

## Risk Factors Comparison 2025-04-15 to 2024-04-16 Form: 10-K

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An investment in our common stock involves a number of very significant risks. You should carefully consider the following known material risks and uncertainties in addition to other information in this Form 10- K in evaluating our company and its business before purchasing shares of our company' s common stock. You could lose all or part of your investment due to any **of these risks. Proactive Risk Management and Mitigation Strategies The Company employs comprehensive risk management practices designed to proactively identify, mitigate, and manage key operational, financial, and strategic risks. While the following section transparently outlines potential risks to our business, investors are encouraged to consider our proactive, robust risk management processes, which significantly reduce the likelihood and potential impact** of these risks. Risk Factors Related to Our Financial Prospects and Capitalization We are an early commercial- stage company and have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance. We are an early commercial- stage company and has a limited operating history. Our limited operating history may make it difficult to evaluate our current business and this makes predictions about our future success or viability subject to significant uncertainty. In combination with other anticipated increased operating expenses in connection with becoming a public company, these anticipated changes in our operating expenses may make it difficult to evaluate our current business, assess our future performance relative to prior performance and accurately predict our future performance. We will continue to encounter risks and difficulties frequently experienced by early commercial- stage companies, including those associated with increasing the size of our organization and the prioritization of our commercial, research, and business development activities. If we do not address these risks successfully, our business could suffer. Our growth (organic and inorganic) may require substantial capital and long- term investments. Our competitiveness and growth depend on our ability to fund our capital expenditures. We cannot assure you that it will be able to fund our capital expenditures at reasonable costs due to adverse macroeconomic conditions, our performance or other external factors. In the future, we expect to incur significant costs in connection with its operations. We intend to expand our business through increased marketing efforts of MRNA Scientific and Chemrex. These development activities generally require a substantial investment before we can determine commercial viability, and the proceeds of this offering will not be sufficient to fully fund these activities. We expect to need to raise additional funds through public or private equity or debt financings, collaborations or licensing arrangements to continue to fund or expand our operations. Our actual liquidity and capital funding requirements will depend on numerous factors, including: · the scope and duration of and expenditures associated with our discovery efforts and research and development programs; · the costs to fund our commercialization strategies for any product candidates for which we receive marketing authorization or otherwise launch and to prepare for potential product marketing authorizations, as required; · the costs of any acquisitions of complementary businesses or technologies that we may pursue; · potential licensing or partnering transactions, if any; · Our facilities expenses, which will vary depending on the time and terms of any facility lease or sublease we may enter into, and other operating expenses; · the scope and extent of the expansion of our sales and marketing efforts; · the settlement of the government investigation described below, potential and pending litigation, potential payor recoupments of reimbursement amounts, and other contingencies; · the commercial success of our products; · Our ability to obtain more extensive coverage and reimbursement for our tests and therapeutic products, if any, including in the general, average- risk patient population; and · Our ability to collect its accounts receivable. The availability of additional capital, whether from private capital sources (including banks) or the public capital markets, fluctuates as our financial condition and market conditions in general change. There may be times when the private capital sources and the public capital markets lack sufficient liquidity or when our securities cannot be sold at attractive prices or at all, in which case we would not be able to access capital from these sources. In addition, a weakening of our financial condition or deterioration in its credit ratings could adversely affect our ability to obtain necessary funds. Even if available, additional financing could be costly or have adverse consequences. **19Our 17We may incur net losses may continue** in the ~~near~~-future. We have devoted substantial resources to the development and commercialization of the products of MRNA Scientific and Chemrex. **We For the last three fiscal years, we have not achieved profitable operations. Accordingly, we** might not ~~remain~~-**become** profitable for any **future** period. Our failure to achieve profitability would negatively affect our business, financial condition, results of operations, and cash flows. If we are unable to execute our sales and marketing strategy and our products are unable to gain sufficient acceptance in the market, we may be unable to generate sufficient revenues to sustain our business. Any additional capital we raise may not be available on satisfactory terms and may adversely affect stockholders' holdings or rights. Additional capital, if needed, may not be available on satisfactory terms or at all. In addition, the terms of any financing may adversely affect stockholders' holdings or rights. Debt financing, if available, may include restrictive covenants. To the extent that we raise additional funds through collaborations and licensing arrangements, it may be necessary to relinquish some rights to our technologies or grant licenses on terms that may not be favorable to us. If we are not able to obtain adequate funding when needed, we may be required to delay development programs or sales and marketing initiatives. If we are unable to raise additional capital in sufficient amounts or on satisfactory terms, we may have to make reductions in our workforce and may be prevented from continuing our discovery, development, and commercialization efforts and exploiting other corporate opportunities. In addition, it may be necessary to work with a partner on one or more of our tests or products under development, which could lower the economic value of those products to us. Each of the foregoing may harm our business, operating results, and financial condition and may impact our ability to continue as a going concern. Raising additional capital may lead to dilution of shareholdings by our existing shareholders, restrict our

operations, and may further result in fair value loss, adversely affecting our financial results. We may seek additional funding through a combination of equity and debt financings and collaborations. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of existing holders of our shares will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of our existing shareholders. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license IP rights and other operating restrictions that could adversely impact our ability to conduct its business.

**Recent business decisions regarding the Cryptocurrency Industry. The Company had made recent announcements during fiscal year 2025 concerning its decision to explore business opportunities in the crypto market. The Company currently is in the process of developing its business plans and strategies in an effort to enhance shareholder value. These plans and strategies are preliminary in nature and we can not predict whether we will be successful in these endeavors.**

Risk Factors Related to Our Business and Industry General Business and Industry Risks We are unable to predict the duration of future economic conditions. Future economic downturns, prolonged slow growth or stagnation in the economy could materially adversely affect our business, results of operations, financial condition and cash flows. Global economic conditions could materially adversely impact demand for our products and services. Our operations and performance depend significantly on economic conditions. Global financial conditions continue to be subject to volatility arising from international geopolitical developments and global economic phenomenon, as well as general financial market turbulence and natural phenomena such as the COVID- 19 pandemic. Uncertainty about global economic conditions could result in customers postponing purchases of its products and services in response to tighter credit, unemployment, negative financial news and / or declines in income or asset values and other macroeconomic factors, which could have a material negative effect on demand for its products and services; and third-party suppliers being unable to produce devices for its products or raw materials in the same quantity or on the same timeline or being unable to deliver such parts and components as quickly as before or subject to price fluctuations, which could have a material adverse effect on the services and products provided by MRNA Scientific; and accordingly, on its business, results of operations or financial condition. Access to public financing and credit can be negatively affected by the effect of these events on Malaysian, U. S. and global credit markets. The health of the global financing and credit markets may affect its ability to obtain equity or debt financing in the future and the terms at which financing or credit is available to us. These instances of volatility and market turmoil could adversely affect its operations and the trading price of its common stock.

~~18~~**Our 20**Our risk management programs, processes, or procedures for identifying and addressing risks in MRNA Scientific's business may not be adequate or effectively applied, and this may adversely impact its businesses. MRNA Scientific relies on a combination of technical and human factors to protect us against risks. MRNA Scientific policies, procedures and practices are used to identify, monitor and control a variety of risks, including risks related to human error and hardware and software errors. The administration and results of each test are reviewed by a physician and a scientist in Malaysia before the results are released to the patient. The Company's standard of operations was primarily developed by Dr. Liew. These risk- management methods may not adequately prevent losses and may not protect us against all risks, in which case our business, economic conditions, operations and cash flows may be materially adversely affected. We have risk- management policies, control systems and compliance manuals in place; however, there is no guarantee that such policies, systems, and manuals will be effectively applied in every circumstance by our staff. For example, employees could override the system technology and theoretically waive requirements, thereby exposing the company accurately conduct its quality control. We may be adversely impacted by changes in laws and regulations, or in their application. Currently, there are no governmental regulations that materially restrict our screening business in Malaysia. MRNA Scientific's laboratory in Malaysia was established through an invitation by the Malaysian Health Minister alongside a government grant of \$ 1, 250, 000. MRNA Scientific's screening tests have gone through preclinical and clinical trials involving private hospitals and government agencies including the Institute of Medical Research (IMR), Malaysian Biotechnology Corporation (BiotechCorp) and the Clinical Research Centre (CRC). The findings of the preclinical and clinical trials are published in peer reviewed journals such as the Journal of Molecular and Cellular Cardiology, and Physiological Genomics. Once published, MRNA Scientific would do confirmational tests before applying for commercialization. MRNA Scientific's Malaysian lab is currently national operating under an operating license granted by the city of Kuala Lumpur. The Malaysian government passed the Pathology Laboratory Bill of 2007 (" Pathology Act "). However, since 2007, the government has not implemented the regulations underlying the legislation nor has the government enforced the Pathology Act. Any such regulations could establish criteria for the various classes and specialties of laboratories, the organization and management system of the laboratory, the qualification and experience of the person- in- charge, the qualification and competence of pathologists, scientific and technical staff engaged to conduct tests, and the standards of laboratory practice. MRNA Scientific cannot predict whether it would be able to comply with the Pathology Act and its regulations, if implemented. In addition, there also is a risk that the regulations arising from the Pathology Act or new legislation or regulations could increase MRNA Scientific's costs of doing business or otherwise prevent us from carrying out the expansion of its business. Accordingly, our business may be harmed if we are not able to comply with any future governmental legislation or regulations, including the Pathology Act. MRNA Scientific is currently operating under a license granted by the City Hall of Kuala Lumpur, Malaysia. Under Malaysian and local laws, we may continue to operate under its current operating license which MRNA Scientific Malaysia currently has. We cannot predict whether there will be future regulations which may impact its ability to conduct its business. Currently, there are no governmental regulations that affect Chemrex's business in Malaysia and it may continue to operate under an operating license granted by the Kajang Town Hall of Selangor, Malaysia. Future legislation or regulations could increase Chemrex's costs of doing business or otherwise prevent us from carrying out the expansion of its business. Business disruptions could seriously harm our future revenue and financial condition and increase its costs and expenses. Our operations could be subject to power shortages, telecommunications

failures, wildfires, water shortages, floods, earthquakes, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or man-made disasters or business interruptions. The occurrence of any of these business disruptions could seriously harm MRNA Scientific's operations and financial condition and increase MRNA Scientific's costs and expenses. Unfavorable global economic conditions could adversely affect our business, financial condition, or results of operations. We do not carry insurance for all categories of risk that our business may encounter. Although MRNA Scientific intend to obtain some form of business interruption insurance in the future, there can be no assurance that we will secure adequate insurance coverage or that any such insurance coverage will be sufficient to protect our operations to significant potential liability in the future. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our financial position and results of operations. Our lack of insurance could expose us to significant costs and business disruption. We currently do not have any product liability or disruption insurance to cover our operations in Malaysia or overseas. We have determined that the costs of insuring for these risks and the difficulties associated with acquiring such insurance on commercially reasonable terms make it impractical for us to have such insurance. If we suffer any losses, damages or liabilities in the course of our business operations, we may not have adequate insurance coverage to provide sufficient funds to cover any such losses, damages or product claim liabilities. Therefore, there may be instances when we will sustain losses, damages and liabilities because of our lack of insurance coverage, which may in turn materially and adversely affect our financial condition and results of operations. As a public company, we may become subject to the Section 404 of the Sarbanes-Oxley Act, or SOX 404, which requires that we include a report from management on the effectiveness of our internal control over financial reporting in our annual report on Form 10-K and in our quarterly report on Form 10-Q if we are qualified as an accelerated filer. ~~19~~We ~~21~~We are currently a "smaller reporting company", meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company and annual revenues of less than \$ 50.0 million during the most recently completed fiscal year. In the event that we are still considered a "smaller reporting company," at such time as we cease being an "emerging growth company," we will be required to provide additional disclosure in our SEC filings. However, similar to an "emerging growth companies", "smaller reporting companies" are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404 (b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports. Decreased disclosures in our SEC filings due to our status as a "smaller reporting company" may make it harder for investors to analyze our results of operations and financial prospects. Our independent registered public accounting firm may be required to attest to and report on the effectiveness of our internal control over financial reporting. Our management may conclude that our internal control over financial reporting is not effective. Moreover, even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm, after conducting its own independent testing, may issue a report that is qualified if it is not satisfied with our internal controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. In addition, after we become a public company, our reporting obligations may place a significant strain on our management, operational and financial resources and systems for the foreseeable future. We may be unable to timely complete our evaluation testing and any required remediation. During the course of documenting and testing our internal control procedures, in order to satisfy the requirements of SOX 404, we may identify other weaknesses and deficiencies in our internal control over financial reporting. In addition, if we fail to maintain the adequacy of our internal control over financial reporting, as these standards are modified, supplemented or amended from time to time, we may not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with SOX 404. If we fail to achieve and maintain an effective internal control environment, we could suffer material misstatements in our financial statements and fail to meet our reporting obligations, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods. Fluctuations in foreign currency exchange rates could have a material adverse effect on our financial results. We earn revenues, pay expenses, own assets and incur liabilities in countries using Malaysian Ringgit ("RM") other than the U. S. dollar ("\$"). Since our consolidated financial statements are presented in U. S. dollars, we must translate revenues, income and expenses, as well as assets and liabilities, into U. S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, increases or decreases in the value of the U. S. dollar against Malaysian currency affect our net operating revenues, operating income and the value of balance sheet items denominated in foreign currencies. We cannot assure you that fluctuations in foreign currencies exchange rates, particularly the strengthening or weakening of the U. S. dollar against Malaysian currency would not materially affect our financial results. Risk Related to MRNA Scientific's Business and Industry Exponential growth in ~~Biotechnology~~ **biotechnology**. Biotechnology is a rapidly changing field that continues to transform both in scope and impact. Well-funded established molecular labs are gathering big data on health records, genomics, lifestyle information that led to new health solutions. Digitization is revolutionizing health care, allowing for patient reported symptoms, health outcome to be captured as mineable data. MRNA Scientific could lose out to its competitors' exponential growth if we **are** unable to establish **distribution network networks** with medical centers, pharmaceutical groups and other molecular laboratories synergistically in sharing customers and big data. MRNA Scientific's inability to manage growth could harm its business. MRNA Scientific expects to continue to add personnel in the areas of sales and marketing, research & development, laboratory operations, finance, quality assurance and compliance. As MRNA Scientific builds its commercialization efforts and expands

research and development activities, operating expenses and capital requirements will increase, and MRNA Scientific expects that they will continue to increase, significantly. MRNA Scientific's ability to manage its growth effectively requires us to forecast expenses accurately, and to properly forecast and expand operational and testing facilities, if necessary, to expend funds to improve our operational, financial and management controls, reporting systems and procedures. As MRNA Scientific moves forward in marketing our tests and developing our test portfolio, the company will also need to effectively manage its growing manufacturing, laboratory operations and sales and marketing needs. If MRNA Scientific is unable to manage its anticipated growth effectively, MRNA Scientific's future business could be harmed. MRNA Scientific's financial prospects depend substantially upon the successful commercialization of the Company's services and products in the future, which may fail or experience significant delays. MRNA Scientific's future success depends upon MRNA Scientific's ability to continuously develop technologies and successfully market its existing cancer genetic offerings to customers within Malaysia and expand overseas. MRNA Scientific's ability to generate significant revenue in the next several years will depend primarily on the successes of each key stage of its business, including pre-clinical research and development, clinical trials, regulatory approval, manufacture, marketing and commercialization of its services and products, which is subject to significant uncertainty. MRNA Scientific's ability to generate sales revenue from its products and services and its future profitability depends on several factors, including its ability to: ~~20-22~~ · obtain regulatory approvals and marketing authorizations for MRNA Scientific's services and products; · obtain market acceptance by patients, hospitals, clinicians, biopharmaceutical companies and others in the medical community; · establish sufficient testing capacity and commercial capabilities, either by expanding MRNA Scientific's current facility or making arrangements with third parties; · develop and maintain MRNA Scientific's sales network to launch and commercialize its new cancer genomic testing services and products; · set appropriate and favorable prices for MRNA Scientific's genomic testing services and products and obtaining adequate reimbursement from third-party payers; · maintain commercially viable supply relationships with third parties and maintaining sufficient research and development capabilities and infrastructure; · address any competing technological and market developments; and · maintain, protect, and expand MRNA Scientific's portfolio of intellectual property rights including trade secrets and know-how. The marketing, sale and use of MRNA Scientific's products and services could result in substantial damages arising from products or service liability or professional liability claims, that exceed MRNA Scientific's resources. Due to the nature of MRNA Scientific's business, it may face claims for products or service liability. These claims may arise from the inaccurate or erroneous diagnosis of patient information or the mix-up of patient information whereby a patient receives the wrong diagnostic information. While the company feels confident in its quality control measures to ensure the safeguard of patient and client information, it cannot provide assurances that products or service liability claims will arise in the future. Moreover, litigation or adverse publicity resulting from these allegations could materially and adversely affect MRNA Scientific's business, regardless of whether the allegations are valid or whether the company is liable. Currently MRNA Scientific has no products and service liability insurance coverage, and even if there was such coverage, such coverage might not be sufficient to properly protect MRNA Scientific. Further, claims of this type, whether substantiated or not, may divert MRNA Scientific's financial and management resources from revenue generating activities and the business operation. MRNA Scientific may face technology transfer challenges and expenses in adding new tests to its portfolio and in expanding its reach into new geographical areas. MRNA Scientific's plan for expanding its business includes developing and acquiring additional tests or additional biomarkers that can be transferred into its current and future diagnostic product portfolio and distributed in target markets. Due to differences in the hardware and software platforms available at different laboratories for running molecular tests, MRNA Scientific's may need to adjust the configuration of the reagents and there may be changes to the related software in order for the tests to be performed on particular hardware platforms. Making any such adjustments could take a considerable amount of time and expense, and MRNA Scientific's might not will succeed in running its tests on the hardware and software that it may encounter in different laboratories. To manage this issue, MRNA Scientific's may license or acquire additional instruments and software from another company that will be compatible with its tests. This may include additional licenses and license fees needed for reagents or components required hereto as well. MRNA Scientific's biomarkers have not undergone clinical trials. As there are no governmental regulations that materially restrict our screening business in Malaysia, MRNA Scientific has not conducted clinical trials on its biomarkers. While MRNA Scientific believes that its tests help detect the potential risk of different diseases, the specificity and sensitivity of those tests have not been determined in clinical trials let alone those that meet the scope or standards of clinical trials that would satisfy regulators in the United States or the European Union. If MRNA Scientific were to conduct such clinical trials, the results might prove to be less successful than we anticipate, and such tests might not be approved for sale in markets that require such clinical trials. MRNA Scientific currently receives and expects to continue to receive a significant portion of its revenues from its genomic screening products, and if its efforts to further increase the use and adoption of these products fail, its business will be harmed. MRNA Scientific currently receives and expects to continue to receive a significant portion of its revenues from its screening tests. MRNA Scientific undertakes efforts to increase the awareness and adoption of its tests among laboratories, clinics, clinicians, physicians, payors, and patients in new markets. Continued and additional market acceptance and its ability to attract new customers are key elements to its future success. ~~21MRNA-23MRNA~~ MRNA Scientific's ability to increase sales of its services and establish greater levels of adoption and reimbursement for its tests is uncertain for many reasons, including, among others: · MRNA Scientific may be unable to demonstrate to laboratories, clinics, clinicians, physicians, payors, and patients that its services are superior to alternatives with respect to value, convenience, specificity, sensitivity, scope of coverage, and other factors; · third-party coverage and reimbursement are currently primarily limited to high-risk pregnancies and may not gain acceptance for use in the average-risk pregnancy population or for the screening of microdeletions, limiting the overall addressable market; · third-party payors may set the amounts of reimbursement at prices that reduce its profit margins or do not allow us to cover its expenses; · MRNA Scientific may not be able to maintain and grow effective sales and marketing capabilities; · its sales and marketing efforts may

fail to effectively reach customers or communicate the benefits of its services; · superior alternatives to its services may be developed and commercialized; · MRNA Scientific may experience supply constraints, including due to the failure of its key suppliers to provide required sequencing instruments and reagents; · regulatory or legislative bodies may adopt new regulations or policies or take other actions that impose significant restrictions on its ability to market its services. If the market and its market share for its genomic products fail to grow or grow more slowly than expected, its business, operating results, and financial condition would be adversely affected. MRNA Scientific's success depends on their ability to improve and enhance its current tests and new test candidates, which is complex and costly, and the results are uncertain. Effective execution of research and development activities and the timely introduction of enhanced, improved, or new tests and test candidates to the market are important elements of MRNA Scientific's business strategy. For example, MRNA Scientific is currently collaborating with the National Heart Institute in Malaysia to identify genomic signatures in acute myocardial infarctions. However, the development of enhanced, improved, or new heart attack risks is complex, costly, and uncertain and requires us to, among other factors, accurately anticipate patients', clinicians', and payors' needs, and emerging technology trends. In the development of enhanced, improved, or new test and test candidates, we can provide no assurance that: MRNA Scientific will develop any tests that meet its desired target product profile and address the relevant clinical need or commercial opportunity; · any tests that MRNA Scientific develop will prove to be effective in clinical trials, platform validations, or otherwise; · MRNA Scientific will obtain necessary regulatory authorizations, in a timely manner or at all; · any tests that MRNA Scientific develop will be successfully marketed to and ordered by healthcare providers; · any tests that MRNA Scientific develop will be produced at an acceptable cost and with appropriate quality; · its current or future competitors will not introduce tests similar to ours that have superior performance, lower prices, or other characteristics that cause healthcare providers to recommend, and consumers to choose, such competitive tests over ours; or · third parties do not or will not hold patents in any key jurisdictions that would be infringed by its tests. These and other factors beyond MRNA Scientific's control could delay its launch of enhanced, improved, or new test and test candidates. The research and development process in the biotechnology industry generally requires a significant amount of time from the research and design stage through commercialization. The launch of such new test requires the completion of certain clinical development and / or assay validations in the commercial laboratory. This process is conducted in various stages, and each stage presents the risk that MRNA Scientific will not achieve its goals and will not be able to complete clinical development for any planned test in a timely manner. Such development and / or validation failures could prevent or significantly delay its ability to obtain FDA clearance or approval as may be necessary or desired, obtain approval by entities that provide oversight over laboratory diagnostic tests in the localities MRNA Scientific operate in, or launch any of its planned tests and test candidates. At times, it may be necessary for us to abandon a product in which MRNA Scientific has invested substantial resources. Without the timely introduction of new test candidates and improvements or enhancements of its current tests, its tests may become obsolete over time and its competitors may develop tests that are more competitive, in which case its business, operating results, and financial condition will be harmed. MRNA Scientific faces challenges from the evolving regulatory environment and increasing public awareness on privacy, personal data protection and ~~cyber security~~ **cybersecurity**. Actual or alleged failure to comply with privacy, cybersecurity and data protection-related laws and regulations could adversely affect MRNA Scientific's business and reputation. MRNA Scientific face risks inherent in handling large volumes of data and in protecting the security of such data, including cyber attacks. In particular, MRNA Scientific face a number of challenges relating to data inter-connected with regional labs, including: ~~22-24~~ protecting the data in and hosted on MRNA Scientific's system, including against hacking on MRNA Scientific's system by outside parties or its employees; · addressing concerns related to privacy and sharing, safety, security and others; · complying with applicable laws, rules and regulations relating to the collection, use, disclosure of personal information, including any requests from regulatory and government authorities relating to such data; · Any ~~systems~~ **system** failure or security breach or lapse ~~those that~~ results in the release of user data could harm MRNA Scientific's reputation and brand and, consequently, MRNA Scientific's business, in addition to exposing us to potential legal liability. As our operations expand, it may be subject to these laws in other jurisdictions where its customers and other participants are located. The laws, rules and regulations of other jurisdictions may impose more stringent or conflicting requirements and penalties than those in Malaysia, compliance with which could require significant resources and costs. MRNA Scientific's privacy policies and practices concerning the collection, use and disclosure of user data are posted on its websites. Any failure, or perceived failure, by us to comply with MRNA Scientific's posted privacy policies or with any regulatory requirements or privacy protection-related laws, rules and regulations could result in proceedings or actions against us by authorities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require MRNA Scientific to change its business practices, increase its costs and severely disrupt its business. MRNA Scientific's software is highly complex and may contain undetected errors. MRNA Scientific's proprietary software underlying its diagnosis is highly complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after a diagnosis. This may result in an inaccurate diagnosis which could expose us to substantial liability due to the misdiagnosis. Any errors or vulnerabilities discovered in MRNA Scientific's software could result in damage to our reputation, loss of clients, loss of revenue or liability for damages, any of which could adversely affect our growth prospects and our business. MRNA Scientific's use of "open source" software could subject its proprietary software to general release, adversely affect its ability to sell its tests and subject the company to possible litigation. A portion of the screenings by MRNA Scientific incorporate so-called "open-source" software and MRNA Scientific may incorporate open-source software into other tests and technologies in the future. Such open-source software generally is licensed by its authors or other third parties under open-source licenses. Some open-source licenses may contain certain unfavorable conditions, such as requirements that MRNA Scientific disclose source code for modifications or derivative works that the company makes to the open-source software and that the company license such modifications or derivative works to third parties at no cost or under the terms of the particular open-source license. MRNA Scientific monitors its use of open-source software in an effort to avoid uses in a manner that would require it to disclose or

grant licenses under its proprietary source code; however, there can be no assurance that such efforts will be successful. Open-source license terms are often ambiguous and such use could inadvertently occur. There is little legal precedent governing the interpretation of many of the terms of these licenses, and the potential impact of these terms on our business may result in unanticipated obligations regarding our technologies. If an author or other third party that distributes such open-source software were to allege that MRNA Scientific had not complied with the conditions of an open-source license, the company could incur significant legal costs defending itself against such allegations. In the event such claims were successful, MRNA Scientific could be subject to significant damages or be enjoined from the distribution of the infringing product. These risks could be difficult to eliminate or manage, and, if not addressed, could harm our business, financial condition and results of operations. MRNA Scientific currently only uses open-source software for Covid-19, HPV, HIV, and Dengue screenings. For screening process on cancers, inflammatory diseases and osteoarthritis, MRNA Scientific uses company proprietary algorithm software for data analysis and interpretation established by Co-founder Professor CC Liew. MRNA Scientific may face competition from other biotechnology competitors and its operating results will suffer if MRNA Scientific fail to compete effectively. MRNA Scientific competes with companies worldwide that specialize in RNA blood analysis to detect disease. Laboratories in universities and research institutions that are attempting to extend their research from DNA into RNA screening could become competitors if they succeed. Many of MRNA Scientific's competitors and potential competitors may have stronger financial resources than the company. Their discovery and development of novel protocols could make MRNA Scientific's screening obsolete. As a result of these factors, MRNA Scientific's competitors may succeed in obtaining patent protection and / or FDA approval or discovering, developing and commercializing screening process for cancer, inflammation, osteoarthritis and many more indications. In addition, smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large, established companies. In addition, many universities and private and public research institutes may become active in MRNA Scientific's target disease areas. If MRNA Scientific's competitors market products that are more effective, safer or less expensive or that reach the market sooner than MRNA Scientific's future tests, if any, **BioNexus the Company** may not achieve commercial success. In addition, because of MRNA Scientific's limited resources, it may be difficult for us to stay abreast of the rapid changes in each technology. If MRNA Scientific fails to stay at the forefront of technological change, MRNA Scientific may be unable to compete effectively. Technological advances or products developed by MRNA Scientific's competitors may render MRNA Scientific's technologies or test candidates obsolete, less competitive or not economical. **23Cyber 25Cyber** breaches, loss of data, and other disruptions could compromise sensitive information related to MRNA Scientific's business or prevent us from accessing critical information and expose us to liability, which could adversely affect MRNA Scientific's business and its reputation. In the ordinary course of MRNA Scientific's business, MRNA Scientific collects and stores sensitive data, including protected health information, personally identifiable information, financial information, intellectual property, and proprietary business information owned or controlled by the company or its customers, payers, and other parties. MRNA Scientific manages and maintains its applications and data utilizing a combination of on-site systems and cloud-based data centers. The company utilizes external security and infrastructure vendors to manage parts of its data centers. MRNA Scientific also communicates sensitive data, including patient data, electronically, and through relationships with multiple third-party vendors and their subcontractors. These applications and data encompass a wide variety of business-critical information, including research and development information, patient data, commercial information, and business and financial information. MRNA Scientific faces a number of risks relative to protecting this critical information stemming from cyber attacks, including loss of access risk, inappropriate use or disclosure, inappropriate modification, and the risk of the company being unable to adequately monitor, audit, and modify its controls over critical information. This risk extends to the third-party vendors and subcontractors MRNA Scientific uses to manage this sensitive data. The secure processing, storage, maintenance, and transmission of this critical information are vital to MRNA Scientific's operations and business strategy, and MRNA Scientific devote significant resources to protecting such information. Although MRNA Scientific takes measures to protect sensitive data from unauthorized access, use or disclosure, MRNA Scientific's information technology and infrastructure may be vulnerable to cyber attacks by hackers or viruses or breached due to employee error, malfeasance, or other malicious or inadvertent disruptions. In addition, while MRNA Scientific has implemented security measures and a formal, dedicated enterprise security program to prevent unauthorized access to patient data, such data is currently accessible through multiple channels, and there is no guarantee MRNA Scientific can protect its data from breach. Unauthorized access, loss, or dissemination could also result in delays of MRNA Scientific's services and tests development and commercialization as well as damage MRNA Scientific's reputation, including MRNA Scientific's ability to conduct its analysis, deliver test results, process claims and appeals, provide customer assistance, conduct research and development activities, collect, process, and prepare company financial information, provide information about MRNA Scientific's tests and other patient and physician education and outreach efforts through its website, and manage the administrative aspects of its business. Any such unauthorized access, loss, or dissemination of information could also result in legal claims or proceedings, liabilities under Malaysian laws and regulations in relation to the protection of personal information and cybersecurity as well as those specifically governing patient and medical data. MRNA Scientific shall establish, maintain and execute internal systems to safeguard relevant personal healthcare data. Any failure to comply with above-mentioned regulation would result in administrative liabilities including but not limited to informed criticism. MRNA Scientific plans to expand its tests and services to multiple countries exposes us to risks associated with doing business outside of Malaysia. The expansion may not be successful, which could limit MRNA Scientific's ability to grow its revenue, net income, and profitability. As MRNA Scientific plans to set up RNA screening labs operations in Indonesia, Middle East, USA, China and Germany, if approved, its businesses are subject to risks associated with doing business outside Malaysia including an increase in **BioNexus the Company's** expenses, diversion of **BioNexus the Company's** management's attention from the research and development of additional diseases / disorders risk detection or forgoing profitable licensing opportunities in these

economies. Accordingly, the Company's business and financial results in the future could be adversely affected due to a variety of factors including the risks associated with expanding into markets in which the Company has limited or no experience and in which the company may be less well-known. The Company may be unable to attract a sufficient number of customers and other participants, fail to anticipate competitive conditions or face difficulties in operating effectively in these new markets. The expansion of the Company's cross-border business will also expose us to risks relating to staffing and managing cross-border operations, increased costs to protect intellectual property, tariffs and other trade barriers, differing and potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, lack of acceptance of the Company's product and service offerings, challenges caused by distance, language and cultural differences, exchange rate risk and political instability. Accordingly, any efforts the Company make to expand its cross-border operations may not be successful, which could limit the Company's ability to grow its revenue, net income and profitability.

**Risk Related to Chemrex's Business and Industry** The chemical raw material industry is cyclical and both recessions and prolonged periods of slow economic growth could have an adverse effect on Chemrex's business. Demand for most of Chemrex's products is cyclical in nature and sensitive to general economic conditions. Chemrex's business supports cyclical industries such as the construction, energy, appliance and medical devices. As a result, downturns in the Malaysian economy, the global economy or any of these industries could materially adversely affect Chemrex's results of operations, financial condition and cash flows. Despite the Global Economy currently experiencing instability and a potential downturn, we are confident that Chemrex can do better in 2024 with increased marketing and portfolio development made possible by the additional investment capital from our Initial Public Offering. Recently, the Prime Minister of Malaysia, along with the appropriate Ministries have announced hundreds of billions of Ringgit Malaysia (RM) in foreign investment, including the areas of high-tech materials and composites such as those which Chemrex specialises in, and we expect that this will have a positive boost on the potential for revenue generation for Chemrex. The boosts in the tourism and public transportation industry will push up the FRP material usage for industrial needs. Nonetheless, even with this economic recovery, challenges from ongoing uncertainties, both in Malaysia and in other regions of the world, remain. We are seeing recoveries in various sectors since the post-pandemic lows. **24We 26We** are unable to predict the duration of current economic conditions. Future economic downturns, prolonged slow growth or stagnation in the economy, or a sector-specific slowdown in one of its key end-use markets, such as non-residential construction, could materially adversely affect Chemrex's business, results of operations, financial condition and cash flows, especially considering the capital-intensive nature of Chemrex's business. The results of Chemrex's operations are sensitive to volatility in the cost of raw materials, particularly fibre reinforced plastics. Chemrex, as a reseller, relies on outside vendors to supply us with raw materials, including fibre reinforced plastics. Chemrex purchases most of its primary raw material, from numerous other sources located throughout Malaysia and internationally. Prices of these chemical raw materials are volatile and are influenced by export changes in response to demands of Chemrex's global competitors and customers, as well as currency fluctuations. At any given time, Chemrex may be unable to obtain an adequate supply of these chemical raw materials with price and other terms acceptable to us. The availability and prices of raw materials may also be negatively affected by new laws and regulations, allocation by suppliers, interruptions in production, accidents or natural disasters, changes in exchange rates, worldwide price fluctuations, and the availability and cost of transportation. If Chemrex's suppliers increase the prices of its chemical raw materials, Chemrex may not have alternative sources of supply. In addition, to the extent that Chemrex has quoted prices to its customers and accepted customer orders for its products prior to purchasing necessary raw materials, it may be unable to raise the price of its products to cover all or part of the increased cost of the materials. Also, if Chemrex are unable to obtain adequate and timely deliveries of its chemical raw materials, it may be unable to timely deliver orders of its products. This could cause Chemrex to lose sales, incur additional costs or suffer harm to its reputation. Disruptions in the supply of chemicals that we distribute or in the operations of our customers could adversely affect our business. Our business depends on access to adequate supplies of the chemicals that our customers purchase from us. From time to time, we may be unable to access adequate quantities of certain chemicals because of supply disruptions due to natural disasters (including hurricanes and other extreme weather), industrial accidents, scheduled production outages, high demand leading to allocation, port closures and other transportation disruptions and other circumstances beyond our control, or we may be unable to purchase chemicals that we are obligated to deliver to our customers at prices that enable us to earn a profit. In addition, unpredictable events may have a significant impact on the industries in which many of our customers operate, reducing demand for products that we normally distribute in significant volumes. Significant changes in the business strategies of our suppliers could also disrupt our supply. Large chemicals manufacturers may elect to distribute certain products (or products in certain regions) directly to end user customers, instead of relying on independent distributors such as us. While we do not believe that our results depend materially on access to any individual producer's products, a reversal of the trend toward more outsourced distribution of chemicals would likely result in increasing margin pressure or products becoming unavailable to us. Any of these developments could have a material adverse effect on our business, financial condition, and results of operations. We have oral contracts with suppliers and customers, which are generally terminable upon notice, and the termination of our relationships with suppliers and customers contracts could negatively affect our business. Our purchases and sales of chemicals are typically made pursuant to verbal purchase orders rather than written contracts. Many of our contracts with both customers and suppliers are terminable without cause to us from the supplier or customer. Our business relationships and reputation may suffer if we are unable to meet our delivery obligations to customers which may occur because many of our suppliers are not subject to contracts or can terminate contracts on short notice. In addition, renegotiation of purchase or sales terms to our disadvantage could reduce our sales margins. Any of these developments could adversely affect our business, financial condition, and results of operations. We may lose customers and suffer damage to our reputation if we are unable to meet customer demand for a particular product. We face the risk of dissatisfied customers and damage to our reputation if we cannot meet customer demand for a particular chemical because we are short on inventories. In addition, particularly in cases of pronounced cyclicity in the end market, it can be difficult to

anticipate our customers' requirements for particular chemicals, and we could be asked to deliver larger- than- expected quantities of a particular chemical on short notice. If for any reason we experience widespread, systemic difficulties in filling customer orders, our customers may be dissatisfied and discontinue their relationship with us or we may be required to pay a higher price to obtain the needed chemical on short notice, thereby adversely affecting our margins. We may be exposed to product returns and product liability claims and latent defect liability claims. Our FRP and other raw materials are used to produce a wide variety of goods including handrails, bench tops, automotive and aero parts, cleanroom panels, and covers for various instruments used in manufacturing. We are exposed to potential product returns and latent defect liability claims from our customers and the end- users of goods and products. Although we have put in place stringent quality control measures, including the setting up of different teams for incoming quality control, quality control and quality assurance which monitor the quality of the raw material, semi- finished products as well as finished products, there may be undetected flaws or manufacturing defects or other irregularities that may be subsequently detected at any point in the life of our products. We have adopted return policy on products with manufacturing defects to accommodate our customers. If after any checkup or analysis by our laboratory the defect of a product is found to be manufacturing defect, return and replacement of products will be made. Therefore, if undetected flaws or manufacturing defects or other irregularities from either the design or manufacture of our products are to occur, additional costs and expenses which we may not recoup may incur, and our revenue and costs control can be negatively impacted. ~~25In~~**27In** addition, if our defective or sub- standard products cause bodily injuries or property damage, our suppliers may face latent defect liability claims from our customers or the end- users of goods and products made with our products and regardless of the merits or the outcome of these claims, we may be required to address and, if necessary, and divert management attention and other resources from our business and operations. We may also face adverse publicity associated with such claims, which could have an adverse effect on our business, results of operations and financial condition. Risks Related to Our Operations Our officers and directors may in future have outside business activities. As a result, there may be potential conflicts of interest and negatively impact the amount of time they will be able to dedicate to the company. Currently our officers, who are also directors, have been working on promoting business for the Company. A potential conflict of interest may arise in the future that may cause our business to fail, including conflicts of interest in allocating their time to the company and their other business interests. While the company' s officers have verbally agreed to devote sufficient time and attention to the affairs of the Company, it has no written arrangement with our officers regarding this matter. As a result, we may face conflicts between business decisions that they may have to make regarding its operations and that of their other business interests. We may not be able to attract and retain key senior management members and research and development personnel. Our future success depends upon the continuing services of members of our senior management team and key research and development personnel and consultants. Although we typically require our key personnel to enter into non- compete and confidentiality agreement with us, we cannot prevent former personnel from joining the Company' s competitors after the non- compete period. The loss of their services could adversely impact its ability to achieve its business objectives. If one or more of our senior management or key clinical and scientific personnel are unable or unwilling to continue in their present positions or joins a competitor or forms a competing company, the company may not be able to replace them in a timely manner or at all, which will have a material and adverse effect on its business, financial condition, and results of operations. In addition, the continued growth of our business depends on our ability to hire additional qualified personnel with expertise in molecular biology, chemistry, biological information processing, software, engineering, sales, marketing, and technical support. We compete for qualified management and scientific personnel with other life science and technology companies, universities, and research institutions in Malaysia and overseas. Competition for these individuals is intense, and the turnover rate can be high. Failure to attract and retain management and scientific and engineering personnel could prevent the Company from pursuing collaborations or developing its services and products or technologies. We may be unable to protect the company' s intellectual property adequately. Our software intellectual property is an essential asset of its business. To establish and protect our intellectual property rights, we rely primarily upon trade secrets, and to a lesser extent, contractual provisions with current and future employees. As a result, our efforts to protect our intellectual property may not be sufficient or effective. If these measures do not protect our intellectual property rights adequately, third parties could use the Company' s technology, and our ability to compete in the market would be reduced significantly. In addition, we may not be effective in policing unauthorized use of the company' s intellectual property. Even if we do detect violations, we may need to engage in litigation to enforce our intellectual property rights. Any enforcement efforts we undertake, including litigation, could be time- consuming and expensive and could divert our management' s attention. In addition, our efforts may be met with defenses and counterclaims challenging the validity and enforceability of our intellectual property rights or may result in a court determining that our intellectual property rights are unenforceable. If we are unable to cost- effectively protect our intellectual property rights, then our business could be harmed. We may be subject to intellectual property claims, which are extremely costly to defend, could require us to pay significant damages and could limit the company' s ability to use certain technologies in the future. Companies in bio- medical or bio- technology industries are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. To the extent we gain greater public recognition, we may face a higher risk of being the subject of intellectual property claims. Third- party intellectual property rights may cover significant aspects of our technologies or business methods or block us from expanding our offerings. Any intellectual property claims against us, with or without merit, could be time consuming and expensive to settle or litigate and could divert the attention of our management. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and the company may not be successful in defending itself in such matters. ~~In~~**28In** addition, some of our competitors have extensive portfolios of issued patents. Many potential litigants, including some of our competitors and patent holding companies, have the ability to dedicate substantial resources to enforcing their intellectual property rights. Any claims successfully brought against us could subject us to significant liability for damages and we may be required to stop using technology or other intellectual property alleged to be in violation of a third

party's rights. We also might be required to seek a license for third-party intellectual property. Even if a license is available, we could be required to pay significant royalties or submit to unreasonable terms, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. If we cannot license or develop technology for any allegedly infringing aspect of our business, we would be forced to limit our service and may be unable to compete effectively. Any of these results could harm our business. **Risk related to Nasdaq compliance due to board changes. In 2024, the Company experienced changes in its Board composition, including the resignation of two directors and the appointment of one new independent director. While the Company has taken steps to maintain compliance with Nasdaq's corporate governance requirements, including reconstituting its committees, there is a risk that future turnover or timing delays in appointments could lead to non-compliance with Nasdaq Listing Rule 5605. Such non-compliance could adversely affect the Company's continued listing status. Audit Committee investigation may result in material adjustments or restatements. We may be required to restate our financial statements or make material adjustments due to ongoing investigations into past governance failures at our Chemrex subsidiary. Our Audit Committee is actively investigating several historical transactions undertaken including related party transactions, unauthorized remuneration increases. If these investigations reveal breaches of financial controls, policy noncompliance, or accounting errors, we may be required to restate our financial statements, record impairments, or disclose material weaknesses in internal control over financial reporting. Such actions could adversely affect investor confidence, our stock price, and our ability to raise capital. Internal control deficiencies may persist despite remediation efforts. Our internal controls over financial reporting may remain deficient due to legacy governance gaps and evolving compliance frameworks. Specifically, the Company has experienced governance breakdowns, particularly at the subsidiary level, relating to approval processes, documentation, and internal oversight. While management and the Audit Committee have undertaken remediation efforts, including committee reconstitution and internal reviews, these measures may not be sufficient to prevent similar issues from recurring. If we are unable to design and maintain effective internal controls, we may be subject to regulatory scrutiny, reputational damage, or legal liability. We may face shareholder rejection of unratified transactions. As stated in Item 1, Recent Events, "D – Chemrex Governance" above, certain Chemrex transactions were undertaken in fiscal year 2024 by Chemrex management which required shareholder approval. These transactions will be presented for ratification at an upcoming Chemrex shareholder meeting which will occur later in 2025. Failure to resolve these issues at the shareholder meeting could result in negative governance consequences. As part of ongoing corporate governance reforms authorised by the Audit Committee, including the appointment of an Internal Auditor, the Audit Committee has resolved to present the following matters for shareholder ratification: (i) unauthorized director remuneration increases, (ii) payments to Mr. Wong Kim Hai, and (iii) the procurement arrangement with Quote Me Sdn. Bhd. If these transactions are not ratified, the Company may be required to reverse entries, record impairments, or initiate recovery actions, all of which could negatively affect our financial condition, governance credibility, or operational continuity.** <sup>26</sup>We <sup>29</sup>We may pursue collaborations, in-licensing or out-license arrangements, joint ventures, strategic alliances, partnerships or other strategic investments or arrangements, which may fail to produce anticipated benefits and adversely affect the company's operations. We may pursue opportunities for collaboration, in-licensing, out-license, joint ventures, acquisitions of products, assets or technology, strategic alliances, or partnerships that we believe would be complementary to or promote our existing business. Proposing, negotiating and implementing these opportunities may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, sales, technology, or other business resources, may compete with us for these opportunities or arrangements. We may not be able to identify, secure, or complete any such transactions or arrangements in a timely manner, on a cost-effective basis, on acceptable terms, or at all. We have limited experience with respect to these business development activities. Management and integration of a licensing arrangement, collaboration, joint venture or other strategic arrangement may disrupt our current operations, decrease our profitability, result in significant expenses, or divert management resources that otherwise would be available for our existing business. We may not realize the anticipated benefits of any such transaction or arrangement. Furthermore, partners, collaborators, or other parties to such transactions or arrangements may fail to fully perform their obligations or meet its expectations or cooperate with us satisfactorily for various reasons and subject us to potential risks, including the followings: · partners, collaborators, or other parties have significant discretion in determining the efforts and resources that they will apply to a transaction or arrangement; · partners, collaborators, or other parties could independently develop, or develop with third parties, services and products that compete directly or indirectly with its services and products; · partners, collaborators, or other parties may stop, delay or discontinue research and development, and commercialization efforts; · partners, collaborators, or other parties may not properly maintain or defend our intellectual property rights or may use its intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability; · disputes may arise between us and partners, collaborators, or other parties that cause the delay or termination of the research, development or commercialization of our services and products, or that result in costly litigation or arbitration that diverts management attention and resources; · partners, collaborators, or other parties may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable services and products; and · partners, collaborators, or other parties may own or co-own intellectual property covering our services and products that results from our collaborations with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property. Any such transactions or arrangements may also require actions, consents, approval, waiver, participation, or involvement of various degrees from third parties, such as regulators, government authorities, creditors, licensors or licensees, related individuals, suppliers, distributors, shareholders or other stakeholders or interested parties. There is no assurance that such third parties will be cooperative as we desire, or at all, in which case we may be unable to carry out the relevant transactions or

arrangements. Risks Related to Doing Business in the Southeast Asia Region Changes in policies in Malaysia and other Southeast Asian countries could have a significant impact upon the company's ability to operate profitably in Malaysia and the Southeast Asia region. Changes in the political and economic policies of Malaysia and other governments in Southeast Asia may materially and adversely affect our business, financial condition and results of operations and may result in its inability to sustain its growth and expansion strategies. Accordingly, our financial condition and results of operations are affected to a significant extent by economic, political and legal developments in Southeast Asia region. The Southeast Asia economy differs from the economies of most developed countries in many respects, including the extent of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. In addition, the government continues to play a significant role in regulating industry development by imposing industrial policies. The government also exercises significant control over economic growth by allocating resources, controlling payment of foreign currency- denominated obligations, setting monetary policy, regulating financial services and institutions and providing preferential treatment to particular industries or companies. Local governments have implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall economy but may also have a negative effect on us. Our financial condition and results of operation could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us. In addition, the government has implemented in the past certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity, which in turn could lead to a reduction in demand for its services and consequently have a material adverse effect on its businesses, financial condition and results of operations.

**27Developments 30Developments** in the social, political, regulatory and economic environment in Malaysia may have a material adverse impact on us. Our business, prospects, financial condition and results of operations may be adversely affected by social, political, regulatory and economic developments in Malaysia. Such political and economic uncertainties include, but are not limited to, the risks of war, terrorism, nationalism, nullification of contract, changes in interest rates, imposition of capital controls and methods of taxation. All sectors of the economy in 2023 across Malaysia saw their supply chains interrupted, demand for their products and services decline, shortages in supplies and inputs. We will emerge in a very different world compared to the one before the outbreak. All organizational functions are intended to prioritize and optimize spending or postpone tasks that will not bring value in the current environment. It created serious consequences because various businesses are facing massive losses due to their declining activities and the accompanying unpredictable future of many businesses. A substantial decrease has been observed in overall spending, which resulted in an array of estimated long- term uncertainty impacts. Consequently, many businesses and firms closed, and employees were dismissed. Towards a new recovery phase in 2023, most businesses and organizational functions were prioritizing our spending or postponing any tasks and events that do not bring any value to the current situation because even when the challenges are successfully addressed, this will not guarantee any promising future. Hence, we were alerted about the available survival strategies to sustain us throughout this unforeseen circumstance and in the future. A " new normal " indicates how we should digest the current situation and initiate a business growth pattern. Returning to the pre- pandemic business pattern will take time and depends on the government's response to the population health and socioeconomic demands arising due to the pandemic. Although the overall Malaysian economic environment (in which we predominantly operate) appears to be positive, there can be no assurance that this will continue to prevail in the future. Economic growth is determined by countless factors, and it is extremely difficult to predict with any level of absolute certainty. You may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in Malaysia against the company or its management based on foreign laws, and the ability of U. S. authorities to bring actions in Malaysia may also be limited. The company's operating subsidiaries are incorporated in Malaysia and conduct substantially all of its operations in Southeast Asia. All of our executive officers and directors reside outside the United States, and all their assets are located outside of the United States. As a result, it may be difficult or impossible for shareholders to bring an action against us or against these individuals in Malaysia in the event that you believe that your rights have been infringed under the securities laws of the United States or otherwise. Even if you are successful in bringing an action of this kind, the laws of Malaysia may render you unable to enforce a judgment against our assets or the assets of our directors and officers. There is no statutory recognition in Malaysia of judgments obtained in the United States, although the courts of Malaysia will generally recognize and enforce a non- penal judgment of a foreign court of competent jurisdiction without retrial on the merits. The rights of shareholders to take legal action against us and our directors, actions by minority shareholders and the fiduciary responsibilities of its directors are to a large extent governed by the common law of Malaysia. The common law of Malaysia is derived in part from comparatively limited judicial precedent in Malaysia as well as from English common law, which provides persuasive, but not binding, authority in a court in Malaysia. The rights of our shareholders and the fiduciary responsibilities of its directors under Malaysian law are not as clearly established as they would be under statutes or judicial precedents in the United States. Malaysia has a less developed body of securities laws than the United States and provides significantly less protection to investors. As a result, our public shareholders may have more difficulty in protecting their interests through actions against us, its management, its directors or its major shareholders than would shareholders of a corporation incorporated in a jurisdiction in the United States. In addition, to receive any form of remedy, the shareholders would have to engage Malaysian counsel regarding the process to receive any such remedy. We are subject to foreign exchange control policies in Malaysia. The ability of our subsidiaries to pay dividends or make other payments may be restricted by the foreign exchange control policies in the countries where they operate. For example, there are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia (" BNM "), the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non- residents. Under the current Foreign Exchange Administration rules issued by BNM, non- residents are free to repatriate any amount of funds from Malaysia in foreign currency other than the currency of Israel at any time (subject to

limited exceptions), including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to any withholding tax. In the event BNM or any other country where we operate introduces any restrictions in the future, it may be affected in its ability to repatriate dividends or other payments from our subsidiaries in Malaysia or in such other countries. Since we rely principally on dividends and other payments from its subsidiaries for its cash requirements, any restrictions on such dividends or other payments could materially and adversely affect its liquidity, financial condition and results of operations. Volatility in our shares price may subject us to securities litigation. The market for our shares may have, when compared to seasoned issuers, significant price volatility and we expect that our share price may continue to be more volatile than that of a seasoned issuer for the indefinite future. In the past, plaintiffs have often initiated securities class action litigation against a company following periods of volatility in the market price of its securities. We may, in the future, be the target of similar litigation. Securities litigation could result in substantial costs and liabilities and could divert management's attention and resources. We may never be able to pay dividends and are unlikely to do so. To date, we have not paid, nor do we intend to pay in the foreseeable future, dividends on our common stock, even if we become profitable. Earnings, if any, are expected to be used to advance our activities and for working capital and general corporate purposes, rather than to make distributions to stockholders. Since we are not in a financial position to pay dividends on our common stock and future dividends are not presently being contemplated, investors are advised that return on investment in our common stock is restricted to an appreciation in the share price. The potential or likelihood of an increase in share price is uncertain.

~~28Shareholders~~ **31Shareholders** may be diluted significantly through our efforts to obtain financing and satisfy obligations through the issuance of securities. Wherever possible, our board of directors will attempt to use non-cash consideration to satisfy obligations. In many instances, we believe that the non-cash consideration will consist of shares of our common stock, warrants to purchase shares of our common stock or other securities. In the future, we may issue our authorized but previously unissued equity securities, resulting in the dilution of the ownership interests of our stockholders. We are authorized to issue an aggregate of 300,000,000 shares of common stock. We may issue additional shares of common stock or other securities that are convertible into or exercisable for our common stock in connection with hiring or retaining employees, future acquisitions, future sales of our securities for capital raising purposes, or for other business purposes. The future issuance of any such additional shares of our common stock may create downward pressure on the trading price of the common stock. We expect we will need to raise additional capital in the near future to meet our working capital needs, and there can be no assurance that we will not be required to issue additional shares, warrants or other convertible securities in the future in conjunction with these capital-raising efforts, including at a price (or exercise prices) below the price you paid for your stock. We are a "smaller reporting company," and we cannot be certain if the reduced disclosure requirements applicable to smaller reporting companies will make our common stock less attractive to investors. We are currently a "smaller reporting company," meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a smaller reporting company and annual revenues of less than \$100 million during the most recently completed fiscal year. In the event that we are still considered a "smaller reporting company," at such time as we cease being an "emerging growth company," we will be required to provide additional disclosure in our SEC filings. However, similar to an "emerging growth companies", "smaller reporting companies" are able to provide simplified executive compensation disclosures in their filings; are exempt from the provisions of Section 404 (b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting; and have certain other decreased disclosure obligations in their SEC filings, including, among other things, only being required to provide two years of audited financial statements in annual reports. Decreased disclosures in our SEC filings due to our status as a "smaller reporting company" may make it harder for investors to analyze our results of operations and financial prospects.