

ANNOUNCEMENT

The Board of Directors of Malaysian Genomics Resource Centre Berhad (hereinafter referred to as “MGRC” or “the Company”) hereby announce the following unaudited results for the second quarter ended 31 December 2019.

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
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
	As restated		As restated	
Continuing operations				
Revenue	4,960	103	5,139	253
Cost of Sales	(82)	(96)	(161)	(211)
Gross profit	4,878	7	4,978	42
Other Income	21,668	160	21,878	319
Marketing and distribution	(156)	(41)	(171)	(107)
Finance cost	(54)	(99)	(116)	(211)
Administrative expenses	(1,628)	(1,128)	(2,370)	(2,122)
Profit / (loss) before tax	24,708	(1,101)	24,199	(2,079)
Income tax expenses	-	(2)	-	(4)
Profit / (loss), net of tax, from continuing operations	24,708	(1,103)	24,199	(2,083)
Profit / (loss), net of tax, from discontinued operations	(476)	112	-	546
Profit/(loss), for the period	24,232	(991)	24,199	(1,537)
Profit / (loss) attributable to:				
Owners of the parent	24,232	(991)	24,199	(1,537)
Net profit / (loss) for the period	24,232	(991)	24,199	(1,537)
Earnings / (Loss) per share (EPS) attributable to the equity holders of the Company (sen)				
Basic EPS	23.41	(0.96)	23.38	(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 2019 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	31.12.2019 (RM'000)	30.6.2019 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	54	14,314
Intangible assets	-	9,026
	<u>54</u>	<u>23,340</u>
CURRENT ASSETS		
Trade and other receivables	4,708	7,539
Inventories	65	1,584
Other current assets	4	9
Tax recoverable	43	203
Cash and bank balances	36,258	4,328
	<u>41,078</u>	<u>13,663</u>
TOTAL ASSETS	<u>41,132</u>	<u>37,003</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	28,489	28,489
Retained earnings/(Accumulated losses)	8,807	(12,559)
TOTAL EQUITY	<u>37,296</u>	<u>15,930</u>
NON-CURRENT LIABILITIES		
Deferred tax liability	-	737
Loans and borrowings	-	13,268
	<u>-</u>	<u>14,005</u>
CURRENT LIABILITIES		
Trade and other payables	1,234	3,066
Loans and borrowings	2,602	4,002
	<u>3,836</u>	<u>7,068</u>
TOTAL LIABILITIES	<u>3,836</u>	<u>21,073</u>
TOTAL EQUITY AND LIABILITIES	<u>41,132</u>	<u>37,003</u>
Net assets (RM'000)	37,296	15,930
Net assets per share attributable to equity holders of the Company (sen)	36.03	15.39

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 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 Share Capital	Distributable Retained Earnings / (Accumulated Losses)
	(RM'000)	(RM'000)	(RM'000)
for the financial year ended 30 June 2019			
Opening balance at 1 July 2018	19,769	28,489	(8,720)
Total comprehensive income / (loss)	(3,839)	-	(3,839)
Closing balance at 30 June 2019	15,930	28,489	(12,559)
for the financial period ended 31 December 2019			
Opening balance at 1 July 2019	15,930	28,489	(12,559)
Adoption of MFRS 16	(182)	-	(182)
Deconsolidation of subsidiary companies	182	-	182
Restated balance as of 1 July 2019	15,930	28,489	(12,559)
Deconsolidation of subsidiary companies	(2,833)	-	(2,833)
Total comprehensive income / (loss)	24,199	-	24,199
Closing balance at 31 December 2019	37,296	28,489	8,807

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 2019 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
	31.12.2019 (RM'000)	31.12.2018 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax		
Continuing operations	24,199	(2,079)
Discontinued operations	-	792
Adjustments for:		
Amortisation of intangible assets	-	15
Depreciation of plant and equipment	20	551
Gain on disposal of subsidiary companies	(21,457)	-
Dividend income	(4,400)	-
Interest income	(17)	(38)
Interest expenses	116	216
Operating profit / (loss) before working capital changes	(1,539)	(543)
(Increase) / decrease in receivables	56	1,220
(Increase) / decrease in inventories	(33)	83
(Decrease) / increase in payables	(3,962)	54
Cash (used in) / generated from operations	(5,478)	814
Tax refund/(paid)	(13)	(213)
Interest paid	(116)	(216)
Net cash (used in) / generated from operating activities	(5,607)	385
Cash flows from investing activities		
Interest received	17	38
Cashflow from disposal, net of cash disposed	34,739	-
Dividend income	4,400	-
Purchase of plant and equipment	-	(1,549)
Net cash (used in) / generated from investing activities	39,156	(1,511)
Cash flows from financing activities		
Drawdown of term loan	-	4,500
Repayment of loans and borrowings	(670)	(2,672)
Net cash generated from / (used in) financing activities	(670)	1,828
Net (decrease) / increase in cash and cash equivalents	32,879	702
Cash and cash equivalents at beginning of the period	3,379	5,923
Cash and cash equivalents at end of period	36,258	6,625

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2019 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 2019 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 2019.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Company with effect from 1 January 2019 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2019. The adoption of these MFRSs does not have any material impact on the Company's results and financial position.

ii Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2019 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.

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

There were no dividends paid for the financial period.

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 Company as a whole for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Company 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 Company'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

As announced on 24 December 2019, the Company had completed the disposal of 100% equity interest held in MPath Sdn Bhd, a wholly owned subsidiary of MGRC, and on 19 November 2019, MGRC disposed of its entire issued share capital of MGRC International Sdn. Bhd., a wholly-owned subsidiary of the Company.

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 2019.

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		2nd Quarter		Year-to-Date	
		Current Year 31.12.2019 (RM'000)	Previous Year 31.12.2018 (RM'000)	Current Year 31.12.2019 (RM'000)	Previous Year 31.12.2018 (RM'000)
Related Party	Nature of Transaction				
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	184	256	368	421
		184	256	368	421

xv Cash and Cash Equivalents

as at	Current Year 31.12.2019 (RM'000)	Previous Year 31.12.2018 (RM'000)
Cash on hand and at banks	36,258	3,329
Deposits with licensed banks	-	4,164
Less: Bank overdraft	-	(868)
	36,258	6,625

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 2019, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Company
Current Year 2nd Quarter versus Previous Year 2nd Quarter

A higher revenue (RM5 million for the second quarter ended 31 December 2019 as compared to RM0.1 million for the second quarter in the preceding year) was mainly due to dividend from MPath Group.

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

The Group recorded a revenue of RM5.1 million, which represents an increase of RM4.8 million as compared to a revenue of RM0.3 million in the previous year-to-date.

The Company registered a profit before tax of RM24.2 million as compared to a loss before tax of RM2.1 million in the corresponding period of the preceding year. A profit was achieved mainly due to gain from disposal of MPath Group and dividend from MPath Group.

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	31.12.2019	30.9.2019	
	(RM'000)	(RM'000)	(RM'000)
Revenue	4,960	179	4,781
Profit / (loss) before tax	24,708	(509)	25,217

A higher revenue (RM5 million) was achieved in the current period as compared to the preceding quarter's revenue of RM0.2 million, mainly due to dividend from MPath Group. A profit before tax was achieved compared to a loss in the preceding quarter mainly due to the gain on disposal of MPath Group and dividend received from MPath Group.

iii Prospects of the Company

MGRC completed the disposal of MPath Group on 24 December 2019. Moving forward, MGRC will focus on growing its genetic screening services business with new products.

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
iv Variance from Profit Forecast

The Company did not publish any profit forecast.

v Taxation

Taxation for the financial period ended	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2019 (RM'000)	31.12.2018 (RM'000)	31.12.2019 (RM'000)	31.12.2018 (RM'000)
Malaysian income tax:				
Current period	-	2	-	4
Prior period	-	-	-	-
Total	-	2	-	4

The effective tax rate is lower because certain income are not taxable.

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

as at	Current Year	Previous Year
	31.12.2019 (RM'000)	31.12.2018 (RM'000)
Current		
Hire purchase and finance lease liabilities	-	7
Bank overdrafts	-	868
Term loans	2,602	3,048
	2,602	3,923
Non Current		
Term loans	-	7,899
Redeemable convertible cumulative preference shares ("RCCPS")	-	7,000
	-	14,899
Total Loans and borrowings	2,602	18,822

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 Company or taken by the Company.

ix Dividends

The Company had on 24 December 2019 declared a special cash dividend of 22 sen per ordinary share.

x Trade receivables

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

	31.12.2019 (RM'000)
Not past due	170,134
Past due	
- less than 3 months	-
- 3 to 6 months	-
- over 6 months	175,705
	175,705
Impaired	-
	345,839

Receivables that are past due but not impaired

The Company 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	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	24,232	(991)	24,199	(1,537)
Weighted average number of ordinary shares of RM0.10 each in issue ('000)	103,510	103,510	103,510	103,510
Basic EPS (sen)	23.41	(0.96)	23.38	(1.48)

- b) **Diluted EPS** The Company does not have any convertible shares or convertible financial instruments for the current financial quarter and financial period to date.

xii Status of Utilisation of Proceeds from Disposal

Proposed utilisation	Proposed utilisation timeframe from receipt of proceeds for the Disposal	Proposed Utilisation	Actual Utilisation	Balance of Amount Allocated	
		(RM'000)	(RM'000)	(RM'000)	(%)
Proposed Distribution	Within 1 month	22,772	-	22,772	100%
Estimated expenses for the Proposed Disposal	Within 1 month	1,100	513	587	53%
Repayment of creditors	Within 6 months	2,888	375	2,513	87%
Repayment of bank borrowings	Within 6 months	3,270	283	2,987	91%
Business expansion opportunities	Within 24 months	4,000	-	4,000	100%
Working capital purposes	Within 24 months	7,970	373	7,597	95%
		42,000	1,544	40,456	96%

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 18 February 2020.