

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 first quarter ended 30 September 2022.

A PRESENTATION OF RESULTS

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I CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period ended	1st Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing operations				
Revenue	3,812	9,316	3,812	9,316
Cost of sales	(707)	(7,378)	(707)	(7,378)
Gross profit	3,105	1,938	3,105	1,938
Other income	43	34	43	34
Marketing and distribution	(52)	(122)	(52)	(122)
Finance cost	(26)	(28)	(26)	(28)
Administrative expenses	(2,223)	(1,583)	(2,223)	(1,583)
Profit from operations	847	239	847	239
Taxation	-	-	-	-
Profit for the period	847	239	847	239
Profit attributable to:				
Owners of the parent	847	239	847	239
Net profit for the period	847	239	847	239
Earnings per share ("EPS") attributable to the equity holders of the Company (sen)				
Basic EPS	0.68	0.20	0.68	0.20
Diluted EPS	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 2022 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	30.9.2022 (RM'000)	30.6.2022 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	4,175	4,305
Intangible assets	4,927	4,950
Right-of-use assets	1,399	1,493
Investment in quoted shares	1,600	-
Deferred tax asset	1,080	1,080
	<u>13,181</u>	<u>11,828</u>
CURRENT ASSETS		
Trade and other receivables	20,646	8,841
Inventories	554	384
Other current assets	199	269
Tax recoverable	56	50
Cash and bank balances	7,848	20,518
	<u>29,303</u>	<u>30,062</u>
TOTAL ASSETS	<u>42,484</u>	<u>41,890</u>
EQUITY AND LIABILITIES		
Share capital	52,620	52,620
Accumulated losses	(14,694)	(15,573)
Equity attributable to the owners of the company	<u>37,926</u>	<u>37,047</u>
Non-controlling interest	1,889	1,921
TOTAL EQUITY	<u>39,815</u>	<u>38,968</u>
NON-CURRENT LIABILITIES		
Lease liabilities	1,164	1,259
	<u>1,164</u>	<u>1,259</u>
CURRENT LIABILITIES		
Trade and other payables	1,065	1,235
Contract liabilities	27	10
Lease liabilities	371	366
Provision for taxation	42	52
	<u>1,505</u>	<u>1,663</u>
TOTAL LIABILITIES	<u>2,669</u>	<u>2,922</u>
TOTAL EQUITY AND LIABILITIES	<u>42,484</u>	<u>41,890</u>
Net assets (RM'000)	37,926	37,047
Net assets per share attributable to equity holders of the Company (sen)	30.53	29.83

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 2022				
Opening balance at 1 July 2021	17,930	40,714	(22,784)	-
Total comprehensive income	7,211	-	7,211	-
Issuance of shares	11,906	11,906	-	-
Share issuance expenses	1,921	-	-	1,921
Closing balance at 30 June 2022	38,968	52,620	(15,573)	1,921
for the financial period ended 30 September 2022				
Opening balance at 1 July 2022	38,968	52,620	(15,573)	1,921
Total comprehensive income	847	-	879	(32)
Closing balance at 30 September 2022	39,815	52,620	(14,694)	1,889

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 2022 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
	30.9.2022 (RM'000)	30.9.2021 (RM'000)
Cash flows from operating activities		
Profit before tax	847	239
Adjustments for:		
Amortisation of intangible assets	23	23
Depreciation	327	244
Interest income	(43)	(34)
Interest expenses	26	28
Operating profit before working capital changes	1,180	500
Increase in receivables	(11,735)	(2,813)
Increase in inventories	(170)	(332)
(Decrease) / increase in payables	(153)	1,100
Cash used in operations	(10,878)	(1,545)
Tax paid	(16)	(6)
Interest paid	(26)	(28)
Net cash used in operating activities	(10,920)	(1,579)
Cash flows from investing activities		
Interest received	43	34
Purchase of plant and equipment	(103)	(192)
Investment in quoted shares	(1,600)	-
Net cash used in investing activities	(1,660)	(158)
Cash flows from financing activities		
Proceeds from issuance of shares, net of share issuance expenses	-	11,906
Repayment of lease liabilities	(90)	-
Net cash (used in)/generated from financing activities	(90)	11,906
Net (decrease)/increase in cash and cash equivalents	(12,670)	10,169
Cash and cash equivalents at beginning of the period	20,518	11,308
Cash and cash equivalents at end of period	7,848	21,477

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 30 June 2022 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 2022 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 2022.

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 2022. 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 2022 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

There were no changes to the composition of the Group in the current quarter under review.

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 2022.

xiii Capital Commitments

The company has commitments amounting to RM68,108 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	Related Party	Nature of Transaction	1st Quarter		Year-to-Date	
			Current Year	Previous Year	Current Year	Previous Year
			30.9.2022	30.9.2021	30.9.2022	30.9.2021
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	
	Aquahealth Sdn Bhd	interest	29	-	29	-
			29	-	29	-

xv Cash and Cash Equivalents

as at	Current Year	Previous Year
	30.9.2022	30.9.2021
	(RM'000)	(RM'000)
Cash on hand and at banks	3,848	2,477
Deposits with licensed banks	4,000	19,000
	7,848	21,477

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 September 2022, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Group
Quarter Review and 3 Months Period Ended Review

For the first quarter ended 30 September 2022, the Group recorded a revenue of RM3.81 million, which represents a reduction of RM5.51 million as compared to a revenue of RM9.32 million for the first quarter in the preceding year. The decrease in revenue was due to the Group's switch from vaccines to immunotherapy and cell therapies under its biopharmaceutical business, and organic growth of its genetic screening business. This refocussing of Group's effort towards building its biopharmaceutical business is in support of future growth and sustainability.

For the current quarter, the Group recorded a profit before tax of RM0.85 million as compared to a profit before tax of RM0.24 million in the same quarter of the preceding year. This positive growth was led by higher profit margins contribution by the new biopharmaceutical businesses.

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	30.9.2022	30.6.2022	
	(RM'000)	(RM'000)	(RM'000)
Revenue	3,812	6,333	(2,521)
Profit before tax	847	2,968	(2,121)

A lower revenue of RM3.81 million was recorded in the current period as compared to the preceding quarter's revenue of RM6.33 million, as the Group laid the groundwork to expand its product and service distribution networks and footprint overseas.

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

Malaysian Genomics Resource Centre Berhad (“MGRC” or “The Group”) is well positioned to be a leading provider of genetic screening, genome analysis, and biopharmaceutical products in Southeast Asia. Utilising its high-throughput sequencing lab, advanced microarray facility, and new state-of-the-art cGMP cell processing lab for cell therapies, including immunotherapy for various types of cancer, the Group is committed to improving access to the latest in precision and personalised healthcare solutions for patients. An integral part of this involves increasing the breadth and depth of distribution networks for the Group's products and services. To this end, a number of collaboration and distribution agreements have been signed with foreign partners to provide MGRC with access to other markets within Southeast Asia and also the Middle-East North Africa region.

Examples include partnerships in Malaysia with Rinani Genotec Sdn Bhd and UCrest Berhad to explore the provision of sport-based genetic screening and online virtual genomics services respectively. In Thailand, supply agreements have been signed with Acquest Healthcare Stem Cell Research and Development Co Ltd, Salus Holding Co Ltd, and Marine Group Co Ltd, for the marketing and distribution of MGRC's CAR T-cells other cell therapies, and genetic screening services. In the Middle East, the Group has respectively signed similar agreements with the United Doctors Hospital and Ajlan & Bros Medical Company of the Kingdom of Saudi Arabia, and with the American Spine Centre of the United Arab Emirates to promote, market and distribute MGRC products in the MENA region. As these collaborations come online MGRC's products and services will become accessible in large, diverse markets outside of Malaysia.

The Group is also working with research institutions and higher education institutions in Malaysia, such as the Ministry of Health's National Institutes of Health, MAHSA Health Sdn Bhd and Universiti Malaysia Sabah, to exchange knowledge, explore way to improve the quality of genomics and biopharmaceutical services and support Malaysia's National Biotechnology Policy 2.0.

iv Variance from Profit Forecast

The Group did not publish any profit forecast.

v Taxation

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

vi Status of Corporate Proposal

On 22 August 2022, Bursa Malaysia Securities Berhad has approved the proposed private placement up to 12,421,048 new ordinary shares in MGRC, representing not more than 10% of the issued ordinary shares in MGRC (excluding treasury shares, if any) to independent third party investor(s) to be identified and at the issue price to be determined. This proposal has not been completed as at 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:-

	<u>30.9.2022</u> <u>(RM'000)</u>
Not past due	5,009
Past due	
- 1 to 30 days	1,364
- 31 to 60 days	822
- 61 to 90 days	830
- more than 90 days	3,238
	6,254
Impaired	(470)
	<u>10,793</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.

x EPS

- a) **Basic EPS** Computed by dividing the profit after 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 for the financial period ended	1st Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	30.9.2022	30.9.2021	30.9.2022	30.9.2021
Profit after tax, attributable to owners of the parent (RM'000)	847	239	847	239
Weighted average number of ordinary shares in issue ('000)	124,210	121,550	124,210	121,550
Basic EPS (sen)	<u>0.68</u>	<u>0.20</u>	<u>0.68</u>	<u>0.20</u>

- b) **Diluted EPS.** 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	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)	(11,706)	6,328
Haemodialysis business	Within 24 months from 28 June 2022	-	5,500	(5,500)	-
Capital expenditure	Within 24 months from 28 June 2022	-	300	(12)	288
		24,195	-	(17,579)	6,616

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 23 November 2022.