

ANNOUNCEMENT

The Board of Directors of Malaysian Genomics Resource Centre Berhad (hereinafter referred to as "MGRC" or "the Company") and its subsidiary ("the Group") hereby announce the following unaudited results for the third quarter ended 31 March 2021.

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
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing operations				
Revenue	1,628	308	1,851	5,447
Cost of Sales	(122)	(115)	(309)	(276)
Gross profit	1,506	193	1,542	5,171
Other Income	16	5	84	21,883
Marketing and distribution	(60)	(127)	(173)	(298)
Finance cost	(7)	-	(12)	(116)
Administrative expenses	(1,255)	(1,734)	(3,628)	(4,104)
Profit / (loss) before tax	200	(1,663)	(2,187)	22,536
Taxation	-	-	-	-
Profit / (loss), net of tax, from continuing operations	200	(1,663)	(2,187)	22,536
Profit / (loss), net of tax, from discontinued operations	-	-	-	-
Profit/(loss), for the period	200	(1,663)	(2,187)	22,536
Profit / (loss) attributable to:				
Owners of the parent	200	(1,663)	(2,187)	22,536
Net profit / (loss) for the period	200	(1,663)	(2,187)	22,536
Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen)				
Basic EPS/(LPS)	0.19	(1.61)	(2.10)	21.77
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 2020 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	31.3.2021 (RM'000)	30.6.2020 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	301	36
Intangible assets	1,775	1,844
Right-of-use assets	852	-
	<u>2,928</u>	<u>1,880</u>
CURRENT ASSETS		
Trade and other receivables	4,787	2,953
Inventories	37	84
Other current assets	3	54
Tax recoverable	49	32
Cash and bank balances	13,544	6,082
	<u>18,420</u>	<u>9,205</u>
TOTAL ASSETS	<u>21,348</u>	<u>11,085</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	40,714	28,489
Accumulated losses	(20,418)	(18,231)
TOTAL EQUITY	<u>20,296</u>	<u>10,258</u>
NON-CURRENT LIABILITIES		
Lease liabilities	440	-
	<u>440</u>	<u>-</u>
CURRENT LIABILITIES		
Trade and other payables	211	827
Lease liabilities	401	-
	<u>612</u>	<u>827</u>
TOTAL LIABILITIES	<u>1,052</u>	<u>827</u>
TOTAL EQUITY AND LIABILITIES	<u>21,348</u>	<u>11,085</u>
Net assets (RM'000)	20,296	10,258
Net assets per share attributable to equity holders of the Company (sen)	19.61	9.91

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 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
	(RM'000)	(RM'000)	(RM'000)
for the financial year ended 30 June 2020			
Opening balance at 1 July 2019	15,930	28,489	(12,559)
Total comprehensive income / (loss)	17,100	-	17,100
Special Cash Dividend on ordinary shares	(22,772)	-	(22,772)
Closing balance at 30 June 2020	10,258	28,489	(18,231)
for the financial period ended 31 March 2021			
Opening balance at 1 July 2020	10,258	28,489	(18,231)
Total comprehensive income / (loss)	(2,187)	-	(2,187)
Issuance of new shares	12,225	12,225	-
Closing balance at 31 March 2021	20,296	40,714	(20,418)

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 2020 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
	31.3.2021 (RM'000)	31.3.2020 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax		
Continuing operations	(2,187)	22,536
Adjustments for:		
Amortisation of intangible assets	69	-
Depreciation	228	31
Plant and equipment written off	2	-
Gain on disposal of subsidiary companies	-	(21,457)
Dividend income	-	(4,400)
Interest income	(24)	(17)
Interest expenses	12	116
Operating profit / (loss) before working capital changes	(1,900)	(3,191)
(Increase) / decrease in receivables	(1,783)	242
(Increase) / decrease in inventories	47	(58)
(Decrease) / increase in payables	(798)	(3,840)
Cash (used in) / generated from operations	(4,434)	(6,847)
Tax refund/(paid)	(17)	(20)
Interest paid	(12)	(116)
Net cash (used in) / generated from operating activities	(4,463)	(6,983)
Cash flows from investing activities		
Interest received	24	17
Cashflow from disposal, net of cash disposed	-	34,739
Dividend income	-	4,400
Purchase of plant and equipment	(324)	-
Net cash (used in) / generated from investing activities	(300)	39,156
Cash flows from financing activities		
Proceeds from issuance of shares	12,225	-
Repayment of loans and borrowings	-	(3,272)
Dividend paid	-	(22,772)
Net cash generated from / (used in) financing activities	12,225	(26,044)
Net (decrease) / increase in cash and cash equivalents	7,462	6,129
Cash and cash equivalents at beginning of the period	6,082	3,379
Cash and cash equivalents at end of period	13,544	9,508

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2020 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 2020 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 2020.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Company with effect from 1 January 2020 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2020. The adoption of these MFRSs does not have any material impact on the Group's results and financial position.

ii Auditors' Report on Preceding Annual Financial Statements

The audited financial statements for the financial year ended 30 June 2020 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 the 1st tranche of 15,000,000 Placement Shares (as defined in section C(vi)) pursuant to the Private Placement (as defined in section C(vi)) at RM0.815 each on 24 March 2021 and the said shares were listed on 26 March 2021.

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 Executive Directors 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 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 2020.

xiii Capital Commitments

Capital commitments amounted to RM1,352,153 for the purchase of property, plant and equipment 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 31.3.2021 (RM'000)	Previous Year 31.3.2020 (RM'000)	Current Year 31.3.2021 (RM'000)	Previous Year 31.3.2020 (RM'000)
Related Party	Nature of Transaction				
Neuramatix, former ultimate holding company	Management fee paid to Neuramatix pursuant to Shared Services Agreement	-	90	60	457
		<u>-</u>	<u>90</u>	<u>60</u>	<u>457</u>

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	31.3.2021 (RM'000)	31.3.2020 (RM'000)
Cash on hand and at banks	544	9,508
Deposits with licensed banks	13,000	-
	<u>13,544</u>	<u>9,508</u>

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 2021, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

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

For the third quarter ended 31 March 2021, the Group recorded a revenue of RM1.6 million, which represents an increase of RM1.3 million as compared to a revenue of RM0.3 million for the third quarter in the preceding year, mainly due to higher orders from genetic screening services and recognition of the progress of genome sequencing and analysis services.

For the current quarter, the Group recorded a profit before tax of RM0.2 million as compared to a loss before tax of RM1.7 million in the same quarter of the preceding year, mainly due to higher orders from genetic screening services and recognition of the progress of genome sequencing and analysis services.

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

The Group recorded a revenue of RM1.9 million, which represents a reduction of RM3.5 million as compared to a revenue of RM5.4 million in the previous year-to-date, mainly due to the absence of dividend income from a subsidiary.

The Group registered a loss before tax of RM2.2 million as compared to a profit before tax of RM22.5 million in the corresponding period of the preceding year. The losses were mainly due to absence of gain arising from the disposal of subsidiaries and dividend income from a subsidiary.

ii Comparison with Preceding Quarter's Results

for the financial period ended	Current	Preceding	Variance
	Quarter	Quarter	
	31.3.2021	31.12.2020	
	(RM'000)	(RM'000)	(RM'000)
Revenue	1,628	136	1,492
Profit / (loss) before tax	200	(1,554)	1,754

A higher revenue (RM1.6 million) was achieved in the current period as compared to the preceding quarter's revenue of RM0.1 million, mainly due to the higher orders from genetic screening services and recognition of the progress of genome sequencing and analysis services. Consequently, a profit was achieved compared to a loss in the preceding quarter.

iii Prospects of the Group

MGRC Group has diversified its business to include the business of biopharmaceutical and healthcare products and services ("Biopharma and Healthcare Business"). Planning and design work on the Biopharma and Healthcare Business cell laboratory commenced in December and the application for approval of the site was submitted to the National Pharmaceutical Regulatory Agency ("NPRA"). The cell lab is expected to be ready and equipped for operations in the third quarter of 2021 subject to MGRC obtaining NPRA accreditation for cell development / cell engineering through the Current Good Manufacturing Practice ("cGMP") certification. Having its cGMP cell laboratory will add value to MGRC's capabilities, and its portfolio of products and services. Since this cell laboratory would be located in Malaysia, it would also mitigate the risk of supply chain disruptions due to border closures or freight delays caused by unexpected events such as the current COVID-19 pandemic. Premised on the above, the Board believes that despite the current challenging economic environment in view of the recent outbreak of the COVID-19 pandemic and the positive outlook for the biopharmaceutical and healthcare industry, MGRC Group will have ample opportunity to grow its Biopharma and Healthcare Business which is expected to contribute positively to MGRC Group's future earnings due to potential demand for Chimeric Antigen Receptor T-cell immunotherapy.

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	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2021	31.3.2020	31.3.2021	31.3.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysian income tax: Current period	-	-	-	-

vi Status of Corporate Proposal

There is no corporate proposal announced but not completed as at the date of this announcement, other than the proposed private placement of new ordinary shares in MGRC ("Placement Shares"), representing not more than 20% of the enlarged number of issued shares in MGRC (excluding any treasury shares) pursuant to Sections 75 and 76 of the Companies Act 2016, which was announced on 24 February 2021 ("Private Placement"). MGRC has on 24 March 2021 issued the 1st tranche of 15,000,000 Placement Shares at RM0.815 each and the said shares were listed on 26 March 2021.

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
vii Material Litigations

As at the date of this announcement, there is no material litigation against the Group or taken by the Group.

viii Dividends

There were no dividends paid for the financial period.

ix Trade receivables

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

	01.01.1904 (RM'000)
Not past due	1,555
Past due	
- less than 3 months	-
- 3 to 6 months	37
- over 6 months	31
	68
Impaired	(68)
	1,555

Receivables that are past due but not impaired

The Group 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.

x 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 31.3.2021	Previous Year 31.3.2020	Current Year 31.3.2021	Previous Year 31.3.2020
Profit/(loss), net of tax, attributable to owners of the parent (RM'000)	200	(1,663)	(2,187)	22,536
Weighted average number of ordinary shares in issue ('000)	104,843	103,510	103,948	103,510
Basic EPS/(LPS) (sen)	0.19	(1.61)	(2.10)	21.77

- 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.

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
xi Status of Utilisation of Proceeds

a) Proposed utilisation of Proceeds from Disposal	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%
Expenses for the Disposal	^Within 18 months	1,100	986	(114) *	-	0%
Repayment of creditors	^Within 18 months	2,888	1,388	(1,500) #	-	0%
Repayment of bank borrowings	^Within 18 months	3,270	2,886	(384) *	-	0%
Business expansion opportunities	Varied	4,000	-	(4,000) #, @	-	0%
Laboratory upgrades	Within 24 months	-	3,655	3,655 #	-	0%
Licensing fee for Tripartite Agreement	Utilised	-	1,845	1,845 @	-	0%
Working capital purposes	Within 24 months	7,970	8,059	498	409	5%
		<u>42,000</u>	<u>41,591</u>	<u>-</u>	<u>409</u>	<u>1%</u>

* The excess of these categories had been reallocated for working capital purposes, as disclosed in the Circular to the Shareholders dated 27 November 2019.

Pursuant to the variation of purpose of utilisation of proceeds as announced by the Company on 28 August 2020

@ Pursuant of the variation of purpose of utilisation of proceeds as announced by the Company on 26 June 2020

^ Pursuant to the extension of timeframe for the utilisation of proceeds as announced by the Company on 26 June 2020

b) Proposed utilisation of proceeds from private placement	Proposed utilisation timeframe from receipt of proceeds	Proposed Utilisation	Actual Utilisation	Variation	Balance of Amount Allocated	
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	(%)
Expenses for the private placement	Immediate	553	37	-	516	93%
Working capital	Within 24 months	11,672	137	-	11,535	99%
		<u>12,225</u>	<u>174</u>	<u>-</u>	<u>12,051</u>	<u>99%</u>

xii 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 27 May 2021.