,123,471	1,123,471	1,135,289
LPS (RM)	(0.03)	(0.03)	(0.03)	(0.03)

Note:

(1) After deducting estimated expenses of RM750,000 in relation to the Corporate Exercises.

Maximum Scenario

	(Unaudited)	(I)	(II)	(III)
	As at 31 December 2020 (RM'000)	After the Rights Issue of Shares (RM'000)	After (I) and the Rights Issue of ICPS (RM'000)	After (II) and assuming full conversion of the Rights ICPS based on Cash Conversion (RM'000)
LAT	(37,781)	(38,531) ⁽¹⁾	(38,531)	(38,531)
No. of Shares in issue ('000)	1,110,471	1,333,364 ⁽²⁾⁽³⁾⁽⁴⁾	1,333,364	1,541,702
LPS (RM)	(0.03)	(0.03)	(0.03)	(0.02)

Notes:

- (1) After deducting estimated expenses of RM750,000 in relation to the Corporate Exercises.
- (2) Assuming full exercise of 133,332,785 outstanding Warrants 2017/2022 at RM0.22 each into 133,332,785 new Bioalpha Shares.
- (3) Assuming full exercise of 2,175,000 outstanding SIS Options A at RM0.205 each into 2,175,000 new Bioalpha Shares.
- (4) Assuming full exercise of 4,050,000 outstanding SIS Options B at RM0.105 each into 4,050,000 new Bioalpha Shares.

8.4 Convertible securities

As at the LPD, our Company does not have any outstanding convertible securities except for the outstanding 133,332,785 Warrants 2017/2022, 2,175,000 SIS Options A and 4,050,000 SIS Options B.

Consequent to the Rights Issues, there may be Adjustments to the exercise prices and numbers of Warrants 2017/2022, SIS Options A and SIS Options B in accordance with the provisions of the Deed Poll and By-Laws. Such Adjustments, if necessary, will only be finalised on the Entitlement Date and will be effective on the next market day after the Entitlement Date. The details of any such Adjustments shall be notified to the holders of the Warrants 2017/2022, SIS Options A and SIS Options B in accordance with the Deed Poll and By-Laws.

8.5 Details of other corporate exercises

As at the date of this Abridged Prospectus, our Board has confirmed that there are no other corporate exercises which have been approved by the regulatory authorities but pending completion, save for the Rights Issue of Shares, Rights Issue of ICPS and as disclosed below:

- (i) On 6 April 2021, our shareholders approved the Placement of ICPS, which is intended to enable Directors of the Company to support the Company's fund-raising exercise for the Group's working capital. As at the LPD, our Company has yet to implement the Placement of ICPS. A total of up to 290,000,000 Placement ICPS are allocated to the Directors of the Company, whereby William Hon has been allocated with up to 220,000,000 Placement ICPS with the balance of 70,000,000 Placement ICPS to be subscribed by William Hon in the event they are not subscribed by the other Directors of the Company, pursuant to his Placement ICPS Undertaking. The Placement ICPS shall form the same series as the Rights ICPS and will be issued on the same day as the Rights ICPS.

9. WORKING CAPITAL, BORROWINGS, CONTINGENT LIABILITIES, MATERIAL COMMITMENTS AND MATERIAL TRANSACTIONS

9.1 Working capital

Our business has been financed by a combination of internal and external sources of funds. The internal sources are funds from shareholders and cash generated from our operations. As at the LPD, our Group has cash and bank balances of RM24.68 million as well as unutilised bank facilities for both term loans and bankers' acceptances with a limit of RM11.50 million. The external sources are from bank borrowings from local banks i.e., term loans and bankers' acceptances which bear average annual interest rate ranging from 2.55% to 4.96%, and credit terms granted by our suppliers. The credit period granted by our suppliers to our Group ranges from 30 to 90 days. Our Group has also obtained finance lease facilities from financial institutions for our motor vehicles.

Apart from the above-mentioned sources of liquidity, our Group does not have access to other material unused sources of liquidity as at the LPD.

Our Board is of the opinion that our Group will have sufficient working capital for our operations in the next 12 months commencing from the date of this Abridged Prospectus after taking into consideration the proceeds from the Rights Issues, cash in hand, funds generated from our operations and available banking facilities as well as the potential impact of COVID-19 on the operations to our Group (as set out in **Section 6** of this Abridged Prospectus).

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9.2 Borrowings

As at the LPD, our Group has total outstanding borrowings of approximately RM11.14 million, all of which are interest-bearing, denominated in RM and from local financial institutions, as follows:

	As at the LPD (RM'000)
<u>Short-term borrowings:</u>	
Hire purchase payables	212
Term loans	688
Banker's acceptances	1,727
Lease liabilities	922
<u>Long-term borrowings:</u>	
Hire purchase payables	301
Term loans	3,538
Lease liabilities	3,747
Total	11,135

As at the LPD, our Group does not have any non-interest bearing and foreign currency-denominated borrowings.

Our Board, after having made all reasonable enquiries, confirms that there has not been any default by our Group on payments of either interest or principal sums, in respect of any borrowings during the FYE 31 December 2020 and the subsequent period up to the LPD.

9.3 Contingent liabilities

Our Board has confirmed that as at the LPD, there are no contingent liabilities incurred or known to be incurred by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group.

9.4 Material commitments

Our Board has confirmed that as at the LPD, there are no material commitments for capital expenditure by our Group, which upon becoming enforceable, may have a material impact on the financial position of our Group, save for the following:

Authorised and contracted for:	Amount (RM'000)
Purchase of property, plant and equipment	4,500

9.5 Material transactions

Our Board has confirmed that there are no other transactions which may have a material effect on our Group's operations, financial position and results since our Group's most recent interim announced unaudited financial statements for the FYE 31 December 2020, save for the Rights Issues and the Placement of ICPS.

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10. INSTRUCTIONS FOR ACCEPTANCE, PAYMENT, SALE/TRANSFER AND EXCESS APPLICATION FOR THE RIGHTS ISSUES

10.1 General

As you are an Entitled Shareholder, your CDS account will be duly credited with the number of Provisional Rights Securities which you are entitled to subscribe for in full or in part, under the terms of the Rights Issues. You will find enclosed with this Abridged Prospectus, the NPA notifying you of the crediting of such Provisional Rights Securities into your CDS account and the RSF to enable you to subscribe for such Rights Shares and/or Rights ICPS provisionally allotted to you, as well as to apply for excess Rights Shares and excess Rights ICPS, if you choose to do so.

The Documents are also available at our registered office, our Share Registrar's office or on Bursa Securities' website at <https://www.bursamalaysia.com>.

10.2 NPA

The Provisional Rights Securities are prescribed securities pursuant to Section 14(5) of the SICDA and therefore, all dealings in such Provisional Rights Securities will be by book entries through the CDS accounts and will be governed by SICDA and Rules of Bursa Depository. You and/or your renounee(s)/transferee(s) (if applicable) are required to have valid and subsisting CDS accounts when making your applications.

10.3 Methods of acceptance and application

You may subscribe for the Provisional Rights Shares and/or Provisional Rights ICPS as well as apply for excess Rights Shares and excess Rights ICPS, if you choose to do so, using either of the following methods:

Method of application	Category of Entitled Shareholders
RSF	All Entitled Shareholders
Electronic Application *	All Entitled Shareholders
NRS	Authorised Nominees who have subscribed for NRS

Notes:

* The following surcharge per Electronic Application via ATM will be charged by the Participating Financial Institution:

- (i) Public Bank Berhad - RM4.00; and
- (ii) Affin Bank Berhad - RM4.00.

The following processing fee per Electronic Application via internet financial services website will be charged by the respective Participating Financial Institution:

- (i) Public Bank Berhad (www.pbepbank.com) - RM4.00; and
- (ii) Affin Bank Berhad (www.affinbank.com.my) - RM4.00.

10.4 Last date and time for acceptance and payment

The last date and time for acceptance of and payment for the Provisional Rights Shares and Provisional Rights ICPS as well as application and payment for the excess Rights Shares and excess Rights ICPS is **on 11 May 2021 at 5.00 p.m.**

We shall make an announcement on the outcome of the Rights Issues after the Closing Date.

10.5 Procedures for acceptance and payment

10.5.1 By way of RSF

Acceptance of and payment for the Provisional Rights Securities must be made on the respective RSF enclosed with this Abridged Prospectus and must be completed in accordance with the notes and instructions contained in the RSF. Acceptances and/ or payments which do not strictly conform to the terms of this Abridged Prospectus, the RSF or the notes and instructions contained therein or which are illegible may not be accepted at the absolute discretion of our Board.

FULL INSTRUCTIONS FOR THE ACCEPTANCE OF AND PAYMENT FOR THE PROVISIONAL RIGHTS SECURITIES AS WELL AS EXCESS RIGHTS SHARES AND EXCESS RIGHTS ICPS AND THE PROCEDURES TO BE FOLLOWED SHOULD YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR TRANSFEREE(S) (IF APPLICABLE) WISH TO SELL/ TRANSFER ALL OR ANY PART OF YOUR PROVISIONAL RIGHTS SECURITIES ARE SET OUT IN THIS ABRIDGED PROSPECTUS AND THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN. IN ACCORDANCE WITH THE CMSA, THE RSF MUST NOT BE CIRCULATED UNLESS ACCOMPANIED BY THE ABRIDGED PROSPECTUS. YOU AND/ OR YOUR RENOUNCEE(S) AND/ OR TRANSFEREE(S) (IF APPLICABLE) ARE ADVISED TO READ THIS ABRIDGED PROSPECTUS, THE ACCOMPANYING RSF AND THE NOTES AND INSTRUCTIONS THEREIN CAREFULLY.

If you and/ or your renounee(s) and/ or transferee(s) (if applicable) wish to accept either in full or in part of the Provisional Rights Securities of your entitlement, please complete Parts I(A) and II of the respective RSF in accordance with the notes and instructions contained in the RSF. Each completed and signed RSF together with the relevant payment must be sent to our Share Registrar using the reply envelope provided (at your own risk) by ORDINARY POST, COURIER or DELIVERY BY HAND at the address stated below:

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

Tel. No.: 03 – 7890 4700

Fax. No.: 03 – 7890 4670

so as to arrive not later than the Closing Date, being the last date and time for acceptance and payment for the Provisional Rights Securities.

If you and/ or your renounee(s) and/ or transferee(s) (if applicable) lose, misplace or for any other reasons require another copy of the RSF, you and/ or your renounee(s) and/ or transferee(s) (if applicable) may obtain additional copies from your stockbroker, our Share Registrar at the address stated above, our registered office or the website of Bursa Securities (<https://www.bursamalaysia.com>).

1 RSF can only be used for acceptance of Provisional Rights Shares or Provisional Rights ICPS standing to the credit of 1 CDS Account belonging. Separate RSF(s) must be used for separate CDS Account(s). If successful, the Rights Shares and/or Rights ICPS subscribed for will be credited into your CDS Account(s) where the Provisional Rights Shares and/or Provisional Rights ICPS are standing to the credit.

A reply envelope is enclosed in this Abridged Prospectus. To facilitate the processing of the RSF(s) by our Share Registrar, you are advised to use 1 reply envelope for each completed RSF.

The minimum number of securities that can be subscribed for or accepted is 1 Rights Share for every 15 existing Shares held and/or 1 Rights ICPS for every 6 existing Shares held on the Entitlement Date. However, you and/ or your renounee(s) and/ or transferee(s) (if applicable) should take note that a trading board lot for the Rights Shares and Rights ICPS comprises of 100 Rights Shares and 100 Rights ICPS, respectively. Fractions of Rights Shares and the Rights ICPS, if any, shall be disregarded, and dealt with in such manner as our Board shall in their absolute discretion deem fit and expedient, and to be in the best interest of our Company.

If acceptance of and payment for the Provisional Rights Securities allotted to you and/ or your renounee(s) and/ or transferee(s) (if applicable) is not received by our Share Registrar by the Closing Date, being the last date and time for acceptance of and payment for the Provisional Rights Securities, you and/ or your renounee(s) and/ or transferee(s) (if applicable) will be deemed to have declined the Provisional Rights Securities and it will be cancelled. Proof of time of postage shall not constitute proof of time of receipt by our Share Registrar.

In the event that the Provisional Rights Securities are not fully taken up by such applicants, our Board will then have the right to allot such Rights Shares and Rights ICPS to the applicants who have applied for the excess Rights Shares and excess Rights ICPS in the manner as set out in **Section 10.8** of this Abridged Prospectus. Our Board reserves the right to accept any application in full or in art only without assigning any reasons.

EACH COMPLETED RSF MUST BE ACCOMPANIED BY THE APPROPRIATE REMITTANCE MADE IN RM FOR THE FULL AMOUNT PAYABLE FOR THE RIGHTS SHARES AND RIGHTS ICPS ACCEPTED IN THE FORM OF BANKER'S DRAFT(S), CASHIER'S ORDER(S), MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY", MADE PAYABLE TO "BIOALPHA RIGHTS SHARES ACCOUNT" FOR THE RIGHTS SHARES AND/OR "BIOALPHA RIGHTS ICPS ACCOUNT" FOR THE RIGHTS ICPS, AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME IN BLOCK LETTERS AND CDS ACCOUNT NUMBER SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR BY THE CLOSING DATE.

APPLICATIONS ACCOMPANIED BY PAYMENTS OTHER THAN IN THE MANNER STATED ABOVE OR WITH EXCESS OR INSUFFICIENT REMITTANCES MAY OR MAY NOT BE ACCEPTED AT THE ABSOLUTE DISCRETION OF OUR BOARD. DETAILS OF THE REMITTANCES MUST BE FILLED IN THE APPROPRIATE BOXES PROVIDED IN THE RSF.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR APPLICATION MONIES WILL BE MADE BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE RIGHTS ISSUES. HOWEVER, IF YOUR APPLICATION IS SUCCESSFUL, A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE LAST DATE FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND RIGHTS ICPS OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED BY BURSA SECURITIES.

APPLICATIONS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMIITANCE BEING PRESENTED FOR PAYMENT.

APPLICANTS SHOULD NOTE THAT THE RSF AND REMITTANCES SO LODGED WITH OUR SHARE REGISTRAR SHALL BE IRREVOCABLE AND CANNOT BE SUBSEQUENTLY WITHDRAWN.

WHERE AN APPLICATION IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

ALL RIGHTS SHARES AND RIGHTS ICPS TO BE ISSUED PURSUANT TO THE RIGHTS ISSUES WILL BE ALLOTTED BY WAY OF CREDITING SUCH RIGHTS SHARES AND THE RIGHTS ICPS INTO THE CDS ACCOUNTS OF THE ENTITLED SHAREHOLDERS AND/ OR THEIR RENOUNCEE(S) (IF APPLICABLE). NO PHYSICAL SHARE CERTIFICATES WILL BE ISSUED.

10.5.2 By way of Electronic Application

Only Malaysian individuals who are Entitled Shareholders may apply for the Rights Issues by way of Electronic Application.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for Electronic Application and the procedures set out at the ATMs and internet financial services website of the Participating Financial Institutions before making an Electronic Application.

The procedures for Electronic Applications at the ATMs and internet financial services website of the Participating Financial Institutions are set out on the ATM screens and internet financial services website of the relevant Participating Financial Institutions (“Steps”). For illustration purposes, the procedures for Electronic Applications are set out below. Please read carefully the terms of this Abridged Prospectus, the Steps and the Terms and Conditions of Electronic Applications set out in **Section 10.5.2(ii)** of this Abridged Prospectus before making an Electronic Application:

You must have an account with a Participating Financial Institution and an ATM card issued by a Participating Financial Institution or with access to internet financial services with **Public Bank Berhad** at <http://www.pbekbank.com> or **Affin Bank Berhad** at <https://www.affinbank.com.my>.

You are advised to read and understand this Abridged Prospectus **BEFORE** making the application.

You shall apply for the Rights Issues via the ATM or internet financial services website of the Participating Financial Institutions by choosing the Electronic Application option. Mandatory statements required in the application are as set out in **Section 10.5.2(ii)** of this Abridged Prospectus “**Terms and Conditions of Electronic Applications**”.

Upon the completion of your Electronic Application transaction via ATM, you will receive a computer-generated transaction slip (“**Transaction Record**”), confirming the details of your Electronic Application. The Transaction Record is only a record of the completed transaction at the ATM and not a record of the receipt of the Electronic Application or any data relating to such an Electronic Application by our Company or our Share Registrar. The Transaction Record is for your record and is not required to be submitted with your application.

For application via internet financial services website, a message from the Participating Financial Institution pertaining to the payment status will appear on the screen of the website through which the online payment for the Provisional Rights Securities is being made. Subsequently, the Participating Financial Institutions shall confirm that the said application has been completed, via the confirmation screen in respect of your application (“**Confirmation Screen**”) on their website. You are advised to print out the Confirmation Screen for your reference and record.

YOU MUST ENSURE THAT YOU USE THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN MAKING AN ELECTRONIC APPLICATION. IF YOU OPERATE A JOINT BANK ACCOUNT WITH ANY OF THE PARTICIPATING FINANCIAL INSTITUTIONS, YOU MUST ENSURE THAT YOU ENTER THE NUMBER OF THE CDS ACCOUNT HELD IN YOUR NAME WHEN USING AN ATM CARD ISSUED TO YOU IN YOUR NAME. YOUR APPLICATION WILL BE REJECTED IF YOU FAIL TO COMPLY WITH THE FOREGOING.

i Participating Financial Institutions

Electronic Applications may be made through an ATM or internet financial services websites of the following Participating Financial Institutions and their branches within Malaysia:

- Public Bank Berhad; or
- Affin Bank Berhad

ii Terms and Conditions of Electronic Applications

The Electronic Application shall be made on, and subject to, the terms of this Abridged Prospectus, as well as the terms and conditions of the Participating Financial Institutions and those appearing herein:

- (a) You are required to confirm the following statements and undertake that the following information given are true and correct:
- (i) You have attained 18 years of age as at the Closing Date;
 - (ii) You have read the Abridged Prospectus and understood and agreed with the terms and conditions of the application; and
 - (iii) You give consent to our Company, Bursa Depository, our Share Registrar, the relevant Participating Financial Institutions, their respective agents and any third party involved in facilitating the application/refund, to disclose information pertaining to yourself and your account with the Participating Financial Institutions and Bursa Depository to the relevant authorities and any person as may be necessary or expedient to facilitate the making of the application/refund.

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you complete all the steps required by the Participating Financial Institution. By doing so, you shall have confirmed each of the above statements as well as giving consent in accordance with the relevant laws of Malaysia including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosures as described above.

- (b) You confirm that you are not applying for the Provisional Rights Securities as a nominee of any other person and that any Electronic Application that you make is made by you as the beneficial owner.
- (c) You must have sufficient funds in your account with the relevant Participating Financial Institutions at the time you make your Electronic Application, failing which your Electronic Application will not be completed. Any Electronic Application, which does not strictly conform to the instructions set out on the ATM or screen of financial services websites of the Participating Financial Institutions through which the Electronic Application is being made, will be rejected.

- (d) You agree and undertake to subscribe for or purchase and to accept the number of Provisional Rights Securities applied for as stated on the Transaction Record in respect of your Electronic Application. Your confirmation (by your action of pressing the pre-designated keys (or buttons) of the number of Provisional Rights Securities applied for shall signify, and shall be treated as, your acceptance of the number of Provisional Rights Securities that may be allotted to you.

Should you encounter any problems in your Electronic Application, please refer to the Participating Financial Institutions.

- (e) By making and completing your Electronic Application, you, if successful, request and authorise our Company to credit the Provisional Rights Securities allotted to you into your CDS Account
- (f) You acknowledge that your Electronic Application is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository and you irrevocably agree that if:
- (i) Our Company, our Share Registrar or Bursa Depository does not receive your Electronic Application; or
- (ii) Data relating to your Electronic Application is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made an Electronic Application and you shall not make any claim whatsoever against our Company, our Share Registrar, the Participating Financial Institutions or Bursa Depository for the Provisional Rights Securities applied for or for any compensation, loss or damage relating to the application for the Provisional Rights Securities.

- (g) All of your particulars, including your nationality and place of residence, in the records of the relevant Participating Financial Institutions at the time you make your Electronic Application shall be true and correct, and our Company, our Share Registrar, the relevant Participating Financial Institutions and Bursa Depository shall be entitled to rely on the accuracy thereof.
- (h) You shall ensure that your personal particulars as recorded by both Bursa Depository and the relevant Participating Financial Institutions are correct and identical. Otherwise, your Electronic Application will be rejected. You must inform Bursa Depository promptly of any change in address failing which the notification letter of successful allocation will be sent to your correspondence address last maintained with Bursa Depository.
- (i) By making and completing an Electronic Application, you agree that:
- (i) In consideration of our Company agreeing to allow and accept your application for the Provisional Rights Securities via the Electronic Application facility established by the Participating Financial Institutions at their respective ATMs and financial services websites, your Electronic Application is irrevocable and cannot be subsequently withdrawn;
- (ii) Our Company, the Participating Financial Institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your Electronic Application due to a breakdown or failure of transmission or communication facilities or any cause beyond our control;

- (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the notice of successful allocation for the Provisional Rights Securities for which your Electronic Application has been successfully completed is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Rights Securities; and
- (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to the Electronic Application and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.
- (j) Our Share Registrar, on the authority of our Company, reserves the right to reject applications which do not conform to these terms/ instructions.
- (k) Notification on the outcome of our application for the Rights Shares and Rights ICPS will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk within the timelines as follows:
 - (i) successful application - a notice of allotment will be despatched within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
 - (ii) unsuccessful/ partially successful application - the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account from which your Electronic Application was made. Kindly take note of the terms and conditions as stated in **Section 10.5.2(ii)** of this Abridged Prospectus and the required consent in making your Electronic Application.

If the crediting of the refund into your bank account from which your Electronic Application was made is unsuccessful, the refund will then be made via cheque which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

10.5.3 By way of NRS

Our Company has appointed Bursa Depository to provide NRS to our shareholders who are Authorised Nominees. Only our Entitled Shareholders who are Authorised Nominees and who have subscribed for NRS with Bursa Depository may apply via NRS.

Please read carefully and follow the terms of this Abridged Prospectus, the procedures, terms and conditions for application via NRS and Bursa Depository's terms and conditions for NRS and User Guide for NRS (which are made available to all Authorised Nominees who have subscribed for NRS with Bursa Depository) before making the application.

i Steps for applications via NRS

- (a) If you are an Entitled Shareholder, and who is an Authorised Nominee who has subscribed for NRS with Bursa Depository, you will not be receiving this Abridged Prospectus, the RSF nor the NPA by post.

- (b) Instead, this Abridged Prospectus and the Rights Entitlement File will be transmitted electronically to you by Bursa Depository through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS, on the next business day after the Entitlement Date.
- (c) A notification of the delivery of the Abridged Prospectus and the Rights Entitlement File will also be sent to you via email using the details you have provided to Bursa Depository when you subscribed for NRS with Bursa Depository.
- (d) You are advised to read carefully, understand and follow the terms of this Abridged Prospectus, **BEFORE** making the application.
- (e) You may accept, on behalf of your client, partially or fully, their respective allocation under the Rights Issues.
- (f) To apply for the Provisional Rights Securities, you will be required to submit your subscription information via Rights Subscription File which is to be prepared based on the format as set out in Bursa Depository's User Guide for NRS.
- (g) Once completed, you will need to submit the Rights Subscription File to Bursa Depository at any time daily before 5.00 p.m., but in any event no later than the last day and time for acceptance and payment.
- (h) Together with the Rights Subscription File, you will also need to submit a confirmation to Bursa Depository of the following information:
- (i) Confirmation that you have, prior to making the application via NRS, received and/or had access to the electronic copy of this Abridged Prospectus, the contents of which you have read, understood and agreed; and
- (ii) Consent to the disclosure of your information to facilitate electronic refunds where applicable.
- (i) With regards to payment for the Provisional Rights Securities which you have applied for, you must transfer the amount payable directly to our bank account, the details of which are as follows:
- | | | |
|-----------------|---|--|
| Bank | : | MALAYAN BANKING BERHAD |
| Account Name | : | <u>BIOALPHA RIGHTS SHARES ACCOUNT</u> |
| Bank Account No | : | 514012440458 |
| Bank | : | MALAYAN BANKING BERHAD |
| Account Name | : | <u>BIOALPHA RIGHTS ICPS ACCOUNT</u> |
| Bank Account No | : | 514012440345 |
- (j) Upon completion of the transfer/payment, you may receive a transaction slip ("**Transaction Slip**") from the transacting financial institution confirming the details of your transfer/payment. The Transaction Slip is only a record of the completed transaction and not a record of the receipt of the application via NRS or any data relating to such an application by our Company or Bursa Depository. The Transaction Slip is for your record and is not required to be submitted with your application via NRS.
- (k) You will be notified on the outcome of your application for the Provisional Rights Securities electronically within the timelines as stated below. No physical notice of allotment will be mailed to you:

- (i) successful application- an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities; or
- (ii) unsuccessful/ partially successful application – the full amount or the surplus application monies, as the case may be, will be refunded without interest within 15 Market Days from the Closing Date.

The refund will be credited directly into your bank account(s) from which payment of your subscription monies were made. Kindly take note of the terms and conditions as stated in this Abridged Prospectus and the required consent in making the application via NRS.

If the crediting of the refund into your bank account(s) (as provided by you in the Rights Subscription File) from which payment of your subscription monies were made is unsuccessful, the refund will then be made via cheque(s) which will be despatched to you by ordinary post to the correspondence address as shown on Bursa Depository's record at your own risk.

- (l) Upon crediting of the Rights Shares and Rights ICPS allotted to you into your CDS account(s), you will also receive an electronic confirmation of the crediting from Bursa Depository.
- (m) You should note that all applications made for the Provisional Rights Securities submitted under NRS will be irrevocable upon submission of the Rights Subscription File to Bursa Depository and cannot be subsequently withdrawn.

ii Terms and Conditions for applications via NRS

The application via NRS shall be made on, and subject to, the terms of this Abridged Prospectus, Bursa Depository's terms and conditions for NRS and Bursa Depository's User Guide for NRS as well as the terms and conditions appearing herein:

- (a) For purposes of making the electronic refund, you hereby give consent in accordance with the relevant laws of Malaysia, including Section 134(1)(a) of Financial Services Act, 2013 and Section 45(1)(a) of the SICDA, to the disclosure by our Company, Bursa Depository, our Share Registrar, the relevant financial institution, their respective agents and any third party involved in facilitating the payment of refunds to you as the case may be, of information pertaining to yourself and your account with the relevant financial institution and Bursa Depository, to the relevant authorities and any person as may be necessary or expedient to facilitate the making of refunds or for any other purpose in connection with such payments.

You will be required to provide confirmation of your consent in the manner prescribed in Bursa Depository's terms and conditions for NRS.

- (b) You agree and undertake to subscribe for or purchase and to accept the number of Provisional Rights Securities applied for as stated on your Rights Subscription File in respect of your application via NRS. Your application shall signify, and shall be treated as your acceptance of the number of Provisional Rights Securities that may be allotted to you.
- (c) You acknowledge that by completing and submitting the Rights Subscription File to Bursa Depository, you, if successful, requests and authorises our Company to credit the Provisional Rights Securities allotted to you into the respective CDS Account(s) as indicated in the Rights Subscription File.

- (d) You acknowledge that your application via NRS is subject to the risks of electrical, electronic, technical, transmission, communication and computer-related faults and breakdowns, fires and other events beyond the control of our Company, our Share Registrar, the relevant financial institution or Bursa Depository, and irrevocably agree that if:
- (i) our Company, our Share Registrar or Bursa Depository does not receive your application via NRS; or
 - (ii) the data relating to your application via NRS is wholly or partially lost, corrupted or inaccessible, or not transmitted or communicated to our Company, our Share Registrar or Bursa Depository,

you shall be deemed not to have made your application and you shall not make any claim whatsoever against our Company, Bursa Depository, our Share Registrar or the relevant financial institution for the Provisional Rights Securities applied for or for any compensation, loss or damage relating to the application for the Provisional Rights Securities.

- (e) By completing and submitting the Rights Subscription File to Bursa Depository, you agree that:
- (i) In consideration of our Company agreeing to allow and accept your application for Rights Shares and Rights ICPS via the NRS facility established by Bursa Depository, your application via NRS is irrevocable and cannot be subsequently withdrawn;
 - (ii) Our Company, the relevant financial institutions, Bursa Depository and our Share Registrar shall not be liable for any delays, failures or inaccuracies in the processing of data relating to your application via NRS due to a breakdown or failure of transmission or communication facilities or to any cause beyond our control;
 - (iii) Notwithstanding the receipt of any payment by or on behalf of our Company, the electronic notification of allotment in respect of the Provisional Rights Securities issued is the only confirmation for the acceptance of this offer to subscribe for and purchase the said Provisional Rights Securities; and
 - (iv) You agree that in relation to any legal action, proceedings or dispute arising out of or in relation to with the contract between the parties and/or the application via NRS and/or any terms herein, all rights, obligations and liabilities shall be construed and determined in accordance with the laws of Malaysia and with all directives, rules, regulations and notices from regulatory bodies and that you irrevocably submit to the jurisdiction of the Courts of Malaysia.

Our Share Registrar and Bursa Depository, on the authority of our Company, reserves the right to reject applications which do not conform to these instructions.

10.6 Procedures for part acceptance

You are entitled to accept part of your Provisional Rights Securities provided always that the minimum number of Rights Shares and Rights ICPS that can be subscribed for or accepted is one 1 Rights Share and 1 Rights ICPS. Fractional of a Rights Share and Rights ICPS, if any, shall be disregarded and dealt with in a fair and equitable manner as our Board deems fit and expedient and in the best interests of our Company.

You must complete both Parts I(A) and II of the respective RSF by specifying the number of Rights Shares and Rights ICPS which you are accepting and deliver the completed and signed RSF together with the relevant payment to our Share Registrar in the manner set out in **Section 10.5.1** of this Abridged Prospectus.

YOU ARE ADVISED TO READ AND ADHERE TO THE RSF AND THE NOTES AND INSTRUCTIONS CONTAINED THEREIN.

The portion of the Provisional Rights Securities that have not been accepted shall be allotted to any other persons allowed under the law, regulations or rules to accept the transfer of the Provisional Rights Securities.

10.7 Procedures for sale/transfer of Provisional Rights Securities

As the Provisional Rights Securities are prescribed securities, you may dispose or transfer all or part of your entitlement to the Provisional Rights Securities to 1 or more person(s) through your stockbrokers without first having to request for a split of the Provisional Rights Securities standing to the credit of your CDS Account. To dispose or transfer all or part of your entitlement to the Provisional Rights Securities, you may sell such entitlement on the open market or transfer such entitlement to such persons as may be allowed pursuant to the Rules of Bursa Depository. If you have disposed or transferred only part of the Provisional Rights Securities, you may still accept the balance of the Provisional Rights Securities by completing Parts I(A) and II of the RSF. Please refer to **Sections 10.5** and **10.6** of this Abridged Prospectus for the procedure for acceptance and payment.

In disposing or transferring all or part of your Provisional Rights Securities, you need not deliver any document including the RSF, to any stockbroker. However, you must ensure that there is sufficient Provisional Rights Securities standing to the credit of your CDS Account that are available for settlement of the sale or transfer.

Purchaser(s) or transferee(s) of the Provisional Rights Securities may obtain a copy of this Abridged Prospectus and the RSF from our Share Registrar or at our Registered Office. This Abridged Prospectus and the RSF are also available on the Bursa Securities' website at <http://www.bursamalaysia.com>.

10.8 Procedures for application for excess Rights Shares and/or excess Rights ICPS

10.8.1 By way of RSF

You and/ or your renounee(s) and/ or transferee(s) (if applicable) may apply for the excess Rights Shares and excess Rights ICPS in excess of your entitlement by completing Part I(B) of the respective RSF (in addition to Parts I(A) and II) and forward it (together with a separate remittance made in RM for the full amount payable in respect of the excess Rights Shares and excess Rights ICPS applied for) to our Share Registrar not later than the Closing Date, being the last date and time for application and payment for the excess Rights Shares and excess Rights ICPS.

PAYMENT FOR THE EXCESS RIGHTS SHARES AND EXCESS RIGHTS ICPS APPLIED FOR SHOULD BE MADE IN THE SAME MANNER AS DESCRIBED IN SECTION 10.5 OF THIS ABRIDGED PROSPECTUS, AND IN THE FORM OF BANKER'S DRAFT(S)/ CASHIER'S ORDER(S)/ MONEY ORDER(S) OR POSTAL ORDER(S) DRAWN ON A BANK OR POST OFFICE IN MALAYSIA CROSSED "A/C PAYEE ONLY" AND MADE PAYABLE TO "BIOALPHA EXCESS RIGHTS SHARES ACCOUNT" FOR THE EXCESS RIGHTS SHARES AND/OR "BIOALPHA EXCESS RIGHTS ICPS ACCOUNT" FOR THE EXCESS RIGHTS ICPS AND ENDORSED ON THE REVERSE SIDE WITH YOUR NAME, ADDRESS AND CDS ACCOUNT NUMBER IN BLOCK LETTERS SO AS TO BE RECEIVED BY OUR SHARE REGISTRAR NOT LATER THAN THE LAST DATE AND TIME FOR EXCESS APPLICATION AND PAYMENT AS SET OUT IN THE COVER PAGE OF THIS ABRIDGED PROSPECTUS.

THE PAYMENT MUST BE MADE FOR THE FULL AND EXACT AMOUNT PAYABLE FOR THE EXCESS RIGHTS SHARES AND EXCESS RIGHTS ICPS APPLIED FOR ANY EXCESS OR INSUFFICIENT MAY BE REJECTED AT THE ABSOLUTE DISCRETION OF OUR BOARD.

10.8.2 By way of Electronic Application

You and/ or your renounee(s) and/ or transferee(s) (if applicable) may apply for the excess Rights Shares and excess Rights ICPS in excess of your entitlement via Electronic Application in addition to your Provisional Rights Securities. If you wish to do so, you may apply for the excess Rights Shares and excess Rights ICPS by following the same steps as set out in **Section 10.5.2** of this Abridged Prospectus.

The Electronic Application for excess Rights Shares and excess Rights ICPS will be made on, subject to, the same terms and conditions appearing in **Section 10.5.2** of this Abridged Prospectus.

Any Rights Shares and Rights ICPS which are not taken up or not validly taken up by you and/ or your renounee(s) and/ or transferee(s) (if applicable) shall be made available for excess Rights Shares and excess Rights ICPS. It is the intention of our Board to allot the excess Rights Shares and excess Rights ICPS, if any, on a fair and equitable basis and in the priority and basis as detailed in **Section 10.8** of this Abridged Prospectus.

10.8.3 By way of NRS

You and/ or your renounee(s) and/ or transferee(s) (if applicable) may apply for the excess Rights Shares and excess Rights ICPS in excess of your entitlement via NRS in addition to your Provisional Rights Securities. If you wish to do so, you may apply for the excess Rights Shares and excess Rights ICPS by following the same steps as set out in **Section 10.5.3** of this Abridged Prospectus save and except for the amount payable to be directed to the following bank account:

Bank : **MALAYAN BANKING BERHAD**
Account Name : **BIOALPHA EXCESS RIGHTS SHARES ACCOUNT**
Bank Account No : 514012440465

Bank : **MALAYAN BANKING BERHAD**
Account Name : **BIOALPHA EXCESS RIGHTS ICPS ACCOUNT**
Bank Account No : 514012440352

for the excess Rights Shares and excess Rights ICPS applied and also that you should complete the details for excess rights application at the designated fields for excess applications in the Rights Subscription File.

The NRS for excess Rights Shares and excess Rights ICPS will be made on, subject to, the same terms and conditions appearing in **Section 10.5.3** of this Abridged Prospectus.

Any Provisional Rights Securities which are not taken up or not validly taken up by you and/ or your renounee(s) and/ or transferee(s) (if applicable) shall be made available for excess Rights Shares and excess Rights ICPS. It is the intention of our Board to allot the excess Rights Shares and excess Rights ICPS, if any, on a fair and equitable basis and in the priority and basis as detailed below.

It is the intention of our Board to allot the excess Rights Shares and excess Rights ICPS on a fair and equitable basis and in the following priority:

- (i) firstly, to minimise the incidence of odd lots;
- (ii) secondly, for allocation to the Entitled Shareholders who have applied for excess Rights Shares and/or excess Rights ICPS, on a pro-rata basis and in board lots, calculated based on their respective shareholdings in our Company as at the Entitlement Date;

- (iii) thirdly, for allocation to the Entitled Shareholders who have applied for excess Rights Shares and/or excess Rights ICPS, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess applications; and
- (iv) lastly, for allocation to renouncee(s)/transferee(s) (if applicable) who has/have applied for the excess Rights Shares and/or excess Rights ICPS, on a pro-rata basis and in board lots, calculated based on the quantum of their respective excess applications.

If there is any remaining excess Rights Shares and/or excess Rights ICPS after steps (i) to (iv) have been carried out, steps (ii) to (iv) will be repeated until all remaining excess Rights Shares and excess Rights ICPS have been allocated.

Nevertheless, our Board reserves the right to allot any excess Rights Shares and excess Rights ICPS applied for via the e-RSF or under Part I(B) of the respective RSF in such manner as it deems fit and expedient and in the best interest of our Company, subject always to such allocation being made on a fair and equitable basis and that the intention of our Board as set out in (i), (ii), (iii) and (iv) above are achieved. Our Board also reserves the right to accept any excess Rights Shares and/or excess Rights ICPS application, in full or in part, without assigning any reason.

NO ACKNOWLEDGEMENT OF RECEIPT OF THE RSF OR EXCESS APPLICATION MONIES WILL BE ISSUED BY OUR COMPANY OR OUR SHARE REGISTRAR IN RESPECT OF THE EXCESS RIGHTS SHARES AND/OR EXCESS RIGHTS ICPS. HOWEVER, IF YOUR EXCESS APPLICATION IS SUCCESSFUL, THE RIGHTS SHARES AND RIGHTS ICPS WILL BE CREDITED INTO YOUR CDS ACCOUNT AND A NOTICE OF ALLOTMENT WILL BE DESPATCHED TO YOU BY ORDINARY POST TO THE ADDRESS AS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 8 MARKET DAYS FROM THE CLOSING DATE OR SUCH OTHER PERIOD AS MAY BE PRESCRIBED OR ALLOWED BY BURSA SECURITIES.

APPLICATIONS FOR THE EXCESS RIGHTS SHARES AND/OR EXCESS RIGHTS ICPS SHALL NOT BE DEEMED TO HAVE BEEN ACCEPTED BY REASON OF THE REMITTANCE BEING PRESENTED FOR PAYMENT. OUR BOARD RESERVES THE RIGHT NOT TO ACCEPT ANY SUCH APPLICATION OR TO ACCEPT ANY SUCH APPLICATION IN PART ONLY WITHOUT ASSIGNING ANY REASON THEREOF.

WHERE AN APPLICATION FOR THE EXCESS RIGHTS SHARES AND/OR EXCESS RIGHTS ICPS IS NOT ACCEPTED OR IS ACCEPTED IN PART ONLY, THE FULL AMOUNT OR THE BALANCE OF THE APPLICATION MONIES, AS THE CASE MAY BE, SHALL BE REFUNDED WITHOUT INTEREST AND SHALL BE DESPATCHED TO THE APPLICANT BY ORDINARY POST TO THE ADDRESS SHOWN IN OUR RECORD OF DEPOSITORS PROVIDED BY BURSA DEPOSITORY AT YOUR OWN RISK WITHIN 15 MARKET DAYS FROM THE CLOSING DATE.

10.9 Procedures to be followed by renouncee(s)/transferee(s)

Renouncee(s) and/ or transferee(s) (if applicable) who wish to accept the Provisional Rights Securities must obtain a copy of the RSF from their stockbrokers or our Share Registrar, or at our Registered Office or from Bursa Securities' website at <https://www.bursamalaysia.com>, and complete the RSF and submit the same together with the remittance to our Share Registrar at the above-stated address in accordance with the notes and instructions printed therein.

The procedure for acceptance and payment applicable to the Entitled Shareholders as set out in Sections 10.5 and 10.6 of this Abridged Prospectus also applies to renouncee(s) and/ or transferee(s) (if applicable) who wish to accept the Provisional Rights Securities.

RENOUNCEE(S) ARE ADVISED TO READ, UNDERSTAND AND CONSIDER CAREFULLY THE CONTENTS OF THIS ABRIDGED PROSPECTUS AND ADHERE TO THE NOTES AND INSTRUCTIONS CONTAINED IN THIS ABRIDGED PROSPECTUS AND THE RSF.

10.10 Form of issuance

Bursa Securities has already prescribed our Shares to be listed on the ACE Market of Bursa Securities and to be deposited with Bursa Depository. Accordingly, the Rights Shares and the Rights ICPS are prescribed securities and as such, SICDA and Rules of Bursa Depository shall apply to all dealings in the Rights Shares and the Rights ICPS.

Failure to comply with the specific instructions for applications or inaccuracy in the CDS Account number may result in the application being rejected. No physical share certificates shall be issued to you under the Rights Issues. Instead, the Rights Shares and the Rights ICPS will be credited directly into your CDS Account.

A notice of allotment will be despatched to you and/ or your renounee(s) and/ or transferee(s) (if applicable) by ordinary post to the address shown in our Record of Depositors provided by Bursa Depository at your own risk within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities.

If you are an Authorised Nominee who has subscribed for NRS with Bursa Depository, an electronic notification will be sent to you within 8 Market Days from the Closing Date or such other period as may be prescribed or allowed by Bursa Securities through Bursa Depository's existing network facility with the Authorised Nominees in the manner as set out in Bursa Depository's User Guide for NRS.

Where the Rights Shares and the Rights ICPS are provisionally allotted to the Entitled Shareholders in respect of their existing Bioalpha Shares standing to the credit in their CDS Account as at the Entitlement Date, the acceptance by the Entitled Shareholders of the Provisional Rights Securities shall mean that they consent to receive such Provisional Rights Securities as prescribed or deposited securities which will be credited directly into their CDS Account.

Any person who has purchased the Provisional Rights Securities or to whom the Provisional Rights Securities has been transferred and intends to subscribe for the Rights Shares and/or Rights ICPS must state his or her CDS Account number in the space provided in the respective RSF. The Rights Shares and the Rights ICPS will be credited directly as prescribed or deposited securities into his or her CDS Account upon allotment and issuance.

The excess Rights Shares and excess Rights ICPS, if allotted to the successful applicant who applies for excess Rights Shares and excess Rights ICPS, will be credited directly as prescribed securities into his or her CDS Account. The allocation will be made on a fair and equitable basis in such manner as our Board in its absolute discretion deems fit and expedient and in the best interest of our Company, as disclosed in **Section 10.8** of this Abridged Prospectus.

10.11 Laws of foreign jurisdictions

The Documents have not been (and will not be) made to comply with the laws of any foreign jurisdiction and have not been (and will not be) lodged, registered or approved pursuant to or under any legislation (or with or by any regulatory authorities or other relevant bodies) for subscription of any foreign jurisdiction. The Rights Issues will not be made or offered for subscription in any foreign jurisdiction.

Accordingly, the Documents will not be sent to the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) who do not have a registered address in Malaysia. However, such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may collect the Documents from our Share Registrar, in which event our Share Registrar shall be entitled to request for such evidence as it deems necessary to satisfy itself as to the identity and authority of the person collecting the Documents relating to the Rights Issues.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) may accept or renounce (as the case may be) all or any part of their entitlements and exercise any other rights in respect of the Rights Issues only to the extent that it would be lawful to do so.

Our Principal Adviser, our Share Registrar, our Company, our Directors and officers and other professional advisers would not, in connection with the Rights Issues, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are or may be subject Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) shall solely be responsible to seek advice as to the laws of the jurisdictions to which they are or may be subject to.

Our Principal Adviser, our Share Registrar, our Company, our Directors and officers and other professional advisers shall not accept any responsibility or liability in the event that any acceptance or renunciation made by any Foreign Entitled Shareholders and/ or renounee(s) and/ or transferee(s) (if applicable), is or shall become unlawful, unenforceable, voidable or void in any such jurisdiction.

The Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) will be responsible for payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction and we shall be entitled to be fully indemnified and held harmless by such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) for any such issue, transfer or other taxes or other requisite payments.

They will have no claims whatsoever against us and/ or our Principal Adviser in respect of their rights and entitlements under the Rights Issues. Such Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) should consult their professional advisers as to whether they require any governmental, exchange control or other consents or need to comply with any other applicable legal requirements to enable them to accept the Rights Issues.

By signing the RSF, the Foreign Entitled Shareholders and/ or their renounee(s) and/ or transferee(s) (if applicable) are deemed to have represented, acknowledged and declared in favour of (and which representations, acknowledgements and declarations will be relied upon by) our Principal Adviser, our Share Registrar, our Company, our Directors and officers and other professional advisers that:

- (i) we would not, by acting on the acceptance or renunciation in connection with the Rights Issues, be in breach of the laws of any jurisdiction to which the Foreign Entitled Shareholders and/ or renounee(s) (if applicable) are or may be subject to;
- (ii) the Foreign Entitled Shareholders and/ or their renounee(s) (if applicable) have complied with the laws to which they are or may be subject to in connection with the acceptance or renunciation of the Provisional Rights Securities;
- (iii) the Foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are not nominees or agents of a person in respect of whom we would, by acting on the acceptance or renunciation of the Provisional Rights Securities, be in breach of the laws of any jurisdiction to which that person is or may be subject to;
- (iv) the Foreign Entitled Shareholders and/ or their renounee(s) (if applicable) are aware that the Rights Shares and the Rights ICPS can only be transferred, sold or otherwise disposed of, or charged, hypothecated or pledged in accordance with all applicable laws in Malaysia;
- (v) the Foreign Entitled Shareholders and/ or their renounee(s) (if applicable) have received a copy of this Abridged Prospectus, had access to such financial and other information and have been provided the opportunity to ask such questions to our representatives and receive answers thereto as they deem necessary in connection with their decision to subscribe for or purchase the Rights Shares and/or Rights ICPS; and
- (vi) the Foreign Entitled Shareholders and/ or their renounee(s) (if applicable) have sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Rights Shares and Rights ICPS, and are and will be able, and are prepared to bear the economic and financial risks of investing in and holding the Rights Shares and the Rights ICPS.

Persons receiving the Documents (including without limitation to custodians, nominees and trustees) must not, in connection with the offer, distribute or send it into any country or jurisdiction, where to do so would or might contravene local securities, exchange control or relevant laws or regulations. If the Documents are received by any persons in such country or jurisdiction, or by the agent or nominee of such a person, he must not seek to accept the offer unless he has complied with and observed the laws of the relevant country or jurisdiction in connection herewith.

Any person who does forward the Documents to any foreign country or jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this section and we reserve the right to reject a purported acceptance of the Rights Shares and/or Rights ICPS from any such application by Foreign Entitled Shareholders and/ or their renouncee(s) and/ or transferee(s) (if applicable) in any jurisdiction other than Malaysia. We reserve the right, in our absolute discretion, to treat any acceptance of the Rights Shares and/or Rights ICPS as invalid if it believes that such acceptance may violate any applicable legal or regulatory requirements.

11. TERMS AND CONDITIONS

The issuances of the Rights Shares and Rights ICPS are governed by the terms and conditions as set out in the Documents for the Rights Shares and Rights ICPS.

12. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully,
For and on behalf of our Board
BIOALPHA HOLDINGS BERHAD



HON TIAN KOK @ WILLIAM
Managing Director / Chief Executive Officer

INFORMATION ON OUR GROUP**1. BOARD OF DIRECTORS**

Our Board of Directors as at the LPD:

<u>Name / (Designation)</u>	<u>Address</u>	<u>Age</u>	<u>Nationality</u>
Tan Sri Abd Rahman Bin Mamat (Independent Non-Executive Chairman)	No. 3-11-1, The Residence, Jalan Wan Kadir 5, Taman Tun Dr. Ismail, 60000 Kuala Lumpur	69	Malaysian
Hon Tian Kok @ William (Managing Director / Chief Executive Officer)	No 31, Jalan SL5/1, Bandar Sungai Long, 43000 Kajang, Selangor	45	Malaysian
Ho Tze Hiung (Executive Director)	No. 42, Jalan BU3/2, Bandar Utama, 47800 Petaling Jaya, Selangor	44	Malaysian
Goh Siow Cheng (Group Chief Financial Officer / Finance Director)	Unit 19-03, DK Senza, Jalan Taylors, Bandar Sunway, PJS 46150 Subang Jaya, Selangor	39	Malaysian
Dato' Norhalim Bin Yunus (Non-Independent Non-Executive Director)	19, Jalan Mulia 1/5, Taman Bukit Antarabangsa, 68000 Ampang, Selangor	58	Malaysian
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim (Independent Non-Executive Director)	No.48, Jalan Chanderau, Bukit Pantai, 59100 Kuala Lumpur	77	Malaysian
Mohd Nasir Bin Abdullah (Independent Non-Executive Director)	Lot 13A, Batu 5 3/4, Jalan Gombak, Gombak Setia, 53100 Kuala Lumpur	55	Malaysian
Kang Jimmi (Independent Non-Executive Director)	Jl. Seni Budaya, Raya No.1, Jelambar, Jakarta Barat, 11460, Indonesia	41	Indonesian

2. SHARE CAPITAL

As at the LPD, the issued share capital of our Company is RM135,824,495.50 comprising 1,110,470,832 Shares in issue. As at the LPD, our Company does not hold any treasury shares.

INFORMATION ON OUR GROUP (CONT'D)**3. DIRECTORS' SHAREHOLDINGS**

The issuance of the ICPS will not have any effect on the shareholdings of our Directors in our Company until the conversion of the ICPS into new Shares.

Save for those disclosed below, none of the Directors have any direct and/or indirect shareholding in our Company as at the LPD. The pro forma effects of the Rights Issues on the shareholdings of our Directors in our Company based on their shareholdings as per the Record of Depositors as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of Shares				(II) After (I) and the Rights Issue of ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Abd Rahman Bin Mamat	500,000	0.05	-	-	500,000	0.04	-	-	500,000	0.04	-	-
William Hon	92,000,000	8.28	-	-	105,000,000 ⁽¹⁾	9.35	-	-	105,000,000	9.35	-	-
Ho Tze Hiung	-	-	-	-	-	-	-	-	-	-	-	-
Goh Siow Cheng	-	-	-	-	-	-	-	-	-	-	-	-
Dato' Norhalim Bin Yunus	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	-	-	-	-	-	-	-	-	-	-	-	-
Mohd Nasir Bin Abdullah	100,000	0.01	-	-	100,000	0.01	-	-	100,000	0.01	-	-
Kang Jimmi	-	-	-	-	-	-	-	-	-	-	-	-

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INFORMATION ON OUR GROUP (CONT'D)

	(III) After (II) and the Placement of ICPS				(IV) After (III) and assuming full conversion of ICPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	% ⁽⁴⁾	No. of Shares	%
Tan Sri Abd Rahman Bin Mamat	500,000	0.04	-	-	1,409,090 ⁽²⁾	0.12	-	-
William Hon	105,000,000	9.35	-	-	136,818,181 ⁽³⁾	11.78	-	-
Ho Tze Hiung	-	-	-	-	909,090 ⁽²⁾	0.08	-	-
Goh Siow Cheng	-	-	-	-	909,090 ⁽²⁾	0.08	-	-
Dato' Norhalim Bin Yunus	-	-	-	-	909,090 ⁽²⁾	0.08	-	-
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	-	-	-	-	909,090 ⁽²⁾	0.08	-	-
Mohd Nasir Bin Abdullah	100,000	0.01	-	-	1,009,090 ⁽²⁾	0.09	-	-
Kang Jimmi	-	-	-	-	909,090 ⁽²⁾	0.08	-	-

Notes:

- (1) Including 13,000,000 Rights Shares pursuant to his Shares Undertaking.
- (2) After Cashless Conversion of the allocation of 10,000,000 Placement ICPS to each of the Directors (other than William Hon).
- (3) After Cashless Conversion of 130,000,000 Rights ICPS pursuant to his Rights ICPS Undertaking and his allocated 220,000,000 Placement ICPS.
- (4) Assuming Cashless Conversion of 420,000,000 ICPS by way of 11 ICPS for 1 new Bioalpha Share.

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INFORMATION ON OUR GROUP (CONT'D)

Maximum Scenario

	(I) As at the LPD				(II) Assuming full exercise of Warrants 2017/2022				(III) After (I) and assuming full exercise of SIS Options A			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Abd Rahman Bin Mamat	500,000	0.04	-	-	500,000	0.04	-	-	500,000	0.04	-	-
William Hon	92,000,000	8.28	-	-	92,000,000	7.40	-	-	92,000,000	7.38	-	-
Ho Tze Hiung	-	-	-	-	-	-	-	-	-	-	-	-
Goh Siow Cheng	-	-	-	-	34 ⁽¹⁾	-	-	-	34	-	-	-
Dato' Norhalim Bin Yunus	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	-	-	-	-	-	-	-	-	-	-	-	-
Mohd Nasir Bin Abdullah	100,000	0.01	-	-	100,000	0.01	-	-	100,000	0.01	-	-
Kang Jimmi	-	-	-	-	-	-	-	-	-	-	-	-
	(III) After (II) and assuming full exercise of SIS Options B				(IV) After (III) and the Rights Issue of Shares				(V) After (IV) and the Rights Issue of ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Abd Rahman Bin Mamat	533,333	0.04	-	-	533,333	0.04	-	-	533,333	0.04	-	-
William Hon	92,000,000	7.36	-	-	98,133,333	7.36	-	-	98,133,333	7.36	-	-
Ho Tze Hiung	-	-	-	-	-	-	-	-	-	-	-	-
Goh Siow Cheng	36	-	-	-	36	-	-	-	36	-	-	-
Dato' Norhalim Bin Yunus	-	-	-	-	-	-	-	-	-	-	-	-
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	-	-	-	-	-	-	-	-	-	-	-	-
Mohd Nasir Bin Abdullah	106,666	0.01	-	-	106,666	0.01	-	-	106,666	0.01	-	-
Kang Jimmi	-	-	-	-	-	-	-	-	-	-	-	-

INFORMATION ON OUR GROUP (CONT'D)

	(VI) After (V) and the Placement of ICPS				(VII) After (VI) and assuming full conversion of ICPS ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Tan Sri Abd Rahman Bin Mamat	533,333	0.04	-	-	616,666	0.03	-	-
William Hon	98,133,333	7.36	-	-	403,466,666 ⁽³⁾	22.03	-	-
Ho Tze Hiung	-	-	-	-	-	-	-	-
Goh Siow Cheng	36	-	-	-	41	-	-	-
Dato' Norhalim Bin Yunus	-	-	-	-	-	-	-	-
Tan Sri Dato' Dr. Syed Jalaludin Bin Syed Salim	-	-	-	-	-	-	-	-
Mohd Nasir Bin Abdullah	106,666	0.01	-	-	123,332	0.01	-	-
Kang Jimmi	-	-	-	-	-	-	-	-

Notes:

- (1) Assuming full exercise of outstanding 34 Warrants 2017/2022 into 34 new Bioalpha Shares.
- (2) After Cash Conversion of 498,338,103 ICPS by way of 1 ICPS and RM0.20 in cash for 1 new Bioalpha Share.
- (3) After Cash Conversion of:
 - (i) 15,333,333 Rights ICPS by way of 1 Rights ICPS and RM0.20 in cash for 1 new Bioalpha Share pursuant to his entitlement under the Rights Issue of ICPS.
 - (ii) 290,000,000 Placement ICPS by way of 1 Placement ICPS and RM0.20 in cash for 1 new Bioalpha Share pursuant to his allocation of Placement ICPS and his Placement ICPS Undertaking.

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INFORMATION ON OUR GROUP (CONT'D)**4. SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS**

The issuance of the ICPS will not have any effect on the shareholdings of our Directors in our Company until the conversion of the ICPS into new Shares.

The pro forma effects of the Rights Issues on the shareholdings of our substantial shareholders in our Company based on their shareholdings as per the Record of Depositors as at the LPD are as follows:

Minimum Scenario

	As at the LPD				(I) After the Rights Issue of Shares				(II) After (I) and the Rights Issue of ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
William Hon	92,000,000	8.28	-	-	105,000,000 ⁽¹⁾	9.35	-	-	105,000,000	9.35	-	-
PNS	120,855,104	10.88	-	-	120,855,104	10.76	-	-	120,855,104	10.76	-	-
MTDC	107,203,892	9.65	-	-	107,203,892	9.54	-	-	107,203,892	9.54	-	-
Ooi Keng Thye	58,143,600	5.24	-	-	58,143,600	5.18	-	-	58,143,600	5.18	-	-

	(III) After (II) and the Placement of ICPS				(IV) After (III) and assuming full conversion of ICPS			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	% ⁽³⁾	No. of Shares	%
William Hon	105,000,000	9.35	-	-	136,818,181 ⁽²⁾	11.78	-	-
PNS	120,855,104	10.76	-	-	120,855,104	10.40	-	-
MTDC	107,203,892	9.54	-	-	107,203,892	9.23	-	-
Ooi Keng Thye	58,143,600	5.18	-	-	58,143,600	5.01	-	-

Notes:

- (1) Including 13,000,000 Rights Shares pursuant to his Shares Undertaking.
- (2) After Cashless Conversion of 130,000,000 Rights ICPS pursuant to his Rights ICPS Undertaking and his allocated 220,000,000 Placement ICPS.
- (3) Assuming Cashless Conversion of 420,000,000 ICPS by way of 11 ICPS for 1 new Bioalpha Share.

INFORMATION ON OUR GROUP (CONT'D)

Maximum Scenario

	As at the LPD				(I) Assuming full exercise of Warrants 2017/2022				(II) After (I) and assuming full exercise of SIS Options A			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
William Hon	92,000,000	8.28	-	-	92,000,000	7.40	-	-	92,000,000	7.38	-	-
PNS	120,855,104	10.88	-	-	127,105,605 ⁽¹⁾	10.22	-	-	127,105,605	10.20	-	-
MTDC	107,203,892	9.65	-	-	107,203,892	8.62	-	-	107,203,892	8.60	-	-
Ooi Keng Thye	58,143,600	5.24	-	-	58,143,600	4.67	-	-	58,143,600	4.67	-	-

	(III) After (II) and assuming full exercise of SIS Options B				(IV) After (III) and the Rights Issue of Shares				(V) After (IV) and the Rights Issue of ICPS			
	Direct		Indirect		Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
William Hon	92,000,000	7.36	-	-	98,133,333	7.36	-	-	98,133,333	7.36	-	-
PNS	127,105,605	10.17	-	-	135,579,312	10.17	-	-	135,579,312	10.17	-	-
MTDC	107,203,892	8.58	-	-	114,350,818	8.58	-	-	114,350,818	8.58	-	-
Ooi Keng Thye	58,143,600	4.65	-	-	62,019,840	4.65	-	-	62,019,840	4.65	-	-

	(VI) After (V) and the Placement of ICPS				(VII) After (VI) and assuming full conversion of ICPS ⁽²⁾			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
William Hon	98,133,333	7.36	-	-	403,466,666 ⁽³⁾	22.03	-	-
PNS	135,579,312	10.17	-	-	156,763,579	8.56	-	-
MTDC	114,350,818	8.58	-	-	132,218,133	7.22	-	-
Ooi Keng Thye	62,019,840	4.65	-	-	71,710,440	3.91	-	-

INFORMATION ON OUR GROUP (CONT'D)

Notes:

- (1) Assuming full exercise of outstanding 6,250,501 Warrants 2017/2022 into 6,250,501 new Bioalpha Shares.
- (2) After Cash Conversion of 498,338,103 ICPS by way of 1 ICPS and RM0.20 in cash for 1 new Bioalpha Share.
- (3) After Cash Conversion of:
 - (i) 15,333,333 Rights ICPS by way of 1 Rights ICPS and RM0.20 in cash for 1 new Bioalpha Share pursuant to his entitlement under the Rights Issue of ICPS.
 - (ii) 290,000,000 Placement ICPS by way of 1 Placement ICPS and RM0.20 in cash for 1 new Bioalpha Share pursuant to his allocation of Placement ICPS and his Placement ICPS Undertaking.

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INFORMATION ON OUR GROUP (CONT'D)
5. HISTORICAL FINANCIAL INFORMATION
5.1 Key financial information of our Group

The following tables set out our Group's key financial information based on our consolidated statements of comprehensive income, statements of financial positions and statements of cash flows for the financial years/period under review:

(i) Historical financial performance:

	Audited ⁽¹⁾			Unaudited ⁽²⁾
	FYE 31 December 2017 (RM'000)	FYE 31 December 2018 (RM'000)	FYE 31 December 2019 (RM'000)	FYE 31 December 2020 (RM'000)
Revenue	55,917	70,090	63,668	36,515
Cost of sales	(33,884)	(39,532)	(38,434)	(47,373)
Gross profit / (loss)	22,033	30,558	25,234	(10,858)
Other income	8,157	3,478	4,171	1,487
Net loss on impairment of financial assets	(87)	(55)	(59)	-
Administrative expenses	(20,539)	(18,992)	(18,260)	(28,071)
Finance costs	(189)	(296)	(565)	(503)
PBT / (LBT)	9,375	14,693	10,521	(37,945)
Taxation	(1,898)	(3,090)	(2,197)	(952)
Profit / (loss) after tax	7,477	11,603	8,324	(38,897)
Profit / (loss) for the financial year attributable to:				
- Owners of the parent	7,865	11,571	8,315	(37,781)
- Non-controlling interests	(388)	32	9	(1,116)
	7,477	11,603	8,324	(38,897)
Weighted average number of Shares in issue ('000)	803,637	819,485	859,783	1,020,774
No. of Shares in issue (excluding treasury shares) ('000)	809,249	860,209	860,209	1,110,471
Basic EPS / (LPS) ⁽³⁾ (sen)	0.98	1.41	0.97	(3.70)
Diluted EPS / (LPS) (sen)	0.84	1.22	0.97 ⁽⁴⁾	(3.21)
Gross profit / (loss) margin (%)	39.40	43.60	39.63	(29.74)
PBT / (LBT) margin (%)	16.77	20.96	16.52	(103.92)
PAT / (LAT) margin (%)	13.37	16.55	13.07	(106.52)

Notes:

- (1) Sources: Annual Reports of our Company for the financial years under review.
- (2) Sources: Unaudited financial results of our Company for the FYE 31 December 2020.
- (3) Being the PAT / (LAT) attributable to owners of our Company divided by the weighted average number of Shares in issue for the financial years under review.
- (4) The effect of the potential increment in number of issued shares of Bioalpha from the exercise of SIS Options A and Warrants 2017/2022 were not taken into account in the computation of diluted EPS for the FYE 31 December 2019 as the exercise prices of the SIS Options A and Warrants 2017/2022 are higher than the average market price of Bioalpha Shares.

INFORMATION ON OUR GROUP (CONT'D)**(ii) Historical financial position:**

	Audited ⁽¹⁾			Unaudited ⁽²⁾
	As at 31 December 2017 (RM'000)	As at 31 December 2018 (RM'000)	As at 31 December 2019 (RM'000)	As at 31 December 2020 (RM'000)
Non-current assets	73,105	88,987	112,449	115,524
Current assets	80,713	89,961	81,407	74,572
Total assets	153,818	178,948	193,856	190,096
Share capital	87,454	99,764	99,764	135,824
Reserves	47,982	57,857	65,783	28,172
Equity attributable to owners of the parent	135,436	157,621	165,547	163,996
Non-controlling interests	(803)	(303)	(283)	(1,400)
Total equity	134,633	157,318	165,264	162,596
Non-current liabilities	7,148	11,707	17,470	17,445
Current liabilities	12,037	9,923	11,122	10,055
Total liabilities	19,185	21,630	28,592	27,500
Total equity and liabilities	153,818	178,948	193,856	190,096
NA per Share (RM) ⁽³⁾	16.74	18.32	19.24	14.77

Notes:

- (1) Sources: Annual Reports of our Company for the financial years under review.
- (2) Sources: Unaudited financial results of our Company for the FYE 31 December 2020.
- (3) Being the NA attributable to owners of the parent divided by the number of Bioalpha Shares in issue for the financial years under review.

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INFORMATION ON OUR GROUP (CONT'D)**(iii) Historical cash flows:**

	Audited ⁽¹⁾			Unaudited ⁽²⁾
	As at 31 December 2017 (RM'000)	As at 31 December 2018 (RM'000)	As at 31 December 2019 (RM'000)	As at 31 December 2020 (RM'000)
Net cash from / (used in) operating activities	20,184	10,257	16,266	(3,245)
Net cash (used in) investing activities	(27,796)	(25,394)	(25,427)	(20,617)
Net cash from financing activities	19,927	4,445	11,016	35,252
Net increase / (decrease) in cash and cash equivalents	12,315	(10,692)	1,855	11,390
Effect of exchange translation differences	(548)	(35)	28	(360)
Cash and cash equivalents at the beginning of the financial year	5,045	16,812	6,085	7,968
Cash and cash equivalents at the end of the financial year	16,812	6,085	7,968	18,998

Notes:

- (1) Sources: Annual Reports of our Company for the financial years under review.
(2) Sources: Unaudited financial results of our Company for the FYE 31 December 2020.

5.2 Overview of the financial performance of Bioalpha:**(I) FYE 31 December 2020 vs FYE 31 December 2019**

Our Group's revenue for the FYE 31 December 2020 decreased by RM27.15 million (or 42.64%) to RM36.52 million (FYE 31 December 2019: RM63.67 million) mainly due to:

- (i) decrease in revenue generated from the manufacturing and sale of finished health supplement products segment by RM16.28 million (or 44.57%) to RM20.25 million (FYE 31 December 2019: RM36.53 million) due to the decrease in demand from local and overseas customers as a result of the COVID-19 pandemic; and
- (ii) decrease in revenue generated from the retail pharmacy segment of RM10.88 million (or 40.09%) to RM16.26 million (FYE 31 December 2019: RM27.14 million) resulting from international travel restrictions as our Group's supplement products are sold by retail pharmacies at designated tourist destination spots which had been closed since January 2020 in the wake of the drop in Chinese tourist numbers as a result of the COVID-19 pandemic.

Our Group recorded a LAT of RM37.78 million in the FYE 31 December 2020 (FYE 31 December 2019: PAT of RM8.32 million) mainly due to:

- (i) decrease in revenue as explained above which led to gross loss of RM10.86 million (FYE 31 December 2019: gross profit of RM25.23 million);

INFORMATION ON OUR GROUP (CONT'D)

- (ii) decrease in other income by RM2.68 million (or 64.27%) to RM1.49 million (FYE 31 December 2019: RM4.17 million) mainly due to the reduction of the grants claimed received from the government under National Key Economic Area Agricultural Scheme for the pre-clinical and clinical research studies on high-value herbal products in FYE 31 December 2020 of RM0.32 million (FYE 31 December 2019: RM1.70 million);
- (iii) higher administrative expenses by RM9.81 million (or 53.72%) to RM28.07 million (FYE 31 December 2019: RM18.26 million) mainly due to:
 - (a) bad debts written-off of RM3.14 million (FYE 31 December 2019: Nil) as the customer has closed down their business as a result of their businesses had been affected due to the COVID-19 pandemic;
 - (b) impairment losses on trade receivables of RM3.43 million (FYE 31 December 2019: Nil) as a result of lower collection from customers as their businesses had been affected due to the COVID-19 pandemic; and
 - (c) share-based payment expenses of RM0.79 million in FYE 31 December 2020 (FYE 31 December 2019: Nil) pursuant to the SIS Options B granted under the existing share issuance scheme;
- (iv) one-off professional fees of RM0.80 million in the FYE 31 December 2020 due to the abortion of our Group's proposed transfer listing to the Main Market of Bursa Securities.

The cash and cash equivalents of our Group increased by approximately RM11.03 million (or 138.39%) to RM19.00 million as at 31 December 2020 (as at 31 December 2019: RM7.97 million) mainly due to:

- (i) higher net cash from financing activities by approximately RM24.23 million (or 219.87%) to RM35.25 million (as at 31 December 2019: RM11.02 million) mainly due to proceeds raised from private placement exercises in July and November 2020 of approximately RM9.90 million and RM13.22 million, respectively; and
- (ii) lower net cash used in investing activities by approximately RM4.81 million (or 18.91%) to RM20.62 million (as at 31 December 2019: RM25.43 million) arising from lower purchase of intangible assets and property, plant and equipment. However, this was partially offset by our Group's placement of RM4.00 million in fixed deposits with a licensed bank (as at 31 December 2019: RM Nil).

(II) FYE 31 December 2019 vs FYE 31 December 2018

Our Group's revenue for the FYE 31 December 2019 decreased by RM6.42 million (or 9.16%) to RM63.67 million (FYE 31 December 2018: RM70.09 million) mainly due to the decrease in revenue generated from the trading and manufacturing segment and sales of finished health supplement products by RM7.57 million (or 17.17%) to RM36.53 million (FYE 31 December 2018: RM44.10 million) arising from:

- (i) lower demand from Original Design Manufacturing clients in Malaysia and Indonesia which have been affected by continued soft consumer sentiments; and
- (ii) lower demand in Malaysia due to customers running down the inventory following stocking-up activities during the tax-free period from 1 June 2018 to 31 August 2018.

INFORMATION ON OUR GROUP (CONT'D)

Our Group had recorded a decrease in PAT by RM3.28 million (or 28.28%) to RM8.32 million (FYE 31 December 2018: RM11.60 million) mainly due to decrease in revenue as explained above which led to decrease in gross profit of RM5.33 million (or 17.44%) to RM25.23 million (FYE 31 December 2018: RM30.56 million).

In line with the decrease in revenue which led to the decrease in PAT was partially offset by higher other income by RM0.69 million (or 19.83%) to RM4.17 million (FYE 31 December 2018: RM3.48 million) mainly due to government grant received in FYE 31 December 2019 of RM1.71 million (FYE 31 December 2018: RM1.40 million) pursuant to the National Key Economic Area Agricultural Scheme for the pre-clinical and clinical research studies on high-value herbal products.

The cash and cash equivalents of our Group increased by approximately RM1.88 million (or 30.87%) to RM7.97 million as at 31 December 2019 (as at 31 December 2018: RM6.09 million) mainly due to:

- (i) higher net cash from operating activities by approximately RM6.01 million (or 58.58%) to RM16.27 million (as at 31 December 2018: RM10.26 million) mainly due to higher collection from operating activities; and
- (ii) higher net cash generated from financing activities by approximately RM6.56 million (or 147.42%) to RM11.02 million (as at 31 December 2018: RM4.45 million) as a result of the withdrawal of previously pledged fixed deposits (with maturity of more than 3 months) amounting RM12.46 million as at 31 December 2019 (as at 31 December 2018: deficit of RM8.13 million).

6. HISTORICAL SHARE PRICES

The monthly highest and lowest transacted market prices of our Shares for the past 12 months are as follows:

	Highest (RM)	Lowest (RM)
2020		
April	0.145	0.095
May	0.175	0.120
June	0.155	0.105
July	0.395	0.105
August	0.370	0.265
September	0.300	0.215
October	0.280	0.215
November	0.325	0.230
December	0.375	0.275
2021		
January	0.325	0.245
February	0.270	0.245
March	0.250	0.205
Last transacted market price for our Shares on 18 January 2021 (being the last trading date prior to the Announcement)	0.27	
Last transacted market price for our Shares on the LPD	0.23	
Last transacted market price for our Shares on 21 April 2021 (being the Market Day prior to the ex-date for the Rights Issues)	0.21	

(Source: Bloomberg Finance L.P.)

INFORMATION ON OUR GROUP (CONT'D)

7. OPTION TO SUBSCRIBE FOR BIOALPHA SHARES

As at the LPD, no option to subscribe for Bioalpha Shares has been granted or is entitled to be granted to any person, save for the Provisional Rights Securities, 133,332,785 Warrants 2017/2022, 2,175,000 SIS Options A and 4,050,000 SIS Options B.

Under our Company's share issuance scheme, our Company may grant options with a pre-determined exercise price to subscribe for new Bioalpha Shares up to 30% of our Company's total number of issued Shares (excluding any treasury shares) at any point of time during the existence of the SIS, which was established on 12 January 2017 for a tenure of 5 years.

8. MATERIAL CONTRACTS

As at the LPD, neither our Company nor any of our subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business of our Group) within the 2 years immediately preceding the date of this Abridged Prospectus.

9. MATERIAL LITIGATION

As at the LPD, neither our Company nor any of our subsidiaries are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which have a material effect on the business or financial position of our Group and there are no proceedings pending or threatened against our Group, or of any facts likely to give rise to any proceedings, which might materially and adversely affect the business or financial position of our Group.

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ADDITIONAL INFORMATION

1. CONSENTS

The Principal Adviser, Solicitors for the Rights Issues, Independent Market Researcher, Share Registrar and Company Secretaries have each given and have not subsequently withdrawn their written consents to the inclusion in this Abridged Prospectus of their names and all references thereto in the form and context in which they appear in this Abridged Prospectus.

Bloomberg Finance L.P. has given and has not subsequently withdrawn its written consent to the inclusion in this Abridged Prospectus of its name and citation of the market data made available to its subscribers in the form and context in which such name and market data appear in this Abridged Prospectus.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office Level 5, Block B, Dataran PHB, Saujana Resort, Section U2, 40150 Shah Alam, Selangor, during normal business hours from 9.00 a.m. to 5.00 p.m. from Monday to Friday (excluding public holidays) for the period of at least 6 months from the date of this Abridged Prospectus:

- (i) our Constitution;
- (ii) the IMR Report;
- (iii) letters of Undertakings referred to in **Sections 2.2** and **3.2** of this Abridged Prospectus; and
- (iv) the letters of consent referred to in **Section 1** of **Appendix II** of this Abridged Prospectus.

3. RESPONSIBILITY STATEMENT

This Abridged Prospectus together with its accompanying documents have been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information given therein and confirm that, after having made all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other facts, the omission of which would make any statement therein false or misleading.

TA Securities, being the Principal Adviser for the Rights Issues, acknowledges that this Abridged Prospectus constitutes a full and true disclosure of all material facts concerning the Rights Issues, based on all available information and to the best of its knowledge and belief.

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