

**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 fourth quarter ended 30 June 2021.

**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
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
<b>Continuing operations</b>				
Revenue	(69)	3	1,782	951
Cost of Sales	(261)	(51)	(570)	(328)
Gross profit	(330)	(48)	1,212	623
Other Income	51	3	135	10
Marketing and distribution	(202)	(95)	(375)	(395)
Finance cost	(81)	(280)	(93)	(396)
Administrative expenses	(1,544)	(2,190)	(5,172)	(6,285)
<b>Profit / (loss) before tax</b>	<b>(2,106)</b>	<b>(2,610)</b>	<b>(4,293)</b>	<b>(6,443)</b>
Taxation	-	7	-	7
<b>Profit / (loss), net of tax, from continuing operations</b>	<b>(2,106)</b>	<b>(2,603)</b>	<b>(4,293)</b>	<b>(6,436)</b>
Profit / (loss), net of tax, from discontinued operations	-	(2,833)	-	23,536
<b>Profit/(loss), for the period</b>	<b>(2,106)</b>	<b>(5,436)</b>	<b>(4,293)</b>	<b>17,100</b>
<b>Profit / (loss) attributable to:</b>				
Owners of the parent	(2,106)	(5,436)	(4,293)	17,100
<b>Net profit / (loss) for the period</b>	<b>(2,106)</b>	<b>(5,436)</b>	<b>(4,293)</b>	<b>17,100</b>
<b>Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen)</b>				
Basic EPS/(LPS)	(1.94)	(5.25)	(3.99)	16.52
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	30.6.2021 (RM'000)	30.6.2020 (RM'000)
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	3,822	36
Intangible assets	1,752	1,844
Right-of-use assets	1,547	-
	<u>7,121</u>	<u>1,880</u>
<b>CURRENT ASSETS</b>		
Trade and other receivables	3,953	2,953
Inventories	307	84
Other current assets	40	54
Tax recoverable	54	32
Cash and bank balances	11,308	6,082
	<u>15,662</u>	<u>9,205</u>
<b>TOTAL ASSETS</b>	<b><u>22,783</u></b>	<b><u>11,085</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		
Share capital	40,714	28,489
Accumulated losses	(22,784)	(18,231)
<b>TOTAL EQUITY</b>	<u>17,930</u>	<u>10,258</u>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	1,301	-
	<u>1,301</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	3,204	827
Lease liabilities	348	-
	<u>3,552</u>	<u>827</u>
<b>TOTAL LIABILITIES</b>	<u>4,853</u>	<u>827</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>22,783</u></b>	<b><u>11,085</u></b>
Net assets (RM'000)	17,930	10,258
Net assets per share attributable to equity holders of the Company (sen)	15.13	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)
<b>for the financial year ended 30 June 2020</b>			
<b>Opening balance at 1 July 2019</b>	<b>15,930</b>	<b>28,489</b>	<b>(12,559)</b>
Total comprehensive income / (loss)	17,100	-	17,100
Special Cash Dividend on ordinary shares	(22,772)	-	(22,772)
<b>Closing balance at 30 June 2020</b>	<b>10,258</b>	<b>28,489</b>	<b>(18,231)</b>
<b>for the financial year ended 30 June 2021</b>			
<b>Opening balance at 1 July 2020</b>	<b>10,258</b>	<b>28,489</b>	<b>(18,231)</b>
Total comprehensive income / (loss)	(4,293)	-	(4,293)
Issuance of new shares	11,965	12,225	(260)
<b>Closing balance at 30 June 2021</b>	<b>17,930</b>	<b>40,714</b>	<b>(22,784)</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 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
	30.6.2021 (RM'000)	30.6.2020 (RM'000)
<b>Cash flows from operating activities</b>		
Profit / (loss) before tax		
Continuing operations	(4,293)	16,869
Discontinued operations	-	224
Adjustments for:		
Impairment on receivables	-	128
Amortisation of intangible assets	92	1
Depreciation	492	34
Plant and equipment written off	2	4
Gain on disposal of subsidiary companies	-	(23,311)
Interest income	(75)	-
Interest expenses	93	396
Operating profit / (loss) before working capital changes	(3,689)	(5,655)
(Increase) / decrease in receivables	(986)	1,633
(Increase) / decrease in inventories	(223)	(52)
(Decrease) / increase in payables	2,162	318
Cash (used in) / generated from operations	(2,736)	(3,756)
Tax refund/(paid)	(22)	5
Interest paid	(93)	(396)
<b>Net cash (used in) / generated from operating activities</b>	<b>(2,851)</b>	<b>(4,147)</b>
<b>Cash flows from investing activities</b>		
Interest received	75	-
Cashflow from disposal, net of cash disposed	-	34,857
Purchase of plant and equipment	(3,963)	-
Purchase of intangible assets	-	(1,845)
<b>Net cash (used in) / generated from investing activities</b>	<b>(3,888)</b>	<b>33,012</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	11,965	-
Repayment of loans and borrowings	-	(3,272)
Dividend paid	-	(22,772)
<b>Net cash generated from / (used in) financing activities</b>	<b>11,965</b>	<b>(26,044)</b>
Net (decrease) / increase in cash and cash equivalents	5,226	2,821
Cash and cash equivalents at beginning of the period	6,082	3,261
<b>Cash and cash equivalents at end of period</b>	<b>11,308</b>	<b>6,082</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 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 following:-

(i) 1st tranche of 15,000,000 ordinary shares in MGRC were issued at RM0.815 each on 24 March 2021 pursuant to the 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"). The said Placement Shares were listed on 26 March 2021; and

(ii) 2nd and final tranche of 5,700,000 Placement Shares were issued at RM2.10 each on 14 September 2021 pursuant to the Private Placement. The said Placement Shares were listed on 15 September 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 RM953,039 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		4th Quarter		Year-to-Date	
		Current Year 30.6.2021 (RM'000)	Previous Year 30.6.2020 (RM'000)	Current Year 30.6.2021 (RM'000)	Previous Year 30.6.2020 (RM'000)
Related Party	Nature of Transaction				
Neuramatix, former ultimate holding company	Management fee paid to Neuramatix pursuant to Shared Services Agreement	-	90	60	547
		<u>-</u>	<u>90</u>	<u>60</u>	<u>547</u>

**xv Cash and Cash Equivalents**

as at	Current Year	Previous Year
	30.6.2021 (RM'000)	30.6.2020 (RM'000)
Cash on hand and at banks	308	6,082
Deposits with licensed banks	11,000	-
	<u>11,308</u>	<u>6,082</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 30 June 2021, 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 2021, the Group recorded a negative revenue of RM69,000 (RM3,000 for the fourth quarter in the preceding year). This was due to the derecognition of revenue of RM2.8 million, in compliance with MFRS 15.

For the current quarter, the Group recorded a loss before tax of RM2.106 million as compared to a loss before tax of RM2.61 million in the same quarter of the preceding year, mainly due to lower administrative expenses.

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

The Group recorded a revenue of RM1.782 million, which represents an increase of RM0.831 million as compared to a revenue of RM0.951 million in the previous year-to-date, mainly due to recognition of the progress of genome sequencing and analysis services.

The Group registered a loss before tax of RM4.293 million as compared to a loss before tax of RM6.443 million in the corresponding period of the preceding year. The lower losses were mainly due to higher revenues from the recognition of the progress of genome sequencing and analysis services.

**ii Comparison with Preceding Quarter's Results**

for the financial period ended	Current	Preceding	Variance
	Quarter	Quarter	
	30.6.2021	31.3.2021	
	(RM'000)	(RM'000)	(RM'000)
Revenue	(69)	1,628	(1,697)
Profit / (loss) before tax	(2,106)	200	(2,306)

A negative revenue (RM69,000) was recorded in the current period as compared to the preceding quarter's revenue of RM1.628 million. This was due to the derecognition of revenue of RM2.8 million, in compliance with MFRS 15. Consequently, a loss was incurred compared to a profit 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 September 2020 and the approval of the floor plan layout had been obtained from the National Pharmaceutical Regulatory Agency ("NPRA") in December 2020. The cell lab is expected to be ready and equipped for operations in the first quarter of 2022 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	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2021	30.6.2020	30.6.2021	30.6.2020
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysian income tax: Current period	-	(7)	-	(7)

**vi Status of Corporate Proposal**

There is no corporate proposal announced but pending completion as at the date of this announcement. The Private Placement was deemed completed on 15 September 2021 with the listing of the 2nd and final tranche of the Placement Shares on the ACE Market of Bursa Securities.

**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:-

	<b>30.6.2021 (RM'000)</b>
Not past due	3,378
Past due	
- less than 3 months	-
- 3 to 6 months	-
- over 6 months	68
	68
Impaired	(68)
	<b>3,378</b>

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	4th Quarter		Year-to-Date	
	Current Year 30.6.2021	Previous Year 30.6.2020	Current Year 30.6.2021	Previous Year 30.6.2020
Profit/(loss), net of tax, attributable to owners of the parent (RM'000)	(2,106)	(5,436)	(4,293)	17,100
Weighted average number of ordinary shares in issue ('000)	108,593	103,510	107,698	103,510
<b>Basic EPS/(LPS) (sen)</b>	<b>(1.94)</b>	<b>(5.25)</b>	<b>(3.99)</b>	<b>16.52</b>

- 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	8,468	498	-	0%
		<u>42,000</u>	<u>42,000</u>	<u>-</u>	<u>-</u>	<u>0%</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	297	-	256	46%
Working capital	Within 24 months	23,642	1,757	-	21,885	93%
		<u>24,195</u>	<u>2,054</u>	<u>-</u>	<u>22,141</u>	<u>92%</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 22 September 2021.

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**

[Registration No. 200401014287 (652790-V)]

(Incorporated in Malaysia)