

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 fourth quarter ended 30 June 2017.

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

for the financial period ended	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	2,912	1,851	9,872	10,432
Cost of Sales	(1,265)	273	(2,955)	(1,852)
Gross profit	1,647	2,124	6,917	8,580
Other Income	44	21	179	34
Marketing and distribution	(138)	(255)	(397)	(584)
Finance cost	(46)	-	(46)	-
Administrative expenses	(2,696)	(1,685)	(7,582)	(6,362)
Profit / (loss) from operations	(1,189)	205	(929)	1,668
Share of profits / (loss) of a joint venture	1,579	(86)	1,597	76
Profit / (loss) before tax	390	119	668	1,744
Income tax expenses	(55)	(5)	(79)	(7)
Profit / (loss), net of tax, representing total comprehensive income	335	114	589	1,737
Profit / (loss) attributable to:				
Owners of the parent	335	114	589	1,737
Net profit / (loss) for the period	335	114	589	1,737
Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	0.32	0.12	0.57	1.85
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, except for as disclosed on the cashflow statement.

N/A - Not Applicable

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

as at	30.6.2017 (RM'000)	30.6.2016 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	13,241	527
Intangible assets	9,824	1,782
Deferred tax asset	1	-
Non-current financial asset	268	-
Investment in a joint venture	-	9,902
CURRENT ASSETS		
Trade and other receivables	10,320	3,993
Inventories	2,003	1,169
Other current assets	23	19
Tax recoverable	236	25
Cash and bank balances	1,880	4,047
TOTAL ASSETS	37,796	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	(2,505)	(3,094)
TOTAL EQUITY	24,302	19,389
NON-CURRENT LIABILITIES		
Deferred tax liability	662	-
Loans and borrowings	3,100	-
CURRENT LIABILITIES		
Trade and other payables	7,878	2,075
Loans and borrowings	1,854	-
Income tax payable	-	-
TOTAL LIABILITIES	13,494	2,075
TOTAL EQUITY AND LIABILITIES	37,796	21,464
Net assets (RM'000)	24,302	19,389
Net assets per share attributable to equity holders of the Company (sen)	23.48	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 year ended 30 June 2017	(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)	589	-	-	-		589
Issuance of new shares	4,324	941	3,383	-		-
Closing balance at 30 June 2017	24,302	10,351	18,138	(1,682)		(2,505)

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
	30.6.2017 (RM'000)	30.6.2016 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	668	1,744
Adjustments for:		
Share of loss/(profits) of a joint venture	(1,597)	(76)
Impairment on plant and equipment and intangibles	501	-
Impairment on trade receivables	56	-
Amortisation of intangible assets	611	611
Depreciation of plant and equipment	239	314
Gain on disposal of plant and equipment	(20)	-
Interest income	(138)	(30)
Operating profit / (loss) before working capital changes	320	2,563
(Increase) / decrease in receivables	(125)	3,108
(Increase) / decrease in inventories	292	(2)
(Decrease) / increase in payables	3,208	(1,990)
Cash (used in) / generated from operations	3,695	3,679
Tax refund/(paid)	(19)	3
Net cash (used in) / generated from operating activities	3,676	3,682
Cash flows from investing activities		
Interest received	138	30
Proceeds from disposal of plant and equipment	43	-
Purchase of plant and equipment	(143)	(181)
Acquisition of subsidiary, net of cash acquired	(11,607)	-
Dividend from a joint venture	-	221
Net cash (used in) / generated from investing activities	(11,569)	70
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	(3,569)	3,752
Cash and cash equivalents at beginning of the period	4,047	295
Cash and cash equivalents at end of period	478	4,047

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, except for as disclosed in the Status of Corporate Proposal note (in part C note vi).

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		4th Quarter		Year-to-Date	
		Current Year	Previous Year	Current Year	Previous Year
Related Party	Nature of Transaction	30.6.2017 (RM'000)	30.6.2016 (RM'000)	30.6.2017 (RM'000)	30.6.2016 (RM'000)
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	288	150	1,141	883
Synamatix, our holding company	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	-	(186)	-	-
Synamatix, our holding company	System maintenance fees payable to Synamatix for annual maintenance of licensed software pursuant to Software License Agreement.	-	(429)	-	-
		288	(465)	1,141	883

b) Compensation of Key Management Personnel (excluding directors)

Salaries, allowances and bonuses	122	153	566	826
Contributions to defined contribution plan	15	18	68	67
Total short-term employee benefits	137	171	634	893

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	30.6.2017 (RM'000)	30.6.2016 (RM'000)
Cash on hand and at banks	813	97
Deposits with licensed banks	1,067	3,950
Less: Bank overdraft	(1,402)	-
	478	4,047

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 30 June 2017, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Group
Current Year 4th Quarter versus Previous Year 4th Quarter

For the fourth quarter ended 30 June 2017, the Group recorded a revenue of RM2.9 million, which represents an increase of RM1 million as compared to a revenue of RM1.9 million for the fourth quarter in the preceding year.

For the current quarter, the Group recorded a profit before tax of RM0.4 million as compared to a profit before tax of RM0.1 million in the same quarter of the preceding year.

The higher profit was mainly due to higher revenue (RM2.9 million for the fourth quarter ended 30 June 2017 as compared to RM1.9 million for the fourth quarter in the preceding year) and a gain recognised arising from the acquisition of MPath group.

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

The Group recorded a revenue of RM9.9 million, which represents a reduction of RM0.5 million as compared to a revenue of RM10.4 million in the previous year-to-date.

The Group registered a profit before tax of RM0.7 million as compared to a profit before tax of RM1.7 million in the corresponding period of the preceding year. A lower profit was achieved mainly due to lower revenue recognised and higher administrative costs incurred.

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	30.6.2017	31.3.2017	
	(RM'000)	(RM'000)	(RM'000)
Revenue	2,912	1,627	1,285
Profit / (loss) before tax	390	(94)	484

A profit before tax was recorded compared to a loss in the preceding quarter. This was mainly due to a higher revenue (RM2.9 million) recognised in the current period as compared to preceding quarter's revenue of RM1.6 million.

iii Prospects of the Group

MGRC has completed the acquisition of MPath group. Moving forward, our distribution channels will be widened for better customer reach. We remain committed in our continuous efforts to expand our customer base into the robust healthcare sector.

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	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2017 (RM'000)	30.6.2016 (RM'000)	30.6.2017 (RM'000)	30.6.2016 (RM'000)
Malaysian income tax:				
Current period	55	5	79	7
Prior period	-	-	-	-
Total	55	5	79	7

The above tax has arisen mainly due 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 except for as announced on 30 June 2017 that MGRC, had completed the acquisition of 49,000 ordinary shares of MPath Sdn Bhd ("MPath") representing 50% equity interest of MPath and 8,993,500 redeemable convertible preference shares ("RCPS") of MPath, representing 50% of MPath RCPS for a total purchase consideration of RM11.50 million.

vii Loans and Borrowings

The Group's secured loans and borrowing as at 31 March 2017 is as follows:-

as at	Current Year	Previous Year
	30.6.2017 (RM'000)	30.6.2016 (RM'000)
Current		
Hire purchase and finance lease liabilities	170	-
Bank overdrafts	1,402	-
Term loans	282	-
	1,854	-
Non Current		
Hire purchase and finance lease liabilities	89	-
Term loans	3,010	-
	3,099	-
Total Loans and borrowings	4,953	-

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
viii Material Litigations

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

ix Dividends

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

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 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	Actual	Balance of Amount Allocated	
		Utilisation (RM'000)	Utilisation (RM'000)	(RM'000)	(%)
Development and business expansion	Within 12 months	4,317	4,317	-	0%
Private placement expenses*	Within 1 month	200	193	7	4%
Total		4,517	4,510	7	

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

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
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	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2017	30.6.2016	30.6.2017	30.6.2016
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	335	114	589	1,737
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	103,510	94,100	103,510	94,100
Basic EPS (sen)	0.32	0.12	0.57	1.85

- 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	30.6.2017 (RM'000)	30.6.2016 (RM'000)
Realised accumulated losses of the Company	(6,603)	(5,599)
Realised accumulated losses of a subsidiary	(42)	(38)
Total share of retained profit from a joint venture:		
Realised	4,321	2,724
Unrealised	(181)	(181)
Group accumulated losses	(2,505)	(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 30 August 2017.