

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 2017.

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
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	6,384	3,287	6,384	3,287
Cost of Sales	(3,854)	(721)	(3,854)	(721)
Gross profit	2,530	2,566	2,530	2,566
Other Income	20	59	20	59
Marketing and distribution	(209)	(45)	(209)	(45)
Finance cost	(83)	-	(83)	-
Administrative expenses	(3,048)	(1,658)	(3,048)	(1,658)
Profit / (loss) from operations	(790)	922	(790)	922
Share of profits / (loss) of a joint venture	-	(87)	-	(87)
Profit / (loss) before tax	(790)	835	(790)	835
Income tax expenses	(33)	(6)	(33)	(6)
Profit / (loss), net of tax, representing total comprehensive income	(823)	829	(823)	829
Profit / (loss) attributable to:				
Owners of the parent	(823)	829	(823)	829
Net profit / (loss) for the period	(823)	829	(823)	829
Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	(0.80)	0.88	(0.80)	0.88
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 2017 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	30.9.2017 (RM'000)	30.6.2017 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	13,121	13,241
Intangible assets	9,664	9,824
Deferred tax asset	1	1
Non-current financial asset	268	268
	<u>23,054</u>	<u>23,334</u>
CURRENT ASSETS		
Trade and other receivables	10,481	10,320
Inventories	2,222	2,003
Other current assets	7	23
Tax recoverable	21	236
Cash and bank balances	4,765	1,880
	<u>17,496</u>	<u>14,462</u>
TOTAL ASSETS	<u>40,550</u>	<u>37,796</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	10,351	10,351
Share premium	18,138	18,138
Other reserve	(1,682)	(1,682)
Accumulated losses	(3,328)	(2,505)
TOTAL EQUITY	<u>23,479</u>	<u>24,302</u>
NON-CURRENT LIABILITIES		
Deferred tax liability	631	662
Loans and borrowings	3,813	3,100
	<u>4,444</u>	<u>3,762</u>
CURRENT LIABILITIES		
Trade and other payables	8,112	7,878
Loans and borrowings	4,515	1,854
	<u>12,627</u>	<u>9,732</u>
TOTAL LIABILITIES	<u>17,071</u>	<u>13,494</u>
TOTAL EQUITY AND LIABILITIES	<u>40,550</u>	<u>37,796</u>
Net assets (RM'000)	23,479	24,302
Net assets per share attributable to equity holders of the Company (sen)	22.68	23.48

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 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 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)
	(RM'000)	(RM'000)	(RM'000)	(RM'000)		(RM'000)
for the financial period ended 30 June 2016	(RM'000)	(RM'000)	(RM'000)	(RM'000)		(RM'000)
Opening balance at 1 July 2017	24,302	10,351	18,138	(1,682)		(2,505)
Total comprehensive income / (loss)	(823)	-	-	-		(823)
Closing balance at 30 September 2017	23,479	10,351	18,138	(1,682)		(3,328)

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 2017 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
	30.9.2017 (RM'000)	30.9.2016 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	(790)	835
Adjustments for:		
Share of loss/(profits) of a joint venture	-	87
Amortisation of intangible assets	160	153
Depreciation of plant and equipment	245	63
Interest income	(8)	(59)
Interest expenses	83	-
Operating profit / (loss) before working capital changes	(310)	1,079
(Increase) / decrease in receivables	(145)	(1,594)
(Increase) / decrease in inventories	(219)	113
(Decrease) / increase in payables	234	(302)
Cash (used in) / generated from operations	(440)	(704)
Tax refund/(paid)	151	(8)
Interest paid	(83)	-
Net cash (used in) / generated from operating activities	(372)	(712)
Cash flows from investing activities		
Interest received	8	59
Purchase of plant and equipment	(125)	(133)
Net cash (used in) / generated from investing activities	(117)	(74)
Cash flows from financing activities		
Drawdown of term loan	3,500	-
Repayment of loans and borrowings	(96)	-
Net cash generated from / (used in) financing activities	3,404	-
Net (decrease) / increase in cash and cash equivalents	2,915	(786)
Cash and cash equivalents at beginning of the period	478	4,047
Cash and cash equivalents at end of period	3,393	3,261

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2017 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 2017 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 Managing Director 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 2017.

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:-

Significant Related Party Transactions for the financial period ended		1st Quarter		Year-to-Date	
		Current Year	Previous Year	Current Year	Previous Year
Related Party	Nature of Transaction	30.9.2017 (RM'000)	30.9.2016 (RM'000)	30.9.2017 (RM'000)	30.9.2016 (RM'000)
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	321	277	321	277
Synamatix, our holding company	Exclusive licence fees payable to Synamatix with respect of software developed by Synamatix pursuant to Software License Agreement.	-	-	-	-
Synamatix, our holding company	System maintenance fees payable to Synamatix for annual maintenance of licensed software pursuant to Software License Agreement.	-	-	-	-
		321	277	321	277

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	30.9.2017 (RM'000)	30.9.2016 (RM'000)
Cash on hand and at banks	1,498	61
Deposits with licensed banks	3,267	3,200
Less: Bank overdraft	(1,372)	-
	3,393	3,261

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

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

For the first quarter ended 30 September 2017, the Group recorded a revenue of RM6.4 million, which represents an increase of RM3.1 million as compared to a revenue of RM3.3 million for the first quarter in the preceding year.

For the current quarter, the Group recorded a loss before tax of RM0.8 million as compared to a profit before tax of RM0.8 million in the same quarter of the preceding year.

Despite higher overall revenue (RM6.4 million for the first quarter ended 30 September 2017 as compared to RM3.3 million for the first quarter in the preceding year) arising from the acquisition of MPath group, losses were incurred due to lower genome sequencing and analysis revenue recognised.

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

The Group recorded a revenue of RM6.4 million, which represents an increase of RM3.1 million as compared to a revenue of RM3.3 million in the previous year-to-date.

The Group registered a loss before tax of RM0.8 million as compared to a profit before tax of RM0.8 million in the corresponding period of the preceding year. A loss was incurred mainly due to lower genome sequencing and analysis 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	30.9.2017	30.6.2017	
	(RM'000)	(RM'000)	(RM'000)
Revenue	6,384	2,912	3,472
Profit / (loss) before tax	(790)	390	(1,180)

Despite a higher revenue (RM6.4 million) recognised in the current period as compared to preceding quarter's revenue of RM2.9 million, a loss before tax was recorded compared to a profit in the preceding quarter due to lower genome sequencing and analysis revenue recognised.

iii Prospects of the Group

MGRC has completed the acquisition of MPath group and it is contributing positively to the Group. We are focusing on widening distribution channels and expanding customer base in 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

Taxation for the financial period ended	1st Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysian income tax:				
Current period	33	6	33	6
Prior period	-	-	-	-
Total	33	6	33	6

The above tax has arisen mainly due to the absence of group tax relieve.

vi Status of Corporate Proposal

There is no corporate proposal announced but not completed as at the date of this announcement.

vii Loans and Borrowings

The Group's secured loans and borrowing are as follows:-

as at	Current Year	Previous Year
	30.9.2017	30.9.2016
	(RM'000)	(RM'000)
Current		
Hire purchase and finance lease liabilities	170	-
Bank overdrafts	1,372	-
Term loans	2,973	-
	4,515	-
Non Current		
Hire purchase and finance lease liabilities	47	-
Term loans	3,766	-
	3,813	-
Total Loans and borrowings	8,328	-

An additional term loan facility was obtained to part finance the investment in subsidiaries.

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 period under review.

x Trade receivables

The ageing analysis of the Group's trade receivables is as follows:-

	30.9.2017 (RM'000)
Not past due	5,178
Past due	
- less than 3 months	3,185
- 3 to 6 months	563
- over 6 months	1,410
	5,158
Impaired	(229)
	10,107

Receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

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	1st Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.9.2017	30.9.2016	30.9.2017	30.9.2016
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	(823)	829	(823)	829
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	103,510	94,100	103,510	94,100
Basic EPS (sen)	(0.80)	0.88	(0.80)	0.88

- 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	30.9.2017 (RM'000)	30.6.2017 (RM'000)
Total accumulated losses:		
Realised	(4,876)	(4,053)
Unrealised	1,491	1,491
Total retained profit/(accumulated losses) of subsidiaries:		
Realised	46	46
Unrealised	11	11
Group accumulated losses	(3,328)	(2,505)

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 22 November 2017.