

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 2022.

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
	31.3.2022	31.3.2021	31.3.2022	31.3.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing operations				
Revenue	5,083	1,628	22,027	1,851
Cost of Sales	(1,303)	(122)	(13,693)	(309)
Gross profit	3,780	1,506	8,334	1,542
Other Income	70	16	175	84
Marketing and distribution	(30)	(60)	(203)	(173)
Finance cost	(25)	(7)	(79)	(12)
Administrative expenses	(1,831)	(1,255)	(5,013)	(3,628)
Profit / (loss) before tax	1,964	200	3,214	(2,187)
Taxation	-	-	-	-
Profit / (loss), net of tax, from continuing operations	1,964	200	3,214	(2,187)
Profit / (loss), net of tax, from discontinued operations	-	-	-	-
Profit/(loss), for the period	1,964	200	3,214	(2,187)
Profit / (loss) attributable to:				
Owners of the parent	1,964	200	3,214	(2,187)
Net profit / (loss) for the period	1,964	200	3,214	(2,187)
Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen)				
Basic EPS/(LPS)	1.60	0.19	2.62	(2.10)
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	31.3.2022 (RM'000)	30.6.2021 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	4,275	3,822
Intangible assets	1,683	1,752
Right-of-use assets	1,253	1,547
	<u>7,211</u>	<u>7,121</u>
CURRENT ASSETS		
Trade and other receivables	5,129	3,953
Inventories	277	307
Other current assets	58	40
Tax recoverable	45	54
Cash and bank balances	22,385	11,308
	<u>27,894</u>	<u>15,662</u>
TOTAL ASSETS	<u>35,105</u>	<u>22,783</u>
EQUITY AND LIABILITIES		
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		
Share capital	52,684	40,714
Accumulated losses	(19,634)	(22,784)
TOTAL EQUITY	<u>33,050</u>	<u>17,930</u>
NON-CURRENT LIABILITIES		
Lease liabilities	1,094	1,301
	<u>1,094</u>	<u>1,301</u>
CURRENT LIABILITIES		
Trade and other payables	686	3,204
Lease liabilities	275	348
	<u>961</u>	<u>3,552</u>
TOTAL LIABILITIES	<u>2,055</u>	<u>4,853</u>
TOTAL EQUITY AND LIABILITIES	<u>35,105</u>	<u>22,783</u>
Net assets (RM'000)	33,050	17,930
Net assets per share attributable to equity holders of the Company (sen)	26.61	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
	(RM'000)	(RM'000)	(RM'000)
for the financial year ended 30 June 2021			
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 March 2022			
Opening balance at 1 July 2021	17,930	40,714	(22,784)
Total comprehensive income / (loss)	3,214	-	3,214
Issuance of new shares	11,970	11,970	-
Share issuance expenses	(64)	-	(64)
Closing balance at 31 March 2022	33,050	52,684	(19,634)

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
	31.3.2022 (RM'000)	31.3.2021 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	3,214	(2,187)
Adjustments for:		
Amortisation of intangible assets	69	69
Depreciation	767	228
Plant and equipment written off	-	2
Gain on lease modification	(4)	-
Interest income	(175)	(24)
Interest expenses	79	12
Operating profit / (loss) before working capital changes	3,950	(1,900)
Change in receivables	(1,194)	(1,783)
Change in inventories	30	47
Change in payables	(2,518)	(798)
Cash generated from / (used in) operations	268	(4,434)
Tax refund/(paid)	9	(17)
Interest paid	(79)	(12)
Net cash generated from / (used in) operating activities	198	(4,463)
Cash flows from investing activities		
Interest received	175	24
Purchase of plant and equipment	(953)	(324)
Net cash used in investing activities	(778)	(300)
Cash flows from financing activities		
Proceeds from issuance of shares	11,906	12,225
Repayment of lease liabilities	(249)	-
Net cash generated from financing activities	11,657	12,225
Net change in cash and cash equivalents	11,077	7,462
Cash and cash equivalents at beginning of the period	11,308	6,082
Cash and cash equivalents at end of period	22,385	13,544

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

MFRS 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

On 18 March 2022, the Company has incorporated MGRC Healthcare Sdn Bhd, a wholly owned subsidiary with a paid of share capital of RM100,000. The principal activity is to supply healthcare products and services.

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 RM75,492 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 31.3.2022 (RM'000)	Previous Year 31.3.2021 (RM'000)	Current Year 31.3.2022 (RM'000)	Previous Year 31.3.2021 (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 31.3.2022 (RM'000)	Previous Year 31.3.2021 (RM'000)
Cash on hand and at banks	3,385	544
Deposits with licensed banks	19,000	13,000
	22,385	13,544

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 2022, 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 2022, the Group recorded a revenue of RM5.08 million, which represents an increase of RM3.45 million (or 211.66%) as compared to a revenue of RM1.63 million for the third quarter in the preceding year. The increase arises from the growth of its distribution of immunotherapy and cell therapies. Furthermore, with the gradual reopening of the economy, the Group has seen an overall return of its genetic screening services business.

For the current quarter, the Group recorded a profit before tax of RM1.96 million, which represent an increase of RM1.76 million (or 880%) as compared to a profit before tax of RM0.2 million in the same quarter of the preceding year. This growth was led by a higher margin generated by the distribution of immunotherapy and cell therapies.

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

The Group recorded a revenue of RM22.03 million, which represents an increase of RM20.18 million (or 1,090.81%) as compared to a revenue of RM1.85 million in the previous year-to-date. The positive movement arises from the successful penetration into the Biopharmaceutical Services, i.e Covid-19 vaccine administration and distribution, distribution of immunotherapy and cell therapies, as well as the increase in its genetic screening services business.

The Group registered a profit before tax of RM3.21 million, which represents an increase of RM5.40 million (or 246.57%) as compared to a loss before tax of RM2.19 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

	Current Quarter	Preceding Quarter	Variance
for the financial period ended	31.3.2022 (RM'000)	31.12.2021 (RM'000)	(RM'000)
Revenue	5,083	7,628	(2,545)
Profit / (loss) before tax	1,964	1,011	953

A lower revenue of RM5.08 million was achieved in the current period as compared to the preceding quarter's revenue of RM7.63 million, mainly due to lower demand for vaccines, in view of Malaysia's fully vaccinated population.

Therefore, in the current quarter, MGRC has moved its focus to its immunotherapy business, producing CAR T-cells, natural killer cells (NK Cells) and mesenchymal stem cells (MSC). Despite the reduction in revenue, the Group has a shown higher profit as the distribution of immunotherapy and cell therapies contributed a higher margin.

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

MGRC Group has commenced its Biopharmaceutical business during the financial year ending 30 June 2022, into providing of biopharmaceutical and healthcare products and services ("Biopharma and Healthcare Business"). The Group had obtained the Current Good Manufacturing Practice ("cGMP") approval from the National Pharmaceutical Regulatory Agency ("NPRA") on 28 April 2022 for its Biosafety Level 2 (BSL-2) laboratory.

Owning a cGMP-compliant cell laboratory allows the Group to control the production of CAR T-cells, thus reducing lead time by 50% for the supply of CAR T-cells for solid cancers covered under the Tripartite Agreement whilst also reducing the supply cost of the CAR T-cells for solid cancers. The cell laboratory will add value to MGRC Group's capabilities, and its portfolio of products and services, as it can also generate new revenue streams from the contract manufacturing of CAR T-cells for liquid (haematological) cancers and other types of cells (e.g. mesenchymal stem cells) for third parties. The cell laboratory's location in Malaysia is central, from which it can supply cell processing services to customers in the Group's Exclusive Territories as well as 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. In addition, the production process can be completed faster and more cost efficient as the Group will not need to ship cells across borders to foreign cell labs for development and engineering. By avoiding the risks of logistics delays and supply chain disruptions, the Group has better control over its ability to deliver CAR T-cell production services to doctors and their patients.

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.

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

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

	31.3.2022
	(RM'000)
Not past due	1,456
Past due	
- 1 to 30 days	1,304
- 31 to 60 days	690
- 61 to 90 days	447
- more than 90 days	498
	2,939
Impaired	(68)
	4,327

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.

ix 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)	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
for the financial period ended	31.3.2022	31.3.2021	31.3.2022	31.3.2021
Profit/(loss), net of tax, attributable to owners of the parent (RM'000)	1,964	200	3,214	(2,187)
Weighted average number of ordinary shares in issue ('000)	122,629	104,843	122,629	103,948
Basic EPS/(LPS) (sen)	1.60	0.19	2.62	(2.10)

- 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.)
x Status of Utilisation of Proceeds

Proposed utilisation of proceeds from private placement	Proposed utilisation timeframe from receipt of proceeds	Proposed Utilisation	Actual Utilisation	Balance of Amount Allocated
		(RM'000)	(RM'000)	(RM'000)
Expenses for the private placement	Immediate	361	361	0
Working capital	Within 24 months	23,834	6,925	16,909
		24,195	7,286	16,909

xi 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 23 May 2022.