

ANNOUNCEMENT

The Board of Directors of Malaysian Genomics Resource Centre Berhad (hereinafter referred to as "MGRC" or "the Company") and its subsidiaries ("the Group") hereby announce the following unaudited results for the fourth quarter ended 30 June 2022.

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
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing operations				
Revenue	6,333	(69)	28,360	1,784
Cost of sales	(816)	(261)	(14,509)	(571)
Gross profit	5,517	(330)	13,851	1,213
Other income	84	51	260	135
Marketing and distribution	(74)	(202)	(277)	(375)
Finance cost	(23)	(81)	(102)	(93)
Administrative expenses	(2,536)	(1,544)	(7,549)	(5,173)
Profit / (loss) before tax	2,968	(2,106)	6,183	(4,293)
Taxation	1,028	-	1,028	-
Profit/(loss), for the period	3,996	(2,106)	7,211	(4,293)
Profit / (loss) attributable to:				
Owners of the parent	3,996	(2,106)	7,211	(4,293)
Non-controlling interests	-	-	-	-
Net profit / (loss) for the period	3,996	(2,106)	7,211	(4,293)
Earnings / (Loss) per share ("EPS/(LPS)") attributable to the equity holders of the Company (sen)				
Basic EPS/(LPS)	3.25	(1.94)	5.86	(3.99)
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, gain/loss on disposal of quoted or unquoted investments or properties, 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	30.6.2022 (RM'000)	30.6.2021 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	4,305	3,822
Intangible assets	4,950	1,752
Right-of-use assets	1,493	1,547
Deferred tax asset	1,080	-
	<u>11,828</u>	<u>7,121</u>
CURRENT ASSETS		
Trade and other receivables	8,841	3,953
Inventories	384	307
Other current assets	269	40
Tax recoverable	50	54
Cash and bank balances	20,518	11,308
	<u>30,062</u>	<u>15,662</u>
TOTAL ASSETS	<u>41,890</u>	<u>22,783</u>
EQUITY AND LIABILITIES		
Share capital	52,620	40,714
Accumulated losses	(15,573)	(22,784)
Equity attributable to the owners of the company	<u>37,047</u>	<u>17,930</u>
Non-controlling interest	1,921	-
TOTAL EQUITY	<u>38,968</u>	<u>17,930</u>
NON-CURRENT LIABILITIES		
Lease liabilities	1,259	1,301
	<u>1,259</u>	<u>1,301</u>
CURRENT LIABILITIES		
Trade and other payables	1,235	404
Contract liabilities	10	2,800
Lease liabilities	366	348
Provision for taxation	52	-
	<u>1,663</u>	<u>3,552</u>
TOTAL LIABILITIES	<u>2,922</u>	<u>4,853</u>
TOTAL EQUITY AND LIABILITIES	<u>41,890</u>	<u>22,783</u>
Net assets (RM'000)	37,047	17,930
Net assets per share attributable to equity holders of the Company (sen)	29.83	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	Non- Controlling Interest
	(RM'000)	(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 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 30 June 2022				
Opening balance at 1 July 2021	17,930	40,714	(22,784)	-
Total comprehensive income	7,211	-	7,211	-
Issuance of new shares	11,906	11,906	-	-
Acquisition of a subsidiary	1,921	-	-	1,921
Closing balance at 30 June 2022	38,968	52,620	(15,573)	1,921

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
	30.6.2022 (RM'000)	30.6.2021 (RM'000)
Cash flows from operating activities		
Profit / (loss) before tax	6,183	(4,293)
Adjustments for:		
Impairment on receivables	410	-
Impairment on investment	1	-
Bad debts	68	-
Amortisation of intangible assets	92	92
Depreciation	1,043	492
Plant and equipment written off	142	2
Gain on lease modification	(4)	-
Interest income	(252)	(75)
Interest expenses	102	93
Reversal of impairment losses on receivables	(8)	(60)
Operating profit / (loss) before working capital changes	7,777	(3,749)
Increase in receivables	(5,648)	(926)
Increase in inventories	(77)	(223)
(Decrease) / increase in payables	(1,959)	2,376
Cash generated / (used in) from operations	93	(2,522)
Tax refund/(paid)	4	(22)
Interest paid	(102)	(93)
Net cash used in operating activities	(5)	(2,637)
Cash flows from investing activities		
Interest received	252	75
Purchase of plant and equipment	(1,269)	(3,963)
Acquisition of subsidiary, net of cash acquired	(1,358)	-
Net cash used in investing activities	(2,375)	(3,888)
Cash flows from financing activities		
Proceeds from issuance of shares, net of share issuance expenses	11,906	11,965
Repayment of lease liabilities	(316)	(214)
Net cash generated from financing activities	11,590	11,751
Net increase in cash and cash equivalents	9,210	5,226
Cash and cash equivalents at beginning of the period	11,308	6,082
Cash and cash equivalents at end of period	20,518	11,308

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

On 27 July 2022, the Company has incorporated MGRC Trading Sdn Bhd, a wholly owned subsidiary with paid up share capital of RM100,000. The principal activity is dealing with Capital Markets and Derivative Instruments.

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 paid up share capital of RM100,000. The principal activity is to supply healthcare products and services.

On 29 June 2022, MGRC Healthcare Sdn Bhd acquired 51% stakeholding of Aquahealth Sdn Bhd ("Aquahealth"). The principal activity of Aquahealth is administrative healthcare 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 RM4,225 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, the related party transactions during the financial period to date:-

for the financial period ended		4th Quarter		Year-to-Date	
		Current Year	Previous Year	Current Year	Previous Year
Related Party	Nature of Transaction	30.6.2022 (RM'000)	30.6.2021 (RM'000)	30.6.2022 (RM'000)	30.6.2021 (RM'000)
MGRC Therapeutics Sdn Bhd	Covid-19 surveillance	311,700	-	311,700	-
		311,700	-	311,700	-

xv Cash and Cash Equivalents

as at	Current Year 30.6.2022 (RM'000)	Previous Year 30.6.2021 (RM'000)
Cash on hand and at banks	1,518	308
Deposits with licensed banks	19,000	11,000
	20,518	11,308

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 2022, 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 2022, the Group recorded a revenue of RM6.33 million, which represents an increase of RM6.4 million as compared to a negative revenue of RM0.07 million for the fourth quarter in the preceding year. The growth arises from the Group's new Biopharmaceutical businesses and continued organic growth of the existing businesses, in view of the re-opening of the economy and borders after the Covid-19 pandemic.

For the current quarter, the Group recorded a profit before tax of RM2.97 million as compared to a loss before tax of RM2.11 million in the same quarter of the preceding year. This positive growth was led by higher profit margin contribution by the new Biopharmaceutical businesses and efficient cost monitoring by the Group.

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

The Group recorded a revenue of RM28.36 million, which represents an increase of RM26.58 million as compared to a revenue of RM1.78 million in the previous year-to-date. The growth arises from the successful introduction of the Group's new Biopharmaceutical businesses, comprised of immunotherapy & cell therapies (such as producing of CAR T-cells, natural killer cells (NK Cells) and mesenchymal stem cells (MSC)) and Covid-19 related products and services (such as Covid-19 surveillance test, Covid-19 PCR test, Covid-19 vaccines, Covid-19 NAb equipment & tests).

The Group registered a profit before tax of RM6.18 million as compared to a loss before tax of RM4.29 million in the corresponding period of the preceding year, mainly due to the higher revenue and margin, and cost efficiencies as reported above.

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	30.6.2022	31.3.2022	
	(RM'000)	(RM'000)	(RM'000)
Revenue	6,333	5,083	1,250
Profit before tax	2,968	1,964	1,004

A higher revenue of RM6.33 million was achieved in the current period as compared to the preceding quarter's revenue of RM5.08 million, mainly generated from the immunotherapy and cell therapies.

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

On 29 June 2022, the Group acquired a 51% stake in Aquahealth Sdn Bhd ("Aquahealth"), a Company appointed by the Malaysia International Islamic Chamber of Commerce ("MIICC") as the operator of a haemodialysis centre. The haemodialysis centre will incorporate personalised kidney care model integrating dialysis with nutrition management, lifestyle changes and genetic testing for patients. According to the Ministry of Health's Management of Chronic Kidney Disease report, the number of Malaysians with kidney disease is projected to increase significantly in the future mainly due to the prevalence of diabetes, hypertension and an aging population. As advised by the Chairman of MIICC, thousands of kidney patients are on waiting lists for dialysis treatment in Malaysia. This new business venture is expected to generate positive cash flows to the Group as well as to improve the lives of the patients.

Furthermore, MGRC will be penetrating into countries outside Malaysia, such as Thailand, United Arab Emirates and Kingdom of Saudi Arabia for its existing Genomics and Biopharmaceutical businesses. MGRC will collaborate with the local clinical partners to promote, market and distribute genetic screening tests and cell therapy products. This will further expand the geographical reach for MGRC's products.

iv Variance from Profit Forecast

The Group did not publish any profit forecast.

v Taxation

for the financial period ended	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Malaysian income tax:				
Current period	52	-	52	-
Deferred tax asset	(1,080)	-	(1,080)	-
Total	(1,028)	-	(1,028)	-

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:-

	<u>30.6.2022</u> <u>(RM'000)</u>
Not past due	5,493
Past due	
- 1 to 30 days	1,398
- 31 to 60 days	722
- 61 to 90 days	840
- more than 90 days	521
Impaired	3,481
	<u>(470)</u>
	<u>8,504</u>

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) for the financial period ended	4th Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.6.2022	30.6.2021	30.6.2022	30.6.2021
Profit/(loss), net of tax, attributable to owners of the parent (RM'000)	3,996	(2,106)	7,211	(4,293)
Weighted average number of ordinary shares in issue ('000)	123,023	108,593	123,023	107,698
Basic EPS/(LPS) (sen)	<u>3.25</u>	<u>(1.94)</u>	<u>5.86</u>	<u>(3.99)</u>

- 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	Proposed Utilisation	Variation	Actual Utilisation	Balance of Amount Allocated
		(RM'000)	(RM'000)	(RM'000)	(RM'000)
Expenses for the private placement	Immediate	361	-	(361)	-
Working capital	Within 24 months from receipt of funds	23,834	(5,800)	(8,943)	9,091
Haemodialysis business	Within 24 months from 28 June 2022	-	5,500	(2,000)	3,500
Capital expenditure	Within 24 months from 28 June 2022	-	300	-	300
		24,195	-	(11,304)	12,891

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 30 August 2022.

