

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 third quarter ended 31 March 2020.

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

for the financial period ended	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
	As restated		As restated	
Continuing operations				
Revenue	308	199	5,447	452
Cost of Sales	(115)	(88)	(276)	(299)
Gross profit	193	111	5,171	153
Other Income	5	159	21,883	478
Marketing and distribution	(127)	(59)	(298)	(166)
Finance cost	-	(86)	(116)	(297)
Administrative expenses	(1,734)	(869)	(4,104)	(2,991)
Profit / (loss) before tax	(1,663)	(744)	22,536	(2,823)
Income tax expenses	-	(2)	-	(6)
Profit / (loss), net of tax, from continuing operations	(1,663)	(746)	22,536	(2,829)
Profit / (loss), net of tax, from discontinued operations	-	(212)	-	334
Profit/(loss), for the period	(1,663)	(958)	22,536	(2,495)
Profit / (loss) attributable to:				
Owners of the parent	(1,663)	(958)	22,536	(2,495)
Net profit / (loss) for the period	(1,663)	(958)	22,536	(2,495)
Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen)				
Basic EPS/(LPS)	(1.61)	(0.93)	21.77	(2.41)
Diluted EPS/(LPS)	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	31.3.2020 (RM'000)	30.6.2019 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	43	14,314
Intangible assets	-	9,026
	<u>43</u>	<u>23,340</u>
CURRENT ASSETS		
Trade and other receivables	4,514	7,539
Inventories	90	1,584
Other current assets	12	9
Tax recoverable	50	203
Cash and bank balances	9,508	4,328
	<u>14,174</u>	<u>13,663</u>
TOTAL ASSETS	<u>14,217</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)	(15,628)	(12,559)
TOTAL EQUITY	<u>12,861</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	1,356	3,066
Loans and borrowings	-	4,002
	<u>1,356</u>	<u>7,068</u>
TOTAL LIABILITIES	<u>1,356</u>	<u>21,073</u>
TOTAL EQUITY AND LIABILITIES	<u>14,217</u>	<u>37,003</u>
Net assets (RM'000)	12,861	15,930
Net assets per share attributable to equity holders of the Company (sen)	12.42	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 March 2020			
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)	22,536	-	22,536
Dividend on ordinary shares	(22,772)	-	(22,772)
Closing balance at 31 March 2020	12,861	28,489	(15,628)

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
	31.3.2020 (RM'000)	31.3.2019 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax		
Continuing operations	22,536	(2,823)
Discontinued operations	-	607
Adjustments for:		
Amortisation of intangible assets	-	23
Depreciation of plant and equipment	31	834
Plant and equipment written off	-	13
Gain on disposal of subsidiary companies	(21,457)	-
Dividend income	(4,400)	-
Interest income	(17)	(134)
Interest expenses	116	729
Operating profit / (loss) before working capital changes	(3,191)	(751)
(Increase) / decrease in receivables	242	1,260
(Increase) / decrease in inventories	(58)	172
(Decrease) / increase in payables	(3,840)	(316)
Cash (used in) / generated from operations	(6,847)	365
Tax refund/(paid)	(20)	(202)
Interest paid	(116)	(729)
Net cash (used in) / generated from operating activities	(6,983)	(566)
Cash flows from investing activities		
Interest received	17	134
Cashflow from disposal, net of cash disposed	34,739	-
Dividend income	4,400	-
Purchase of plant and equipment	-	(2,094)
Net cash (used in) / generated from investing activities	39,156	(1,960)
Cash flows from financing activities		
Drawdown of term loan	-	4,500
Repayment of loans and borrowings	(3,272)	(3,419)
Dividend Paid	(22,772)	-
Net cash generated from / (used in) financing activities	(26,044)	1,081
Net (decrease) / increase in cash and cash equivalents	6,129	(1,445)
Cash and cash equivalents at beginning of the period	3,379	5,923
Cash and cash equivalents at end of period	9,508	4,478

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**

The Company had declared and paid a special cash dividend of 22 sen per ordinary share on 24 December 2019 and 21 January 2020, respectively.

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

There are no changes to the composition of the Group in the current quarter.

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		3rd Quarter		Year-to-Date	
		Current Year	Previous Year	Current Year	Previous Year
Related Party	Nature of Transaction	31.3.2020 (RM'000)	31.3.2019 (RM'000)	31.3.2020 (RM'000)	31.3.2019 (RM'000)
Neuramatix, our ultimate holding company	Management fee payable to Neuramatix pursuant to Shared Services Agreement.	90	183	457	604
		90	183	457	604

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	31.3.2020 (RM'000)	31.3.2019 (RM'000)
Cash on hand and at banks	9,508	1,688
Deposits with licensed banks	-	3,673
Less: Bank overdraft	-	(883)
	9,508	4,478

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 March 2020, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Company
Current Year 3rd Quarter versus Previous Year 3rd Quarter

For the third quarter ended 31 March 2020, the Group recorded a revenue of RM0.3 million, which represents an increase of RM0.1 million as compared to a revenue of RM0.2 million for the third quarter in the preceding year, due to higher demand for genetic screening services.

For the current quarter, the Group recorded a loss before tax of RM1.7 million as compared to a loss before tax of RM0.7 million in the same quarter of the preceding year, due to higher operating expenses.

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

The Group recorded a revenue of RM5.4 million, which represents an increase of RM4.9 million as compared to a revenue of RM0.5 million in the previous year-to-date, due to dividend income received from MPath Group.

The Company registered a profit before tax of RM22.5 million as compared to a loss before tax of RM2.8 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	31.3.2020	31.12.2019	
	(RM'000)	(RM'000)	(RM'000)
Revenue	308	4,960	(4,652)
Profit / (loss) before tax	(1,663)	24,708	(26,371)

A lower revenue (RM0.3 million) was achieved in the current period as compared to the preceding quarter's revenue of RM5 million, mainly due to the absence of dividend from MPath Group. A loss before tax was incurred compared to a profit in the preceding quarter which was from the disposal gain and dividend received from MPath Group.

iii Prospects of the Company

MGRC has completed the disposal of MPath Group. Moving forward, MGRC will focus on growing its genetic screening services business with new products and services, as well as looking for new opportunities within the healthcare sector.

The maximum impact of COVID-19 outbreak is approximately RM0.3 million on revenue per quarter.

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	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2020 (RM'000)	31.3.2019 (RM'000)	31.3.2020 (RM'000)	31.3.2019 (RM'000)
Malaysian income tax:				
Current period	-	2	-	6

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
	31.3.2020 (RM'000)	31.3.2019 (RM'000)
Current		
Bank overdrafts	-	883
Term loans	-	3,085
	-	3,968
Non Current		
Term loans	-	7,121
Redeemable convertible cumulative preference shares ("RCCPS")	-	7,000
	-	14,121
Total Loans and borrowings	-	18,089

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 declared and paid a special cash dividend of 22 sen per ordinary share on 24 December 2019 and 21 January 2020, respectively.

x Trade receivables

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

	31.3.2020 (RM'000)
Not past due	89,078
Past due	115,705
- over 6 months	115,705
Impaired	-
	204,783

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/(LPS)

- a) **Basic EPS/(LPS)** 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/(LPS) for the financial period ended	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2020	31.3.2019	31.3.2020	31.3.2019
Profit / (loss), net of tax, attributable to owners of the parent (RM'000)	(1,663)	(958)	22,536	(2,495)
Weighted average number of ordinary shares in issue ('000)	103,510	103,510	103,510	103,510
Basic EPS/(LPS) (sen)	(1.61)	(0.93)	21.77	(2.41)

- b) **Diluted EPS/(LPS)** 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	-	0%
Estimated expenses for the Proposed Disposal	Within 1 month	1,100	615	485	44%
Repayment of creditors	Within 6 months	2,888	460	2,428	84%
Repayment of bank borrowings	Within 6 months	3,270	2,886	384	12%
Business expansion opportunities	Within 24 months	4,000	-	4,000	100%
Working capital purposes	Within 24 months	7,970	1,510	6,460	81%
		42,000	28,243	13,757	33%

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 May 2020.