

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 third quarter ended 31 March 2014.

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

for the financial period ended	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	423	169	2,411	279
Interest income from fixed deposits	18	34	79	159
Marketing and distribution	(37)	(71)	(149)	(397)
Employee benefits and expense	(984)	(1,130)	(3,041)	(3,380)
Depreciation and amortisation	(674)	(515)	(2,038)	(1,542)
Lab consumables	(211)	(101)	(622)	(265)
Exclusive license fee [^]	-	(62)	-	(186)
System maintenance cost [^]	-	(301)	-	(903)
Administrative expenses	(619)	(542)	(1,801)	(1,726)
Profit / (loss) from operations	(2,084)	(2,519)	(5,161)	(7,961)
Share of profit / (loss) in jointly controlled entity	128	169	645	(36)
Profit / (loss) before tax	(1,956)	(2,350)	(4,516)	(7,997)
Income tax expenses	(5)	(6)	(20)	(38)
Profit / (loss), net of tax, representing total comprehensive income	(1,961)	(2,356)	(4,536)	(8,035)
Profit / (loss) attributable to:				
Owners of the parent	(1,961)	(2,356)	(4,536)	(8,035)
Net profit / (loss) for the period	(1,961)	(2,356)	(4,536)	(8,035)
Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	(2.08)	(2.50)	(4.82)	(8.54)
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 financial year ended 30 June 2013 and the accompanying explanatory notes that form an integral part of the Interim Financial Statements.

Notes:-

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.

[^] Please refer to note B (xiv) for further information.

N/A - Not Applicable

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

as at	31.3.2014 (RM'000)	30.6.2013 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	1,305	2,843
Intangible asset	3,157	3,615
Investment in jointly controlled entity	8,468	7,823
CURRENT ASSETS		
Trade and other receivables	567	456
Inventories	797	903
Other current assets	62	81
Tax recoverable	29	30
Cash and bank balances	2,341	5,378
TOTAL ASSETS	16,726	21,129
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	9,410	9,410
Share premium	14,755	14,755
(Accumulated losses)/Retained earnings	(8,688)	(4,152)
TOTAL EQUITY	15,477	20,013
CURRENT LIABILITIES		
Trade and other payables	1,249	1,116
TOTAL LIABILITIES	1,249	1,116
TOTAL EQUITY AND LIABILITIES	16,726	21,129
Net assets (RM'000)	15,477	20,013
Net assets per share attributable to equity holders of the Company (sen)	16.45	21.27

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial 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, Total	← Non-Distributable →		Distributable Retained Earnings / (Accumulated Losses)
		Share Capital	Share Premium	
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
for the financial year ended 30 June 2013				
Opening balance at 1 July 2012	29,016	9,410	14,755	4,851
Total comprehensive income / (loss)	(9,003)	-	-	(9,003)
Closing balance at 30 June 2013	20,013	9,410	14,755	(4,152)
for the financial period ended 31 March 2014				
Opening balance at 1 July 2013	20,013	9,410	14,755	(4,152)
Total comprehensive income / (loss)	(4,536)	-	-	(4,536)
Closing balance at 31 March 2014	15,477	9,410	14,755	(8,688)

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the financial 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
	31.3.2014 (RM'000)	31.3.2013 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	(4,516)	(7,997)
Adjustments for:		
Share of jointly controlled entity	(645)	36
Amortisation of intangible assets	458	458
Depreciation of plant and equipment	1,580	1,084
Interest income	(79)	(159)
Operating profit / (loss) before working capital changes	(3,202)	(6,578)
(Increase) / decrease in receivables	(92)	6,748
(Increase) / decrease in inventories	106	(151)
(Decrease) / increase in payables	133	1,051
Cash (used in) / generated from operations	(3,055)	1,070
Taxes paid	(19)	(84)
Net cash (used in) / generated from operating activities	(3,074)	986
Cash flows from investing activities		
Interest received	79	159
Purchase of plant and equipment	(42)	(124)
Investment in a jointly controlled entity	-	(6,793)
Net cash (used in) / generated from investing activities	37	(6,758)
Net (decrease) / increase in cash and cash equivalents	(3,037)	(5,772)
Cash and cash equivalents at beginning of the period	5,378	12,110
Cash and cash equivalents at end of period	2,341	6,338

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial 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 ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") ("Listing Requirements").

This report should be read in conjunction with the audited financial statements for the financial 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 financial 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 financial 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 statement of financial position 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	3rd Quarter		Year-to-Date	
			Current Year	Previous Year	Current Year	Previous Year
			31.3.2014	31.3.2013	31.3.2014	31.3.2013
			(RM'000)	(RM'000)	(RM'000)	(RM'000)
	Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	255	225	830	597
#	Synamatix, our holding company	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	-	62	-	186
#	Synamatix, our holding company	System maintenance fees payable to Synamatix for annual maintenance of licensed software pursuant to Software License Agreement.	-	301	-	903
			255	588	830	1,686

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

b) Compensation of Key Management Personnel (excluding directors)

	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Salaries, allowances and bonuses	331	408	1,037	1,188
Contributions to defined contribution plan	29	32	93	70
Total short-term employee benefits	360	440	1,130	1,258

B Explanatory Notes Pursuant to MFRS 134 (cont.)

xv Cash and Cash Equivalents

as at	Current Year 31.3.2014 (RM'000)	Previous Year 31.3.2013 (RM'000)
Cash on hand and at banks	41	213
Deposits with licensed banks	2,300	6,125
	2,341	6,338

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 31 March 2014, 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 3rd Quarter versus Previous Year 3rd Quarter

For the third quarter ended 31 March 2014, the Group recorded a revenue of RM0.4 million, which represents an increase of RM0.2 million as compared to a revenue of RM0.2 million for the third quarter in the preceding year.

For the current quarter, the Group recorded a loss before tax of RM2 million as compared to a loss before tax of RM2.4 million in the same quarter of the preceding year.

The loss before tax was lower mainly due to higher revenue (RM0.4 million for the third quarter ended 31 March 2014 as compared to RM0.2 million for the third quarter in the preceding year), waived exclusive license fee and system maintenance cost.

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

The Group recorded a revenue of RM2.4 million, which represents an increase of RM2.1 million as compared to a revenue of RM0.3 million in the previous year-to-date.

The Group registered a loss before tax of RM4.5 million as compared to a loss before tax of RM8 million in the corresponding period of the preceding year. The loss before tax was lower mainly due to higher revenue (RM2.4 million versus RM0.3 million), share of profits of jointly controlled entity, 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	Preceding	Variance
	Quarter	Quarter	
	31.3.2014	31.12.2013	
	(RM'000)	(RM'000)	(RM'000)
Revenue	423	1,383	(960)
Profit / (loss) before tax	(1,956)	(832)	(1,124)

The higher loss before tax was mainly due to lower revenue (RM0.4 million) recognised in the current period as compared to RM1.4 million in the preceding quarter.

iii Prospects of the Group

The value accretive aspects of MGRC's acquisition of the Clinipath Group, which represents an established network of around 800 primary care clinics and 8 hospitals/specialist medical centres serving all major cities in Peninsular and East Malaysia, has started to materialise.

In addition, the Company is also expanding on its prospects for genome sequencing and analysis, and genetic screening services, which are expected to improve in the coming quarters.

iv Variance from Profit Forecast

The Group 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 Group'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	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2014 (RM'000)	31.3.2013 (RM'000)	31.3.2014 (RM'000)	31.3.2013 (RM'000)
Malaysian income tax:				
Current period	5	8	20	40
Prior period	-	(2)	-	(2)
Total	5	6	20	38

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. MPath Sdn Bhd, an entity jointly controlled by Ajmaks Sdn Bhd and MGRC, had on 19 December 2013 agreed to the terms and entered into a sale and purchase agreement with Azalea Holdings Pty Ltd for the acquisition of 900,000 ordinary shares of RM1.00 each representing 30% of the total issued and paid up share capital of Clinipath (Malaysia) Sdn Bhd ("CM") for a consideration of Australian Dollars that is equivalent to RM5,429,188.22 ("Proposed Acquisition"). The acquisition has been completed on 17 February 2014. Following the completion of the Acquisition, MPath now owns 95% of the total issued and paid up share capital of CM.

vii Borrowings

The Group does not have any borrowings as at 31 March 2014.

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 for the financial period ended	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2014	31.3.2013	31.3.2014	31.3.2013
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	(1,961)	(2,356)	(4,536)	(8,035)
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	94,100	94,100	94,100	94,100
Basic EPS (sen)	(2.08)	(2.50)	(4.82)	(8.54)

- 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	31.3.2014 (RM'000)	30.6.2013 (RM'000)
Realised accumulated losses of the Company	(10,349)	(5,169)
Realised accumulated losses of a subsidiary	(14)	(13)
Realised retained profits of a jointly controlled entity	1,675	1,030
Group retained profits accumulated losses	(8,688)	(4,152)

xii Authorisation for Issue

The interim financial statements were authorised for issue by the Board of Directors of MGRC in accordance with a Resolution of the Directors dated 26 May 2014.