

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 second quarter ended 31 December 2021.

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
	31.12.2021 (RM'000)	31.12.2020 (RM'000)	31.12.2021 (RM'000)	31.12.2020 (RM'000)
Continuing operations				
Revenue	7,628	136	16,944	223
Cost of Sales	(5,012)	(110)	(12,390)	(187)
Gross profit	2,616	26	4,554	36
Other Income	71	8	105	68
Marketing and distribution	(51)	(70)	(173)	(113)
Finance cost	(26)	(4)	(54)	(5)
Administrative expenses	(1,599)	(1,514)	(3,182)	(2,373)
Profit / (loss) before tax	1,011	(1,554)	1,250	(2,387)
Taxation	-	-	-	-
Profit / (loss), net of tax, from continuing operations	1,011	(1,554)	1,250	(2,387)
Profit / (loss), net of tax, from discontinued operations	-	-	-	-
Profit/(loss), for the period	1,011	(1,554)	1,250	(2,387)
Profit / (loss) attributable to:				
Owners of the parent	1,011	(1,554)	1,250	(2,387)
Net profit / (loss) for the period	1,011	(1,554)	1,250	(2,387)
Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen)				
Basic EPS/(LPS)	0.83	(1.50)	1.03	(2.31)
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 2021 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	31.12.2021 (RM'000)	30.6.2021 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	3,944	3,822
Intangible assets	1,706	1,752
Right-of-use assets	1,364	1,547
	<u>7,014</u>	<u>7,121</u>
CURRENT ASSETS		
Trade and other receivables	2,853	3,953
Inventories	939	307
Other current assets	13	40
Tax recoverable	65	54
Cash and bank balances	22,184	11,308
	<u>26,054</u>	<u>15,662</u>
TOTAL ASSETS	<u>33,068</u>	<u>22,783</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	52,684	40,714
Accumulated losses	(21,598)	(22,784)
TOTAL EQUITY	<u>31,086</u>	<u>17,930</u>
NON-CURRENT LIABILITIES		
Lease liabilities	1,164	1,301
	<u>1,164</u>	<u>1,301</u>
CURRENT LIABILITIES		
Trade and other payables	502	3,204
Lease liabilities	316	348
	<u>818</u>	<u>3,552</u>
TOTAL LIABILITIES	<u>1,982</u>	<u>4,853</u>
TOTAL EQUITY AND LIABILITIES	<u>33,068</u>	<u>22,783</u>
Net assets (RM'000)	31,086	17,930
Net assets per share attributable to equity holders of the Company (sen)	25.03	15.13

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 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 2021	(RM'000)	(RM'000)	(RM'000)
Opening balance at 1 July 2020	10,258	28,489	(18,231)
Total comprehensive income / (loss)	(4,293)	-	(4,293)
Issuance of shares	12,225	12,225	-
Share issuance expenses	(260)	-	(260)
Closing balance at 30 June 2021	17,930	40,714	(22,784)
for the financial period ended 31 December 2021	(RM'000)	(RM'000)	(RM'000)
Opening balance at 1 July 2021	17,930	40,714	(22,784)
Total comprehensive income / (loss)	1,250	-	1,250
Issuance of new shares	11,970	11,970	-
Share issuance expenses	(64)	-	(64)
Closing balance at 31 December 2021	31,086	52,684	(21,598)

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 2021 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
	31.12.2021 (RM'000)	31.12.2020 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	1,250	(2,387)
Adjustments for:		
Amortisation of intangible assets	46	46
Depreciation	499	103
Plant and equipment written off	-	2
Interest income	(105)	(8)
Interest expenses	54	5
Operating profit / (loss) before working capital changes	1,744	(2,239)
(Increase) / decrease in receivables	1,127	1,137
(Increase) / decrease in inventories	(632)	28
(Decrease) / increase in payables	(2,702)	(589)
Cash (used in) / generated from operations	(463)	(1,663)
Tax refund/(paid)	(11)	(12)
Interest paid	(54)	(5)
Net cash (used in) / generated from operating activities	(528)	(1,680)
Cash flows from investing activities		
Interest received	105	8
Purchase of plant and equipment	(438)	(288)
Net cash (used in) / generated from investing activities	(333)	(280)
Cash flows from financing activities		
Proceeds from issuance of shares	11,906	-
Repayment of lease liabilities	(169)	-
Net cash generated from / (used in) financing activities	11,737	-
Net (decrease) / increase in cash and cash equivalents	10,876	(1,960)
Cash and cash equivalents at beginning of the period	11,308	6,082
Cash and cash equivalents at end of period	22,184	4,122

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2021 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 2021 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 2021.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Company with effect from 1 January 2021 or later are provided in the notes to the audited financial statements of the Group for the financial year ended 30 June 2021. 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 2021 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 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 statement of financial position as at 30 June 2021.

xiii Capital Commitments

Capital commitments amounted to RM352,215 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		2nd Quarter		Year-to-Date	
		Current Year 31.12.2021 (RM'000)	Previous Year 31.12.2020 (RM'000)	Current Year 31.12.2021 (RM'000)	Previous Year 31.12.2020 (RM'000)
Related Party	Nature of Transaction				
Neuramatix, former ultimate holding company	Management fee paid to Neuramatix pursuant to Shared Services Agreement	-	-	-	60
		-	-	-	60

xv Cash and Cash Equivalents

as at	Current Year 31.12.2021 (RM'000)	Previous Year 31.12.2020 (RM'000)
Cash on hand and at banks	3,184	622
Deposits with licensed banks	19,000	3,500
	22,184	4,122

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

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

For the second quarter ended 31 December 2021, the Group recorded a revenue of RM7.63 million, which represents an increase of RM7.49 million as compared to a revenue of RM0.14 million for the second quarter in the preceding year. The increase arises from the introduction of the Biopharmaceutical Services, i.e Covid-19 vaccine administration and distribution, distribution of immunotherapy and cell therapies. The Biopharmaceutical Services has contributed approximately 78% of the total revenue while 22% was generated from the Genetic Screening Services and Molecular Biology Tests.

For the current quarter, the Group recorded a profit before tax of RM1.01 million as compared to a loss before tax of RM1.55 million in the same quarter of the preceding year. This growth was led by the successful penetration into the distribution of immunotherapy and cell therapies, which contributed a higher margin.

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

The Group recorded a revenue of RM16.94 million, which represents an increase of RM16.72 million as compared to a revenue of RM0.22 million in the previous year-to-date. The positive movement arises from the introduction of new revenue streams and the re-opening of the economy which was closed during the height of the Covid-19 pandemic.

The Group registered a profit before tax of RM1.25 million as compared to a loss before tax of RM2.39 million in the corresponding period of the preceding year, mainly due to the higher revenue and margin as reported above.

ii Comparison with Preceding Quarter's Results

	<u>Current Quarter</u>	<u>Preceding Quarter</u>	<u>Variance</u>
for the financial period ended	31.12.2021	30.9.2021	
	(RM'000)	(RM'000)	(RM'000)
Revenue	7,628	9,316	(1,688)
Profit / (loss) before tax	1,011	239	772

A lower revenue (RM7.63 million) was achieved in the current period as compared to the preceding quarter's revenue of RM9.32 million, mainly due to lower demand for vaccines as most individuals are fully vaccinated. Despite the reduction in revenue, the Group has generated a higher profit as the profit margin for other revenue stream is higher.

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)**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 third 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.

iv Variance from Profit Forecast

The Group did not publish any profit forecast.

v Taxation

No taxation was provided for the period as the the Group have sufficient unutilised tax losses and unabsorbed capital allowances to set off against any taxable profit.

vi Status of Corporate Proposal

There is no corporate proposal announced but pending completion as at the date of this announcement.

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.

C Explanatory Notes Pursuant to Appendix 9B, of the Listing Requirements (cont.)
ix Trade receivables

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

	31.12.2021 (RM'000)
Not past due	1,021
Past due	
- 1 to 30 days	325
- 31 to 60 days	58
- 61 to 90 days	117
- more than 90 days	491
	991
Impaired	(68)
	1,944

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)	2nd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
for the financial period ended	31.12.2021	31.12.2020	31.12.2021	31.12.2020
Profit/(loss), net of tax, attributable to owners of the parent (RM'000)	1,011	(1,554)	1,250	(2,387)
Weighted average number of ordinary shares in issue ('000)	121,856	103,510	121,856	103,510
Basic EPS/(LPS) (sen)	0.83	(1.50)	1.03	(2.31)

- 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

Proposed utilisation of proceeds from private placement	Proposed utilisation timeframe from receipt of proceeds	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated (RM'000)
Expenses for the private placement	Immediate	361	361	0
Working capital	Within 24 months	23,834	5,059	18,775
		24,195	5,420	18,775

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 16 February 2022.