

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 fourth quarter ended 30 June 2020.

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 |
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| | As restated | | As restated | |
| Continuing operations | | | | |
| Revenue | 3 | 140 | 951 | 592 |
| Cost of Sales | (51) | (101) | (328) | (400) |
| Gross profit | (48) | 39 | 623 | 192 |
| Other Income | 3 | 276 | 23,321 | 754 |
| Marketing and distribution | (95) | (5) | (394) | (171) |
| Finance cost | (280) | (72) | (396) | (369) |
| Administrative expenses | (2,190) | (1,497) | (6,285) | (4,488) |
| Profit / (loss) before tax | (2,610) | (1,259) | 16,869 | (4,082) |
| Taxation | 7 | 17 | 7 | 11 |
| Profit / (loss), net of tax, from continuing operations | (2,603) | (1,242) | 16,876 | (4,071) |
| Profit / (loss), net of tax, from discontinued operations | (2,833) | (101) | 224 | 233 |
| Profit/(loss), for the period | (5,436) | (1,343) | 17,100 | (3,838) |
| Profit / (loss) attributable to: | | | | |
| Owners of the parent | (5,436) | (1,343) | 17,100 | (3,838) |
| Net profit / (loss) for the period | (5,436) | (1,343) | 17,100 | (3,838) |
| Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen) | | | | |
| Basic EPS/(LPS) | (5.25) | (1.30) | 16.52 | (3.71) |
| 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 | 30.6.2020 (RM'000) | 30.6.2019 (RM'000) |
|--|-----------------------|-----------------------|
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Plant and equipment | 36 | 14,314 |
| Intangible assets | 1,844 | 9,026 |
| | <u>1,880</u> | <u>23,340</u> |
| CURRENT ASSETS | | |
| Trade and other receivables | 2,953 | 7,539 |
| Inventories | 84 | 1,584 |
| Other current assets | 54 | 9 |
| Tax recoverable | 32 | 203 |
| Cash and bank balances | 6,082 | 4,328 |
| | <u>9,205</u> | <u>13,663</u> |
| TOTAL ASSETS | <u>11,085</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) | (18,231) | (12,559) |
| TOTAL EQUITY | <u>10,258</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 | 827 | 3,066 |
| Loans and borrowings | - | 4,002 |
| | <u>827</u> | <u>7,068</u> |
| TOTAL LIABILITIES | <u>827</u> | <u>21,073</u> |
| TOTAL EQUITY AND LIABILITIES | <u>11,085</u> | <u>37,003</u> |
| Net assets (RM'000) | 10,258 | 15,930 |
| Net assets per share attributable to equity holders of the Company (sen) | 9.91 | 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 | Accumulated Losses |
|--|------------------|---------------------------------------|-----------------------|
| for the financial year ended 30 June 2019 | (RM'000) | (RM'000) | (RM'000) |
| 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 year ended 30 June 2020 | (RM'000) | (RM'000) | (RM'000) |
| Opening balance at 1 July 2019 | 15,930 | 28,489 | (12,559) |
| Total comprehensive income / (loss) | 17,100 | - | 17,100 |
| Dividend on ordinary shares | (22,772) | - | (22,772) |
| Closing balance at 30 June 2020 | 10,258 | 28,489 | (18,231) |

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 |
| | 30.6.2020 (RM'000) | 30.6.2019 (RM'000) |
| Cash flows from operating activities | | |
| Profit / (loss) before tax | | |
| Continuing operations | 16,869 | (4,082) |
| Discontinued operations | 224 | 2,943 |
| Adjustments for: | | |
| Impairment on receivables | 128 | 8 |
| Impairment on inventories | - | 515 |
| Amortisation of intangible assets | 1 | - |
| Depreciation of plant and equipment | 34 | 85 |
| Plant and equipment written off | 4 | 13 |
| Gain on disposal of plant and equipment | - | (5) |
| Gain on disposal of subsidiary companies | (23,311) | - |
| Interest income | - | (28) |
| Interest expenses | 396 | 369 |
| Operating profit / (loss) before working capital changes | (5,655) | (182) |
| (Increase) / decrease in receivables | 1,633 | 820 |
| (Increase) / decrease in inventories | (52) | 4,068 |
| (Decrease) / increase in payables | 318 | 45 |
| Cash (used in) / generated from operations | (3,756) | 4,751 |
| Tax refund/(paid) | 5 | 8 |
| Interest paid | (396) | (369) |
| Net cash (used in) / generated from operating activities | (4,147) | 4,390 |
| Cash flows from investing activities | | |
| Interest received | - | 57 |
| Proceeds from disposal of plant and equipment | - | 9 |
| Cashflow from disposal, net of cash disposed | 34,857 | - |
| Purchase of intangible assets | (1,845) | - |
| Decrease in fixed deposit pledged with licensed bank | - | 1,000 |
| Net cash (used in) / generated from investing activities | 33,012 | 1,066 |
| Cash flows from financing activities | | |
| Repayment of loans and borrowings | (3,272) | (2,759) |
| Dividend paid | (22,772) | - |
| Net cash generated from / (used in) financing activities | (26,044) | (2,759) |
| Net (decrease) / increase in cash and cash equivalents | 2,821 | 2,697 |
| Cash and cash equivalents at beginning of the period | 3,261 | 564 |
| Cash and cash equivalents at end of period | 6,082 | 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 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 Executive Directors 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 | | 4th Quarter | | Year-to-Date | |
|--|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | | Current Year | Previous Year | Current Year | Previous Year |
| Related Party | Nature of Transaction | 30.6.2020 (RM'000) | 30.6.2019 (RM'000) | 30.6.2020 (RM'000) | 30.6.2019 (RM'000) |
| Neuramatix, our ultimate holding company | Management fee payable to Neuramatix pursuant to Shared Services Agreement. | 90 | 184 | 547 | 788 |
| | | 90 | 184 | 547 | 788 |

xv Cash and Cash Equivalents

| as at | Current Year | Previous Year |
|---|-----------------------|-----------------------|
| | 30.6.2020 (RM'000) | 30.6.2019 (RM'000) |
| Cash on hand and at banks | 6,082 | 1,709 |
| Deposits with licensed banks | - | 2,619 |
| Less: Bank overdraft | - | (949) |
| Less: Deposit pledged and with original maturity period of more than 3 months | - | (118) |
| | 6,082 | 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 June 2020, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

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

For the fourth quarter ended 30 June 2020, the Company recorded a revenue of RM0.003 million, which represents a reduction of RM0.137 million as compared to a revenue of RM0.14 million for the fourth quarter in the preceding year, due to the effects of the Movement Control Order ('MCO'), which resulted in the closure of the laboratory for genetic screening services.

For the current quarter, the Company recorded a loss before tax of RM2.61 million as compared to a loss before tax of RM1.259 million in the same quarter of the preceding year, due to lower other income, higher administrative and finance expenses.

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

The Company recorded a revenue of RM0.951 million, which represents an increase of RM0.359 million as compared to a revenue of RM0.592 million in the previous year-to-date, due to higher demand from genetic screening services.

The Company registered a profit before tax of RM16.869 million as compared to a loss before tax of RM4.082 million in the corresponding period of the preceding year. The profit was mainly due to the gain from disposal of 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 | 30.6.2020 | 31.3.2020 | |
| | (RM'000) | (RM'000) | (RM'000) |
| Revenue | 3 | 308 | (305) |
| Profit / (loss) before tax | (2,610) | (1,663) | (947) |

A lower revenue (RM0.003 million) was achieved in the current period as compared to the preceding quarter's revenue of RM0.308 million, mainly due to the effects of the MCO, which had resulted in higher losses, arising from the closure of the laboratory.

iii Prospects of the Company

MGRC will focus on growing its Chimeric Antigen Receptor T Cells for solid cancers and Genetic Screening Services business with new products and services.

The maximum impact of COVID-19 outbreak is approximately RM0.30 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 | 4th Quarter | | Year-to-Date | |
|--|--------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| | (RM'000) | (RM'000) | (RM'000) | (RM'000) |
| Malaysian income tax: | | | | |
| Current period | (7) | (17) | (7) | (11) |

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 |
|---|--------------|---------------|
| | 30.6.2020 | 30.6.2019 |
| | (RM'000) | (RM'000) |
| Current | | |
| Bank overdrafts | - | 949 |
| Term loans | - | 3,053 |
| | - | 4,002 |
| Non Current | | |
| Term loans | - | 6,268 |
| Redeemable convertible cumulative preference shares ("RCCPS") | - | 7,000 |
| | - | 13,268 |
| Total Loans and borrowings | - | 17,270 |

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:-

| | 30.6.2020 (RM'000) |
|-----------------|-------------------------------------|
| Not past due | 43 |
| Past due | 115 |
| - over 6 months | 115 |
| Impaired | (128) |
| | 30 |

Receivables that are past due but not impaired

The Company believes that no further 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) | 4th Quarter | | Year-to-Date | |
|--|---------------|---------------|--------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year |
| for the financial period ended | 30.6.2020 | 30.6.2019 | 30.6.2020 | 30.6.2019 |
| Profit / (loss), net of tax, attributable to owners of the parent (RM'000) | (5,436) | (1,343) | 17,100 | (3,838) |
| Weighted average number of ordinary shares in issue ('000) | 103,510 | 103,510 | 103,510 | 103,510 |
| Basic EPS/(LPS) (sen) | (5.25) | (1.30) | 16.52 | (3.71) |

- 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 | Variation | Balance of Amount Allocated | |
|--|--|----------------------|--------------------|-----------|-----------------------------|------------|
| | | (RM'000) | (RM'000) | (RM'000) | (RM'000) | (%) |
| Proposed Distribution | Utilised | 22,772 | 22,772 | - | - | 0% |
| Estimated expenses for the Disposal | Within 18 months | 1,100 | 615 | - | 485 | 44% |
| Repayment of creditors | Within 18 months | 2,888 | 460 | - | 2,428 | 84% |
| Repayment of bank borrowings | Within 18 months | 3,270 | 2,886 | - | 384 | 12% |
| Business expansion opportunities | Within 24 months | 4,000 | - | (1,845) | 2,155 | 54% |
| Licensing fee for Tripartite Agreement | Utilised | - | 1,845 | 1,845 | - | 0% |
| Working capital purposes | Within 24 months | 7,970 | 3,163 | - | 4,807 | 60% |
| | | 42,000 | 31,741 | - | 10,259 | 24% |

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 21 August 2020.