

**ANNOUNCEMENT**

The Board of Directors of Malaysian Genomics Resource Centre Berhad (hereinafter referred to as "MGRC" or "the Company") and its subsidiaries ("the Group") hereby announce the following unaudited results for the first quarter ended 30 September 2013.

**A PRESENTATION OF RESULTS**
**I CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

| for the financial period ended   | 1st Quarter    |                | Year-to-Date   |                |
|--|----------------|----------------|----------------|----------------|
|  | Current Year   | Previous Year  | Current Year   | Previous Year  |
|  | 30.9.2013      | 30.9.2012      | 30.9.2013      | 30.9.2012      |
|  | (RM'000)       | (RM'000)       | (RM'000)       | (RM'000)       |
| Revenue  | 605            | 58             | 605            | 58             |
| Interest income from fixed deposits  | 35             | 82             | 35             | 82             |
| Marketing and distribution   | (69)           | (157)          | (69)           | (157)          |
| Employee benefits and expense  | (1,056)        | (1,143)        | (1,056)        | (1,143)        |
| Depreciation and amortisation  | (683)          | (511)          | (683)          | (511)          |
| Lab consumables  | (217)          | (117)          | (217)          | (117)          |
| Exclusive license fee <sup>^</sup>   | -              | (62)           | -              | (62)           |
| System maintenance cost <sup>^</sup>   | -              | (301)          | -              | (301)          |
| Administrative expenses  | (540)          | (610)          | (540)          | (610)          |
| <b>Profit / (loss) from operations</b>   | <b>(1,925)</b> | <b>(2,761)</b> | <b>(1,925)</b> | <b>(2,761)</b> |
| Share of profit / (loss) in jointly controlled entity  | 197            | -              | 197            | -              |
| <b>Profit / (loss) before tax</b>  | <b>(1,728)</b> | <b>(2,761)</b> | <b>(1,728)</b> | <b>(2,761)</b> |
| Income tax expenses  | (8)            | (21)           | (8)            | (21)           |
| <b>Profit / (loss), net of tax, representing total comprehensive income</b>                      | <b>(1,736)</b> | <b>(2,782)</b> | <b>(1,736)</b> | <b>(2,782)</b> |
| <b>Profit / (loss) attributable to:</b>  |                |                |                |                |
| Owners of the parent   | (1,736)        | (2,782)        | (1,736)        | (2,782)        |
| Non-controlling interests  | -              | -              | -              | -              |
| <b>Net profit / (loss) for the period</b>  | <b>(1,736)</b> | <b>(2,782)</b> | <b>(1,736)</b> | <b>(2,782)</b> |
| <b>Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)</b> |                |                |                |                |
| Basic EPS  | (1.84)         | (2.96)         | (1.84)         | (2.96)         |
| Diluted EPS  | N/A            | N/A            | N/A            | N/A            |

The unaudited condensed statement of profit and loss and other comprehensive income should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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, interest expense, provision for/write-off of receivables, provision for/write-off of inventories, gain/loss on disposal of quoted or unquoted investments or properties, foreign exchange gain/loss, impairment of assets, gain/loss on derivatives, or exceptional items.

<sup>^</sup> Please refer to note B (xiv) for further information.

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

| as at  | 30.9.2013<br>(RM'000) | 30.6.2013<br>(RM'000) |
|--|-----------------------|-----------------------|
| <b>ASSETS</b>  |                       |                       |
| <b>NON-CURRENT ASSETS</b>  |                       |                       |
| Plant and equipment  | 2,337                 | 2,843                 |
| Intangible asset   | 3,462                 | 3,615                 |
| Investment in jointly controlled entity                                  | 8,020                 | 7,823                 |
| <b>CURRENT ASSETS</b>  |                       |                       |
| Trade and other receivables  | 653                   | 456                   |
| Inventories  | 916                   | 903                   |
| Other current assets   | 25                    | 81                    |
| Tax recoverable  | 41                    | 30                    |
| Cash and bank balances   | 4,136                 | 5,378                 |
| <b>TOTAL ASSETS</b>  | <b>19,590</b>         | <b>21,129</b>         |
| <b>EQUITY AND LIABILITIES</b>  |                       |                       |
| <b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>                       |                       |                       |
| Share capital  | 9,410                 | 9,410                 |
| Share premium  | 14,755                | 14,755                |
| (Accumulated losses)/Retained earnings                                   | (5,888)               | (4,152)               |
| <b>TOTAL EQUITY</b>  | <b>18,277</b>         | <b>20,013</b>         |
| <b>CURRENT LIABILITIES</b>   |                       |                       |
| Trade and other payables   | 1,313                 | 1,116                 |
| <b>TOTAL LIABILITIES</b>   | <b>1,313</b>          | <b>1,116</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                      | <b>19,590</b>         | <b>21,129</b>         |
| Net assets (RM'000)  | 18,277                | 20,013                |
| Net assets per share attributable to equity holders of the Company (sen) | 19.42                 | 21.27                 |

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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,<br>Total | ← Non-Distributable → |               | Distributable<br>Retained<br>Earnings /<br>(Accumulated<br>Losses) |
|---|------------------|-----------------------|---------------|--|
|   |                  | Share Capital         | Share Premium |  |
|   | (RM'000)         | (RM'000)              | (RM'000)      | (RM'000)   |
| <b>for the financial year ended 30 June 2013</b>        |                  |                       |               |  |
| Opening balance at 1 July 2012                          | 29,016           | 9,410                 | 14,755        | 4,851  |
| Total comprehensive income / (loss)                     | (9,003)          | -                     | -             | (9,003)  |
| <b>Closing balance at 30 June 2013</b>                  | <b>20,013</b>    | <b>9,410</b>          | <b>14,755</b> | <b>(4,152)</b>   |
| <b>for the financial period ended 30 September 2013</b> |                  |                       |               |  |
| Opening balance at 1 July 2013                          | 20,013           | 9,410                 | 14,755        | (4,152)  |
| Total comprehensive income / (loss)                     | (1,736)          | -                     | -             | (1,736)  |
| <b>Closing balance at 30 September 2013</b>             | <b>18,277</b>    | <b>9,410</b>          | <b>14,755</b> | <b>(5,888)</b>   |

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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                                  | Year-to-Date          |                       |
|---|-----------------------|-----------------------|
|   | Current Year          | Previous Year         |
|   | 30.9.2013<br>(RM'000) | 30.9.2012<br>(RM'000) |
| <b>Cash flows from operating activities</b>                     |                       |                       |
| Profit / (loss) before tax                                      | (1,728)               | (2,761)               |
| Adjustments for:  |                       |                       |
| Share of jointly controlled entity                              | (197)                 | -                     |
| Amortisation of intangible assets                               | 153                   | 153                   |
| Depreciation of plant and equipment                             | 530                   | 358                   |
| Interest income   | (35)                  | (82)                  |
| Operating profit / (loss) before working capital changes        | (1,277)               | (2,332)               |
| (Increase) / decrease in receivables                            | (141)                 | 221                   |
| (Increase) / decrease in inventories                            | (13)                  | (173)                 |
| (Decrease) / increase in payables                               | 197                   | (19)                  |
| Cash (used in) / generated from operations                      | (1,234)               | (2,303)               |
| Taxes paid  | (19)                  | (23)                  |
| <b>Net cash (used in) / generated from operating activities</b> | <b>(1,253)</b>        | <b>(2,326)</b>        |
| <b>Cash flows from investing activities</b>                     |                       |                       |
| Interest received   | 35                    | 82                    |
| Purchase of plant and equipment                                 | (24)                  | (92)                  |
| <b>Net cash (used in) / generated from investing activities</b> | <b>11</b>             | <b>(10)</b>           |
| Net (decrease) / increase in cash and cash equivalents          | (1,242)               | (2,336)               |
| Cash and cash equivalents at beginning of the period            | 5,378                 | 12,110                |
| <b>Cash and cash equivalents at end of period</b>               | <b>4,136</b>          | <b>9,774</b>          |

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the year ended 30 June 2013 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 MFRS 134****i Basis of Preparation & Changes in Accounting Policies**

These condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting and Rule 9.22 and Appendix 9B of the Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements.

This report should be read in conjunction with the audited financial statements for the year ended 30 June 2013 and the accompanying explanatory notes. In the previous financial year, the Group adopted the new IFRS-compliant framework, Malaysian Financial Reporting Standards ("MFRS"). In adopting the new framework, the Group applied MFRS 1 "First time adoption of MFRS". Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 30 June 2013.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2013 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2013.

**ii Auditors' Report on Preceding Annual Financial Statements**

The audited financial statements for the year ended 30 June 2013 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 Group as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group 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 the Group's plant and equipment during the current financial period under review.

**B Explanatory Notes Pursuant to MFRS 134 (cont.)**
**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 Group**

There were no changes in the composition of the Group, 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 2013.

**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   | 1st Quarter  |               | Year-to-Date |               |
|--------------------------------|--|---|--------------|---------------|--------------|---------------|
|                                |  |   | Current Year | Previous Year | Current Year | Previous Year |
|                                |  |   | 30.9.2013    | 30.9.2012     | 30.9.2013    | 30.9.2012     |
|                                |  |   | (RM'000)     | (RM'000)      | (RM'000)     | (RM'000)      |
|                                | Neuramatix, our ultimate holding company | Management fee payable to Neuramatix pursuant to Shared Services Agreement.   | 271          | 195           | 271          | 195           |
| #                              | Synamatix, our holding company           | Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement. | -            | 62            | -            | 62            |
| #                              | Synamatix, our holding company           | System maintenance fees payable to Synamatix for annual maintenance of licensed software pursuant to Software License Agreement.    | -            | 301           | -            | 301           |
|                                |  |   | <b>271</b>   | <b>558</b>    | <b>271</b>   | <b>558</b>    |

# Synamatix has waived the exclusive license fees and system maintenance fees for this period.

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

|  | 1st Quarter  |               | Year-to-Date |               |
|--|--------------|---------------|--------------|---------------|
|  | Current Year | Previous Year | Current Year | Previous Year |
|  | 30.9.2013    | 30.9.2012     | 30.9.2013    | 30.9.2012     |
|  | (RM'000)     | (RM'000)      | (RM'000)     | (RM'000)      |
| Salaries, allowances and bonuses           | 353          | 379           | 353          | 379           |
| Contributions to defined contribution plan | 32           | 22            | 32           | 22            |
| <b>Total short-term employee benefits</b>  | <b>385</b>   | <b>401</b>    | <b>385</b>   | <b>401</b>    |

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

**xv Cash and Cash Equivalents**

| as at                        | Current Year<br>30.9.2013<br>(RM'000) | Previous Year<br>30.9.2012<br>(RM'000) |
|------------------------------|---------------------------------------|--|
| Cash on hand and at banks    | 136                                   | 148                                    |
| Deposits with licensed banks | 4,000                                 | 9,626                                  |
|                              | <b>4,136</b>                          | <b>9,774</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**

These condensed consolidated interim financial statements, for the period ended 30 September 2013, have been prepared in accordance with Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa").

**i Performance of the Group**
Current Year 1st Quarter versus Previous Year 1st Quarter

For the first quarter ended 30 September 2013, the Group recorded a revenue of RM0.6 million, which represents an increase of RM0.5 million as compared to a revenue of RM0.1 million for the first quarter in the preceding year.

For the current quarter, the Group recorded a loss before taxation of RM1.7 million as compared to a loss before taxation of RM2.8 million in the same quarter of the preceding year.

The loss before taxation was lower mainly due to higher revenue (RM0.6 million versus RM0.1 million) and waived exclusive license fee and system maintenance cost.

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

The Group recorded a revenue of RM0.6 million, which represents an increase of RM0.5 million as compared to a revenue of RM0.1 million in the previous year-to-date.

The Group registered a loss before taxation of RM1.7 million as compared to a loss before taxation of RM2.8 million in the corresponding period of the previous year. The loss before taxation was lower mainly due to higher revenue (RM0.6 million versus RM0.1 million) and waived exclusive license fee and system maintenance cost.

**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<br>Quarter | Preceding<br>Quarter | Variance |
|--------------------------------|--------------------|----------------------|----------|
|                                | 30.9.2013          | 30.6.2013            |          |
|                                | (RM'000)           | (RM'000)             | (RM'000) |
| Revenue                        | 605                | 257                  | 348      |
| Profit / (loss) before tax     | (1,728)            | (958)                | (770)    |

The variance in the profit before tax were mainly due to preceding quarter's higher share of profits in the jointly controlled entity by RM0.9 million, lower employee benefits and expense by RM1.0 million despite the higher depreciation by RM1.3 million.

**iii Prospects of the Group**

The recently acquired Clinipath Group represents an established network of around 800 primary care clinics and 8 hospitals/specialist medical centres for the Dtect products serving all major cities in Peninsular and East Malaysia. The value accretive aspects of this acquisition can be expected to materialise once their operations have been streamlined with those of the Company and post-acquisition synergies begin to be exploited.

MGRC continues to develop genetic screening products for distribution via hospitals, specialist medical centres and other consumer market channels under the brand Dtect. There are now six products which screen for the genetic predisposition of non-communicable diseases. New products in the pipeline will also screen for an array of communicable and infectious diseases which will be rolled out on a progressive basis. While R&D efforts continue, management is focused on marketing activities and establishing distribution channels locally and in key international markets.



**C Explanatory Notes Pursuant to Appendix 9B, ACE Market Listing Requirements (cont.)**
**iv Variance from Profit Forecast**

The Group 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 Group's effective tax rate for the current financial year is thus lower than the Malaysian statutory tax rate of 25%.

| Taxation<br>for the financial period ended | 1st Quarter           |                       | Year-to-Date          |                       |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
|  | Current Year          | Previous Year         | Current Year          | Previous Year         |
|  | 30.9.2013<br>(RM'000) | 30.9.2012<br>(RM'000) | 30.9.2013<br>(RM'000) | 30.9.2012<br>(RM'000) |
| Malaysian income tax:                      |                       |                       |                       |                       |
| Current period                             | 8                     | 21                    | 8                     | 21                    |
| Prior period                               | -                     | -                     | -                     | -                     |
| <b>Total</b>                               | <b>8</b>              | <b>21</b>             | <b>8</b>              | <b>21</b>             |

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 Borrowings**

The Group does not have any borrowings as at 30 September 2013.

**viii Material Litigations**

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

**ix Dividends**

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

**x 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<br>for the financial period ended                                | 1st Quarter   |               | Year-to-Date  |               |
|--|---------------|---------------|---------------|---------------|
|  | Current Year  | Previous Year | Current Year  | Previous Year |
|  | 30.9.2013     | 30.9.2012     | 30.9.2013     | 30.9.2012     |
| Profit / (loss), net of tax, attributable to owners of the parent (RM'000) | (1,736)       | (2,782)       | (1,736)       | (2,782)       |
| Weighted average number of ordinary shares of RM0.10 each in issue ('000)  | 94,100        | 94,100        | 94,100        | 94,100        |
| <b>Basic EPS (sen)</b>   | <b>(1.84)</b> | <b>(2.96)</b> | <b>(1.84)</b> | <b>(2.96)</b> |

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

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

xi Disclosure of Realised and Unrealised Profits / (Losses)

| as at  | 30.9.2013      | 30.6.2013      |
|--|----------------|----------------|
|  | (RM'000)       | (RM'000)       |
| Realised accumulated losses of the Company               | (7,099)        | (5,169)        |
| Realised accumulated losses of a subsidiary              | (16)           | (13)           |
| Realised retained profits of a jointly controlled entity | 1,227          | 1,030          |
| <b>Group retained profits accumulated losses</b>         | <b>(5,888)</b> | <b>(4,152)</b> |

xii 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 25 November 2013.