

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 10-Q**

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the quarterly period ended September 30, 2024

OR

TRANSACTION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from

Commission File Number: 001-41750

**BioNexus Gene Lab Corp.**

(Exact name of registrant as specified in its charter)

**Wyoming**

(State or Other Jurisdiction of  
Incorporation or Organization)

**35-2604830**

(I.R.S. Employer  
Identification No.)

**Unit:A-28-7, Tower A, Menara UOA Bangsar,  
No.5 Jln Bangsar Utama 1,  
59000 Kuala Lumpur**

(Address of Principal Executive Offices)

**59200**

(Zip Code)

**+1 307 241 6898**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<b>Title of each class</b>	<b>Trading Symbol(s)</b>	<b>Name of each exchange on which registered</b>
Common stock, no par value	BGLC	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "non-accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer   
Non-accelerated Filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of November 15, 2024, there were 17,967,663 shares of common stock, no par value per share, issued and outstanding.

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**CAUTIONARY NOTE REGARDING  
FORWARD-LOOKING STATEMENTS**

This Quarterly Report on Form 10-Q contains statements that may be deemed to be "forward-looking statements" within the meaning of the federal securities laws. These statements relate to anticipated future events, future results of operations and or future financial performance. In some cases, you can identify forward-looking statements by their use of terminology such as "anticipate," "believe," "could," "estimate," "expect," "future," "intend," "may," "ought to," "plan," "possible," "potentially," "predicts," "project," "should," "will," "would," negatives of such terms or other similar terms. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. The forward-looking statements in this Quarterly Report on Form 10-Q include, without limitation, statements relating to:

- our goals and strategies;
- our future business development, results of operations and financial condition;
- our estimates regarding expenses, future revenues, capital requirements and our need for additional financing;
- our estimates regarding the market opportunity for our services;
- the impact of government laws and regulations;
- our ability to recruit and retain qualified personnel;
- our failure to comply with regulatory guidelines;
- uncertainty in industry demand;
- general economic conditions and market conditions in the financial services industry;
- future sales of large blocks or our securities, which may adversely impact our share price; and
- depth of the trading market in our securities.

The preceding list is not intended to be an exhaustive list of all of our forward-looking statements. Forward-looking statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties, including those described in Item 1A "Risk Factors" of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and elsewhere in this Quarterly Report on Form 10-Q.

You should not unduly rely on any forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that future results, levels of activity, performance and events and circumstances reflected in the forward-looking statements will be achieved or will occur. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q, to conform these statements to actual results or to changes in our expectations.

**PART I — FINANCIAL INFORMATION**

**ITEM 1. Financial Statements**

**BIONEXUS GENE LAB CORP.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 2023**  
(Currency expressed in United States Dollars ("US\$"))

	Note	As of		
		September 30, 2024 (Unaudited)	December 31, 2023 (Audited)	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and bank balances		2,061,716	2,623,965	
Fixed deposits placed with financial institutions		2,075,503	3,305,371	
Trade receivables	3	1,425,343	799,674	
Other receivables, deposits and prepayments		65,683	122,432	
Tax recoverable	4	22,132	57,588	
Inventories		1,389,076	1,137,770	
<b>Total current assets</b>		<u>7,039,453</u>	<u>8,046,800</u>	
<b>NON-CURRENT ASSETS</b>				
Operating lease right of use assets	5	232,747	141,544	
Property, plant and equipment, net	6	1,728,680	1,511,618	
Other investments	7	1,994,175	1,699,831	
<b>Total non-current assets</b>		<u>3,955,602</u>	<u>3,352,993</u>	
<b>TOTAL ASSETS</b>		<u><u>\$ 10,995,055</u></u>	<u><u>11,399,793</u></u>	
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Trade payables	8	1,033,125	1,402,180	
Other payables and accrued liabilities		292,135	180,912	
Current portion of operating lease liabilities	5	48,214	34,632	
Advance payment from customer		22,834	-	
Amount owing to directors		18,561	13,199	
<b>Total current liabilities</b>		<u>1,414,869</u>	<u>1,630,923</u>	
<b>NON-CURRENT LIABILITIES</b>				
Non-current portion of operating lease liabilities	5	178,367	98,763	
Deferred tax liabilities	4	13,646	12,255	
<b>Total non-current liabilities</b>		<u>192,013</u>	<u>111,018</u>	
<b>TOTAL LIABILITIES</b>		<u><u>\$ 1,606,882</u></u>	<u><u>1,741,941</u></u>	
<b>STOCKHOLDERS' EQUITY</b>				
As at September 30, 2024, common stock, no par value; 300,000,000 shares authorized and 17,967,663 shares outstanding, and preferred stock, no par value; 30,000,000 shares authorized and no shares outstanding. As at December 31, 2023, common stock, no par value; 300,000,000 shares authorized and 17,667,663 shares outstanding, and preferred stock, no par value; 30,000,000 shares authorized and no shares outstanding (on a post-reverse stock split basis)*.				
Additional paid in capital	10	17,332,315	17,191,315	
Accumulated deficit		(5,011,891)	(5,011,891)	
Other comprehensive losses		(3,094,301)	(1,844,278)	
<b>TOTAL STOCKHOLDERS' EQUITY</b>		<u>9,388,173</u>	<u>9,657,852</u>	
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>		<u><u>\$ 10,995,055</u></u>	<u><u>11,399,793</u></u>	

\* Issued and outstanding shares of common stock have been adjusted for the periods prior to July 20, 2023, to reflect the 12-for-1 reverse stock split effected on that date on a retroactive basis as described in Note 10.

See accompanying notes to the consolidated financial statements.

**BIONEXUS GENE LAB CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Currency expressed in United States Dollars ("US\$"))  
(Uaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
REVENUE	\$ 2,630,376	\$ 2,553,686	\$ 6,986,791	\$ 7,497,739
COST OF REVENUE	(2,303,840)	(2,199,354)	(6,006,504)	(6,434,796)
GROSS PROFIT	326,536	354,332	980,287	1,062,943
OTHER INCOME	465,527	199,284	1,397,479	511,792
OPERATING EXPENSES				
General and administrative	(2,129,685)	(3,082,128)	(3,535,248)	(4,426,077)
<b>LOSS FROM OPERATIONS</b>	<b>(1,337,622)</b>	<b>(2,528,512)</b>	<b>(1,157,482)</b>	<b>(2,851,342)</b>
FINANCE COSTS	(6,193)	(4,259)	(15,334)	(9,746)
<b>LOSS BEFORE TAX</b>	<b>(1,343,815)</b>	<b>(2,532,771)</b>	<b>(1,172,816)</b>	<b>(2,861,088)</b>
Tax expense	(1,555)	(76,418)	(77,207)	(76,418)
<b>NET LOSS</b>	<b>\$ (1,345,370)</b>	<b>\$ (2,609,189)</b>	<b>\$ (1,250,023)</b>	<b>\$ (2,937,506)</b>
Other comprehensive income:				
Foreign currency translation gain/(loss)	1,046,789	(18,603)	839,344	(391,533)
<b>COMPREHENSIVE LOSS</b>	<b>\$ (298,581)</b>	<b>\$ (2,627,792)</b>	<b>\$ (410,679)</b>	<b>\$ (3,329,039)</b>
Earnings per share - Basic and diluted	(0.017)	(0.157)	(0.023)	(0.218)
Weighted average shares outstanding and per share amount have been adjusted for the periods shown to reflect the 12-for-1 reverse stock split effected on July 20, 2023, on a retroactive basis as described in Note 10.	17,967,663	16,774,370	17,768,393	15,250,883

See accompanying notes to the condensed consolidated financial statements.

**BIONEXUS GENE LAB CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**AS OF SEPTEMBER 30, 2024 AND 2023**  
(Amount expressed in United States Dollars ("US\$))  
(Uaudited)

	<b>Common stock</b>		<b>Additional paid in capital</b>	<b>Accumulated surplus/(deficit)</b>	<b>Other comprehensive losses</b>	<b>Total stockholders' equity</b>
	<b>Number of shares</b>	<b>Amount</b>				
Balance as of December 31, 2022	<u>14,476,513</u>	<u>\$10,929,574</u>	<u>\$(5,011,891)</u>	<u>\$ 1,156,392</u>	<u>\$ (409,062)</u>	<u>\$ 6,665,013</u>
Impacts arising from application of Topic 326	-	-	-	<u>(371,627)</u>	-	<u>(371,627)</u>
Balance as of January 1, 2023, (restated)	<u>14,476,513</u>	<u>10,929,574</u>	<u>(5,011,891)</u>	<u>784,765</u>	<u>(409,062)</u>	<u>6,293,386</u>
Net loss for the period	-	-	-	<u>(69,066)</u>	-	<u>(69,066)</u>
Foreign currency translation loss	-	-	-	-	<u>(39,039)</u>	<u>(39,039)</u>
Balance as of March 31, 2023	<u>14,476,513</u>	<u>\$10,929,574</u>	<u>\$(5,011,891)</u>	<u>\$ 715,699</u>	<u>\$ (448,101)</u>	<u>\$ 6,185,281</u>
Net loss for the period	-	-	-	<u>(259,251)</u>	-	<u>(259,251)</u>
Foreign currency translation loss	-	-	-	-	<u>(333,891)</u>	<u>(333,891)</u>
Balance as of June 30, 2023	<u>14,476,513</u>	<u>\$10,929,574</u>	<u>\$(5,011,891)</u>	<u>\$ 456,448</u>	<u>\$ (781,992)</u>	<u>\$ 5,592,139</u>
Net loss for the period	-	-	-	<u>(2,609,189)</u>	-	<u>(2,609,189)</u>
Round up shares	1,044,351	1,046	-	-	-	1,046
Issuance of shares*	1,437,500	5,750,000	-	-	-	5,750,000
Issuance of shares#	834,299	600,695	-	-	-	600,695
Foreign currency translation loss	-	-	-	-	<u>(18,603)</u>	<u>(18,603)</u>
Balance as of September 30, 2023	<u>17,792,663</u>	<u>\$17,281,315</u>	<u>\$(5,011,891)</u>	<u>\$ (2,152,741)</u>	<u>\$ (800,595)</u>	<u>\$ 9,316,088</u>

Share activity (number of shares or both number and amount of shares) has been adjusted for the periods shown to reflect the 12-for-1 reverse stock split effected on July 20, 2023, on a retroactive basis

\* 1,437,500 shares of common stock were issued to the underwriter.

# 834,299 shares of common stock were issued to professional parties and board members

	<b>Common stock</b>		<b>Additional paid in capital</b>	<b>Accumulated deficit</b>	<b>Other comprehensive (losses)/gain</b>	<b>Total stockholders' equity</b>
	<b>Number of shares</b>	<b>Amount</b>				
Balance as of December 31, 2023	<u>17,667,663</u>	<u>\$17,191,315</u>	<u>\$(5,011,891)</u>	<u>\$ (1,844,278)</u>	<u>\$ (677,294)</u>	<u>\$ 9,657,852</u>
Net loss for the period	-	-	-	<u>(103,757)</u>	-	<u>(103,757)</u>
Foreign currency translation loss	-	-	-	-	<u>(209,908)</u>	<u>(209,908)</u>
Balance as of March 31, 2024	<u>17,667,663</u>	<u>\$17,191,315</u>	<u>\$(5,011,891)</u>	<u>\$ (1,948,035)</u>	<u>\$ (887,202)</u>	<u>\$ 9,344,187</u>
Net profit for the period	-	-	-	<u>199,104</u>	-	<u>199,104</u>
Foreign currency translation gain	-	-	-	-	<u>2,463</u>	<u>2,463</u>
Balance as of June 30, 2024	<u>17,667,663</u>	<u>\$17,191,315</u>	<u>\$(5,011,891)</u>	<u>\$ (1,748,931)</u>	<u>\$ (884,739)</u>	<u>\$ 9,545,754</u>
Net loss for the period	-	-	-	<u>(1,345,370)</u>	-	<u>(1,345,370)</u>
Issuance of shares @	300,000	141,000	-	-	-	141,000
Foreign currency translation gain	-	-	-	-	<u>1,046,789</u>	<u>1,046,789</u>
Balance as of September 30, 2024	<u>17,967,663</u>	<u>\$17,332,315</u>	<u>\$(5,011,891)</u>	<u>\$ (3,094,301)</u>	<u>\$ 162,050</u>	<u>\$ 9,388,173</u>

@ 300,000 shares of common stock were issued for professional services rendered

Share activity (number of shares or both number and amount of shares) has been adjusted for the periods shown to reflect the 12-for-1 reverse stock split effected on July 20, 2023, on a retroactive basis as described in Note 10.

See accompanying notes to the condensed consolidated financial statements.

**BIONEXUS GENE LAB CORP.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Currency expressed in United States Dollars ("US\$"))  
(Uaudited)

	Nine months ended September 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (1,250,023)	\$ (2,937,506)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of right of use asset	35,507	15,620
Allowances for expected credit losses	122,843	1,372,573
Recovered for expected credit losses	(842,401)	-
Bad debts	-	4,175
Depreciation of property, plant and equipment	74,611	63,147
Dividend income	(59,653)	(48,892)
Fair value gain on other investments	(63,650)	(223,284)
Loss arising from settlement of supplier contract dispute	29,140	-
Gain on disposal of other investments	(35,098)	-
Gain on lease termination	(578)	-
Interest	6,974	6,794
Property, plant and equipment written off	-	18
Share-base compensation	141,000	601,741
Stock written off	-	392
Operating loss before working capital changes	<u>(1,841,328)</u>	<u>(1,145,222)</u>
Changes in operating assets and liabilities:		
Inventories	(251,306)	(130,502)
Trade and other receivables	150,638	505,667
Trade and other payables	(257,832)	(364,617)
Advance payment from customer	22,834	(14,905)
Operating lease liabilities	(24,342)	81,989
Tax recoverable	36,847	27,904
Net cash used in operating activities	<u>(2,164,489)</u>	<u>(1,039,686)</u>
Cash flows from investing activities:		
Acquisition of other investment	(486,170)	(296,109)
Dividend income	59,653	48,892
Purchase of plant and equipment	(222,967)	(148,461)
Proceeds from disposal of other investments	494,741	26,854
Proceeds from settlement of supplier contract dispute	78,787	-
Net cash used in investing activities	<u>(75,956)</u>	<u>(368,824)</u>
Cash flows from financing activities:		
Interest	(6,974)	(6,794)
Advances from Directors	5,362	-
Shares subscriptions	-	5,750,000
Net cash (used in)/generated from financing activities	<u>(1,612)</u>	<u>5,743,206</u>
Foreign currency translation adjustment	449,940	(306,677)
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(1,792,117)</u>	<u>4,028,019</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF FINANCIAL PERIOD	<u>5,929,336</u>	<u>2,118,864</u>
<b>CASH AND CASH EQUIVALENTS, END OF FINANCIAL PERIOD</b>	<b><u>\$ 4,137,219</u></b>	<b><u>\$ 6,146,883</u></b>
CASH AND CASH EQUIVALENTS INFORMATION:		
Fixed deposits placed with financial institutions	\$ 2,075,503	\$ 1,442,098
Cash at bank	<u>2,061,716</u>	<u>4,704,785</u>
Cash and cash equivalents, end of financial period	<u>4,137,219</u>	<u>6,146,883</u>
Supplementary cash flow information:		
Interest paid	\$ (15,334)	\$ (9,746)
Income tax refunded	-	315
Income tax paid	<u>(39,842)</u>	<u>(47,808)</u>

See accompanying notes to the condensed consolidated financial statements.

**BIONEXUS GENE LAB CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
**(Currency expressed in United States Dollars ("US\$"))**  
**(Unaudited)**

**NOTE 1 – ORGANIZATION AND BUSINESS BACKGROUND**

BioNexus Gene Lab Corp. (the "Company") was incorporated in the State of Wyoming on May 12, 2017. On August 23, 2017, the Company acquired all the outstanding capital stock of Bionexus Gene Lab Sdn. Bhd., a Malaysian corporation ("BioNexus Malaysia"). BioNexus Malaysia was incorporated in Malaysia on April 7, 2015 and subsequently changed its name to mRNA Scientific Sdn. Bhd. ("mRNA Scientific") on September 19, 2023.

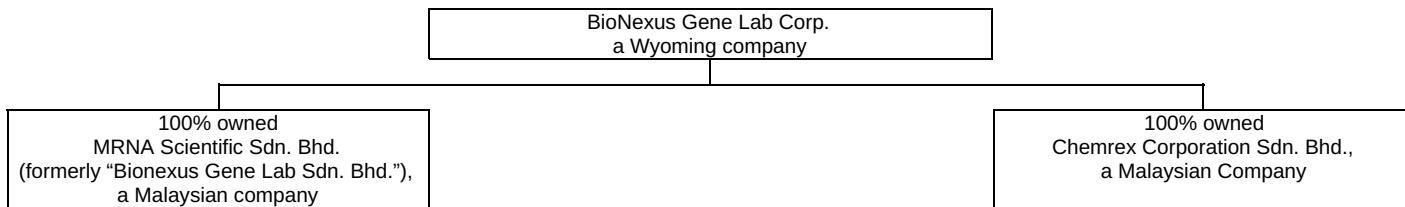
The principal office address is Unit A-28-7, Tower A, Menara UOA Bangsar, No.5 Jln Bangsar Utama 1, 59000 Kuala Lumpur, Malaysia, our lab is located at Lab 353, Chemical Science Centre, University Science Malaysia, George Town, Penang, Malaysia. We also have a blood collection center located at 1st floor, Lifecare Medical Centre, Kuala Lumpur, Malaysia.

On December 31, 2020, the Company consummated its acquisition of Chemrex Corporation Sdn. Bhd. ("Chemrex"), pursuant to a Share Exchange Agreement by and among the Company, Chemrex and the Chemrex shareholders wherein the Company acquired all the issued and outstanding shares of capital stock of Chemrex from the Chemrex shareholders in exchange for 68,487,261 shares of common stock of the Company.

The acquisition of Chemrex has been accounted for as a common control transaction as there is no change in the control over the assets acquired and liabilities assumed. The net assets are derecognized by the transferring entity (i.e. Chemrex) and recognized by the receiving entity (i.e. the Company). The difference between the consideration transferred and the carrying amounts of the net assets is recognized in equity.

The financial statements of the receiving entity report the results of operations for the period in which the transfer occurs as though the transfer of net assets or exchange of equity interests had occurred at the beginning of the period. Results of operations for that period will thus comprise those of the previously separate entities combined from the beginning of the period to the date the transfer is completed and those of the combined operations from that date to the end of the period. The comparative financial statements were not adjusted retrospectively as Chemrex was not under common control during the comparative period.

The corporate structure as at September 30, 2024 is depicted below:



**BIONEXUS GENE LAB CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
**(Currency expressed in United States Dollars ("US\$"))**  
**(Unaudited)**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying unaudited condensed consolidated financial statements reflect the application of certain significant accounting policies as described in this note and elsewhere in the accompanying consolidated financial statements and notes.

**· Basis of presentation**

The accompanying condensed consolidated financial statements as of and for the nine months ended September 30, 2024 and 2023 have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") that permit reduced disclosure for interim periods. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") have been condensed or omitted.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the period ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024. The Condensed Consolidated Balance Sheet information as of December 31, 2023 was derived from the Company's audited Consolidated Financial Statements as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K filed with the SEC on April 16, 2024. These financial statements should be read in conjunction with that report.

**· Basis of consolidation**

The condensed consolidated financial statements include the accounts of Bionexus Gene Lab Corp. and its subsidiaries. All significant inter-company balances and transactions within the Company have been eliminated upon consolidation.

**· Use of estimates**

In preparing these condensed consolidated financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheets and revenues and expenses during the periods reported. Actual results may differ from these estimates.

**· Cash and cash equivalents**

Cash and cash equivalents represent cash on hand, demand deposits placed with banks or other financial institutions and all highly liquid investments with an original maturity of three months or less as of the purchase date of such investments.

**· Trade receivables**

Trade receivables primarily consist of invoiced amounts from Chemrex's revenue. Chemrex applies interest charges to outstanding balances for certain receivables that exceed certain periods

**· Expected credit losses**

The Company estimates and records a provision for its expected credit losses related to its financial instruments, including its trade receivables. Management considers historical collection rates, the current financial status of the Company's customers, macroeconomic factors, and other industry-specific factors when evaluating current expected credit losses. Forward-looking information is also considered in the evaluation of current expected credit losses.

To determine the provision for credit losses for accounts receivable, the Company has disaggregated its accounts receivable by business component, as management determined that risk profile of the Company's customers is consistent based on the type and industry in which they operate. Each business component is analyzed for estimated credit losses individually. In doing so, the Company establishes a historical loss matrix, based on the previous collections of accounts receivable by the age of such receivables. Further, the Company considers macroeconomic factors and the status of the industry the business component is in to estimate if there are current expected credit losses within its trade receivables based on the trends of the Company's expectation of the future status of such economic and industry-specific factors. Also, specific allowance amounts are established based on review of outstanding invoices to record the appropriate provision for customers that have a higher probability of default.

**· Inventories**

Inventories consisting of products available for sale are stated at the lower of cost or net realizable value. Cost of inventory is determined using the first-in, first-out (FIFO) method. Inventory reserve is recorded to write down the cost of inventory to the estimated net realizable value due to slow-moving merchandise and damaged goods, which is dependent upon factors such as historical and forecasted consumer demand, and promotional environment. The Company takes ownership, risks, and rewards of the products purchased. Write downs are recorded in cost of revenues in the Statement of Operations and Comprehensive Income.

**BIONEXUS GENE LAB CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
**(Currency expressed in United States Dollars ("US\$"))**  
**(Unaudited)**

· **Leases**

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Generally, the implicit rate of interest ("discount rate") in arrangements is not readily determinable and the Company utilizes its incremental borrowing rate in determining the present value of lease payments. The Company's incremental borrowing rate is based on reference of a borrowing rate from the country where the operating subsidiary is located. The operating lease ROU asset includes any lease payments made and excludes lease incentives.

· **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis to write off the cost over the following expected useful lives of the assets concerned.

The principal annual rates used are as follows:

<b>Categories</b>	<b>Principal Annual Rates</b>
Air conditioner	20%
Buildings	2%
Computer and software	33%
Equipment	20%
Furniture and fittings	10% to 20%
Lab Equipment	10%
Motor vehicle	10% to 20%
Office equipment	20%
Renovation	10% to 20%
Signboard	10%
Solar PV System	20%
Machinery	20%

Leasehold lands are depreciated over the period of the lease term. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Maintenance and repairs are charged to operations as incurred. Expenditures which substantially increase the useful lives of the related assets are capitalized. When properties are disposed, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported in the period the transaction takes place.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

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**· Impairment of long-lived assets**

Long-lived assets primarily include goodwill, intangible assets and property, plant and equipment. In accordance with the provision of ASC Topic 360, "Impairment or Disposal of Long-Lived Assets," the Company generally conducts its annual impairment evaluation to its long-lived assets, usually in the fourth quarter of each fiscal year, or more frequently if indicators of impairment exist, such as a significant, sustained change in the business climate. The recoverability of long-lived assets is measured at the lowest level group. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset. There has been no impairment charge for the years presented.

**· Revenue recognition**

Revenues are recognized when control of the promised goods or services are transferred to a customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those goods or services.

The Company applies the following five steps in order to determine the appropriate amount of revenue to be recognized as it fulfills its obligations under each of its agreements:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to performance obligations in the contract; and
- recognize revenue as the performance obligation is satisfied.

The Company records revenue at point in time which is recognized upon goods delivered or services rendered.

**· Shipping and handling fees**

Shipping and handling fees, if billed to customers, are included in revenue. Shipping and handling fees associated with inbound and outbound freight are expensed as incurred and included in selling and distribution expenses.

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· **Comprehensive income**

ASC Topic 220, "*Comprehensive Income*" establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income as defined includes all changes in equity during a period from non-owner sources. Accumulated other comprehensive income, as presented in the accompanying statements of stockholders' equity consists of changes in unrealized gains and losses on foreign currency translation and cumulative net change in the fair value of available-for-sale investments held at the balance sheet date. This comprehensive income is not included in the computation of income tax expense or benefit.

· **Income taxes**

Income taxes are determined in accordance with the provisions of ASC Topic 740, "*Income Taxes*" ("ASC Topic 740"). Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Any effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740 prescribes a comprehensive model for how companies should recognize, measure, present, and disclose uncertain tax positions taken in their financial statements or expected to be taken on a tax return. Under ASC 740, tax positions must initially be recognized in the financial statements when it is more likely than not the position will be sustained upon examination by the tax authorities. Such tax positions must initially and subsequently be measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the tax authority assuming full knowledge of the position and relevant facts.

The Company conducts major businesses in Malaysia and is subject to tax in their own jurisdictions. As a result of its business activities, the Company will file separate tax returns that are subject to examination by the foreign tax authorities.

· **Net earnings or loss per share**

The Company calculates net earnings or loss per share in accordance with ASC Topic 260 "*Earnings per share*." Basic earnings or loss per share is computed by dividing the net earnings or loss by the weighted average number of common shares outstanding during the period. Diluted earnings or loss per share is computed similar to basic earnings or loss per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common stock equivalents had been issued and if the additional common shares were dilutive.

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· Foreign currencies translation

Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing at the dates of the transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency using the applicable exchange rates at the balance sheet dates. The resulting exchange differences are recorded in the statement of operations.

The functional currency of the Company is the United States Dollar ("US\$") and the accompanying financial statements have been expressed in US\$. In addition, the subsidiaries maintain their books and records in a local currency, Malaysian Ringgit ("MYR" or "RM"), which is functional currency as being the primary currency of the economic environment in which the subsidiaries operate.

In general, for consolidation purposes, assets and liabilities of its subsidiaries whose functional currency is not US\$ are translated into US\$, in accordance with ASC Topic 830-30, *"Translation of Financial Statement,"* using the exchange rate on the balance sheet date. Revenues and expenses are translated at average rates prevailing during the period. The gains and losses resulting from the translation of financial statements of foreign subsidiaries are recorded as a separate component of accumulated other comprehensive income.

Translation of amounts from MYR into US\$1.00 has been made at the following exchange rates for the respective period and year:

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Period ended September 30, 2024 /Year-ended December 31, 2023 US\$1: MYR exchange rate	4.1220	4.5900
	January 1, 2024 to September 30, 2024	January 1, 2023 to September 30, 2023
9 months average US\$1: MYR exchange rate	4.6327	4.5192

· Related parties

Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence.

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**Fair value of financial instruments**

The carrying value of the Company's financial instruments: cash and cash equivalents, trade receivable, deposits and other receivables, amount due to related parties and other payables approximate at their fair values because of the short-term nature of these financial instruments.

The Company also follows the guidance of the ASC Topic 820-10, *"Fair Value Measurements and Disclosures"* ("ASC 820-10"), with respect to financial assets and liabilities that are measured at fair value. ASC 820-10 establishes a six-tier fair value hierarchy that prioritizes the inputs used in measuring fair value as follows:

- Level 1:* Observable inputs such as quoted prices in active markets;
- Level 2:* Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3:* Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions

As of September 30, 2024, and December 31, 2023, the Company did not have any non-financial assets and liabilities that are recognized or disclosed at fair value in the financial statements, at least annually, on a recurring basis, nor did the Company have any assets or liabilities measured at fair value on a non-recurring basis.

**Recent accounting pronouncements**

The Company has reviewed all recently issued, but not yet effective, considers the applicability and impact of all accounting standards updates ("ASUs"). Management periodically reviews new accounting standards that are issued.

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures" which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The ASU 2023-07 is effective for annual reporting periods beginning after December 15, 2023 and interim periods in fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact this ASU may have on its unaudited condensed consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures" to expand the disclosure requirements for income taxes, specifically related to the rate reconciliation and income taxes paid. The ASU 2023-09 is effective for annual reporting periods beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the impact of this ASU may have on its unaudited condensed consolidated financial statements and related disclosures.

The Company does not expect that any other recently issued accounting pronouncements will have a significant effect on its condensed consolidated financial statements.

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**NOTE 3 - TRADE RECEIVABLES**

The Company has performed an analysis on all its trade receivables. As such, trade receivables are recognized and carried at the original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts and expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off as identified for the quarter ended September 30, 2024. The Company's trade receivables consist of receivable from customers which are unrelated to the Company. The account receivables are interest bearing at a rate of 6% per annum on Interlink Techno started in May 2021 through June 2023. From July 2023 onwards, Chemrex had increased the interest to 8.4%. Chemrex imposed 6% per annum interest on Mawintech Sdn Bhd from May 2021 through the current date. The normal trade credit terms are generally 30 days to 90 days.

	<b>As of</b>	
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Trade receivables	2,072,588	2,107,182
Allowances for expected credit losses	(596,332)	(1,314,427)
Foreign translation differences	(50,913)	(6,919)
	<hr/> \$ 1,425,343	<hr/> \$ 799,674

Movement for trade receivables allowance for impairment accounts:

	<b>As of</b>	
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
At January 1, 2024 and January 1, 2023	1,307,508	-
Impacts arising from application of Topic 326	-	371,627
At January 1, 2024 and January 1, 2023, (restated)	1,307,508	371,627
Charge for the period/year		
Allowances for expected credit losses	853,686	942,800
Recovered for expected credit losses	(1,571,782)	-
Foreign translation differences	57,832	(6,919)
	<hr/> \$ 647,244	<hr/> \$ 1,307,508

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**NOTE 4 - INCOME TAXES**

The Company provides for income taxes under ASC 740, "Income Taxes. ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statements and tax basis of assets and liabilities and the tax rates in effect when these differences are expected to reverse. It also requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Provision for income taxes consisted of the following:

United States of America

The Company is registered in the State of Wyoming and is subject to the tax laws of the United States of America.

Malaysia

MRNA Scientific Malaysia and Chemrex are both subject to Malaysia Corporate Tax, which is charged at the statutory income tax rate range from 15% to 24% on its assessable income.

	<b>As of</b>	
	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Tax Recoverable		
Local	\$ -	\$ -
Foreign, representing Malaysia	(22,132)	(57,588)
Tax Recoverable	<u>(22,132)</u>	<u>(57,588)</u>
Income tax liabilities:		
Local	\$ -	\$ -
Foreign, representing Malaysia	- -	- -
Income tax payables	<u>- -</u>	<u>- -</u>
Deferred tax liabilities:		
Local	\$ -	\$ -
Foreign, representing Malaysia	13,646	12,255
Deferred tax liabilities	<u>13,646</u>	<u>12,255</u>
Total	<u>(8,486)</u>	<u>(45,333)</u>

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**NOTE 5 – OPERATING LEASE RIGHT OF USE ASSET AND LEASE LIABILITIES**

The Company has operating lease arrangements for office space, lab, and motor vehicles in Malaysia with a term between two and five years. The Company accounts for the lease and non-lease components of its leases as a single lease component. Lease expense is recognized on a straight-line basis over the lease term.

Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term.

The present value of the lease payments are discounted with rates ranging from 6.40% to 6.65% per annum. These rates are reference from base rate of Malayan Banking Berhad, the largest bank in Malaysia.

The lease payments of operating lease are classified within operating activities in the statement of cash flows.

Operating lease right of use assets as follows:

	As of	
	September 30, 2024	December 31, 2023
Balance as of beginning of the period/year	\$ 141,544	\$ 55,730
Add: Addition of lease liabilities (1)	142,865	113,279
Less: Amortization (2)	(35,507)	(25,038)
Less: lease termination (3)	(24,759)	-
Foreign translation differences	8,604	(2,427)
Balance as of end of the period/year	\$ 232,747	\$ 141,544

Operating lease liabilities as follows:

	September 30, 2024	December 31, 2023
Balance as of beginning of the period/year	\$ 133,395	\$ 56,775
Add: Addition of lease liabilities (1)	142,865	113,279
Less: gross repayment	(40,701)	(39,798)
Add: imputed interest (4)	8,360	5,613
Less: lease termination (3)	(25,337)	-
Foreign translation differences	7,999	(2,474)
Balance as of end of the year	226,581	133,395
Less: lease liability current portion	(48,214)	(34,632)
Lease liability non-current portion	\$ 178,367	\$ 98,763

(1) During the nine months period ended September 30, 2024, the Company had entered into a new operating lease of office space in Malaysia for 5 years. An additional right-of-use assets at \$142,865 and lease liabilities at \$ 142,865 are recognised upon the commencement of lease term

(2) The amortization of the right of use asset for the nine months' period ended September 30, 2024, and nine months' period ended September 30, 2023 were \$35,507 and \$15,620 respectively.

(3) During the nine months period ended September 30, 2024, the Company agreed to terminate its operating lease arrangement for office space in Malaysia, effective August 31, 2024. Accordingly, at the date of termination of the operating lease, the Company expensed a right-of-use-asset, net of accumulated depreciation, of \$24,759 and recorded a write-off of lease liability of \$ 25,337, with a gain on lease termination recorded for \$ 578.

Other information:

	As of	
	September 30, 2024	December 31, 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flow from operating lease	\$ (24,342)	76,620
Right of use assets obtained in exchange for operating lease liabilities	232,747	141,544
Remaining lease term for operating lease (years)	4.67	4.50
Weighted average discount rate for operating lease	\$ 6.65%	6.53%

4) Lease expenses for the nine months' period ended September 30, 2024 and nine months' period ended September 30, 2023 were \$ 8,360 and \$3,311 respectively. A gain on lease termination for the nine months' period ended September 30, 2024 and nine months' period ended September 30, 2023 were \$578 and nil respectively.

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**NOTE 6 - PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment consisted of the following:

	As of	
	September 30, 2024	December 31, 2023
Air conditioner	\$ 1,124	\$ 1,124
Computer and software	5,880	3,923
Equipment	65,214	60,412
Furniture and fittings	98,883	100,118
Lab equipment	320,102	320,102
Land and buildings (*)	1,506,969	1,506,969
Motor vehicle	161,148	161,148
Office equipment	36,592	33,914
Renovation	101,137	98,597
Signboard	806	806
Solar PV System	16,935	-
Machinery (**)	190,341	-
Capital work in progress	-	109,509
Less: Accumulated depreciation	2,505,131	2,396,622
Add: Foreign translation differences	(729,247)	(659,115)
Property, plant and equipment, net	<u>\$ 1,728,680</u>	<u>\$ 1,511,618</u>

Depreciation expense for the nine months' period ended September 30, 2024, and 2023 were \$ 74,611 and \$63,147 respectively.

\* includes an amount of approximately MYR4,372,574 (approximately \$ 1,075,814) being the building that is under offer for purchase, as explained in Note 14.

\*\* includes an amount of \$190,341 as explained in Note 14.

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**NOTE 7 - OTHER INVESTMENTS**

	As of	
	September 30, 2024	December 31, 2023
As of beginning of the period/year	\$ 1,699,831	\$ 1,150,898
Addition during the year	486,170	320,733
Disposal during the year	(459,642)	(26,146)
Fair value gain	63,650	313,859
Impairment on other investment	-	(6,194)
Foreign exchange translation	204,166	(53,319)
As of end of the period/year	\$ 1,994,175	\$ 1,699,831

The other investments consist of the following shares:

	As of	
	September 30, 2024	December 31, 2023
<b>Investment in quoted shares:</b>		
Malaysia	947,310	1,138,863
Singapore	178,127	79,577
Hong Kong	626,017	481,391
	\$ 1,751,454	\$ 1,699,831
<b>Investment in unquoted shares:</b>		
Malaysia	242,721	-
	\$ 1,994,175	\$ 1,699,831

The Company accounts for its investments in equity securities that represent less than 20% ownership, and for which the Company does not have the ability to exercise significant influence, subsequently at fair value in the balance sheets. Unrealized gains and losses for equity securities are recognized in other income and expenses.

The Company measure investments in equity securities without a readily determinable fair value using a measurement alternative that measures these securities at the cost method minus impairment, if any, plus or minus changes resulting from observable price changes on a non-recurring basis. Gains and losses on these securities are recognized in other income and expenses.

**NOTE 8 - TRADE PAYABLES**

Trade payables are amounts billed to the Company by suppliers for goods and services in the ordinary course of business. All amounts have short-term repayment terms and vary by supplier.

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**NOTE 9 - CONCENTRATION OF RISKS**

a) Major customers

For three months September 30, 2024, and 2023, the customers who accounted for 10% or more of the Company's revenues and its accounts received balance at period-end are presented as follows:

Customer A	2024		2023		2024		2023		2024		2023	
	Revenues		Percentage of revenues		Accounts receivable trade		Revenues		Percentage of revenues		Accounts receivable trade	
	\$ 388,520	\$ -	14.77%	-	\$ 61,438	\$ -	\$ 388,520	\$ -	14.77%	-	\$ 61,438	\$ -

For nine months ended September 30, 2024, and 2023, the Company did not have any material recognizable major customers accounted for 10% or more of the Company's revenue.

b) Major suppliers

For three months ended September 30, 2024, and 2023, the suppliers who accounted for 10% or more of the Company's cost of sales and their balances at year ended are presented as follows:

Vendor A	2024		2023		2024		2023		2024		2023	
	Purchase		Percentage of purchases		Accounts payable trade		Revenues		Percentage of revenues		Accounts receivable trade	
	\$ 586,206	\$ 353,697	25.44%	16.08%	\$ 177,783	\$ 279,092	\$ 386,895	\$ 407,094	16.79%	18.51%	\$ 317,624	\$ 467,447
Vendor B	\$ 386,895	\$ 407,094	16.79%	18.51%	\$ 317,624	\$ 467,447						
Vendor C	\$ 347,281	\$ 320,413	15.07%	14.57%	\$ 313,016	\$ 316,067						
	<b>\$ 1,320,382</b>	<b>\$ 1,081,204</b>	<b>57.30%</b>	<b>49.16%</b>	<b>\$ 808,423</b>	<b>\$ 1,062,606</b>						

For nine months ended September 30, 2024, and 2023, the suppliers who accounted for 10% or more of the Company's cost of sales and their balances at year ended are presented as follows:

Vendor A	2024		2023		2024		2023		2024		2023	
	Purchase		Percentage of purchases		Accounts payable trade		Revenues		Percentage of revenues		Accounts receivable trade	
	\$ 1,069,272	\$ 922,895	17.80%	14.34%	\$ 177,783	\$ 279,092	\$ 1,058,928	\$ 1,077,986	17.63%	16.75%	\$ 317,624	\$ 467,447
Vendor B	\$ 1,058,928	\$ 1,077,986	17.63%	16.75%	\$ 317,624	\$ 467,447						
Vendor C	\$ 968,574	\$ 1,167,862	16.13%	18.15%	\$ 313,016	\$ 316,067						
	<b>\$ 3,096,774</b>	<b>\$ 3,168,743</b>	<b>51.56%</b>	<b>49.24%</b>	<b>\$ 808,423</b>	<b>\$ 1,062,606</b>						

**NOTE 10 - STOCK HOLDERS' EQUITY**

Reverse Stock Split

On June 5, 2023, the Company filed an Article of Amendment to the Articles of Incorporation with the Wyoming Secretary of State to modify the ratio of the Reverse Stock Split from one-for-ten (10) to one-for-twelve (12) (the "Revised Reverse Stock Split"). Upon effectiveness of the Revised Reverse Stock Split, every twelve (12) outstanding shares of common stock were combined into and automatically became one share of common stock. No fractional shares was issued in connection with the Revised Reverse Stock Split and all such fractional shares or odd lots (less than 100 shares to any record or beneficial holder) issuable in the Revised Reverse Stock Split were rounded up to 100 shares. An aggregate of 1,044,351 shares were issued to applicable shareholders as a result of the round-up.

The Revised Reverse Stock Split was approved and authorized by a majority of the Company's stockholder on August 8, 2023 and by the Board of Directors of the Company on August 8, 2023.

Public Offering & Nasdaq Listing

On July 20, 2023, the Company entered into an underwriting agreement (the "Underwriting Agreement") with Network 1 Financial Securities, Inc., as underwriter (the "Underwriter") pursuant to which the Company agreed to issue and sell, in a firm commitment underwritten public offering by the Company (the "Offering") of 1,250,000 shares of common stock, no par value, priced at a public offering price of \$ 4.00 per share.

In addition, pursuant to the Underwriting Agreement, the Underwriter was granted a 45-day option (the "Over-Allotment Option") to purchase up to an additional 187,500 shares of common stock at the public offering price of \$4.00 per share. The Underwriter fully exercised the Over-Allotment Option on July 24, 2023.

The securities were offered by the Company pursuant to the registration statement on Form S-1 (File No. 333-269753), which was originally filed with the U.S. Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, on February 14, 2023, and declared effective by the Commission on July 19, 2023.

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On July 24, 2023, the Offering closed, and the Company issued and sold 1,437,500 shares of common stock, including 187,500 shares sold pursuant to the full exercise of the Over-Allotment Option. The Offering was priced at \$4.00 per share for total gross proceeds of \$ 5.75 million before deducting underwriting discounts, commissions, and offering expenses. Pursuant to the Underwriting Agreement, the Underwriter received an 8% underwriting discount on the public offering price for the shares common stock. The Company will therefore receive net proceeds, before expenses, of \$5,290,000 from the sale of the common stocks. In addition, the Company issued to the Underwriter warrants to purchase up to an aggregate of 115,000 shares of the Company's common stock (the "Underwriter's Warrants") at an exercise price of \$4.40 per share. The Underwriter's Warrants are exercisable from July 24, 2023 until July 24, 2028.

In August 2023, an aggregate of 759,299 shares of common stock were issued to professional parties or service providers in lieu of cash for services rendered, 125,000 were subsequently cancelled in November, 2023.

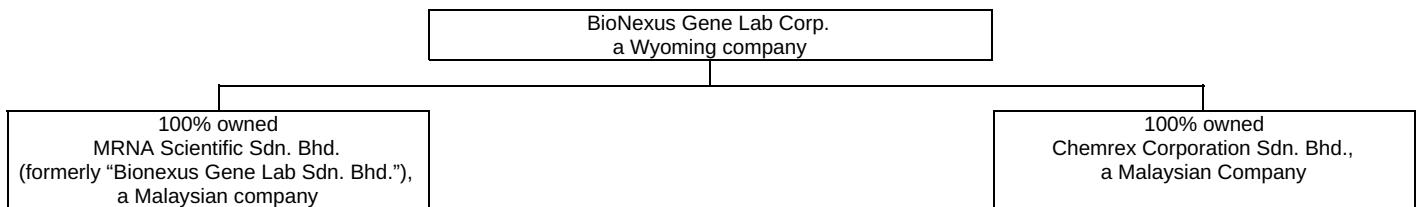
In August 2023, an aggregate of 75,000 shares of common stock were issued to three directors in lieu of cash for services rendered in connection with their employment as directors of the Company.

From July 20, 2023 to August 4, 2023, an aggregate total of 1,044,351 shares of common stock were issued as part of the round-up exercise to the reverse stock split.

In August 2024, 300,000 shares of common stock were issued to professional parties or service providers in lieu of cash for services rendered.

**NOTE 11 – SEGMENTED INFORMATION**

At September 30, 2024, the Company ("BGLC") operates in the biochemical industry segment through its two Malaysian subsidiaries, mRNA Scientific Malaysia (formerly known as Bionexus Gene Lab Sdn. Bhd.) and Chemrex.



At September 30, 2024, the Company ("BGLC") operates in the biochemical industry segment through its two Malaysian subsidiaries, mRNA Scientific Malaysia and Chemrex Corporation.

For the nine months ended September 30, 2024, segmented (unaudited) revenue and net (loss)/profit (Currency expressed in United States Dollars ("US\$") are as follows:

	<b>MRNA Scientific</b>	<b>Chemrex Corporation</b>	<b>BGLC</b>	<b>Total</b>	<b>Nine months ended September 30, 2024</b>			
REVENUE	\$ 11,224	\$ 6,975,567	\$ -	\$ 6,986,791				
COST OF REVENUE	(6,723)	(5,999,781)	-	(6,006,504)				
GROSS PROFIT	4,501	975,786	-	980,287				
OTHER INCOME	98,830	1,298,649	-	1,397,479				
OPERATING EXPENSES								
General and administrative	(475,762)	(2,149,306)	(910,180)	(3,535,248)				
(LOSS)/PROFIT FROM OPERATIONS	(372,431)	125,129	(910,810)	(1,157,482)				
FINANCE COSTS	(8,360)	(6,848)	(126)	(15,334)				
(LOSS)/PROFIT BEFORE TAX	(380,791)	118,281	(910,306)	(1,172,816)				
Tax expense	-	(77,207)	-	(77,207)				
NET (LOSS)/PROFIT	<u>\$ (380,791)</u>	<u>\$ 41,074</u>	<u>\$ (910,306)</u>	<u>\$ (1,250,023)</u>				

**BIONEXUS GENE LAB CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Currency expressed in United States Dollars ("US\$"))  
(Uunaudited)

	MRNA Scientific	Chemrex Corporation	BGLC	Total
<u>Nine months ended September 30, 2023</u>				
REVENUE	\$ 28,468	\$ 7,469,271	\$ -	\$ 7,497,739
COST OF REVENUE	(14,849)	(6,419,947)	-	(6,434,796)
GROSS PROFIT	13,619	1,049,324	-	1,062,943
OTHER INCOME	3,922	507,870	-	511,792
OPERATING EXPENSES				
General and administrative	(170,590)	(2,348,127)	(1,907,360)	(4,426,077)
<b>LOSS FROM OPERATIONS</b>	<b>(153,049)</b>	<b>(790,933)</b>	<b>(1,907,360)</b>	<b>(2,851,342)</b>
FINANCE COSTS	(2,952)	(6,794)	-	(9,746)
LOSS BEFORE TAX	(156,001)	(797,727)	(1,907,360)	(2,861,088)
Tax expense	-	(76,418)	-	(76,418)
<b>NET LOSS</b>	<b><u>\$ (156,001)</u></b>	<b><u>\$ (874,145)</u></b>	<b><u>\$ (1,907,360)</u></b>	<b><u>\$ (2,937,506)</u></b>

**BIONEXUS GENE LAB CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
(Currency expressed in United States Dollars ("US\$"))  
(Unaudited)

	<u>AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 2023</u>			
	<u>Total Assets</u>		<u>Total Liabilities</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
BGLC & mRNA Scientific	\$ 4,027,423	5,002,908	\$ 469,710	\$ 176,805
Chemrex Corporation	6,967,632	6,462,614	1,137,172	1,601,002
<b>TOTAL</b>	<b>10,995,055</b>	<b>11,465,522</b>	<b>1,606,882</b>	<b>1,777,807</b>

**NOTE 12 – SUBSEQUENT EVENTS**

In accordance with ASC Topic 855, "Subsequent Events," which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued, the Company has evaluated all events or transactions that occurred after September 30, 2024 up through November 15, 2024 of these consolidated financial statements.

**NOTE 13 – SIGNIFICANT EVENT**

On January 12, 2024, our subsidiary, mRNA Scientific issued a termination notice to one of our suppliers for failing to deliver hardware of merchantable quality, for a contract with the value of MYR500,000 (approximately USD \$109,000). Through subsequent negotiations, mRNA Scientific has been offered a without prejudice settlement of MYR350,000 (approximately USD \$76,000) via a letter from the suppliers' legal counsel, dated March 21, 2024.

On 30 May 2024, the supplier had proposed to collect the hardware from mRNA Scientific premises and upon the hardware being returned intact in same condition per deliver, the supplier would refund the sum of MYR350,000 to mRNA Scientific.

The supplier then duly refunded the sum on June 14, 2024 whereby mRNA Scientific had confirmed the receipt on June 19, 2024. mRNA Scientific then net off the receipt with fixed asset decapitalization in Balance Sheet while the remaining balance was recorded in the book as loss arising from settlement of supplier dispute in Income Statement.

**NOTE 14 – AUDIT COMMITTEE OBSERVATIONS & PENDING INVESTIGATIONS**

In connection with the Company's preparation and review of its financial statements for the period ending September 30, 2024, the Audit Committee reviewed a number of transactions occurring at our wholly owned subsidiary, Chemrex Corporation Sdn. Bhd. ("Chemrex"), which were concerning to the Audit Committee and as a result, it has initiated investigations into the following matters:

**A. Property Sale No. 4 Jalan CJ1/6 to CCRE Composite Sdn. Bhd.**

On September 30, 2024, Chemrex entered into an Offer to Purchase Agreement with CCRE Composite Sdn. Bhd. to sell certain property located at No. 4, Jalan CJ 1/6B, Taman Cheras Jaya, Batu 11, 43300 Seri Kembangan, Selangor. The property is the main operating premises of Chemrex. The purchase price agreed upon in this transaction was MYR 4,400,000 (approximately USD \$1,067,433), with specific terms outlined for deposits and completion requirements. An initial payment of MYR 44,000 (approximately USD \$10,674) was made to Chemrex by the buyer subsequent to the end of the reporting period.

As mentioned, the Audit Committee has initiated an internal review of this transaction due to potential concerns that it may have been entered into without the appropriate authorization as mandated by corporate policies and Malaysian law. In addition, the terms of the transaction appear to be inconsistent with arm's length transactions. The review is currently underway to assess compliance with internal controls over financial reporting and whether appropriate authority was granted to those involved in the transaction as well as whether the transaction was in compliance with Malaysian law. For the financial statements as of September 30, 2024, there is no immediate impact since the Offer to Purchase Agreement was signed on the last day of the current period, and the initial payment was received after the period-end. However, future impacts will depend on the completion status or potential rescission of the transaction.

**B. Transactions with Honkuk Material Sdn. Bhd.**

Chemrex engaged in transactions with Honkuk Material Sdn. Bhd., a related party by virtue of being owned by a number of Directors of Chemrex. The transactions relate to the purchase of materials totalling MYR789,696 (approximately USD \$170,460) in conjunction with a manufacturing business recently engaged in by Chemrex. These transactions appear to lack independent review and board authorization and are currently undergoing further review.

**C. Unauthorized Directors Remuneration Increases**

Director remuneration for Chemrex directors was substantially increased by approximately MYR4,248,000 (approximately USD \$ 916,954) during the third fiscal quarter of 2024. The payment increase appears to; lack documented board approval, have been inappropriately authorized and excessively exceed normal director compensation in violation of fiduciary responsibilities. The Audit Committee is reviewing the process undertaken and the transactions are undergoing investigation.

**D. Transactions with Mr. Wong Kim Hai**

Mr. Wong Kim Hai, a director of Chemrex, received payments during the current quarter from Chemrex totaling MYR200,000 (approximately USD \$43,171). These payments appeared to lack documented board approval and be inappropriately authorised.

**BIONEXUS GENE LAB CORP.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023**  
**(Currency expressed in United States Dollars ("US\$"))**  
**(Unaudited)**

**E. Transactions with Quote Me Sdn. Bhd.**

Chemrex engaged in a transaction involving the purchase of technical know-how and machinery from a Malaysian company named Quote Me Sdn. Bhd.

The purchase agreement made on August 1, 2024 was for MYR 855,000 (approximately USD \$ 190,341) in exchange for the transfer of machinery and know-how which appear to be related to Chemrex's operations. These assets are currently reflected on our balance sheet as of the end of the current quarter.

However, the Audit Committee subsequently determined that Quote Me Sdn. Bhd. was a dissolved entity which raises concerns over the legitimacy of the transaction.

If the transaction is rescinded, it would impact the Company's balance sheet as of the December 31, 2024 fiscal year end, potentially requiring adjustments to reduce both asset and liability accounts related to this transaction. Additionally, any previously recognized expenses, capitalized assets, or amortization related to the acquired know-how and machinery would need to be reconsidered, which could affect the profit or loss statements for the affected periods.

All of the above transactions are currently under review and investigation by the Audit Committee. In some instances, the Audit Committee has retained special counsel to assist in the investigation. The Company will provide updates of material irregularities regarding the above transactions.

**NOTE 15 – RELATED PARTY TRANSACTIONS**

As mentioned in Note 14, we have a number of ongoing investigations, however, as of the date of this filing the following represent the related party transactions known to us which occurred during the current quarter;

**A. Transactions with Honkuk Material Sdn. Bhd.**

As mentioned in Note 14(B) above, during the third quarter of 2024, Chemrex purchased materials totaling MYR 789,696 (approximately USD \$ 170,460) from Honkuk Material Sdn. Bhd., a company owned by certain directors of Chemrex. These materials were acquired to support Chemrex's recent entry into manufacturing operations.

**Governance Review:**

As these transactions involved related parties, they are undergoing further review by the Audit Committee to confirm that all necessary internal controls and governance procedures were followed. While formal board approval and independent review were not initially documented, management is working closely with the Audit Committee to assess compliance with applicable policies and ensure transparency.

**Financial Reporting Impact:**

This disclosure is made in line with ASC 850, *Related Party Disclosures*, to provide stakeholders with information on transactions involving related parties. If adjustments to these transactions are deemed necessary based on the review, they will be reflected in future financial statements.

**B. Payments to Mr. Wong Kim Hai**

As mentioned in Note 14(D) above, during the third quarter of 2024, Chemrex made payments totaling MYR 200,000 (approximately USD \$ 43,171) to Mr. Wong Kim Hai, a director of Chemrex, as part of his compensation for services. These payments did not initially include documented board approval.

**Review of Authorization:**

The Audit Committee is conducting a review to confirm that all governance and authorization procedures were properly observed. Management and the Audit Committee are committed to ensuring that all transactions with related parties are documented in compliance with internal policies and applicable governance standards.

**Disclosure and Financial Impact:**

Consistent with ASC 850 requirements, these transactions are disclosed to provide transparency regarding related-party arrangements. Any adjustments that may result from the ongoing review will be reported in subsequent periods as necessary.

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### **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

#### **Description of Business**

As used herein, unless the context otherwise indicates, references to the "Company," "we," "our," "us," "BioNexus" refer to BioNexus Gene Lab Corp., a Wyoming company ("BGLC"), and its wholly owned subsidiaries, MRNA Scientific Sdn. Bhd. ("MRNA Scientific Malaysia"), and Chemrex Corporation Sdn. Bhd. ("Chemrex"), both are Malaysian companies.

BGLC is an emerging technology company focused on the application of functional genomics to enable early detection of infectious diseases and cancers. On August 23, 2017, we acquired all of the outstanding capital stock of MRNA Scientific Malaysia, which was incorporated in Malaysia on April 7, 2015. MRNA Scientific Malaysia owns algorithm software, technology, and know-how related to the detection of common diseases through blood analysis which we use in our business. Our non-invasive blood screening tests analyze changes in ribonucleic acid (or RNA) to Coronavirus, Dengue, HIV, HPV and the risk potentiality of cancers diseases. This unique blood genomic biomarker approach is based on the scientific observation that circulating blood reflects, in a detectable way, what is occurring throughout the body currently.

The corporate and principal office address of the Company and MRNA Scientific Malaysia is Unit A-28-7, Tower A, Menara UOA Bangsar, No.5 Jln Bangsar Utama 1 , Kuala Lumpur, Malaysia., our lab is located at Lab 353, Chemical Science Centre, University Science Malaysia, George Town, Penang, Malaysia. Another lab focuses on Covid-19 and colon cancer screening is located at 4th floor, Lifecare Diagnostic Centre, Kuala Lumpur, Malaysia. Our telephone number is (+60) 18-2218762 and our website is [www.bionexusgenelab.com](http://www.bionexusgenelab.com).

Chemrex is a wholesaler of industrial chemicals for the manufacture of industrial, medical, appliance, aero, automotive, mechanical and electronic industries in Asean region. On December 31, 2020, we acquired all of the outstanding capital stock of Chemrex, which was incorporated in Malaysia on September 29, 2004.

Chemrex's corporate office and distribution and storage center is located at 4 Jalan CJ 1/6 Kawasan Perusahaan Cheras Jaya, Selangor, Malaysia. Its phone number is (+60) 1922-23815 and website is [www.chemrex.com.my](http://www.chemrex.com.my).

The results of operations for Chemrex were adversely impacted during fiscal year 2023 and the slow recovery into 2024 as the businesses of Chemrex customers especially manufacturers continue to suffer from the lingering impact of Covid and supply chain shocks to the global economy. Many customers across Malaysia saw their supply chains interrupted, demand for their products and services decline and experienced shortages in supplies and inputs.

#### Recent Developments

On July 1, 2024, the Company entered into an advisory service agreement with Maxim Group LLC ("Maxim") to provide merger and acquisition (M&A) services, general financial advisory services, and investment banking services to the Company. The Company agreed and issued 300,000 shares of our common stock to Maxim for such service. Pursuant to the agreement, Maxim agrees to return a proportionate number of the shares to the company if Maxim is in material breach of the agreement.

If at any time during the term of the agreement or within twelve months from the effective date of the termination of the agreement, the Company proposes to effect a public offering of its securities on a US exchange, private placement of securities or other financing, the Company shall offer to retain Maxim as sole book running manager of such offering, or as its exclusive placement or sales agent in connection with such financing or other matter, upon such terms as the parties may mutually agree.

(a) Strategic Investment into Ascension Innovation Sdn Bhd. by our subsidiary, MRNA Scientific Sdn. Bhd.

Pursuant to a Form 8-K filed on April 18, 2024, the Company announced a strategic investment in Ascension Innovation Sdn Bhd (AISB), a privately held Malaysian company. Please refer to that filing for more information on the investment.

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### (b) Notification of delisting and stay of suspension

On November 6, 2023, the Company reported that it received a letter from the Listing Qualifications Department of the Nasdaq Stock Market ("Nasdaq") regarding the Company's failure to comply with Nasdaq Continued Listing Rule ("Rule") 5550(a)(2), which requires listed securities to maintain a minimum bid price of \$1.00 per share. A failure to comply with Rule 5550(a)(2) exists when listed securities fail to maintain a closing bid price of at least \$1.00 per share for 30 consecutive business days.

Under Rule 5810(c)(3)(A), the Company automatically was provided a period of 180 calendar days, until May 6, 2024, to regain compliance.

The Company then applied to NASDAQ to receive an additional 180 calendar days to regain compliance. On August 8, 2024, the Company received notification from NASDAQ that the compliance period has been extended to November 4, 2024. If at any time during this 180-day period the closing bid price of the Company's securities is at least \$1.00 for a minimum of ten consecutive business days, the Company's compliance will be regained.

On November 5, 2024, BioNexus Gene Lab Corp (the "Company") received a notification from the Nasdaq Stock Market LLC ("Nasdaq") indicating that the Company's common stock will be delisted from the Nasdaq Capital Market due to its failure to comply with Nasdaq Listing Rule 5550(a)(2), which requires listed securities to maintain a minimum bid price of \$1 per share. The Company had been provided two consecutive 180-day grace periods, ending on November 4, 2024, to regain compliance but was unable to meet the requirement within the designated period.

In response, on November 8, 2024, the Company submitted a formal request for a hearing before a Nasdaq Hearings Panel to appeal the delisting determination. The Nasdaq Hearings Department has acknowledged receipt of the Company's hearing request, which stays the suspension of trading of the Company's common stock pending a decision by the Panel. The Company intends to present a compliance plan at the hearing, including potential corrective actions such as a reverse stock split, among other strategic initiatives, to regain compliance with Nasdaq's listing standards.

### (c) Appointment of director, committee appointments, and appointment of officers

On November 5, 2024, the Board of Directors of the Company appointed Ms. Jook Yuen Low as an independent director to the Board, effective immediately. Ms. Low has also been assigned to serve as a member of the Audit Committee and the Nomination & Corporate Governance Committee, bringing her expertise in corporate governance, legal compliance, and audit oversight. Ms. Low will serve in her capacity until the next annual meeting of shareholders.

Ms. Low (Age 46) holds a Bachelor of Laws (LL.B) and a Master of Business in Public Relations from the Queensland University of Technology, Australia. She was called to the Bar as an Advocate & Solicitor of the High Court of Malaya in 2004. Currently, Ms. Low is a partner at the law firm Azura Mokhtar & Low. Her legal career spans over 20 years, during which she has gained substantial experience in conveyancing, corporate law, and wealth management consulting. Her expertise includes advising on property, real estate, banking transactions, and corporate agreements such as shareholders' agreements, joint ventures, and power of attorney.

There is no arrangement or understanding between the new director and any other person pursuant to which the new director was selected to be a director of the Company.

Ms. Low will receive the standard independent director compensation set by the Compensation Committee of the Company, which is \$1,000 USD per month.

Except as stated above, there is no material plan, contract or arrangement (whether or not written) to which the new director is a party or in which each party participates that is entered into or a material amendment in connection with the triggering event or any grant or award to any such covered person or modification thereto, under any such plan, contract or arrangement in connection with any such event.

Additionally, the Board has re-appointed Mr. Su-Leng Tan Lee as Secretary of the Company and has appointed him as President, effective immediately. No change has been made to his compensation package as a result of his appointments.

### (d) Internal Controls Enhancement

During and subsequent to the reporting period ending September 30, 2024, as a result of recent transactions occurring at its Chemrex subsidiary (See Note 14 to Unaudited financial statements included in this 10-Q filing), the Company focused on enhancing its internal control environment and improving governance procedures within its Chemrex subsidiary. Following the internal review of these recent transactions, management has implemented additional protocols to strengthen compliance with corporate policies and regulatory requirements, particularly concerning related-party transactions and transaction authorization at the subsidiary level.

The Company also acknowledges a recent communication from our independent auditors JP Centurion & Partners, in which the audit firm expressed concerns regarding certain aspects of Chemrex's financial reporting and internal control structure. The Company is addressing these matters through comprehensive oversight, led by the audit committee, to ensure transparency, accuracy, and compliance in all reported information. These efforts aim to reinforce the integrity of our financial reporting and provide shareholders with reliable information on the Company's operational and financial performance.

Translation of amounts from MYR into US\$1.00 has been made at the following exchange rates for the respective period and year:

	September 30, 2024	December 31, 2023
Period ended September 30, 2024 /Year-ended December 31, 2023 US\$1: MYR exchange rate	4.1220	4.5900
January 1, 2024 to September 30, 2024	January 1, 2023 to September 30, 2023	
9 months average US\$1: MYR exchange rate	4.6327	4.5192

**Results of Operations****Three Months Ended September 30, 2024 Compared with the Three Months Ended September 30, 2023.**

The following table sets forth key selected financial data for the three months ended September 30, 2024 and 2023.

**Consolidated**

	Three months ended September 30,	
	2024	2023
REVENUE	\$ 2,630,376	\$ 2,553,686
COST OF REVENUE	(2,303,840)	(2,199,354)
GROSS PROFIT	326,536	354,332
OTHER INCOME	465,527	199,284
OPERATING EXPENSES		
General and administrative	(2,129,685)	(3,082,128)
<b>LOSS FROM OPERATIONS</b>	<b>(1,337,622)</b>	<b>(2,528,512)</b>
FINANCE COSTS	(6,193)	(4,259)
<b>LOSS BEFORE TAX</b>	<b>(1,343,815)</b>	<b>(2,532,771)</b>
Tax expense	(1,555)	(76,418)
<b>NET LOSS</b>	<b>\$ (1,345,370)</b>	<b>\$ (2,609,189)</b>
Other comprehensive income:		
Foreign currency translation gain/(loss)	1,046,789	(18,603)
<b>COMPREHENSIVE LOSS</b>	<b>\$ (298,581)</b>	<b>\$ (2,627,792)</b>

**Segmented Information**

	MRNA Scientific	Chemrex Corporation	MRNA Scientific	Chemrex Corporation
	Three months ended September 30, 2024		Three months ended September 30, 2023	
REVENUE	\$ 2,563	\$ 2,627,813	\$ 16,536	\$ 2,537,150
COST OF REVENUE	(2,118)	(2,301,722)	(7,301)	(2,192,053)
<b>GROSS PROFIT</b>	<b>445</b>	<b>326,091</b>	<b>9,235</b>	<b>345,097</b>
OTHER INCOME	22,772	442,755	1,757	197,527
OPERATING EXPENSES				
General and administrative	(290,544)	(1,452,543)	(71,870)	(1,322,231)
<b>LOSS FROM OPERATIONS</b>	<b>(267,327)</b>	<b>(683,697)</b>	<b>(60,878)</b>	<b>(779,607)</b>
FINANCE COSTS	(3,765)	(2,415)	(1,677)	(2,582)
<b>LOSS BEFORE TAX</b>	<b>(271,092)</b>	<b>(686,112)</b>	<b>(62,555)</b>	<b>(782,189)</b>
Tax expense	-	(1,555)	-	(76,418)
<b>NET LOSS</b>	<b><u>(271,092)</u></b>	<b><u>(687,667)</u></b>	<b><u>(62,555)</u></b>	<b><u>(858,607)</u></b>

*Revenue.* For the quarter ended September 30, 2024, we had total revenue of \$2,630,376 as compared to total revenue of \$2,553,686 for the quarter ended September 30, 2023, an increase of 3% from the prior quarter.

Chemrex contributed \$2,627,813 (99.9%) of the total revenue for the current quarter ended September 30, 2024, as compared to \$2,537,150 (99.4%) of the total revenue for the quarter ended September 30, 2023. Chemrex's revenues slight increase of 3.6% from same quarter last year was due to an increase in purchases from existing customers.

MRNA Scientific contributed \$2,563 (0.1%) of the total revenue for the quarter ended September 30, 2024, compared to \$16,536 (0.6%) of the total revenue for the quarter ended September 30, 2023. Revenues decreased by \$13,973 from the same quarter last year, reflecting an 84.5% decline due to fewer client referrals from diagnostics centers.

*Cost of Revenue.* For the quarter ended September 30, 2024, we incurred \$2,303,840 in cost of revenues, as compared to \$2,199,354 for the quarter ended September 30, 2023, a slight increase of 4.8% was due to higher sales and fluctuations in purchasing conditions.

Chemrex had incurred \$2,301,722 (99.9%) of the total cost of revenue during the current quarter period ended September 30, 2024, as compared to the quarter ended September 30, 2023, wherein Chemrex had incurred \$2,192,053 (99.7%) of the total cost of revenue. The slight decrease in Chemrex's cost of revenues for the current period was due to decreased revenues.

MRNA Scientific had incurred \$2,118 (0.1%) of the total cost of revenues during the current quarter period ended September 30, 2024, as compared to \$7,301 (0.3%) for the quarterly period ended September 30, 2023. Cost of revenue decreased by \$5,183 from prior quarter due to its decreased revenues as stated above.

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*Gross Profit.* For the quarterly period ended September 30, 2024, we had total gross profit of \$326,536 as compared to gross profit of \$354,332 for the quarterly period ended September 30, 2023. The decrease of 7.8% from the prior period is due to the reasons discussed above.

Chemrex contributed \$326,091 (99.9%) of the total gross profit for the current quarter ended September 30, 2024, as compared to \$345,097 (97.4%) of the total gross profit for the quarter ended September 30, 2023. Chemrex's gross profit decreased by \$19,006 reflecting a decline of 5.5% from the prior quarter due to general business fluctuations.

MRNA Scientific contributed \$445 (0.1%) of the total gross profit of \$326,536 for the current quarter ended September 30, 2024 as compared to gross profit of \$9,235 (2.6%) of the total gross profit of \$354,332 from the quarter ended September 30, 2023. The decrease of \$8,790 from the prior period is due to decreased revenues for the current period.

*Other Income.* For the quarterly period ended September 30, 2024, we had \$465,527 in other income, as compared to \$199,284 for the quarterly period ended September 30, 2023, an increase of approximately 133.6%.

Chemrex contributed \$442,755 (95.1%) to other income for the current quarter ended September 30, 2024, as compared to \$197,527 (99.1%) of other income for the quarter ended September 30, 2023. Chemrex's other income increased by 124.1% due to dividends received from other investments, increases in fixed deposits resulting in higher interest income, gains on equity investment, and the recovery of doubtful debts and loss allowances.

MRNA Scientific contributed \$22,772 (4.9%) of other income for the current quarter ended September 30, 2024, as compared to \$1,757 (0.9%) of the other income for the quarter ended September 30, 2023. The increase of \$21,015, approximately 1,196%, is due to increases in fixed deposits resulting in higher interest revenue, along with higher rental income and gain on unrealised forex transactions.

*Operating Expenses.* For the quarter ended September 30, 2024, we had total operating expenses of \$2,129,685 compared to total operating expenses of \$3,082,128 for the quarter ended September 30, 2023. The decrease of approximately 30.9% primarily stemmed from lower professional expenses at the parent level which were related to our Nasdaq listing in 2023, along with a reduction in share-based compensation and a lower provision for loss allowance from Chemrex.

Chemrex incurred \$1,452,543 (68.2%) of the total operating expenses for the current quarter ended September 30, 2024, compared to \$1,322,231 (42.9%) of the total operating expenses for the quarter ended September 30, 2023. The increase of approximately 9.9% was due to increases in directors' remuneration and staff salaries, and a higher loss on the fair value of investments.

MRNA Scientific incurred \$290,544 (13.6%) of the total operating expenses for the quarter ended September 30, 2024, compared to \$71,870 (2.3%) of the total operating expenses for the quarter ended September 30, 2023. The increase of approximately 304.3% for the current quarter was due to increases in directors' remuneration, staff salaries for marketing and business development, amortization of the right-of-use asset, office utilities, additional costs related to losses on realized exchange rates, unrealized exchange rates, and lease terminations.

BGLC, the holding company, incurred \$386,598 (18.2%) of total operating expenses for the current quarter ended September 30, 2024, compared to \$1,688,027 (54.8%) of total operating expenses for the quarter ended September 30, 2023. This represents a decrease of \$1,301,429, or approximately 77.1%, in operating costs for the quarter ended September 30, 2024. The decrease was due to additional professional expenses related to the company's successful listing on Nasdaq, as well as costs incurred for advisory, legal, and underwriting services which occurred in the last quarter of 2023 which were not repeated in the same period of 2024. The reduction also includes discontinued expenses for medical advisers, investor relations services, and securities underwriting.

*Loss from Operations.* We had a loss from operations of \$1,337,622 for the quarter ended September 30, 2024, compared to a loss of \$2,528,512 for the quarter ended September 30, 2023, reflecting a reduction of approximately 47.1% from the prior period.

*Income tax expense.* For the quarter ended September 30, 2024, we had a tax expense of \$1,555 as compared to tax expenses of \$76,418 for the quarter ended September 30, 2023, for Chemrex. The lower tax expense was lower due to operating losses during the prior period. There was no tax provision for MRNA Scientific-Malaysia for the quarters ended September 30, 2024, and 2023.

*Foreign currency exchange gain/(loss).* We are exposed to fluctuations in foreign exchange rates on the revaluation of monetary assets and liabilities denominated in currencies other than the US Dollar. Therefore, any change in the relevant exchange rate would require us to recognize a transaction gain or loss on revaluation. For the three-month period ended September 30, 2024, we experienced a foreign currency gain of \$1,046,789 as compared with a foreign currency loss of \$18,603 for the three-month period ended September 30, 2023.

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**Nine Months Ended September 30, 2024 Compared with the Nine Months Ended September 30, 2023.**

The following table sets forth key selected financial data for the nine months ended September 30, 2024 and 2023.

**Consolidated**

	Nine months ended September 30,	
	2024	2023
REVENUE	\$ 6,986,791	\$ 7,497,739
COST OF REVENUE	(6,006,504)	(6,434,796)
GROSS PROFIT	980,287	1,062,943
OTHER INCOME	1,397,479	511,792
OPERATING EXPENSES		
General and administrative	(3,535,248)	(4,426,077)
<b>LOSS FROM OPERATIONS</b>	<b>(1,157,482)</b>	<b>(2,851,342)</b>
FINANCE COSTS	(15,334)	(9,746)
<b>LOSS BEFORE TAX</b>	<b>(1,172,816)</b>	<b>(2,861,088)</b>
Tax expense	(77,207)	(76,418)
<b>NET LOSS</b>	<b>\$ (1,250,023)</b>	<b>\$ (2,937,506)</b>
Other comprehensive income:		
Foreign currency translation gain/(loss)	839,344	(391,533)
<b>COMPREHENSIVE LOSS</b>	<b>\$ (410,679)</b>	<b>\$ (3,329,039)</b>

**Segmented Information**

	MRNA Scientific	Chemrex Corporation	MRNA Scientific	Chemrex Corporation
	Nine months ended September 30, 2024		Nine months ended September 30, 2023	
REVENUE	\$ 11,224	\$ 6,975,567	\$ 28,468	\$ 7,469,271
COST OF REVENUE	(6,723)	(5,999,781)	(14,849)	(6,419,947)
GROSS PROFIT	4,501	975,786	13,619	1,049,324
OTHER INCOME	98,830	1,298,649	3,922	507,870
OPERATING EXPENSES				
General and administrative	(475,762)	(2,149,306)	(170,590)	(2,348,127)
(LOSS)/PROFIT FROM OPERATIONS	(372,431)	125,129	(153,049)	(790,933)
FINANCE COSTS	(8,360)	(6,848)	(2,952)	(6,794)
(LOSS)/PROFIT BEFORE TAX	(380,791)	118,281	(156,001)	(797,727)
Tax expense	-	(77,207)	-	(76,418)
<b>NET (LOSS)/PROFIT</b>	<b>\$ (380,791)</b>	<b>\$ 41,074</b>	<b>\$ (156,001)</b>	<b>\$ (874,145)</b>

**Revenue.** For the nine months period ended September 30, 2024, we had total revenue of \$6,986,791 as compared to total revenue of \$7,497,739 for the same period in 2023, a 6.8% decrease from the same period last year.

Chemrex contributed \$6,975,567 (99.8%) of the total revenue for the nine month period ended September 30, 2024, as compared to \$7,469,271 (99.6%) of the total revenue for the same period last year. Chemrex's revenues had decreased by \$493,704 from the same period last year, representing a decline of 6.61%. We had a decrease in revenue in the first two quarters attributable to increased competition and the lack of new projects in the market, resulting in fewer orders from existing customers, however, conditions gradually improved in the third quarter of 2024.

MRNA Scientific contributed \$11,224 (0.2%) of total revenue for the nine-month period ended September 30, 2024, compared to \$28,468 (0.4%) for the same period last year. MRNA Scientific's revenue decreased by \$17,244 from the nine months of 2023, a 60.6% decrease. The decrease in revenue for 2024 was due to RNA machine breakdowns that occurred during the current period for BGS tests along with fewer client referrals from diagnostics centers.

**Cost of Revenue.** For the nine months period ended September 30, 2024, we incurred \$6,006,504 in cost of revenues as compared to \$6,434,796 for the same period in 2023, which represents a decrease of \$428,292. The 6.7% decrease was due to reduction in costs related to lower revenues discussed above.

Chemrex had incurred \$5,999,781 (99.9%) of the total cost of revenue during the current period ended September 30, 2024, as compared to \$6,419,947 for the same period in last year wherein Chemrex had incurred (99.8%) of the total in cost of revenue, a decrease of \$420,166. The 6.55% decrease was due to the reason stated above.

MRNA Scientific had incurred \$6,723 (0.1%) of the total cost of revenues during the current period ended September 30, 2024 as compared to \$14,849 (0.2%) for the same period last year. Cost of revenue decreased by \$8,126 from the prior nine month period due a reduction of revenues during the current nine month period.

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*Gross Profit.* For the nine months period ended September 30, 2024, we had total gross profit of \$980,287 as compared to gross profit of \$1,062,943 for the same period in 2023, a decrease of approximately 7.8% from the prior period.

Chemrex contributed \$975,786 (99.5%) of the total gross profit for the current nine months period ended September 30, 2024, as compared to \$1,049,324 (98.7%) of the total gross profit for the same period last year, a decrease of \$73,538. The 7.01% decrease for current period was due to lower revenues, mainly at Chemrex, as stated above.

MRNA Scientific had a gross profit of \$4,501 (0.5%) of the total gross profit of \$980,287 for the current nine months period ended September 30, 2024, as compared to \$13,619 (1.3%) of the total gross profit of \$1,062,943 from the same period last year 2023. The gross profit decrease of 67% was due to a reduction in revenues for the current period as stated above.

*Other Income.* For the nine months period ended September 30, 2024, we had \$1,397,479 as compared to \$511,792 for the same period in 2023, increased by \$885,687 approximately 173.1%.

Chemrex contributed \$1,298,649 (92.9%) of other income for the current nine months period ended September 30, 2024, as compared to \$507,870 (99.2%) of the other income for the same period last year, an increase of \$790,779. The 155.71% increase was generated from dividends received, gain on equity investment, doubtful debts recovered, and provision losses allowance recovered.

MRNA Scientific had \$98,830 (7.1%) for nine months period ended September 30, 2024, as compared to \$3,922 (0.8%) for the same period in 2023. The 2,419.9% was due to increased interest income from US dollar deposits in Malaysian accounts and gains on unrealised foreign exchange and rental income.

*Operating Expenses.* For the nine-month period ended September 30, 2024, we had total operating expenses of \$3,535,248 compared to total operating expenses of \$4,426,077 for the same period in 2023, a decrease of \$890,829. The 20.1% decrease was primarily due to BGLC, the holding company, which reduced professional expenses from advisors, attorneys, underwriting costs and share-based compensation.

Chemrex had incurred \$2,149,306 (60.8%) of the total operating expenses for the current nine months period in 2024 as compared to \$2,348,127(53.1%) of the total operating expenses for the same period last year 2023, a decrease of \$198,821. The decrease of 8.47% is due to the reduction in the provision for losses on account receivables.

MRNA Scientific incurred \$475,762 (13.5%) of the total operating expenses for the current nine-month period, compared to \$170,590 (3.9%) of the total operating expenses for the same period last year, an increase of \$305,172. The 178.9% increase in operating costs for the current nine-month period was due to the hiring of new staff for marketing and business development, an increase in directors' remuneration, additional costs from the settlement of a supplier contract dispute, motor vehicle maintenance fees, and unrealized exchange rate losses of \$208,674.

BGLC, the holding company, incurred \$910,180 (25.7%) of total operating expenses for the current nine-month period ended September 30, 2024, compared to \$1,907,360 (43.1%) of total operating expenses for the same period last year 2023, a decrease of \$997,180. The 52.28% reduction for the current period was primarily due to reduced expenses of consultant fees for capital, corporate advisory services and compliance services and share-based compensation. The reduction also includes discontinued expenses for medical advisers, investor relations services, and underwriting costs.

*Loss from Operations.* We had a loss from operations of \$1,157,482 for nine months period ended September 30, 2024, as compared to loss of \$2,851,342 for the same period in 2023, a decrease of \$1,693,860. The 59.4% decrease was due to the reasons discussed above.

*Income tax expense.* For the nine-months period ended September 30, 2024, we had income tax provided by Chemrex \$77,207 and MRNA Scientific had no tax provision as compared to the same period in 2023 which had a tax estimated \$76,418 from Chemrex and no tax provided from MRNA Scientific-Malaysia.

*Foreign currency exchange gain/(loss).* We are exposed to fluctuations in foreign exchange rates on the revaluation of monetary assets and liabilities denominated in currencies other than the US Dollar. Therefore, any change in the relevant exchange rate would require us to recognize a transaction gain or loss on revaluation. For the nine-months period ended September 30, 2024, we experienced a foreign currency gain of \$839,344 as compared with a foreign currency loss of \$391,533 for the same period in 2023.

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### LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2024, we had working capital of \$5,635,310 compared with working capital of \$6,415,877 as of December 31, 2023. The decrease in working capital as of September 30, 2024 was due principally to investments and expansion of operations.

Our primary uses of cash had been for operations and strategic investments. The main sources of cash were generated from operational revenues, the private placement of our common stock, and the proceeds of our public offering. The following trends could result in a material decrease in our liquidity over the near to long term:

- Addition of administrative and marketing personnel as the business grows,
- Increases in advertising and marketing in order to attempt to generate more revenues, and
- The cost of being a public company.

The Company believes that cash flow from operations together will be sufficient to sustain its current level of operations for at least the next 12 months of operations.

The following is a summary of the Company's cash flows (used in) / generated from operating, investing, and financing activities for the nine months ended September 30, 2024 and 2023

	Nine months ended September 30,	
	2024	2023
Net cash used in operating activities	\$ (2,164,489)	\$ (1,039,686)
Net cash used in investing activities	(75,956)	(368,824)
Net cash (used in)/generated from financing activities	(1,612)	5,743,206
Foreign currency translation adjustment	449,940	(306,677)
<b>Net Change in Cash and Cash Equivalents</b>	<b>\$ (1,792,117)</b>	<b>\$ 4,028,019</b>

#### *Operating Activities*

During the nine months ended September 30, 2024, the Company incurred a net loss of \$1,250,023 which, after adjusting for amortization, depreciation, dividend income, allowances for expected credit losses of \$122,843, recovery for expected credit losses of 842,401, fair value gain on share investment, gain on disposal on share investment, loss arising from settlement of supplier contract dispute of \$29,140, share-based compensation of \$141,000, an increase in inventories, a decrease in trade and other receivables, advance payment from customer and a substantial reduction in trade payables, resulted in net cash of \$2,164,489 being used in operating activities during the nine months ended September 30, 2024.

By comparison, during the nine months ended September 30, 2023, the Company incurred a net loss of \$2,937,506 which, after adjusting for amortization, depreciation, dividend income, fair value gain on share investment, allowances for expected credit losses of \$1,372,573, share-based compensation of \$601,741, an increase in inventories, a decrease in trade receivables and a substantial reduction in trade payables, advance payment from customer, resulted in net cash of \$1,039,686 being used in operating activities during the nine months ended September 30, 2023.

#### *Investing Activities*

During the nine months ended September 30, 2024, the Company had net cash of \$75,956 used in investment activities from the acquisition of quoted shares valued at \$486,170, purchase of plant & equipment of \$222,967, proceeds from disposal of share investments of \$494,741, refund from settlement of supplier contract dispute at \$78,787 and dividend income of \$59,653. By comparison during the nine months ended September 30, 2023, the Company had net cash of \$368,824 used in investment activities from acquisition of share investment of \$296,109, purchase of plant & equipment of \$148,461, proceeds from disposal of share investments of \$26,854 and dividend income of \$48,892

#### *Financing Activities*

During the nine months ended September 30, 2024, the Company had net cash of \$1,612 used in financing activities due to advances from directors of \$5,362 and offset by interest expense of \$6,974. By comparison during the nine months ended September 30, 2023, the Company had net cash of \$5,743,206 generated from financing activities due to our initial public offering of 1,437,500 shares at a price of \$4.00 per share for total proceeds of \$5,750,000 and offset by interest expense of \$6,794.

#### **Item 3. Quantitative and Qualitative Disclosures about Market Risk.**

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, the Company is not required to provide information required by this item.

**Item 4. Controls and Procedures.**

Evaluation of Disclosure Controls and Procedures

In connection with the preparation of this quarterly report, an evaluation was carried out by the Company's management, with the participation of the principal executive officer and the principal financial officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(c) and 15d-15(e) under the Exchange Act ("Exchange Act") as of September 30, 2024. Disclosure controls and procedures are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosures.

Based on that evaluation, the Company's management concluded, as of the end of the period covered by this report, that the Company's disclosure controls and procedures were effective in recording, processing, summarizing, and reporting information required to be disclosed, within the time periods specified in the Commission's rules and forms, and that such information was accumulated and communicated to management, including the principal executive officer and the principal financial officer, to allow timely decisions regarding required disclosures.

Recent internal reviews of various transactions occurring subsequent to the end of the current reporting period (September 30, 2024) identified areas for improvement within Chemrex, particularly in relation to documentation, transaction approval processes, and related-party transaction oversight. This review was further necessary after the resignation of Mr. Wei Foong Lim on October 9, 2024. Mr. Lim served as a director of both BioNexus Gene Lab Corp. and Chemrex. This resignation has prompted a reassessment of governance controls at Chemrex. Management and the audit committee are implementing strengthened review and authorization procedures to address any potential control gaps, thereby reinforcing compliance with internal governance standards and regulatory expectations. These actions are expected to enhance the Company's internal controls going forward.

Management's Report on Internal Control over Financial Reporting

The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting. The Company's internal control over financial reporting is a process, under the supervision of the principal executive officer and the principal financial officer, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with United States generally accepted accounting principles (GAAP). Internal control over financial reporting includes those policies and procedures that:

- i) Pertain to the maintenance of records that is in reasonable detail accurately and fairly reflect the transactions and dispositions of the Company's assets;
- ii) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with the authorizations of management and the board of directors; and
- iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management had assessed the effectiveness of our internal control over financial reporting as of September 30, 2024, based on criteria established in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, and this assessment identified material weaknesses in internal control over financial reporting had shown improvement. A material weakness could create reasonable possibility that a material misstatement in annual or interim financial statements. The management considers its internal control over financial reporting required further improvement.

This quarterly report does not include an attestation report of our registered public accounting firm regarding our internal controls over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to Section 404(c) of the Sarbanes-Oxley Act that permit us to provide only management's report in this annual report.

**Changes in Internal Controls over Financial Reporting**

During the period ended September 30, 2024, there had been no change in internal control over financial reporting that had materially affected or was reasonably likely to materially affect our internal control over financial reporting.

**PART II OTHER INFORMATION**

**Item 1. Legal Proceedings.**

There are presently no pending legal proceedings to which the Company or any of its property is subject, or any material proceedings to which any director, officer or affiliate of the Company, any owner of record or beneficially of more than five percent of any class of voting securities is a party or has a material interest adverse to the Company, and no such proceedings are known to the Company to be threatened or contemplated against it.

**Item 2. Unregistered Sale of Equity Securities and Use of Proceeds.**

During the quarter ended September 30, 2024, the Company issued 300,000 shares of common stock to a third party consultant in exchange for services rendered. The stock issuances were exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended, due to the isolated issuance, the shares issued were restricted securities and the consultants acquired the shares for investment.

**Item 3. Defaults Upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable to our Company.

**Item 5. Other Information.**

None

**Item 6. Exhibits.**

<b>Exhibit</b>	<b>Description</b>
31.1	Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
31.2	Certification of the Company's Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**
32.1	Certification of the Company's Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+**
32.2	Certification of the Company's Principal Accounting Officer and Principal Financial pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002+**
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).*

+ In accordance with SEC Release 33-8238, Exhibit 32.1 and 32.2 were furnished and not filed.

\*\* Previously filed or furnished as an exhibit to BioNexus Gene Lab Corp.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2024. \* Furnished with this Form 10-Q.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**BIONEXUS GENE LAB CORPORATION**

*/s/ Su-Leng Tan Lee*

Su-Leng Tan Lee  
Chief Executive Officer  
(Principal Executive Officer)

*/s/ Su-Leng Tan Lee*

Su-Leng Tan Lee  
Acting Chief Financial Officer  
(Principal Financial and Accounting Officer)

November 15, 2024

## CERTIFICATION

I, Chief Executive Officer of **Bionexus Gene Lab Corporation** (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on **Form 10-Q** of the Registrant for the fiscal quarter ended September 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly presents in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: November 15, 2024

/s/ Su-Leng Tan Lee

Su-Leng Tan Lee  
Chief Executive Officer  
(Principal Executive Officer)

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## CERTIFICATION

I, Chief Financial Officer of **Bionexus Gene Lab Corporation** (the "Registrant"), certify that:

1. I have reviewed this Quarterly Report on **Form 10-Q** of the Registrant for the fiscal quarter ended September 30, 2024;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated: November 15, 2024

/s/ Su-Leng Tan Lee  
 Su-Leng Tan Lee  
 Acting Chief Financial Officer  
 (Principal Financial and Accounting Officer)

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**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of the registrant certify, to the best of their knowledge, that the registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q, fairly presents, in all material respects, the financial condition and results of operations of the registrant.

**Bionexus Gene Lab Corporation**

Dated: November 15, 2024

/s/ Su-Leng Tan Lee

Su-Leng Tan Lee  
Chief Executive Officer  
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL ACCOUNTING OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT  
TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officers of the registrant certify, to the best of their knowledge, that the registrant's Quarterly Report on Form 10-Q for the period ended September 30, 2024 (the "Form 10-Q") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Form 10-Q, fairly presents, in all material respects, the financial condition and results of operations of the registrant.

**Bionexus Gene Lab Corporation**

Dated: November 15, 2024

/s/ Su-Leng Tan Lee

Su-Leng Tan Lee  
Chief Executive Officer  
(Principal Accounting Officer)

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