

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 2016.

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
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	1,788	4,293	8,581	10,543
Interest income from fixed deposits	5	10	9	21
Marketing and distribution	(58)	(45)	(329)	(169)
Employee benefits and expense	(618)	(1,297)	(2,614)	(3,117)
Depreciation and amortisation	(227)	(322)	(708)	(1,054)
Lab consumables	(287)	(328)	(954)	(1,023)
Exclusive license fee	(62)	(62)	(186)	(62)
System maintenance cost	173	(301)	(429)	(301)
Administrative expenses	(588)	(736)	(1,907)	(2,262)
Profit / (loss) from operations	126	1,212	1,463	2,576
Share of profits / (loss) of a joint venture	103	86	162	575
Profit / (loss) before tax	229	1,298	1,625	3,151
Income tax expenses	(1)	(2)	(2)	(5)
Profit / (loss), net of tax, representing total comprehensive income	228	1,296	1,623	3,146
Profit / (loss) attributable to:				
Owners of the parent	228	1,296	1,623	3,146
Net profit / (loss) for the period	228	1,296	1,623	3,146
Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	0.24	1.38	1.72	3.34
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 2015 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.

N/A - Not Applicable

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

as at	31.3.2016 (RM'000)	30.6.2015 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	577	660
Intangible assets	1,935	2,393
Investment in a joint venture	9,988	10,047
CURRENT ASSETS		
Trade and other receivables	10,403	7,101
Inventories	1,324	1,167
Other current assets	36	19
Tax recoverable	56	35
Cash and bank balances	394	295
TOTAL ASSETS	24,713	21,717
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	9,410	9,410
Share premium	14,755	14,755
Other reserve	(1,682)	(1,682)
(Accumulated losses)/Retained earnings	(3,208)	(4,831)
TOTAL EQUITY	19,275	17,652
CURRENT LIABILITIES		
Trade and other payables	5,438	4,065
TOTAL LIABILITIES	5,438	4,065
TOTAL EQUITY AND LIABILITIES	24,713	21,717
Net assets (RM'000)	19,275	17,652
Net assets per share attributable to equity holders of the Company (sen)	20.48	18.76

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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

	←	Non-Distributable			→	
	Equity, Total	Share Capital	Share Premium	Other reserve		Distributable Retained Earnings / (Accumulated Losses)
for the financial year ended 30 June 2015	(RM'000)	(RM'000)	(RM'000)	(RM'000)		(RM'000)
Opening balance at 1 July 2014	14,251	9,410	14,755	(1,460)		(8,454)
Acquisition of non controlling interest	(222)	-	-	(222)		-
Total comprehensive income / (loss)	3,623	-	-	-		3,623
Closing balance at 30 June 2015	17,652	9,410	14,755	(1,682)		(4,831)
	(RM'000)	(RM'000)	(RM'000)	(RM'000)		(RM'000)
for the financial period ended 31 March 2016	(RM'000)	(RM'000)	(RM'000)	(RM'000)		(RM'000)
Opening balance at 1 July 2015	17,652	9,410	14,755	(1,682)		(4,831)
Total comprehensive income / (loss)	1,623	-	-	-		1,623
Closing balance at 31 March 2016	19,275	9,410	14,755	(1,682)		(3,208)

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 2015 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
	31.3.2016 (RM'000)	31.3.2015 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	1,625	3,151
Adjustments for:		
Share of loss/(profits) of a joint venture	(162)	(575)
Amortisation of intangible assets	458	458
Depreciation of plant and equipment	250	596
Interest income	(9)	(21)
Operating profit / (loss) before working capital changes	2,162	3,609
(Increase) / decrease in receivables	(3,319)	(6,354)
(Increase) / decrease in inventories	(157)	(323)
(Decrease) / increase in payables	1,373	3,789
Cash (used in) / generated from operations	59	721
Tax refund/(paid)	(23)	(48)
Net cash (used in) / generated from operating activities	36	673
Cash flows from investing activities		
Interest received	9	21
Purchase of plant and equipment	(167)	(190)
Dividend from a joint venture	221	-
Investment in a joint venture	-	(2,250)
Net cash (used in) / generated from investing activities	63	(2,419)
Net (decrease) / increase in cash and cash equivalents	99	(1,746)
Cash and cash equivalents at beginning of the period	295	2,442
Cash and cash equivalents at end of period	394	696

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 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 ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

This report should be read in conjunction with the audited financial statements for the financial year ended 30 June 2015 and the accompanying explanatory notes. 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 2015.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2014 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2015.

ii Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2015 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.

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

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 2015.

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.

B Explanatory Notes Pursuant to MFRS 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		3rd Quarter		Year-to-Date	
		Current Year	Previous Year	Current Year	Previous Year
		31.3.2016	31.3.2015	31.3.2016	31.3.2015
Related Party	Nature of Transaction	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	231	348	733	943
Synamatix, our holding company	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	62	62	186	62
Synamatix, our holding company	System maintenance fees payable to Synamatix for annual maintenance of licensed software pursuant to Software License Agreement.	(173)	301	429	301
		120	711	1,348	1,306

b) Compensation of Key Management Personnel (excluding directors)

Salaries, allowances and bonuses	222	257	673	828
Contributions to defined contribution plan	17	20	49	68
Total short-term employee benefits	239	277	722	896

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	31.3.2016	31.3.2015
	(RM'000)	(RM'000)
Cash on hand and at banks	42	193
Deposits with licensed banks	352	503
	394	696

xvi Inventories

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

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements

These condensed consolidated interim financial statements, for the financial period ended 31 March 2016, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Group

Current Year 3rd Quarter versus Previous Year 3rd Quarter

For the third quarter ended 31 March 2016, the Group recorded a revenue of RM1.8 million, which represents a reduction of RM2.5 million as compared to a revenue of RM4.3 million for the third quarter in the preceding year.

For the current quarter, the Group recorded a profit before tax of RM0.2 million as compared to a profit before tax of RM1.3 million in the same quarter of the preceding year.

The lower profit before tax was mainly due to lower revenue (RM1.8 million for the third quarter ended 31 March 2016 as compared to RM4.3 million for the third quarter in the preceding year).

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

The Group recorded a revenue of RM8.6 million, which represents a reduction of RM1.9 million as compared to a revenue of RM10.5 million in the previous year-to-date.

The Group registered a profit before tax of RM1.6 million as compared to a profit before tax of RM3.2 million in the corresponding period of the preceding year. A lower profit was achieved mainly due to lower revenue recognised.

ii Comparison with Preceding Quarter's Results

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

	Current Quarter	Preceding Quarter	Variance
for the financial period ended	31.3.2016 (RM'000)	31.12.2015 (RM'000)	(RM'000)
Revenue	1,788	3,194	(1,406)
Profit / (loss) before tax	229	490	(261)

The lower profit before tax was mainly due to lower revenue (RM1.8 million) recognised in the current period as compared to RM3.2 million in the preceding quarter.

iii Prospects of the Group

Despite the challenging macro economic outlook, our genetic screening services have gained encouraging customer acceptance, as customers begin to realise the need for our services. We remain committed in our continuous efforts to explore and penetrate the untapped markets.

C Explanatory Notes Pursuant to Appendix 9B, of the 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 for the financial period ended	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2016 (RM'000)	31.3.2015 (RM'000)	31.3.2016 (RM'000)	31.3.2015 (RM'000)
Malaysian income tax:				
Current period	1	2	2	5
Prior period	-	-	-	-
Total	1	2	2	5

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 31 March 2016.

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.

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
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
	31.3.2016	31.3.2015	31.3.2016	31.3.2015
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	228	1,296	1,623	3,146
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	94,100	94,100	94,100	94,100
Basic EPS (sen)	0.24	1.38	1.72	3.34

- 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.

xi Disclosure of Realised and Unrealised Profits / (Losses)

as at	31.3.2016 (RM'000)	30.6.2015 (RM'000)
Realised accumulated losses of the Company	(6,023)	(7,488)
Realised accumulated losses of a subsidiary	(34)	(30)
Total share of retained profit from a joint venture:		
Realised	3,000	2,838
Unrealised	(151)	(151)
Group retained profits accumulated losses	(3,208)	(4,831)

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 25 May 2016.