

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 third quarter ended 31 March 2023.

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
	31.3.2023 (RM'000)	31.3.2022 (RM'000)	31.3.2023 (RM'000)	31.3.2022 (RM'000)
Continuing operations				
Revenue	680	5,083	6,135	22,027
Cost of sales	(653)	(1,303)	(2,016)	(13,693)
Gross (loss)/profit	27	3,780	4,119	8,334
Other income	1	70	61	175
Marketing and distribution	(60)	(30)	(194)	(203)
Finance cost	(23)	(25)	(74)	(79)
Administrative expenses	(3,124)	(1,831)	(7,517)	(5,013)
(Loss)/Profit before taxation	(3,179)	1,964	(3,605)	3,214
Taxation	(59)	-	(59)	-
(Loss)/Profit for the period	(3,238)	1,964	(3,664)	3,214
Other comprehensive (loss)/income, net of tax				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Equity investments measured at fair value through other comprehensive loss	(5)	-	(20)	-
Other comprehensive loss for the period	(5)	-	(20)	-
Total comprehensive (loss)/income for the period	(3,243)	1,964	(3,684)	3,214
(Loss)/Profit attributable to:				
Owners of the parent	(2,862)	1,964	(3,215)	3,214
Non-controlling interests	(376)	-	(449)	-
(Loss)/Profit for the period	(3,238)	1,964	(3,664)	3,214
Total comprehensive (loss)/income attributable to:				
Owners of the parent	(2,867)	1,964	(3,235)	3,214
Non-controlling interests	(376)	-	(449)	-
Total comprehensive (loss)/income for the period	(3,243)	1,964	(3,684)	3,214
(Loss)/Earnings per share ("LPS)/EPS") attributable to the equity holders of the Company (sen)				
Basic (LPS)/EPS	(2.20)	1.60	(2.54)	2.62
Diluted (LPS)/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	31.3.2023 (RM'000)	30.6.2022 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	3,983	4,305
Intangible assets	4,884	4,950
Right-of-use assets	1,213	1,493
Deferred tax assets	1,080	1,080
	<u>11,160</u>	<u>11,828</u>
CURRENT ASSETS		
Trade and other receivables	26,633	8,841
Inventories	521	384
Other current assets	130	269
Tax recoverable	85	50
Cash and bank balances	3,581	20,518
	<u>30,950</u>	<u>30,062</u>
TOTAL ASSETS	<u>42,110</u>	<u>41,890</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	56,608	52,620
Accumulated losses	(18,808)	(15,573)
Equity attributable to the owners of the company	37,800	37,047
Non-controlling interest	1,472	1,921
TOTAL EQUITY	<u>39,272</u>	<u>38,968</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	969	1,259
	<u>969</u>	<u>1,259</u>
CURRENT LIABILITIES		
Trade and other payables	1,404	1,235
Contract liabilities	81	10
Lease liabilities	384	366
Provision for taxation	-	52
	<u>1,869</u>	<u>1,663</u>
TOTAL LIABILITIES	<u>2,838</u>	<u>2,922</u>
TOTAL EQUITY AND LIABILITIES	<u>42,110</u>	<u>41,890</u>
Net assets (RM'000)	37,800	37,047
Net assets per share attributable to equity holders of the Company (sen)	29.03	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	Fair Value Reserve	Accumulated Losses	Non- Controlling Interest
	(RM'000)	(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 new shares, net of share issuance expenses	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
for the financial period ended 31 March 2023					
Opening balance at 1 July 2022	38,968	52,620	-	(15,573)	1,921
Changes in fair value of equity investments measured at fair value through other comprehensive loss	(20)	-	(20)	-	-
Transfer to retained earnings upon disposal of investment in quoted shares	-	-	20	(20)	-
Total comprehensive loss	(3,664)	-	-	(3,215)	(449)
Issuance of new shares, net of share issuance expenses	3,988	3,988	-	-	-
Closing balance at 31 March 2023	39,272	56,608	-	(18,808)	1,472

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
	31.3.2023 (RM'000)	31.3.2022 (RM'000)
Cash flows from operating activities		
(Loss)/Profit before tax	(3,605)	3,214
Adjustments for:		
Amortisation of intangible assets	66	69
Depreciation	970	767
Plant and equipment written off	6	-
Gain on lease modification	-	(4)
Interest income	(62)	(175)
Interest expenses	74	79
Operating (loss)/profit before working capital changes	(2,551)	3,950
Increase in receivables	(17,653)	(1,194)
(Increase)/Decrease in inventories	(137)	30
Decrease/(Increase) in payables	240	(2,518)
Cash (used in)/from operations	(20,101)	268
Tax paid	(146)	9
Interest paid	(74)	(79)
Net cash (used in)/generated from operating activities	(20,321)	198
Cash flows from investing activities		
Interest received	62	175
Purchase of plant and equipment	(374)	(953)
Net cash used in investing activities	(312)	(778)
Cash flows from financing activities		
Proceeds from issuance of shares, net of share issuance expenses	3,988	11,906
Repayment of lease liabilities	(272)	(249)
Net cash generated from financing activities	3,716	11,657
Net (decrease)/increase in cash and cash equivalents	(16,917)	11,077
Cash and cash equivalents at beginning of the period	20,518	11,308
Cash and cash equivalents at end of period	3,601	22,385

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 MGRC 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 2022 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

There were no material capital commitments for the purchase of property, plant and equipment that were not provided for in the interim financial statements as 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	3rd Quarter		Year-to-Date	
			Current Year	Previous Year	Current Year	Previous Year
			31.3.2023	31.3.2022	31.3.2023	31.3.2022
		(RM'000)	(RM'000)	(RM'000)	(RM'000)	
	Aquahealth Sdn Bhd	Interest	43	-	116	-
			43	-	116	-

xv Cash and Cash Equivalents

as at	Current Year	Previous Year	
	31.3.2023	30.6.2022	
		(RM'000)	(RM'000)
Cash on hand and at banks	3,581	1,518	
Deposits with licensed banks	-	19,000	
	3,581	20,518	

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 2023, 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 3rd quarter ended 31 March 2023, the Group recorded a revenue of RM0.68 million, which represents a reduction of RM4.40 million as compared to a revenue of RM5.08 million for the 3rd 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; organic growth of its genetic screening business; and business development activities including opening new territories and developing new products suitable for the fast-moving consumer good (FMCG) market. This refocusing of the Group's effort towards building its biopharmaceutical business is in support of future growth and sustainability.

For the current quarter, the Group recorded a loss before tax of RM3.24 million compared to a profit before tax of RM1.96 million in the same quarter of the preceding year. The decrease is mainly due to the Group's business expansion and FMCG product development, which require additional human resource capital, research and development expenditure, and marketing.

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

The Group recorded a revenue of RM6.14 million, which represents an decrease of RM15.89 million as compared to a revenue of RM22.03 million in the previous year-to-date. The decrease is mainly due to business switch as mentioned above.

The Group registered a loss before tax of RM3.61 million compared to a profit before tax of RM3.21 million in the corresponding period of the preceding year, mainly due to additional business activities mentioned 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	31.3.2023	31.12.2022	
	(RM'000)	(RM'000)	(RM'000)
Revenue	680	1,643	(963)
(Loss)/Profit before tax	(3,238)	(1,273)	(1,965)

A lower revenue of RM0.68 million was recorded in the current period as compared to the preceding quarter's revenue of RM1.64 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 and services in Southeast Asia. Utilising its high-throughput sequencing lab, advanced microarray facility, and state-of-the-art BSL-2 cell processing lab that is cGMP approved by MOH for production of cell and gene 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.

The Group's broad market access and diverse product portfolio have never been greater than they are today. An integral part of this requires increasing the breadth and depth of distribution networks for the Group's products and services. To this end, MGRC seeks and engages with strategic partners across Southeast Asia, the Middle-East North Africa region and, most recently, the United States. To capitalise on its growing distribution network, the Group is applying its genomics and pharmaceutical expertise to develop a portfolio of products for the fast-moving consumer goods market. This includes novel ingredients and finished products for cosmeceuticals, wound healing, and genetic-based fitness improvement programs.

In Malaysia, the Group works closely with private hospitals and the Ministry of Health to improve access to its immunotherapies.

iv Variance from Profit Forecast

The Group did not publish any profit forecast.

v Taxation

The taxation for the current quarter and period ended are as follows:

	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
for the financial period ended	31.3.2023	31.3.2022	31.3.2023	31.3.2022
	RM'000	RM'000	RM'000	RM'000
Income tax				
Undertaken in prior year	(59)	-	(59)	-

vi Status of Corporate Proposal

There is no corporate proposal announced but not completed as at the date of this announcement, other than the proposed private placement of new ordinary shares in MGRC ("Placement Shares") representing not more than 10% of the issued ordinary shares in MGRC (excluding treasury shares, if any) which was approved on 22 August 2022 ("Private Placement"). MGRC has on 9 December 2022 issued the 1st tranche of 6,000,000 of Placement Shares at RM0.6721 each and the said shares were listed on the same date.

On 18 April 2023, MGRC had announced that the proposes to undertaken a private placement of up to 7,000,000 new ordinary shares of MGRC and this proposal approved on 18 May 2023 but has not been completed as at date of this announcement.

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:-

	31.3.2023 (RM'000)
Not past due	640
Past due	
- 1 to 30 days	100
- 31 to 60 days	136
- 61 to 90 days	1,157
- more than 90 days	9,611
	<u>11,004</u>
Gross	11,644
Impaired	(470)
Net	<u>11,174</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 (LPS)/EPS

- a) **Basic (LPS)/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 (LPS)/EPS for the financial period ended	3rd Quarter		Year-to-Date	
	Current Year	Previous Year	Current Year	Previous Year
	31.3.2023	31.3.2022	31.3.2023	31.3.2022
(Loss)/Profit after tax, attributable to owners of the parent (RM'000)	(2,862)	1,964	(3,215)	3,214
Weighted average number of ordinary shares in issue ('000)	130,210	122,629	126,685	122,629
Basic (LPS)/EPS (sen)	<u>(2.20)</u>	<u>1.60</u>	<u>(2.54)</u>	<u>2.62</u>

- b) **Diluted (LPS)/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

a)	Proposed utilisation of proceeds from private placement	Proposed utilisation timeframe	Proposed Utilisation (RM'000)	Variation (#) (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated (RM'000)
	Expenses for the private placement	Immediate	361	-	(361)	-
	Working capital	Within 24 months from receipt of funds	23,834	(5,800)	(15,479)	2,555
	Haemodialysis business	Within 24 months from 28 June 2022	-	5,500	(5,500)	-
	Capital expenditure	Within 24 months from 28 June 2022	-	300	(110)	190
			24,195	-	(21,450)	2,745

Pursuant to the variation of purpose of utilisation of proceeds as announced by the Company on 28 June 2022.

b)	Proposed utilisation of proceeds from private placement	Proposed utilisation timeframe	Proposed Utilisation (RM'000)	Variation (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated (RM'000)
	Future viable investment	Within 24 months from completion	4,033	(60)	-	3,973
	Purchase of equipment	Within 24 months from completion	-	-	-	-
	Estimated expenses	Upon completion	-	60	(60)	-
			4,033	-	(60)	3,973

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 May 2023.