

**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 2018.

**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
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Revenue	6,307	2,912	26,158	9,872
Cost of Sales	(4,458)	(1,265)	(17,015)	(2,955)
Gross profit	1,849	1,647	9,143	6,917
Other Income	76	44	200	179
Marketing and distribution	(289)	(138)	(1,698)	(397)
Finance cost	(297)	(46)	(671)	(46)
Administrative expenses	(2,878)	(2,696)	(11,351)	(7,582)
<b>Profit / (loss) from operations</b>	<b>(1,539)</b>	<b>(1,189)</b>	<b>(4,377)</b>	<b>(929)</b>
Share of profits / (loss) of a joint venture	-	1,579	-	1,597
<b>Profit / (loss) before tax</b>	<b>(1,539)</b>	<b>390</b>	<b>(4,377)</b>	<b>668</b>
Income tax expenses	94	(55)	(156)	(79)
<b>Profit / (loss), net of tax, representing total comprehensive income</b>	<b>(1,445)</b>	<b>335</b>	<b>(4,533)</b>	<b>589</b>
<b>Profit / (loss) attributable to:</b>				
Owners of the parent	(1,445)	335	(4,533)	589
<b>Net profit / (loss) for the period</b>	<b>(1,445)</b>	<b>335</b>	<b>(4,533)</b>	<b>589</b>
<b>Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)</b>				
Basic EPS	(1.40)	0.32	(4.38)	0.57
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, 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	30.6.2018 (RM'000)	30.6.2017 (RM'000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	13,232	13,241
Intangible assets	9,056	9,824
Deferred tax asset	-	1
Non-current financial asset	295	268
	<u>22,583</u>	<u>23,334</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	8,466	10,320
Inventories	2,160	2,003
Other current assets	6	23
Tax recoverable	248	236
Cash and bank balances	7,376	1,880
	<u>18,256</u>	<u>14,462</u>
<b>TOTAL ASSETS</b>	<b><u>40,839</u></b>	<b><u>37,796</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	28,489	10,351
Share premium	-	18,138
Other reserve	(1,682)	(1,682)
Accumulated losses	(7,038)	(2,505)
<b>TOTAL EQUITY</b>	<u>19,769</u>	<u>24,302</u>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liability	622	662
Loans and borrowings	13,214	3,100
	<u>13,836</u>	<u>3,762</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	2,870	7,878
Loans and borrowings	4,364	1,854
	<u>7,234</u>	<u>9,732</u>
<b>TOTAL LIABILITIES</b>	<u>21,070</u>	<u>13,494</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>40,839</u></b>	<b><u>37,796</u></b>
Net assets (RM'000)	19,769	24,302
Net assets per share attributable to equity holders of the Company (sen)	19.10	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**

	Equity, Total	Non-Distributable			Distributable Retained Earnings / (Accumulated Losses)
		Share Capital	Share Premium	Other reserve	
<b>for the financial year ended 30 June 2017</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Opening balance at 1 July 2016</b>	<b>19,389</b>	<b>9,410</b>	<b>14,755</b>	<b>(1,682)</b>	<b>(3,094)</b>
Total comprehensive income / (loss)	589	-	-	-	589
Issuance of new shares	4,324	941	3,383	-	-
<b>Closing balance at 30 June 2017</b>	<b>24,302</b>	<b>10,351</b>	<b>18,138</b>	<b>(1,682)</b>	<b>(2,505)</b>
<b>for the financial year ended 30 June 2018</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>	<b>(RM'000)</b>
<b>Opening balance at 1 July 2017</b>	<b>24,302</b>	<b>10,351</b>	<b>18,138</b>	<b>(1,682)</b>	<b>(2,505)</b>
Total comprehensive income / (loss)	(4,533)	-	-	-	(4,533)
Effect of the new Companies Act 2016	-	18,138	(18,138)	-	-
<b>Closing balance at 30 June 2018</b>	<b>19,769</b>	<b>28,489</b>	<b>-</b>	<b>(1,682)</b>	<b>(7,038)</b>

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
	30.6.2018 (RM'000)	30.6.2017 (RM'000)
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax	(4,377)	668
Adjustments for:		
Share of loss/(profits) of a joint venture	-	(1,597)
Impairment on plant and equipment and intangibles	-	501
Impairment on trade receivables	262	56
Impairment on inventories	94	-
Amortisation of intangible assets	768	611
Depreciation of plant and equipment	940	239
Plant and equipment written off	7	-
Gain on disposal of plant and equipment	-	(20)
Interest income	(57)	(138)
Interest expenses	297	-
Operating profit / (loss) before working capital changes	(2,066)	320
(Increase) / decrease in receivables	1,582	(125)
(Increase) / decrease in inventories	(251)	292
(Decrease) / increase in payables	(5,008)	3,208
Cash (used in) / generated from operations	(5,743)	3,695
Tax refund/(paid)	(207)	(19)
Interest paid	(297)	-
<b>Net cash (used in) / generated from operating activities</b>	<b>(6,247)</b>	<b>3,676</b>
<b>Cash flows from investing activities</b>		
Interest received	57	138
Proceeds from disposal of plant and equipment	-	43
Purchase of plant and equipment	(938)	(143)
Acquisition of subsidiary, net of cash acquired	-	(11,607)
<b>Net cash (used in) / generated from investing activities</b>	<b>(881)</b>	<b>(11,569)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares of a subsidiary company	7,000	-
Proceeds from issuance of shares	-	4,324
Drawdown of term loan	8,000	-
Repayment of loans and borrowings	(2,427)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>12,573</b>	<b>4,324</b>
Net (decrease) / increase in cash and cash equivalents	5,445	(3,569)
Cash and cash equivalents at beginning of the period	478	4,047
<b>Cash and cash equivalents at end of period</b>	<b>5,923</b>	<b>478</b>

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 2017 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 2017.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Group with effect from 1 January 2017 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2017.

#### 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 except for the issuance of RM7 million Redeemable Convertible Cumulative Preference Shares ("RCCPS") to Abio Sdn Bhd, by Clinipath (Malaysia) Sdn Bhd, a wholly owned sub-subsidiary of MGRC.

#### 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		4th Quarter		Year-to-Date	
		Current Year	Previous Year	Current Year	Previous Year
Related Party	Nature of Transaction	30.6.2018 (RM'000)	30.6.2017 (RM'000)	30.6.2018 (RM'000)	30.6.2017 (RM'000)
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	130	288	1,229	1,141
		<b>130</b>	<b>288</b>	<b>1,229</b>	<b>1,141</b>

**xv Cash and Cash Equivalents**

as at	Current Year	Previous Year
	30.6.2018 (RM'000)	30.6.2017 (RM'000)
Cash on hand and at banks	2,181	813
Deposits with licensed banks	5,195	1,067
Less: Bank overdraft	(1,453)	(1,402)
	<b>5,923</b>	<b>478</b>

**xvi Inventories**

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

**xvii Pursuant to Guidance Note 4 of the ACE Market Listing Requirements**

A corporate guarantee for the amount stated in Note vi above was extended by the listed corporation to Abio Sdn Bhd pursuant to a Shares Subscription Agreement dated 8.12.17 between Clinipath Malaysia Sdn Bhd, MPath Sdn Bhd and Abio Sdn Bhd.

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

These condensed consolidated interim financial statements, for the financial period ended 30 June 2018, 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 2018, the Group recorded a revenue of RM6.3 million, which represents an increase of RM3.4 million as compared to a revenue of RM2.9 million for the fourth quarter in the preceding year.

For the current quarter, the Group recorded a loss before tax of RM1.5 million as compared to a profit before tax of RM0.4 million in the same quarter of the preceding year.

Despite higher overall revenue (RM6.3 million for the fourth quarter ended 30 June 2018 as compared to RM2.9 million for the fourth quarter in the preceding year) arising from the acquisition of MPath group, higher losses were incurred due to lower genome sequencing and analysis revenue.

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

The Group recorded a revenue of RM26.2 million, which represents an increase of RM16.3 million as compared to a revenue of RM9.9 million in the previous year-to-date.

The Group registered a loss before tax of RM4.4 million as compared to a profit before tax of RM0.7 million in the corresponding period of the preceding year. A loss was incurred mainly due to lower genome sequencing and analysis revenue.

**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	30.6.2018	31.3.2018	
	(RM'000)	(RM'000)	(RM'000)
Revenue	6,307	6,559	(252)
Profit / (loss) before tax	(1,539)	(1,354)	(185)

A lower revenue (RM6.3 million) was recognised in the current period as compared to preceding quarter's revenue of RM6.6 million, due to lower pathology services revenue.

**iii Prospects of the Group**

In view of the challenging economic environment, we are strengthening our focus on cost cutting measures, improving operational efficiency and widening our customer base in the 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	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysian income tax:				
Current period	(94)	55	156	79
Prior period	-	-	-	-
<b>Total</b>	<b>(94)</b>	<b>55</b>	<b>156</b>	<b>79</b>

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

**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
	30.6.2018	30.6.2017
	(RM'000)	(RM'000)
Current		
Hire purchase and finance lease liabilities	91	170
Bank overdrafts	1,453	1,402
Term loans	2,820	282
	<b>4,364</b>	<b>1,854</b>
Non Current		
Hire purchase and finance lease liabilities	-	90
Term loans	6,214	3,010
Redeemable convertible cumulative preference shares ("RCCPS")	7,000	-
	<b>13,214</b>	<b>3,100</b>
<b>Total Loans and borrowings</b>	<b>17,578</b>	<b>4,954</b>

Clinipath (Malaysia) Sdn Bhd issued an RCCPS of RM7 million during the period.

**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 litigation against the Group or taken by the Group.

**ix Dividends**

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

**x Trade receivables**

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

	<b>30.6.2018</b>
	<b>(RM'000)</b>
Not past due	2,838
Past due	
- less than 3 months	3,039
- 3 to 6 months	972
- over 6 months	1,365
	5,376
Impaired	(436)
	<b>7,778</b>

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	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2018	30.6.2017	30.6.2018	30.6.2017
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	(1,445)	335	(4,533)	589
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	103,510	103,510	103,510	103,510
<b>Basic EPS (sen)</b>	<b>(1.40)</b>	<b>0.32</b>	<b>(4.38)</b>	<b>0.57</b>

- 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	30.6.2018 (RM'000)	30.6.2017 (RM'000)
Total accumulated losses:		
Realised	(8,586)	(4,053)
Unrealised	1,491	1,491
Total retained profit/(accumulated losses) of subsidiaries:		
Realised	46	46
Unrealised	11	11
<b>Group accumulated losses</b>	<b>(7,038)</b>	<b>(2,505)</b>

**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 23 August 2018.