

**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 third quarter ended 31 March 2011.

**A PRESENTATION OF RESULTS**
**I(a) CONDENSED INCOME STATEMENT**

for the financial period ended	Current Year	Year-to-Date
	3rd Quarter	31.03.2011
	31.03.2011 (RM'000)	31.03.2011 (RM'000)
	unaudited	unaudited
Revenue	3,295	7,380
Interest income from fixed deposits	128	376
Employee benefits and expense	(914)	(2,229)
Depreciation and amortisation	(241)	(656)
Exclusive license fee	(63)	(188)
System maintenance cost	(301)	(903)
Management fees	(215)	(574)
Other expenses	(715)	(1,814)
Profit / (loss) from operations	974	1,392
Finance costs	-	-
Profit / (loss) before tax	974	1,392
Income tax expense	(32)	(103)
Profit / (loss) for the period	942	1,289
<b>Profit / (loss) attributable to:</b>		
Shareholders of the company	942	1,289
Minority interest	-	-
<b>Net profit / (loss) for the period</b>	<b>942</b>	<b>1,289</b>
<b>Earnings per share (EPS) attributable to the equity holders of the company (sen)</b>		
Basic EPS	1.00	1.37
Diluted EPS	N/A	N/A

**I(b) CONDENSED STATEMENT OF COMPREHENSIVE INCOME**

for the financial period ended	Current Year	Year-to-Date
	3rd Quarter	31.03.2011
	31.03.2011 (RM'000)	31.03.2011 (RM'000)
	unaudited	unaudited
Profit / (loss) for the period	942	1,289
Other comprehensive income	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>942</b>	<b>1,289</b>
<b>Total comprehensive income / (loss) attributable to:</b>		
Shareholders of the company	942	1,289
Minority interest	-	-
<b>Total comprehensive income / (loss) for the period</b>	<b>942</b>	<b>1,289</b>

No comparable figures are available as this is the fourth 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	31.03.2011 (RM'000)	30.06.2010 (RM'000)
	unaudited	audited
<b>ASSETS</b>		
NON-CURRENT ASSETS		
Plant and equipment	3,847	680
Intangible asset	4,990	5,448
CURRENT ASSETS		
Trade and other receivables	2,141	3,213
Inventories	453	-
Cash and bank balances	24,612	9,637
<b>TOTAL ASSETS</b>	<b>36,043</b>	<b>18,978</b>
<b>EQUITY AND LIABILITIES</b>		
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		
Share capital	9,410	7,700
Share premium	14,755	1,175
Retained earnings	7,282	5,876
<b>TOTAL EQUITY</b>	<b>31,447</b>	<b>14,751</b>
CURRENT LIABILITIES		
Other payables	4,457	4,227
Tax payable	76	-
Due to ultimate holding company	63	-
<b>TOTAL LIABILITIES</b>	<b>4,596</b>	<b>4,227</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>36,043</b>	<b>18,978</b>
Net assets (RM'000)	31,447	14,751
Net assets per share attributable to equity holders of the company (sen)	33.42	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**

<b>for the financial period ended 31 March 2011</b>	<b>Equity Attributable to Equity Holders of the Company (RM'000)</b>	<b>← Share Capital (RM'000)</b>	<b>Non-Distributable Share Premium (RM'000)</b>	<b>→ Other Reserves (RM'000)</b>	<b>Distributable Retained Earnings (RM'000)</b>
<b>Opening balance at 1 July 2010 (audited)</b>	<b>14,751</b>	<b>7,700</b>	<b>1,175</b>	-	<b>5,876</b>
Total comprehensive income / (loss)	1,289	-	-	-	1,289
Issuance of new shares	18,468	1,710	16,758	-	-
Share issuance expense	(3,178)	-	(3,178)	-	-
Equity contribution from parent company	117	-	-	-	117
<b>Closing balance at 31 March 2011 (unaudited)</b>	<b>31,447</b>	<b>9,410</b>	<b>14,755</b>	-	<b>7,282</b>

No comparable figures are available as this is the fourth 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.

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

for the financial period ended	Current Year 3rd Quarter 31.03.2011 (RM'000) unaudited
<b>Cash flows from operating activities</b>	
Profit / (loss) before tax	1,392
Adjustments for:	
Amortisation of intangible assets	458
Depreciation of plant and equipment	198
Share-based payment compensation	117
Unrealised foreign exchange loss	23
Interest income	(376)
Operating profit / (loss) before working capital changes	1,812
(Increase) / decrease in receivables	1,049
(Increase) / decrease in inventories	(453)
(Decrease) / increase in payables	(921)
Changes in related company balance	63
Cash used in operations	1,550
Taxes paid	(27)
Net cash generated from operating activities	<b>1,523</b>
<b>Cash flows from investing activities</b>	
Interest received	376
Purchase of plant and equipment	(2,214)
Net cash used in investing activities	<b>(1,838)</b>
<b>Cash flows from financing activities</b>	
Proceeds from issuance of shares	18,468
Share issuance expenses	(3,178)
Net cash generated from financing activities	<b>15,290</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	14,975
<b>Cash and cash equivalents at beginning of the period</b>	9,637
<b>Cash and cash equivalents at end of the period</b>	<b>24,612</b>

No comparable figures are available as this is the fourth 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.

Since 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  
 Amendments to FRS134: Interim Financial Reporting  
 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 FRS121: The effects of Changes in Foreign Exchange Rates  
 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 4: Determining whether an arrangement contains Lease  
 IC Interpretation 17: Distributions of Non-cash Assets to Owners  
 IC Interpretation 18: Transfer of Assets from Customers  
 IC Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments

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 114<sup>2004</sup>: 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 financial period to date.

**v Material Changes in Estimates**

There were no material changes in the estimates that had effect(s) on the financial period to date.

**vi Debt and Equity Securities**

There were no issues, repurchases and repayments of debt and equity securities for the financial period to date other than the issue of 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.

**B Explanatory Notes Pursuant to FRS 134 (cont.)**

**vii Dividends Paid**

There were no dividends paid for the financial period to date.

**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 made on any of MGRC's plant and equipment during the current financial period 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:

- On 22 April 2011, the Company placed an order for another machine for the sequencing lab at a cost of RM1,297,855. The machine is expected to be delivered late-June 2011, following which calibration and testing will take place as part of the installation procedure before final acceptance by the Company.

**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 financial period to date.

**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 for the purchase of property, plant and equipment that were not provided for in the interim financial statements as at the end of the financial period.

- a) Installation, calibration and testing by the manufacturer for the first sequencing machine delivered on 4 January 2011 was accepted by the Company on 28 March 2011, and the remaining 50% (RM1,177,125) was paid on 19 May 2011.
- b) A downpayment of 50% (RM648,928) was paid on ordering a second machine for the sequencing lab 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 financial period to date:-

**a) Significant Related Party Transactions**

for the financial period ended		Current Year	Year-to-Date
		3rd Quarter	31.03.2011
Related Party	Nature of Transaction	31.03.2011 (RM'000)	31.03.2011 (RM'000)
		unaudited	unaudited
Neuramatix, our ultimate holding company.	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	215	574
Synamatix, our holding company.	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	63	188
Synamatix, our holding company.	System maintenance fees payable to Synamatix for annual maintenance of software licensed by MGRC pursuant to Software License Agreement.	301	903
		<b>579</b>	<b>1,665</b>

**b) Compensation of Key Management Personnel (excluding directors)**

	Current Year	Year-to-Date
	3rd Quarter	31.03.2011
	31.03.2011 (RM'000)	31.03.2011 (RM'000)
	unaudited	unaudited
Salaries, allowances and bonuses	268	628
Contributions to defined contribution plan	15	42
Estimated money value of benefits-in-kind	-	56
<b>Total short-term employee benefits</b>	<b>283</b>	<b>726</b>

**xv Cash and Cash Equivalents**

as at	Current Year
	3rd Quarter
	31.03.2011 (RM'000)
	unaudited
Cash on hand and at banks	5,312
Deposits with licensed banks	19,300
	<b>24,612</b>

**xvi Inventories**

There was no write-down of inventories during the financial period to date.



**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 RM3.3 million and a profit before taxation of RM0.97 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 having commenced and progressed with the MyGenome and Proboscis projects.

The year-to-date revenue and profit before tax of RM7.4 million and RM1.3 million respectively were contributed by new and on-going 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
	3rd Quarter	2nd Quarter	
	31.03.2011 (RM'000)	31.12.2010 (RM'000)	(RM'000)
	unaudited	unaudited	
Revenue	3,295	2,610	685
Profit / (loss) before tax	974	874	100

The variance can be attributed to the progress being made on the projects 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. Despite delays in securing samples for the Proboscis project, the Company expects to be able to complete both projects within the original timeline.

**iv Variance from Profit Forecast**

The Company did not publish any profit forecast.

**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	Current Year	Year-to-Date
	3rd Quarter	31.03.2011
	31.03.2011 (RM'000)	31.03.2011 (RM'000)
	unaudited	unaudited
Malaysian income tax:		
Current period	32	94
Deferred tax		
<b>Taxation for the period</b>		
Prior period	-	9
<b>Total</b>	<b>32</b>	<b>103</b>

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 to date.

**vii Quoted Securities**

There were no purchases or disposals of any quoted securities for the current financial period to date. The Company did not hold any investment in quoted securities as at 31 March 2011.

**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 March 2011 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	1,764	4,236	71%	
Laboratory equipment		900	398	502	56%	
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	288	1,712	86%	
Working capital	Within two (2) years from the Date of Listing	4,568	2,973	1,595	35%	
Listing expenses	Within one (1) month from the Date of Listing	3,490	3,178	312	9%	#
<b>Total utilisation of funds</b>		<b>18,468</b>	<b>8,601</b>	<b>9,867</b>	<b>53%</b>	

# 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 March 2011.

**xi Off Balance Sheet Financial Instruments**

There were no off balance sheet financial instruments entered into by the Company as at 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 period 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  for the financial period ended	Current Year 3rd Quarter	Year-to-Date
	31.03.2011	31.03.2011
	unaudited	unaudited
Net profit / (loss) attributable to ordinary shareholders (RM'000)	942	1,289
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	94,100	94,100
<b>Basic EPS (sen)</b>	<b>1.00</b>	<b>1.37</b>

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

**xv Disclosure of Realised and Unrealised Profits / (Losses)**

as at	31.03.2011 (RM'000)	31.12.2010 (RM'000)
	unaudited	unaudited
Realised	7,305	6,246
Unrealised	(23)	(23)
<b>Retained profit / (loss)</b>	<b>7,282</b>	<b>6,223</b>

**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 27 May 2011.