

ANNOUNCEMENT

The Board of Directors of Malaysian Genomics Resource Centre Berhad (hereinafter referred to as “MGRC” or “the Company”) hereby announce the following unaudited results for the second quarter ended 31 December 2010.

A PRESENTATION OF RESULTS
I(a) CONDENSED INCOME STATEMENT

for the financial period ended	Current Year	Year-to-Date
	2nd Quarter	31.12.2010
	31.12.2010	31.12.2010
	(RM'000)	(RM'000)
	unaudited	unaudited
Revenue	2,610	4,085
Interest income from fixed deposits	185	248
Employee benefits and expense	(580)	(1,315)
Depreciation and amortisation	(205)	(416)
Exclusive license fee	(63)	(125)
System maintenance cost	(301)	(602)
Management fees	(157)	(359)
Other expenses	(615)	(1,098)
Profit / (loss) from operations	874	418
Finance costs	(0)	(0)
Profit / (loss) before tax	874	418
Income tax expense	(55)	(71)
Profit / (loss) for the period	819	347
Profit / (loss) attributable to:		
Shareholders of the company	819	347
Minority interest	-	-
Net profit / (loss) for the period	819	347
Earnings per share (EPS) attributable to the equity holders of the company (sen)		
Basic EPS	0.87	0.37
Diluted EPS	N/A	N/A

I(b) CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the financial period ended	Current Year	Year-to-Date
	2nd Quarter	31.12.2010
	31.12.2010	31.12.2010
	(RM'000)	(RM'000)
	unaudited	unaudited
Profit / (loss) for the period	819	347
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	819	347
Total comprehensive income / (loss) attributable to:		
Shareholders of the company	819	347
Minority interest	-	-
Total comprehensive income / (loss) for the period	819	347

No comparable figures are available as this is the third quarterly report to Bursa. The unaudited condensed income statement and condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the period ended 30 June 2010 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

A PRESENTATION OF RESULTS (cont.)
II CONDENSED STATEMENT OF FINANCIAL POSITION

as at	31.12.2010 (RM'000)	30.06.2010 (RM'000)
	unaudited	audited
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	779	680
Intangible asset	5,142	5,448
CURRENT ASSETS		
Trade and other receivables	4,774	3,213
Cash and bank balances	21,103	9,637
TOTAL ASSETS	31,798	18,978
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	9,410	7,700
Share premium	14,755	1,175
Equity compensation reserve	117	-
Retained earnings	6,223	5,876
TOTAL EQUITY	30,505	14,751
CURRENT LIABILITIES		
Other payables	1,227	4,227
Tax payable	60	-
Due to ultimate holding company	6	-
TOTAL LIABILITIES	1,293	4,227
TOTAL EQUITY AND LIABILITIES	31,798	18,978
Net assets (RM'000)	30,505	14,751
Net assets per share attributable to equity holders of the company (sen)	32.42	15.68

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the period ended 30 June 2010 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

A PRESENTATION OF RESULTS (cont.)
III CONDENSED STATEMENT OF CHANGES IN EQUITY

for the financial period ended 31 December 2010	Equity Attributable to Equity Holders of the Company (RM'000)	← Share Capital (RM'000)	Non-Distributable Share Premium (RM'000)	→ Other Reserves (RM'000)	Distributable Retained Earnings (RM'000)
Opening balance at 1 July 2010 (audited)	14,751	7,700	1,175	-	5,876
Total comprehensive income / (loss)	347	-	-	-	347
Issuance of new shares	18,468	1,710	16,758	-	-
Share issuance expense	(3,178)	-	(3,178)	-	-
Equity contribution from parent company	117	-	-	117	-
Closing balance at 31 December 2010 (unaudited)	30,505	9,410	14,755	117	6,223

No comparable figures are available as this is the third quarterly report to Bursa. The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the period ended 30 June 2010 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

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A PRESENTATION OF RESULTS (cont.)
IV CONDENSED STATEMENT OF CASH FLOWS

for the financial period ended	Current Year 2nd Quarter 31.12.2010 (RM'000) unaudited
Cash flows from operating activities	
Profit / (loss) before tax	418
Adjustments for:	
Amortisation of intangible assets	306
Depreciation of plant and equipment	110
Share-based payment compensation	117
Unrealised foreign exchange loss	23
Interest income	(248)
Operating profit / (loss) before working capital changes	726
(Increase) / decrease in receivables	(1,584)
(Decrease) / increase in payables	(3,000)
Changes in related company balance	6
Cash used in operations	(3,852)
Taxes paid	(11)
Net cash used in operating activities	(3,863)
Cash flows from investing activities	
Interest received	248
Purchase of plant and equipment	(209)
Net cash generated from investing activities	39
Cash flows from financing activities	
Proceeds from issuance of shares	18,468
Share issuance expenses	(3,178)
Net cash generated from financing activities	15,290
Net (decrease) / increase in cash and cash equivalents	11,466
Cash and cash equivalents at beginning of the period	9,637
Cash and cash equivalents at end of the period	21,103

No comparable figures are available as this is the third quarterly report to Bursa. The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the period ended 30 June 2010 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

UNAUDITED NOTES TO THE INTERIM FINANCIAL REPORT

B Explanatory Notes Pursuant to FRS 134

i Basis of Preparation & Changes in Accounting Policies

The interim financial statements are unaudited and have been prepared in accordance with FRS 134 Interim Financial Reporting and Paragraph 9.22 and Appendix 9B of the Bursa ACE Market Listing Requirements.

The interim financial statements should be read in conjunction with the audited financial statements of the Company for the period ended 30 June 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Company since the period ended 30 June 2010.

On 1 July 2010, the Company adopted the following FRSs:

FRS 8: Operating Segments
 FRS 4: Insurance Contracts
 FRS 7: Financial Instruments: Disclosures
 FRS 101: Presentation of Financial Statements (revised)
 FRS 123: Borrowing Costs (revised)
 FRS 139: Financial Instruments: Recognition and Measurement
 Amendments to FRS 1: First-time Adoption of Financial Reporting Standards and FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
 Amendments to FRS 132: Financial Instruments: Presentation
 Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and IC Interpretation 9: Reassessment of Embedded Derivatives
 Amendments to FRSs "Improvements to FRSs (2009)"
 IC Interpretation 9: Reassessment of Embedded Derivatives
 IC Interpretation 10: Interim Financial Reporting and Impairment
 IC Interpretation 11: FRS 2 - Group and Treasury Share Transactions
 IC Interpretation 13: Customer Loyalty Programmes
 IC Interpretation 14: FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
 Amendments to FRS 132: Classification of Rights Issues
 FRS 1: First-time Adoption of Financial Reporting Standards
 FRS 3: Business Combinations (revised)
 FRS 127: Consolidated and Separate Financial Statements (amended)
 Amendments to FRS 2: Share-based Payment
 Amendments to FRS 5: Non-current Assets Held for Sale and Discontinued Operations
 Amendments to FRS 138: Intangible Assets
 Amendments to IC Interpretation 9: Reassessment of Embedded Derivatives
 IC Interpretation 12: Service Concession Arrangements
 IC Interpretation 15: Agreements for the Construction of Real Estate
 IC Interpretation 16: Hedges of a Net Investment in a Foreign Operation
 IC Interpretation 17: Distributions of Non-cash Assets to Owners

Other than for the application of FRS 8, FRS 101, FRS 139, and FRS 7, the application of the above FRSs, Amendments to FRSs and Interpretations did not result in any significant changes in the accounting policies and presentation of the financial results of the Company.

FRS 8: Operating Segment FRS 101: Presentation of Financial Statements (revised)

FRS 8 replaces FRS 114₂₀₀₄: Segment Reporting and requires a 'management approach', under which segment information is presented on a similar basis to that used for internal reporting purposes. As a result, the Company's external segmental reporting will be based on the internal reporting to the "chief operating decision maker", who makes decisions on the allocation of resources and assesses the performance of the reportable segments. This standard does not have any impact on the financial position or results of the Company.

B Explanatory Notes Pursuant to FRS 134 (cont.)

i Basis of Preparation & Changes in Accounting Policies (cont.)

FRS 101: Presentation of Financial Statements (revised)

The revised FRS 101 separates owner and non-owner changes in equity. Therefore, the statement of changes in equity will include only details of transactions with owners. All non-owner changes in equity are presented as a single line labelled as total comprehensive income. The Standard also introduces the statement of comprehensive income: presenting all items of income and expense recognised in the income statement, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements. The Company has elected to present in two linked statements. This revised FRS does not have any impact on the financial position and results of the Company.

FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures and Amendments to FRS 139: Financial Instruments: Recognition and Measurement, FRS 7: Financial Instruments: Disclosures

FRS 139 sets out the new requirements for the recognition and measurement of the Company's financial instruments. Financial instruments are recorded initially at fair value. Subsequent measurement of the financial instruments in the statement of financial position reflects the designation of the financial instruments. The Company determines the classification at initial recognition and for the purpose of the first adoption of the standard, as at transitional date on 1 July 2010.

FRS 7 requires new disclosures in relation to financial instruments. The Standard is considered to result in increased disclosures, both quantitative and qualitative of the Company's exposure to risks, enhanced disclosure regarding components of the Company's financial position and performance, and possible changes to the way of presenting certain items in the financial statements.

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial liabilities are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The adoption of these FRSS do not have any impact on the Company's interim financial statements of the current quarter and its opening balance as at 1 July 2010.

ii Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the 13-month period ended 30 June 2010 was not qualified.

iii Seasonal and Cyclical Factors

The operations of MGRC were not significantly affected by seasonal and cyclical factors.

iv Material and Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow

There were no material and unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter under review.

v Material Changes in Estimates

There were no material changes in the estimates that had effect(s) on the current quarter under review.

B Explanatory Notes Pursuant to FRS 134 (cont.)

vi Debt and Equity Securities

The Company issued 17,100,000 new ordinary shares of RM0.10 each to the public, following which the entire enlarged issued and paid-up share capital of the Company (94,100,480 MGRC shares) was listed and quoted on Bursa's ACE Market on 5 October 2010.

vii Dividends Paid

There were no dividends paid in the quarter under review.

viii Segmental Information

FRS 8 requires identification of reporting segment on the basis of internal reports that are regularly reviewed by the entity's Chief Operating Decision Maker in order to allocate resources to the segment and assess its performance. The management monitors the operating results of the company as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company has only one reportable segment for the period under review as well as the foreseeable future. Please refer to the financial statements presented in Part A of this announcement.

ix Valuation of Plant and Equipment

There has been no valuation on any of MGRC's plant and equipment during the current financial quarter under review.

x Subsequent Events

Save as disclosed below, there were no material events subsequent to the end of the current financial quarter under review that have not been reflected:

- a) The sequencing machine ordered by the Company at a cost of RM2,354,250 was delivered on 4 January 2011 and is currently undergoing calibration and testing as part of the installation procedure before final acceptance by the Company.
- b) Pursuant to the MyGenome and Proboscis projects previously announced, the Company has as at 6 January 2011 received RM5,979,869 representing milestone payments for Phase 1 of both projects.

xi Changes in the Composition of the Company

There were no changes in the composition of the Company, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructuring and discontinuing operations for the current financial quarter.

xii Contingent Liabilities or Contingent Assets

There was no contingent liability or contingent asset arising since the last audited annual balance sheet date as at 30 June 2010.

xiii Capital Commitments

Save as disclosed below, there were no material capital commitments entered into since the last audited annual balance sheet date:

- A downpayment of 50% (RM1,177,125) was paid on ordering the sequencing machine disclosed under Note B(x), the balance payable on final acceptance by the Company upon satisfactory installation.

B Explanatory Notes Pursuant to FRS 134 (cont.)
xiv Related Party Transactions

Save as disclosed below, there were no significant related party transactions during the quarter under review up to the date of this announcement.

a) Significant Related Party Transactions

for the financial period ended		Current Year	Year-to-Date
		2nd Quarter	
Related Party	Nature of Transaction	31.12.2010 (RM'000)	31.12.2010 (RM'000)
		unaudited	unaudited
Neuramatix, our ultimate holding company.	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	157	359
Synamatix, our holding company.	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	63	125
Synamatix, our holding company.	System maintenance fees payable to Synamatix for annual maintenance of software licensed by MGRC pursuant to Software License Agreement.	301	602
		521	1,086

b) Compensation of Key Management Personnel (excluding directors)

	Current Year	Year-to-Date
	2nd Quarter	
	31.12.2010 (RM'000)	31.12.2010 (RM'000)
	unaudited	unaudited
Salaries, allowances and bonuses	232	360
Contributions to defined contribution plan	12	27
Estimated money value of benefits-in-kind	-	56
Total short-term employee benefits	244	443

The estimated money value of benefits-in-kind is pursuant to the share based transaction disclosed under Note C(i).

xv Cash and Cash Equivalents

as at	Current Year
	2nd Quarter
	31.12.2010 (RM'000)
	unaudited
Cash on hand and at banks	1,803
Deposits with licensed banks	19,300
	21,103

C Explanatory Notes Pursuant to Appendix 9B, ACE Market Listing Requirements
i Performance of the Company

For the current quarter, the Company recorded revenue of RM2.61 million and a profit before taxation of RM0.87 million.

Long-term contracts and recurring contractual agreements are not a norm in our industry. Additionally, revenue coincides with the relevant milestones for each project and we may face fluctuations such that revenue recorded in each quarter may vary.

Notwithstanding the lack of a recurring element in our revenue, performance for the quarter under review can be attributed to the commencement of the MyGenome and Proboscis projects.

ii Comparison with Preceding Quarter's Results

The comparison of this quarter's results with the preceding quarter is set out below.

for the financial period ended	Current Year		Variance (RM'000)
	2nd Quarter 31.12.2010	1st Quarter 30.09.2010	
	(RM'000)	(RM'000)	
	unaudited	unaudited	
Revenue	2,610	1,475	1,135
Profit / (loss) before tax	874	(456)	1,330

The variance can be attributed to the commencement of projects as disclosed under Note C(i) above.

iii Prospects of the Company

Barring any unforeseen circumstances, the Directors are of the opinion that the prospects for the financial year ending 30 June 2011 will remain favourable.

Agreements for the MYGenome Project and the Proboscis Monkey Genome Project were signed with the Ministry of Science, Technology and Innovation at the end of December 2010. Work on the sourcing of DNA samples for both projects had commenced in November 2010.

iv Variance from Profit Forecast

The Company did not publish any profit forecast in respect of the financial period ended 31 December 2010.

v Taxation

MGRC's BioNexus pioneer status accords the Company with tax exemption on its statutory income for qualifying activities. The Company's effective tax rate for the current financial year is thus lower than the Malaysian statutory tax rate of 25%.

Taxation for the financial period ended	Current Year 2nd Quarter 31.12.2010	Year-to-Date 31.12.2010
	(RM'000)	(RM'000)
	unaudited	unaudited
Malaysian income tax:		
Current period	46	62
Prior period	9	9
Total	55	71

The above tax has arisen in relation to interest income.

C Explanatory Notes Pursuant to Appendix 9B, ACE Market Listing Requirements (cont.)
vi Unquoted Securities and/or Properties

There were no purchases or disposals of any unquoted securities and/or properties for the current financial quarter and financial period year to date.

vii Quoted Securities

There were no purchases or disposal of any quoted securities for the current financial quarter. The Company did not hold any investment in quoted securities as at 31 December 2010.

viii Status of Corporate Proposal

There is no corporate proposal announced but not completed as at the date of this announcement.

ix Status of Utilisation of Proceeds from Issue of Shares

The Company was listed on the ACE Market of Bursa on 5 October 2010 ("Date of Listing"). The Company raised RM18.5 million from its Initial Public Offering ("IPO") and the details of utilisation of such proceeds as at 31 December 2010 is as follows:

Purpose	Initial Timeframe for Utilisation	Proposed Utilisation	Actual Utilisation	Balance of Amount Allocated		Explanation
		(RM'000)	(RM'000)	(RM'000)	(%)	
Capital expenditure	Within two (2) years from the Date of Listing	6,000	1,177	4,823	80%	
Laboratory equipment		900	-	900	100%	
Computer hardware & software						
R&D expenditure	Within two (2) years from the Date of Listing	1,510	-	1,510	100%	
Marketing expenditure	Within three (3) years from the Date of Listing	2,000	150	1,850	93%	
Working capital	Within two (2) years from the Date of Listing	4,568	1,285	3,283	72%	
Listing expenses	Within one (1) month from the Date of Listing	3,490	3,178	312	9%	#
Total utilisation of funds		18,468	5,790	12,678	69%	

The under utilisation of listing expenses will be adjusted to working capital.

x Company Borrowings

The Company does not have any borrowings as at 31 December 2010.

xi Off Balance Sheet Financial Instruments

There were no off balance sheet financial instruments entered into by the Company as at 18 February 2011 being the date of this report.

C Explanatory Notes Pursuant to Appendix 9B, ACE Market Listing Requirements (cont.)
xii Material Litigations

As at the date of this announcement, there are no material litigations against the Company or taken by the Company.

xiii Dividends

No dividends were declared during the current financial quarter under review.

xiv EPS

- a) **Basic** The basic EPS is computed by dividing the net profit / (loss) attributable to the equity holders of the Company for the financial quarter by the weighted average of the number of ordinary shares in issue during the period.

Basic EPS	Current Year	Year-to-Date
	2nd Quarter	
for the financial period ended	31.12.2010	31.12.2010
	unaudited	unaudited
Net profit / (loss) attributable to ordinary shareholders (RM'000)	819	347
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	94,100	94,100
Basic EPS (sen)	0.87	0.37

- b) **Diluted** The company does not have any convertible shares or convertible financial instruments for the current financial quarter and financial period year to date.

xv Disclosure of Realised and Unrealised Profits / (Losses)

as at	31.12.2010	30.09.2010
	(RM'000)	(RM'000)
	unaudited	audited
Realised	6,246	5,427
Unrealised	(23)	(23)
Retained profit / (loss)	6,223	5,404

xvi Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors in accordance with a Resolution of the Directors dated 18 February 2011.