

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 second quarter ended 31 December 2016.

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

for the financial period ended	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2016	31.12.2015	31.12.2016	31.12.2015
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	2,046	3,194	5,333	6,793
Interest income from fixed deposits	34	4	93	4
Marketing and distribution	(202)	(191)	(247)	(271)
Employee benefits and expense	(923)	(977)	(1,854)	(1,996)
Depreciation and amortisation	(217)	(241)	(433)	(481)
Lab consumables	(136)	(333)	(402)	(667)
Lab contract services	(273)	-	(625)	-
Exclusive license fee	-	(62)	-	(124)
System maintenance cost	-	(301)	-	(602)
Administrative expenses	(747)	(679)	(1,361)	(1,319)
Profit / (loss) from operations	(418)	414	504	1,337
Share of profits / (loss) of a joint venture	(45)	76	(132)	59
Profit / (loss) before tax	(463)	490	372	1,396
Income tax expenses	(8)	(1)	(14)	(1)
Profit / (loss), net of tax, representing total comprehensive income	(471)	489	358	1,395
Profit / (loss) attributable to:				
Owners of the parent	(471)	489	358	1,395
Net profit / (loss) for the period	(471)	489	358	1,395
Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	(0.46)	0.52	0.35	1.48
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 2016 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	31.12.2016 (RM'000)	30.6.2016 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	537	527
Intangible assets	1,476	1,782
Investment in a joint venture	9,770	9,902
CURRENT ASSETS		
Trade and other receivables	5,878	3,993
Inventories	1,117	1,169
Other current assets	39	19
Tax recoverable	26	25
Cash and bank balances	6,681	4,047
TOTAL ASSETS	25,524	21,464
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	10,351	9,410
Share premium	18,138	14,755
Other reserve	(1,682)	(1,682)
(Accumulated losses)/Retained earnings	(2,736)	(3,094)
TOTAL EQUITY	24,071	19,389
CURRENT LIABILITIES		
Trade and other payables	1,453	2,075
TOTAL LIABILITIES	1,453	2,075
TOTAL EQUITY AND LIABILITIES	25,524	21,464
Net assets (RM'000)	24,071	19,389
Net assets per share attributable to equity holders of the Company (sen)	23.25	20.60

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 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)	1,737	-	-	-	1,737
Closing balance at 30 June 2016	19,389	9,410	14,755	(1,682)	(3,094)
for the financial period ended 31 December 2016	(RM'000)	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Opening balance at 1 July 2016	19,389	9,410	14,755	(1,682)	(3,094)
Total comprehensive income / (loss)	358	-	-	-	358
Issuance of new shares	4,324	941	3,383	-	-
Closing balance at 31 December 2016	24,071	10,351	18,138	(1,682)	(2,736)

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 2016 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
	31.12.2016 (RM'000)	31.12.2015 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	372	1,396
Adjustments for:		
Share of loss/(profits) of a joint venture	132	(59)
Amortisation of intangible assets	306	306
Depreciation of plant and equipment	127	175
Interest income	(93)	(4)
Operating profit / (loss) before working capital changes	844	1,814
(Increase) / decrease in receivables	(1,905)	(2,500)
(Increase) / decrease in inventories	52	133
(Decrease) / increase in payables	(622)	1,532
Cash (used in) / generated from operations	(1,631)	979
Tax refund/(paid)	(15)	(15)
Net cash (used in) / generated from operating activities	(1,646)	964
Cash flows from investing activities		
Interest received	93	4
Purchase of plant and equipment	(137)	(75)
Dividend from a joint venture	-	221
Net cash (used in) / generated from investing activities	(44)	150
Cash flows from financing activities		
Proceeds from issuance of shares	4,324	-
Net cash generated from / (used in) financing activities	4,324	-
Net (decrease) / increase in cash and cash equivalents	2,634	1,114
Cash and cash equivalents at beginning of the period	4,047	295
Cash and cash equivalents at end of period	6,681	1,409

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2016 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 2016 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 2016.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2016 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2016.

ii Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2016 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 2016.

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		2nd Quarter		Year-to-Date	
		Current Year 31.12.2016 (RM'000)	Previous Year 31.12.2015 (RM'000)	Current Year 31.12.2016 (RM'000)	Previous Year 31.12.2015 (RM'000)
Related Party	Nature of Transaction				
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	288	241	565	502
Synamatix, our holding company	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	-	62	-	124
Synamatix, our holding company	System maintenance fees payable to Synamatix for annual maintenance of licensed software pursuant to Software License Agreement.	-	301	-	602
		288	604	565	1,228

b) Compensation of Key Management Personnel (excluding directors)

	Current Year 31.12.2016 (RM'000)	Previous Year 31.12.2015 (RM'000)
Salaries, allowances and bonuses	153	226
Contributions to defined contribution plan	18	16
Total short-term employee benefits	171	242

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	31.12.2016 (RM'000)	31.12.2015 (RM'000)
Cash on hand and at banks	81	56
Deposits with licensed banks	6,600	1,353
	6,681	1,409

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 December 2016, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Group

Current Year 2nd Quarter versus Previous Year 2nd Quarter

For the second quarter ended 31 December 2016, the Group recorded a revenue of RM2 million, which represents a reduction of RM1.2 million as compared to a revenue of RM3.2 million for the second quarter in the preceding year.

For the current quarter, the Group recorded a loss before tax of RM0.5 million as compared to a profit before tax of RM0.5 million in the same quarter of the preceding year.

The lower profit before tax was mainly due to lower revenue (RM2 million for the second quarter ended 31 December 2016 as compared to RM3.2 million for the second quarter in the preceding year).

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

The Group recorded a revenue of RM5.3 million, which represents a reduction of RM1.5 million as compared to a revenue of RM6.8 million in the previous year-to-date.

The Group registered a profit before tax of RM0.4 million as compared to a profit before tax of RM1.4 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	31.12.2016	30.9.2016	
	(RM'000)	(RM'000)	(RM'000)
Revenue	2,046	3,287	(1,241)
Profit / (loss) before tax	(463)	835	(1,298)

A loss profit before tax was recorded compared to a profit in the preceding quarter mainly due to lower revenue (RM2 million) recognised in the current period as compared to RM3.3 million.

iii Prospects of the Group

The private placement raised in the current quarter is expected to further enhance the development and business expansion activities. Nevertheless, we remain committed in our continuous efforts to explore and penetrate the untapped markets locally and regionally.

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	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2016 (RM'000)	31.12.2015 (RM'000)	31.12.2016 (RM'000)	31.12.2015 (RM'000)
Malaysian income tax:				
Current period	8	1	14	1
Prior period	-	-	-	-
Total	8	1	14	1

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 December 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 Utilisation of Proceeds

Private placement

On 17 October 2016, the Board of Directors of MGRC announced that the Company proposes to undertake the private placement of new ordinary shares of RM0.10 each in MGRC, representing not more than ten percent (10%) of the issued and paid-up share capital of MGRC ("Private Placement").

The Private Placement has been completed on 8 November 2016 following the listing of and quotation for 9,410,000 new MGRC Shares on the ACE Market of Bursa Securities at an issue price of RM0.48 which raised a total proceeds of approximately RM4.52 million.

The status of the utilisation of proceeds from the Private Placement is as follows:-

Utilisation of Proceeds Purpose Details (if available)	Intended Timeframe for Utilisation	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated	
				(RM'000)	(%)
Development and business expansion	Within 12 months	4,317	-	4,317	100%
Private placement expenses*	Within 1 month	200	193	7	4%
Total		4,517	193	4,324	

* The Board of Directors has approved to utilise the excess of the amount allocated for private placement expenses as working capital.

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 31.12.2016	Previous Year 31.12.2015	Current Year 31.12.2016	Previous Year 31.12.2015
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	(471)	489	358	1,395
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	103,510	94,100	103,510	94,100
Basic EPS (sen)	(0.46)	0.52	0.35	1.48

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.

xii Disclosure of Realised and Unrealised Profits / (Losses)

as at	31.12.2016	30.6.2016
	(RM'000)	(RM'000)
Realised accumulated losses of the Company	(5,105)	(5,599)
Realised accumulated losses of a subsidiary	(42)	(38)
Total share of retained profit from a joint venture:		
Realised	2,592	2,724
Unrealised	(181)	(181)
Group accumulated losses	(2,736)	(3,094)

xiii 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 21 February 2017.