

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 2011.

A PRESENTATION OF RESULTS
I CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the financial period ended	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2011 (RM'000)	31.12.2010 (RM'000)	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Revenue	2,715	2,610	6,445	4,085
Interest income from fixed deposits	135	185	288	248
Marketing and distribution	(170)	(232)	(405)	(355)
Depreciation and amortisation	(465)	(205)	(917)	(416)
Lab consumables	(985)	-	(1,258)	-
Research collaboration costs	(500)	-	(1,000)	-
Exclusive license fee	(62)	(63)	(124)	(125)
System maintenance cost	(301)	(301)	(602)	(602)
Administrative expenses	(1,752)	(1,120)	(3,331)	(2,394)
Foreign exchange gain / (loss)	1	-	(4)	(23)
Profit / (loss) from operations	(1,384)	874	(908)	418
Finance costs	-	-	-	-
Profit / (loss) before tax	(1,384)	874	(908)	418
Income tax expenses	(34)	(55)	(72)	(71)
Profit / (loss), net of tax, representing total comprehensive income	(1,418)	819	(980)	347
Profit / (loss) attributable to:				
Shareholders of the Company	(1,418)	819	(980)	347
Minority interest	-	-	-	-
Net profit / (loss) for the period	(1,418)	819	(980)	347
Earnings per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	(1.51)	0.87	(1.04)	0.41
Diluted EPS	N/A	N/A	N/A	N/A

The unaudited condensed statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

Note:-

There is no income/expense in relation to other income including investment income, provision for/write-off of receivables, provision for/write-off of inventories, gain/loss on disposal of quoted or unquoted investments or properties, impairment of assets, gain/loss on derivatives, or exceptional items.

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

as at	31.12.2011 (RM'000)	30.6.2011 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	5,155	5,356
Intangible asset	4,531	4,837
CURRENT ASSETS		
Inventories	739	623
Trade and other receivables	4,206	3,020
Other current assets	286	1,427
Cash and bank balances	17,757	22,369
TOTAL ASSETS	32,674	37,632
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	9,410	9,410
Share premium	14,755	14,755
Retained earnings	7,532	8,512
TOTAL EQUITY	31,697	32,677
CURRENT LIABILITIES		
Trade and other payables	916	4,903
Income tax payable	61	52
TOTAL LIABILITIES	977	4,955
TOTAL EQUITY AND LIABILITIES	32,674	37,632
Net assets (RM'000)	31,697	32,677
Net assets per share attributable to equity holders of the Company (sen)	33.68	34.73

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2011 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

	Equity, Total (RM'000)	← Non-Distributable →		Distributable Retained Earnings (RM'000)
		Share Capital (RM'000)	Share Premium (RM'000)	
for the financial year ended 30 June 2011				
Opening balance at 1 July 2010	14,751	7,700	1,175	5,876
Total comprehensive income / (loss)	2,636	-	-	2,636
Transaction with owners				
Issuance of new shares	18,468	1,710	16,758	-
Share issuance expense	(3,178)	-	(3,178)	-
Total transaction with owners	15,290	1,710	13,580	-
Closing balance at 30 June 2011	32,677	9,410	14,755	8,512
for the financial period ended 31 December 2011				
Opening balance at 1 July 2011	32,677	9,410	14,755	8,512
Total comprehensive income / (loss)	(980)	-	-	(980)
Closing balance at 31 December 2011	31,697	9,410	14,755	7,532

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2011 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	2nd Quarter	
	Current Year	Previous Year
	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	(908)	418
Adjustments for:		
Amortisation of intangible assets	306	306
Depreciation of plant and equipment	611	110
Share-based payment compensation	-	117
Unrealised foreign exchange loss	-	23
Interest income	(288)	(248)
Operating profit / (loss) before working capital changes	(279)	726
(Increase) / decrease in receivables	(45)	(1,584)
(Increase) / decrease in inventories	(116)	-
(Decrease) / increase in payables	(3,987)	(2,994)
Cash used in operations	(4,427)	(3,852)
Taxes paid	(63)	(11)
Net cash used in operating activities	(4,490)	(3,863)
Cash flows from investing activities		
Interest received	288	248
Purchase of plant and equipment	(410)	(209)
Net cash (used in) / from investing activities	(122)	39
Cash flows from financing activities		
Proceeds from issuance of shares	-	18,468
Share issuance expenses	-	(3,178)
Net cash from / (used in) financing activities	-	15,290
Net (decrease) / increase in cash and cash equivalents	(4,612)	11,466
Cash and cash equivalents at beginning of the period	22,369	9,637
Cash and cash equivalents at end of period	17,757	21,103

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

UNAUDITED NOTES TO THE INTERIM FINANCIAL STATEMENTS

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.

This report should be read in conjunction with the audited financial statements for the year ended 30 June 2011 and the accompanying explanatory notes. The explanatory notes provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Company since the year ended 30 June 2011.

Statement on changes in accounting policies arising from the adoption of new/revised Financial Reporting Standards ("FRS")

The significant accounting policies and methods of computation adopted for these interim financial statements are consistent with those adopted for the audited financial statement for the financial year ended 30 June 2011 except for the adoption of new and revised FRSS, Amendments to FRSS and Interpretations as listed in the audited financial statements for the financial year ended 30 June 2011 which were effective for the financial periods beginning on or after 1 January 2011.

The adoption of the new FRSS, Amendments to FRSS and Interpretations have no significant impact on the financial statements of the Company other than for the application of FRS 7, which will entail the additional disclosures in the 2012 annual financial statements.

ii Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the year ended 30 June 2011 were 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.

v Material Changes in Estimates

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

vi Debt and Equity Securities

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

vii Dividends Paid

There were no dividends paid for the financial period.

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.

B Explanatory Notes Pursuant to FRS 134 (cont.)
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

There were no material events subsequent to the end of the current financial period under review that have not been reflected.

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 2011.

xiii Capital Commitments

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.

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	Related Party	Nature of Transaction	2nd Quarter		Year-to-Date	
			Current Year	Previous Year	Current Year	Previous Year
			31.12.2011	31.12.2010	31.12.2011	31.12.2010
			(RM'000)	(RM'000)	(RM'000)	(RM'000)
	Neuramatix, our ultimate holding company.	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	244	157	477	359
	Synamatix, our holding company.	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	62	63	124	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	301	602	602
			607	521	1,203	1,086

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

b) Compensation of Key Management Personnel (excluding directors)

	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2011 (RM'000)	31.12.2010 (RM'000)	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Salaries, allowances and bonuses	379	232	705	360
Contributions to defined contribution plan	15	12	29	27
Estimated money value of benefits-in-kind	-	-	-	56
Total short-term employee benefits	394	244	734	443

xv Cash and Cash Equivalents

as at	2nd Quarter	
	Current Year	Previous Year
	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Cash on hand and at banks	157	1,803
Deposits with licensed banks	17,600	19,300
	17,757	21,103

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
Current Year 2nd Quarter versus Previous Year 2nd Quarter

For the second quarter ended 31 December 2011, the Company recorded a revenue of RM2.7 million, which represents a slight improvement of RM0.1 million as compared to a revenue of RM2.6 million for the second quarter in the preceding year.

For the current quarter, the Company recorded a loss before taxation of RM1.4 million as compared to a profit before taxation of RM0.9 million in the same quarter of the preceding year.

The loss before taxation was mainly due to increased costs for lab consumables, research collaborations, and key scientific research and development personnel.

Current Year-to-Date versus Previous Year-to-Date

The Company recorded a revenue of RM6.4 million, which represents an increase of RM2.3 million as compared to a revenue of RM4.1 million in the previous year-to-date.

The increase was mainly due to the Ministry of Science, Technology and Innovation ("MOSTI") projects for which revenue recognition has been higher in the current financial period.

Despite the increase in revenue, the Company registered a loss before taxation of RM0.9 million as compared to a profit before taxation of RM0.4 million in the corresponding period of the previous year. This was mainly due to increased costs for lab consumables, research collaborations, and key research and development personnel, as well as higher depreciation and amortisation expenses.

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	Preceding	Variance
	Quarter	Quarter	
	31.12.2011	30.9.2011	
	(RM'000)	(RM'000)	(RM'000)
Revenue	2,715	3,730	(1,015)
Profit / (loss) before tax	(1,384)	476	(1,860)

The variance in revenue can be attributed to a deferment of interim milestones for the MOSTI projects. In addition, the Company incurred higher expenses on lab consumables and research and development personnel costs.

iii Prospects of the Company

The MyGenome Project and the Proboscis Monkey Genome Project with MOSTI are ongoing. Despite the deferment of interim milestones, the Company expects both projects to be completed within this financial year ending 30 June 2012.

The Company has launched its genetic screening services and continues to develop new products and services. In addition, the Company is also exploring investment opportunities in related businesses both in Malaysia and overseas.

iv Variance from Profit Forecast

The Company did not publish any profit forecast.

C Explanatory Notes Pursuant to Appendix 9B, ACE Market Listing Requirements (cont.)
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	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2011 (RM'000)	31.12.2010 (RM'000)	31.12.2011 (RM'000)	31.12.2010 (RM'000)
Malaysian income tax:				
Current period	34	55	72	71
Prior period	-	-	-	-
Total	34	55	72	71

The above tax has arisen in relation to interest income.

vi Status of Corporate Proposal

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

vii 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 2011 is as follows:

Utilisation of Proceeds Purpose Details (if available)	Initial Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated		Explanation
				(RM'000)	(%)	
Capital expenditure	Within two (2)					
Laboratory equipment	years from the	6,000	4,582	1,418	24%	
Computer hardware & software	Date of Listing	900	832	68	8%	
R&D expenditure	Within two (2)	1,510	266	1,244	82%	
	years from the					
	Date of Listing					
Marketing expenditure	Within three (3)	2,000	868	1,132	57%	
	years from the					
	Date of Listing					
Working capital	Within two (2)	4,568	4,880	(312)	-7%	#
	years from the					
	Date of Listing					
Listing expenses	Within one (1)	3,490	3,178	312	9%	#
	month from the					
	Date of Listing					
Total utilisation of funds		18,468	14,606	3,862	21%	

The under utilisation of listing expenses is adjusted to working capital.

viii Company Borrowings

The Company does not have any borrowings as at 31 December 2011.

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

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

x Dividends

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

xi EPS

- a) **Basic EPS** Computed by dividing the profit / (loss), net of tax, attributable to owners of the parent for the financial period by the weighted average of the number of ordinary shares in issue during the period.

Basic EPS for the financial period ended	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	(1,418)	819	(980)	347
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	94,100	94,100	94,100	85,550
Basic EPS (sen)	(1.51)	0.87	(1.04)	0.41

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

xii Disclosure of Realised and Unrealised Profits / (Losses)

as at	31.12.2011 (RM'000)	30.9.2011 (RM'000)
Realised	7,532	8,950
Unrealised	-	-
Retained profit / (loss)	7,532	8,950

xiii 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 10 February 2012.