



SUPERGENICS BERHAD

(Formerly known as Supergenics Sdn Bhd and Supergenics Holdings Sdn Bhd)

(Company No. 201601043153 (1214095-X))

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

CHARACTERISTICS OF THE LEAP MARKET OF BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES")

THE LEAP MARKET HAS BEEN POSITIONED AS A MARKET DESIGNED TO ACCOMMODATE CORPORATIONS TO WHICH A HIGHER INVESTMENT RISK MAY BE ATTACHED THAN OTHER CORPORATIONS LISTED ON THE ACE MARKET OR MAIN MARKET OF BURSA SECURITIES. IT IS A QUALIFIED MARKET WHICH IS MEANT MAINLY FOR SOPHISTICATED INVESTORS ONLY. ONLY EXISTING SECURITIES HOLDERS AND SOPHISTICATED INVESTORS ARE ALLOWED TO PARTICIPATE IN CORPORATE EXERCISES UNDERTAKEN BY SUPERGENICS BERHAD ("SGBHD" OR THE "COMPANY"). SOPHISTICATED INVESTORS SHOULD BE AWARE OF THE POTENTIAL RISKS OF INVESTING IN SUCH CORPORATIONS AND SHOULD MAKE THE DECISION TO INVEST ONLY AFTER DUE AND CAREFUL CONSIDERATION.

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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL		CUMULATIVE	
	6 Months Ended		12 Months Ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM'000	RM'000	RM'000	RM'000
Revenue	7,435	N/A	11,011	N/A
Cost of sales	(4,432)	N/A	(6,940)	N/A
Gross profit	3,003	N/A	4,071	N/A
Other operating income	1	N/A	1	N/A
Operating and administrative expenses	(1,142)	N/A	(1,951)	N/A
Profit from operations	1,862	N/A	2,121	N/A
Finance costs	(116)	N/A	(155)	N/A
Profit before taxation	1,746	N/A	1,966	N/A
Taxation	(369)	N/A	(408)	N/A
Total comprehensive profit	1,377	N/A	1,558	N/A
Total comprehensive profit attributable to :				
Owners of the parent	1,377	N/A	1,558	N/A
	1,377	N/A	1,558	N/A
Earnings per-share	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic	6.90	N/A	15.48	N/A
Diluted	N/A	N/A	N/A	N/A

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the Information Memorandum dated 13 Nov 2019.

No comparative figures for the preceding period are available, as this is the Group's first interim financial report on its consolidated results announced in compliance with the LEAP Market Listing Requirements of Bursa Securities ("Listing Requirements")

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As At 31 Dec 2019 RM'000	(AUDITED) As At 31 Dec 2018 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,578	1,509
Right of use assets	446	-
	2,024	1,509
CURRENT ASSETS		
Contract assets	1,634	869
Trade receivables	4,406	2,355
Other receivables	583	318
Other investments	20	-
Cash and bank balances	620	57
	7,263	3,599
TOTAL ASSETS	9,287	5,108
EQUITY		
Share capital	1,700	250
Merger reserve	(1,450)	-
Retained earnings/(Accumulated losses)	3,048	1,490
Total Equity	3,298	1,740
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	538	155
Bank borrowings	2,813	869
Deferred tax liabilities	31	31
	3,382	1,055
CURRENT LIABILITIES		
Contract liabilities	1,074	562
Trade payables	588	1,184
Other payables	166	109
Amount due to directors	74	110
Lease liabilities	68	41
Bank borrowings	258	102
Tax payables	379	205
	2,607	2,313
TOTAL LIABILITIES	5,989	3,368
TOTAL EQUITY AND LIABILITIES	9,287	5,108
NET ASSETS PER-SHARE (RM)	0.328	N/A

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Information Memorandum dated 13 Nov 2019.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT			
	Non-distributable		Distributable	
	Share Capital RM'000	Merger Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000	TOTAL EQUITY RM'000
GROUP				
As at 1 Jan 2019	250	-	1,490	1,740
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,558	1,558
Transactions with owners:-				
Adjustment pursuant to restructuring exercise before listing	1,450	(1,450)	-	-
Total transactions with owners	1,450	(1,450)	-	-
As at 31 Dec 2019	1,700	(1,450)	3,048	3,298
As at 1 Jan 2018	250	-	(28)	222
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,518	1,518
As at 31 Dec 2018	250	-	1,490	1,740

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Information Memorandum dated 13 Nov 2019.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	12 Months Ended 31 Dec 2019 (UNAUDITED)	12 Months Ended 31 Dec 2018 (AUDITED)
	RM'000	RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	1,965	1,987
Adjustments for:		
Depreciation of property, plant and equipment	159	154
Impairment loss of trade receivables	240	31
Interest income	(1)	-
Interest expenses	155	72
Operating profit before working capital changes	2,518	2,244
Change in working capital:		
Trade & other receivables	(2,557)	(981)
Contract assets & liabilities	(252)	(853)
Trade & other payables	(539)	182
	(3,348)	(1,652)
Cash (used in)/generated from operations	(830)	592
Interest paid	(159)	(72)
Interest received	1	-
Tax paid	(234)	(110)
	(392)	(182)
Net cash (used in)/generated from operating activities	(1,222)	410
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(220)	(15)
Net cash used in investing activities	(220)	(15)
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Repayment of finance lease liabilities	(41)	(41)
Proceeds/(repayment) of bank borrowings	2,182	(28)
Net changes in amount due from/to Directors	(35)	14
Net cash from/(used in) financing activities	2,106	(55)
Net increase in cash and cash equivalents	664	340
Cash and cash equivalents at beginning of the period	(24)	(364)
Cash and cash equivalents at end of the period	640	(24)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:		
Cash and bank balances	620	57
Other investment	20	-
Overdraft	-	(81)
	640	(24)

The Condensed Consolidated Statement of Cash flows should be read in conjunction with the Information Memorandum dated 13 Nov 2019.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019**

**PART A: EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL
REPORTING STANDARD (“MFRS”) 134 : INTERIM FINANCIAL REPORTING**

A1) Basis of preparation

This interim financial statements have been prepared under the historical cost convention. This interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting and as well as Rule 6.12 and Appendix 6A of the LEAP Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The interim financial statements should be read in conjunction with the explanatory notes attached to the interim financial statements which provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group.

This is the first interim report on the Group's unaudited condensed consolidated financial results for the half year ended 31 Dec 2019 announced in compliance with the Listing Requirement.

A2) Significant accounting policies and application of MFRS

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 Jan 2019, the Group adopted the following new and amended MFRS and IC Interpretations mandatory for annual financial periods beginning on or after 1 Jan 2019.

Description	Effective for annual periods beginning on or after
MFRS 16 : Leases	1 January 2019
Amendments to MFRS 3: Business Combinations (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 11: Joint arrangements (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019****A2) Significant accounting policies and application of MFRS (Cont'd)**

Description	Effective for annual periods beginning on or after
Amendments to MFRS 112: Income Taxes (Annual Improvements to MFRS Standards 2015 - 2017 Cycle)	1 January 2019
Amendments to MFRS 128 : Investments in Associates and Joint Ventures	1 January 2019
IC Interpretation 23: Uncertainty over Income Tax Treatments	1 January 2019
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1 January 2019
Amendments to MFRS 119: Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to MFRS 123: Borrowing Costs Eligible for Capitalisation (Annual Improvements 2015-2017 Cycle)	1 January 2019

The adoption of the above Amendments to MFRS and IC Interpretation did not have any significant financial impact to the Group except as mentioned below:

i) MFRS 16: Leases

MFRS 16 replaces MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

MFRS 16 introduces a single, on balance sheet lease accounting for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard which continues to be classified as finance or operating leases.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019****A2) Significant accounting policies and application of MFRS (Cont'd)**

Right-of-use assets are disclosed as a single line in the statement of financial position. The lease liabilities are included as borrowings in the statement of financial position.

The adoption of MFRS 16 has no material financial impact on the Group.

Standards and interpretations issued but not yet effective.

The Group has not adopted the following standards and interpretations that have been issued but not yet effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Business Combinations (Definition of a business)	1 January 2020
Amendments to MFRS 101: Presentation of Financial Statements (Definition of material)	1 January 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of material)	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group are expected to apply the abovementioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impacts to the financial statements of the Group.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019**

A3) Seasonal or cyclical factors

The Group's performance is not significantly affected by seasonal and cyclical factors.

A4) Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting period ended 31 Dec 2019.

A5) Material changes in estimates

There were no significant changes in the nature and amount of estimates reported in the prior interim period of the current financial period or prior years that have a material effect on the current financial period ended 31 Dec 2019 under review.

A6) Debt and equity securities

Saved as disclosed below, there were no issuance or repayment of debt and equity securities, share buy-backs, share cancellations, share held as treasury shares by the Group during the financial period:-

(a) 67,999,900 new ordinary shares pursuant to the acquisition of subsidiaries.

A7) Dividends paid

No dividends were declared or paid during the current financial period ended 31 Dec 2019 under review.

A8) Segmental reporting

Information on operating segments have not been prepared as the Group's revenue and profit as well as assets and liabilities are mainly derived from and used for our segment of the provision of turnkey solutions for the development of cleanrooms. The provision of management services of cleanrooms only comprises of a small portion of revenue achieved for the financial period under review. Please refer to Note B1 for the review of our Group's financial performance for the financial period ended 31 December 2019.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019**

A9) Valuation of property, plant and equipment

There was no valuation on any of the Group's property, plant & equipment during the reporting period ended 31 Dec 2019.

A10) Significant events

There were no events of a material nature to be disclosed in the interim financial statements for the current financial period ended 31 Dec 2019, save and except for the followings:-

- I) On 13 Nov 2019, the Company had issued an Information Memorandum in relation to the Proposed Excluded Issue of 25,000,000 New Ordinary Shares in Supergenics Berhad within the meanings of Section 230 of the Capital Markets and Services Act 2007 at an issue price of RM0.20 per share to Sophisticated Investors in conjunction with the Proposed Listing of Supergenics Berhad on the Leap Market of Bursa Malaysia Securities Berhad.

A11) Material changes in the composition of the Group

There was no changes in the composition of the Group during the reporting period ended 31 Dec 2019, save and except for the followings:-

- I) The acquisition of 100 ordinary shares in Supergenics Life Science Sdn Bhd, representing 100% equity interest, for a total purchase consideration of RM100 which was satisfied via the issuance of 4,000 new Shares at an issue price of RM0.025 per Share which was completed on 25 Jun 2019.
- II) The acquisition of 250,000 ordinary shares in Supergenics Solutions Sdn Bhd, representing 100% equity interest, for a total purchase consideration of RM1,699,898 which was satisfied via the issuance of 67,995,900 new Shares at an issue price of RM0.025 per Share which was completed on 8 Nov 2019.

A12) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting period ended 31 Dec 2019.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019**

A13) Material events subsequent to the end of the interim financial report

The management is not aware of any material events subsequent to the end of the interim financial report that have not been reflected in the financial statements for the current financial report ended 31 Dec 2019 under review, save and except for the followings:-

1) On 6 Jan 2020, the Company had raised RM 5.0 mil pertaining to the issuance and listing of 25,000,000 new ordinary shares of the Company at an issue price of RM0.20 per share to the sophisticated investors.

A14) Capital commitment

There was no commitment for the purchase of property, plant and equipment provided for in the current financial report ended 31 Dec 2019.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019****PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1) Review of performance**

	INDIVIDUAL		CUMULATIVE	
	6 Months Ended		12 Months Ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
	RM'000	RM'000	RM'000	RM'000
Revenue	7,435	N/A	11,011	N/A
Gross profit	3,003	N/A	4,071	N/A
Profit before taxation	1,746	N/A	1,966	N/A

The Group has recorded a revenue of RM7.44 million with profit before tax of RM1.75 million for the 2nd half year ended 31 Dec 2019.

The major component of the Group's revenue is derived from the provision of integrated turnkey solutions for the development of cleanrooms of RM7.26 million or 98% and RM0.18 million or 2% is contributed by the provision of management services of cleanrooms. Our main cost of sales incurred during the financial period under review are subcontractor costs and material costs while other operating expenses include mainly staff costs and director remuneration.

There is no comparative figures for the correspondence preceding period as this is the Group's first interim report on its consolidated results announced in compliance with the Leap market Listing Requirement of Bursa Securities.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED
31 DECEMBER 2019**

B2) Future prospects

As disclosed in the Information Memorandum of SGBHD dated 13 November 2019, the Group's prospects in the long term will continue to be favourable. We believe that we have established ourselves in a niche market for the development of cleanrooms with a track record of approximately 9 years. Our continued success in securing projects is evidence of being a reliable industry player, capable of being resilient and adaptive to challenging market conditions.

By leveraging on our competitive strengths as disclosed in Section 4.3 in the Information Memorandum as well as the know-how and business acumen of our management team, we believe that we will be able to capture future opportunities as they present themselves. We believe we are well-positioned to undertake our future plans and business strategies as disclosed in Section 4.14 in the Information Memorandum which will place us in a position to continue our long-term growth and ensure our sustainability in the industry.

There has been no change in the business direction of the Group which may have an impact on the business of the Group.

Further details of the Group's future plans and business strategies as well as industry outlook and prospects are disclosed in Section 4.14 and 4.15 of the Information Memorandum dated 13 November 2019.

B3) Profit forecast, Profit Guarantee and Internal Targets

The group has not issued any profit forecast, profit guarantee in any form of public documentation and announcement.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019****PART C: OTHER INFORMATION****C1) Status of Corporate Proposal**

There were no corporate proposals announced but pending completion as at the date of this report.

C2) Utilisation of Proceeds

The proposed utilisation of proceeds from the fund raising of RM 5.0 mil are as follows:-

Description	Proposed Utilisation RM'000	Reallocation RM'000	Actual Utilisation RM'000	Balance RM'000	Timeframe for Utilisation Upon Listing
(I) Working Capital (1)	2,000	50	(782)	1,268	12 months
(II) Development of a showcase cleanroom	1,000	-	-	1,000	18 months
(III) Enhancement and development of Supergenics' Laboratory Monitoring and Controlling System	1,000	-	-	1,000	12 months
(IV) Estimated listing expenses (1)	1,000	(50)	(950)	-	Immediate
	5,000	-	(1,732)	3,268	

Note:-

(1) The surplus from estimated listing expenses was adjusted to the amount allocated for working capital.

(2) The actual utilisation is up to the date of this report.

C3) Material Litigation

The management is not aware of any pending material litigation which will have a material effect on the financial position or the business of the Group and the Board is not aware of any proceedings pending or threatened against the Group or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Group at the date of this report.

**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2019****C4) Dividends**

For the time being, we have not proposed or paid any dividend in respect of the financial period ended 31 December 2019.

Nonetheless, the Board wishes to inform that it is working towards adopting a stable and sustainable dividend policy to reward our shareholders for participating in our Group's growth while maintaining an optimal capital structure and ensuring sufficient funds for the Group's future growth. The Board, prior to the recommendation of any dividend, will take into consideration various factors, amongst others, the financial performance of SGBHD, our retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions as well as the availability of distributable reserves.

C5) Earnings / (loss) per share

	Individual		Cumulative	
	6 Months Ended		12 Months Ended	
	31 Dec 2019	31 Dec 2018	31 Dec 2019	31 Dec 2018
a) <u>Basic earnings per-share</u>				
Profit attributable to the owners of parent ('000)	1,377	N/A	1,558	N/A
Total weighted average number of ordinary shares in issue ('000)	19,959	N/A	10,062	N/A
Basic earnings per share (sen)	6.90	N/A	15.48	N/A
b) <u>Diluted earnings per-share</u>				
	N/A	N/A	N/A	N/A

As disclosed in Note A13, the placement of 25,000,000 new ordinary shares was completed on 6 January 2020, bringing the total issued ordinary shares of the Company to 93,000,000 ordinary shares as of the date of issuance of this interim financial report.

C6) Authorisation for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with resolution of the directors on 27 Feb 2020.