

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 30 September 2024.

A PRESENTATION OF RESULTS

I CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the financial period ended	Individual Quarter		Year-to-Date	
	Current Period	Previous Period	Current Period	Previous Year**
	30.9.2024	30.9.2023	30.9.2024	30.9.2023
	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Continuing operations				
Revenue	1,401	2,265	4,478	N/A
Cost of sales	(514)	(1,121)	(2,065)	N/A
Gross profit	887	1,144	2,413	N/A
Other income	1	1	9	N/A
Marketing and distribution	(3)	(556)	(41)	N/A
Finance cost	(29)	(25)	(92)	N/A
Administrative expenses	(1,863)	(2,053)	(6,203)	N/A
Other expenses - provision of expected credit losses	-	-	-	N/A
Loss before taxation	(1,007)	(1,489)	(3,914)	N/A
Taxation	-	-	-	N/A
Loss for the period/Total comprehensive loss for the period/year	(1,007)	(1,489)	(3,914)	N/A
Loss attributable to:				
Owners of the parent	(928)	(1,448)	(3,669)	N/A
Non-controlling interests	(79)	(41)	(245)	N/A
Loss for the period/Total comprehensive loss for the period/year	(1,007)	(1,489)	(3,914)	N/A
Total comprehensive loss attributable to:				
Owners of the parent	(928)	(1,448)	(3,669)	N/A
Non-controlling interests	(79)	(41)	(245)	N/A
Total comprehensive loss for the period/year	(1,007)	(1,489)	(3,914)	N/A
Loss per share ("LPS") attributable to the equity holders of the Company (sen)				
Basic LPS	(0.68)	(1.07)	(2.67)	N/A
Diluted 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 period ended 31 December 2023 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.

**As announced on 25 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for preceeding year corresponding periods.

N/A - Not Applicable

A PRESENTATION OF RESULTS (cont.)

II CONDENSED STATEMENT OF FINANCIAL POSITION

as at	30.9.2024 (RM'000)	31.12.2023 (RM'000)
ASSETS		
NON-CURRENT ASSETS		
Plant and equipment	3,119	3,519
Intangible assets	3,978	4,294
Right-of-use assets	1,537	1,821
Other investment	2,500	-
	<u>11,134</u>	<u>9,634</u>
CURRENT ASSETS		
Trade and other receivables	10,452	13,413
Inventories	844	619
Other current assets	135	535
Tax recoverable	209	79
Cash and bank balances	67	1,423
	<u>11,707</u>	<u>16,069</u>
TOTAL ASSETS	<u>22,841</u>	<u>25,703</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	59,436	59,436
Accumulated losses	(40,758)	(37,089)
Equity attributable to the owners of the company	<u>18,678</u>	<u>22,347</u>
Non-controlling interest	(505)	(260)
TOTAL EQUITY	<u>18,173</u>	<u>22,087</u>
LIABILITIES		
NON-CURRENT LIABILITY		
Lease liabilities	1,324	1,610
	<u>1,324</u>	<u>1,610</u>
CURRENT LIABILITIES		
Trade and other payables	2,900	1,357
Contract liabilities	66	289
Lease liabilities	378	360
	<u>3,344</u>	<u>2,006</u>
TOTAL LIABILITIES	<u>4,668</u>	<u>3,616</u>
TOTAL EQUITY AND LIABILITIES	<u>22,841</u>	<u>25,703</u>
Net assets (RM'000)	18,678	22,347
Net assets per share attributable to equity holders of the Company (sen)	13.61	16.29

The unaudited condensed statement of financial position should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023 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 period ended 31 December 2023				
Opening balance at 1 July 2022	38,968	52,620	(15,573)	1,921
Total comprehensive loss	(23,697)	-	(21,516)	(2,181)
Issuance of new shares, net of share issuance expenses	6,816	6,816	-	-
Closing balance at 31 December 2023	22,087	59,436	(37,089)	(260)
for the financial period ended 30 September 2024				
Opening balance at 1 January 2024	22,087	59,436	(37,089)	(260)
Total comprehensive loss	(3,914)	-	(3,669)	(245)
Closing balance at 30 September 2024	18,173	59,436	(40,758)	(505)

The unaudited condensed statement of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023 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**
	30.9.2024 (RM'000)	30.9.2023 (RM'000)
Cash flows from operating activities		
Loss before tax	(3,914)	N/A
Adjustments for:		
Amortisation of intangible assets	316	N/A
Depreciation of plant and equipment	598	N/A
Depreciation of right-of-use assets	284	N/A
Interest expenses	92	N/A
Operating loss before working capital changes	(2,624)	N/A
Increase in receivables	861	N/A
Increase in inventories	(225)	N/A
Decrease in payables	1,157	N/A
Cash used in operations	(831)	N/A
Tax paid	(130)	N/A
Interest paid	(58)	N/A
Net cash used in operating activities	(1,019)	N/A
Cash flows from investing activity		
Purchase of plant and equipment	(198)	N/A
Net cash used in investing activity	(198)	N/A
Cash flows from financing activity		
Repayment of lease liabilities	(139)	N/A
Net cash used in financing activity	(139)	N/A
Net decrease in cash and cash equivalents	(1,356)	N/A
Cash and cash equivalents at beginning of the period	1,423	N/A
Cash and cash equivalents at end of period	67	N/A

**As announced on 25 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for preceeding year corresponding periods.

The unaudited condensed statement of cash flows should be read in conjunction with the audited financial statements for the financial period ended 31 December 2023 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 period ended 31 December 2023 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 period ended 31 December 2023.

Details of standards, amendments to published standards and interpretations to existing standards that are applicable to the Company with effect from 1 January 2023 or later are provided in the notes to the audited financial statements of the Group for the financial period ended 31 December 2023. 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 auditor opinion of audited financial statements for the financial period ended 31 December 2023 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 31 December 2023.

B Explanatory Notes Pursuant to MFRS 134 (cont.)

xiii Capital Commitments

The company has material capital commitments at the end of the financial period as follow:-

	Current Period	Previous Period
	30.9.2024	31.12.2023
	(RM'000)	(RM'000)
Approved but not contracted for:		
Purchase of property, plant and equipment	-	206
Purchase of others	141	112
Services	191	108
	332	426

xiv Related Party Transactions

Save as disclosed below, the related party transactions during the financial period to date:-

		Individual Quarter		Year-to-Date	
		Current Period	Previous Period	Current Year	Previous Period
for the financial period ended		30.9.2024	30.9.2023	30.9.2024	30.9.2023**
Related Party	Nature of Transaction	(RM'000)	(RM'000)	(RM'000)	(RM'000)
Aquahealth Sdn Bhd	Interest	38	44	121	N/A
Rinani Motorsport Sdn Bhd	Rental of Motor Vehicle	26	26	78	N/A
		64	70	199	N/A

**As announced on 25 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for preceeding year corresponding periods.

xv Cash and Cash Equivalents

	Current Year	Previous Period
	30.9.2024	31.12.2023
	(RM'000)	(RM'000)
as at		
Cash on hand and at banks	67	1,423

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 2024, have been prepared in accordance with Rule 9.22 and Appendix 9B of the Listing Requirements.

i Performance of the Group

Current Year Quarter End versus Pervious Period 5th Quarter

For the quarter ended 30 September 2024, the Group recorded a revenue of RM1.40million, which represents a decreased of RM0.87million as compared to a revenue of RM2.27million for the 5th Quarter in the preceding period. The Group focus in providing immunotherapy and cell therapies under its biopharmaceutical business which cell therapies contribute the major sales. The Group will continue strengthening its cell therapies and expand its immunotherapy therapies, 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. 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 RM1.01million, which represents a reduced of RM0.48million as compared to a loss before tax of RM1.49million in the same quarter of the preceding period. It was mainly due to the Company has less involvement in networking, brand exposure and industry presence activities compare to the preceding period.

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

As announced on 25 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for preceding year corresponding periods.

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	30.9.2024	30.6.2024	
	(RM'000)	(RM'000)	(RM'000)
Revenue	1,401	1,303	98
Loss before tax	(1,007)	(1,411)	404

A slightly higher revenue of RM1.40million was recorded in the current period as compared to the preceding quarter's revenue of RM1.30million, mainly due to higher revenue generated from cell therapies segments and improved performance from genomics segments by offering new services. The Group also more strengthening on its debt recovery and costs planning hence able to reduce the loss before tax.

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 strategic move to reorganise its operations had led to the formation of four distinct verticals, each focused on addressing the multi-dimensional needs of the healthcare sector which are clinical testing and biotherapeutics, specialised healthcare services, specialised manufacturing and healthcare artificial intelligence and big data.

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

iii Prospects of the Group (cont.)

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 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.

Quarter 1

On 13 March 2024, the Group entered into two (2) Research Collaboration Agreements with Universiti Sains Malaysia for purpose of: (a) exploring the genetics of Penang Women; and (b) determining the age of the ancient Penang Women Skeleton using the Accelerator Mass Spectrometry dating technique.

Quarter 2

The Group entered into Strategic Collaboration Agreement with De Cell Berhad for purpose of establishing a strategic partnership to provide cell-gene therapy products and services to the market on 17 April 2024. On 6 May 2024, the Group entered a memorandum of understanding with Twistcode Technologies Sdn Bhd for purpose of exploring opportunities for collaboration in research, development and commercialisation initiatives in bioinformatics as a service platform that are accessible in Malaysia and Middle East's markets, inclusive of the on premises solution as one service. On 7 June 2024, the Group entered into strategic collaboration agreement with Dx&Vx Co.Ltd. ("DxVx") for purpose of establishing a strategic partnership to market and promote the DxVx's genome testing services "GenomeCheck" in Southeast Asia and the Distribution Agreement had been entered on 25 June 2024. On 12 June 2024, the Group entered into a memorandum of understanding with Kumpulan Medic Iman Sdn Bhd for purpose of establishing a strategic partnership between the Parties and in setting up key commercial term and scope of business cooperation in respect of the areas of provide services of genome sequencing, bioinformatics analysis and genetic screening and to offere biopharmaceutical products, with a focus on supplying cell therapies for different types of cancer and regenerative diseases.

Quarter 3

On 15 July 2024, the Group entered into two (2) separate collaboration agreements with both Kumpulan Perubatan Penawar Sdn Bhd and Hospital Penawar Sdn Bhd for cooperations for genetic screening services known as "Origene All-in-One Report" including a derivative product known as "Childhood-Onset Disease Profile" for cell-gene therapeis. On 31 July 2024, the Group entered into Graduate Trainee Programme Agreement with IMU Education Sdn Bhd for purpose of exploring opportunities to develop industry education excellence worldwide and to collaborate with IMU Education for its Graduate Trainee Program as well as to support IMU Education's continuous efforts in producing excellent practitioners in relevant and highly competitive industries of Medical Biotechnology and Biomedical Science. The Company has entered into a Distributorship Agreement with BioMab, Inc. to distribute cell therapy related products specified in Malaysia on 9 September 2024.

Quarter 4

On 15 October 2024, the Group entered into a collaboration agreement with Innoquest Pathology Sdn Bhd ("Innoquest") for business cooperation in respect of the Group provide technical support on the screening services to Innoquest whereby Innoquest is to market the genetic screening services specifically agreed and allowed by the Group during the tenure of this Collaboration.

iv Variance from Profit Forecast

The Group did not publish any profit forecast.

v Taxation

There was no taxation provided for the period.

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

vi Status of Corporate Proposal

There is no corporate proposal announced but pending completion 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) has been submitted to Bursa Securities on 29 July 2024.

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:-

	30.9.2024 (RM'000)
Not past due	410
Past due	
- 1 to 30 days	299
- 31 to 60 days	472
- 61 to 90 days	193
- more than 90 days	10,869
	<u>11,833</u>
Gross	12,243
Impaired	(7,715)
Net	<u>4,528</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

- a) **Basic LPS** Computed by dividing the loss 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	Individual Quarter		Year-to-Date	
	Current Period	Previous Period	Current Year	Previous Period**
for the financial period ended	30.9.2024	30.9.2023	30.9.2024	30.9.2023
Loss after tax, attributable to owners of the parent (RM'000)	(928)	(1,448)	(3,669)	N/A
Weighted average number of ordinary shares in issue ('000)	137,210	135,384	137,210	N/A
Basic LPS (sen)	(0.68)	(1.07)	(2.67)	N/A

- b) **Diluted LPS.** The Company does not have any convertible shares or convertible financial instruments for the current financial quarter and financial period to date.

**As announced on 25 October 2023, the financial year end of the Group has been changed from 30 June 2023 to 31 December 2023. As such, there will be no comparative financial information available for preceeding year corresponding periods.

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)
	Future viable investment	Within 24 months from completion	3,620	(60)	(2,560)	1,000
	Working capital*	Within 12 months from listing	413	-	(413)	-
	Estimated expenses	Upon completion	-	60	(60)	-
			<u>4,033</u>	<u>-</u>	<u>(3,033)</u>	<u>1,000</u>

* In the event the Company is unable to identify any suitable and viable opportunities within the timeframe stipulated (or any extended timeframe, if applicable), the proceeds allocated for future viable investments shall be utilised as working capital of the Group.

xii Authorisation for Issue

The interim financial statements were approved and authorised for issue by the Board of Directors of MGRC on 27 November 2024.