



SUPERGENICS BERHAD

(Company No. 201601043153 (1214095-X))

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

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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UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL		CUMULATIVE	
	6 Months Ended		YTD	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
	RM'000	RM'000	RM'000	RM'000
Revenue	1,624	N/A	1,624	N/A
Cost of sales	(1,392)	N/A	(1,392)	N/A
Gross profit	232	N/A	232	N/A
Other operating income	19	N/A	19	N/A
Operating and administrative expenses	(866)	N/A	(866)	N/A
Loss from operations	(615)	N/A	(615)	N/A
Finance costs	(159)	N/A	(159)	N/A
Loss before taxation	(774)	N/A	(774)	N/A
Taxation	-	N/A	-	N/A
Total comprehensive loss	(774)	N/A	(774)	N/A
Total comprehensive loss attributable to :				
Owners of the parent	(774)	N/A	(774)	N/A
	(774)	N/A	(774)	N/A
Loss per-share	sen	sen	sen	sen
Basic	(0.84)	N/A	(0.84)	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 Audited Financial Statements for the year ended 31 Dec 2019.

The Company was listed in Bursa Malaysia on 6 Jan 2020, consequently no comparative figures available for the preceding year corresponding period ended 30 Jun 2019.

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UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As At 30 Jun 2020 RM'000	(AUDITED) As At 31 Dec 2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	3,115	1,578
Right-of-use assets	420	446
Contract assets	634	720
	4,169	2,744
CURRENT ASSETS		
Trade receivables	2,903	4,405
Other receivables	291	583
Contract assets	1,130	914
Other investments	3,636	20
Cash and bank balances	308	620
	8,268	6,542
TOTAL ASSETS	12,437	9,286
EQUITY		
Share capital	5,732	1,700
Merger reserve	(1,450)	(1,450)
Retained earnings	2,257	3,031
Total Equity	6,539	3,281
LIABILITIES		
NON-CURRENT LIABILITIES		
Deferred tax liabilities	31	31
Lease liabilities	657	538
Bank borrowings	3,111	2,813
	3,799	3,382
CURRENT LIABILITIES		
Trade payables	1,047	589
Other payables	138	183
Contract liabilities	538	1,074
Amount owing to directors	57	74
Lease liabilities	38	68
Bank borrowings	71	256
Provision for taxation	210	379
	2,099	2,623
TOTAL LIABILITIES	5,898	6,005
TOTAL EQUITY AND LIABILITIES	12,437	9,286
NET ASSETS PER-SHARE (RM)	0.071	0.326

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2019.

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UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

GROUP	ATTRIBUTABLE TO THE OWNERS OF THE PARENT			TOTAL EQUITY RM'000
	Non-distributable		Distributable	
	Share Capital RM'000	Merger Reserve RM'000	Retained Earnings/ RM'000	
As at 1 Jan 2020	1,700	(1,450)	3,031	3,281
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(774)	(774)
Transactions with owners:-				
Issuance of ordinary shares	5,000	-	-	5,000
Share issuance expenses	(968)	-	-	(968)
Total transactions with owners	4,032	-	-	4,032
As at 30 Jun 2020	5,732	(1,450)	2,257	6,539
As at 1 Jan 2019	250	-	1,490	1,740
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,541	1,541
Transactions with owners:-				
Adjustment pursuant to restructuring exercise before listing	1,450	(1,450)	-	-
Issuance of shares for the acquisition of a subsidiary	-	-	-	-
Total transactions with owners	1,450	(1,450)	-	-
As at 31 Dec 2019	1,700	(1,450)	3,031	3,281

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2019.

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UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended 30 Jun 2020 (UNAUDITED) RM'000	12 Months Ended 31 Dec 2019 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(774)	1,950
Adjustments for:		
Depreciation of property, plant and equipment	87	150
Depreciation of right-of-use asset	26	9
Impairment loss on trade receivables	-	241
Interest expenses	159	153
Interest income	(19)	(1)
Operating (loss)/profit before working capital changes	(521)	2,502
Changes in working capital:		
Trade & other receivables	1,795	(2,558)
Trade & other payables	413	(521)
Contract assets & liabilities	(666)	(252)
Amount owing to directors	(17)	(36)
	1,525	(3,367)
Cash generated from/(used in) operations	1,004	(865)
Interest paid	(159)	(154)
Interest received	19	1
Tax paid	(169)	(234)
	(309)	(387)
Net cash generated from/(used in) operating activities	695	(1,252)
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in other investment	(3,616)	(20)
Purchase of property, plant and equipment	(1,636)	(220)
Net cash used in investing activities	(5,252)	(240)
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Drawdown of borrowings	246	2,300
Repayment of borrowings	(134)	(120)
Proceed/(Repayment) of lease liabilities	101	(45)
Proceeds from issuance of share capital, net of share issuance expenses	4,032	-
Net cash generated from financing activities	4,245	2,135
Net (decrease)/increase in cash and cash equivalents	(312)	643
Cash and cash equivalents at beginning of the period	620	(23)
Cash and cash equivalents at end of the period	308	620
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD COMPRISES:		
Cash and bank balances	308	620

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2019.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

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 report should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

A2) Significant accounting policies and application of MFRS

The accounting policies adopted are consistent with those of the previous financial year except the adoption of following standards and interpretations that are mandatory for the Group for the financial year beginning on 1 Jan 2020:-

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Business Combinations (Definition of a business)	1 Jan 2020
Amendments to MFRS 101: Presentation of Financial Statements (Definition of material)	1 Jan 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors (Definition of material)	1 Jan 2020
Amendments to References to the Conceptual Framework in MFRS Standards	1 Jan 2020
Amendments to MFRS 7: Financial Instruments Disclosure and MFRS 9: Financial Instruments Recognition and Measurement (Interest Rate Benchmark Reform)	1 Jan 2020



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

A2) Significant accounting policies and application of MFRS (Cont'd)

The adoption of these new standards and interpretations did not have any material impact on the interim financial report of the Group.

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective:-

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Leases – Covid 19 – Related Rent Concessions	1 Jun 2020
MFRS 17: Insurance Contracts	1 Jan 2021
Amendments to MFRS 3: Business Combinations – Reference to the Conceptual Framework	1 Jan 2022
Amendments to MFRS 101: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 Jan 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 Jan 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract	1 Jan 2022
Annual Improvements to MFRS Standards 2018-2020:- <ul style="list-style-type: none">• Amendment to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards• Amendment to MFRS 9: Financial Instruments• Amendment to MFRS 141: Agriculture	1 Jan 2022



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

A2) Significant accounting policies and application of MFRS (Cont'd)

Effective date of these Amendments to Standards has been deferred, and yet to be announced:-

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Venture – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

A3) Seasonal or cyclical factors

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

A4) Unusual items

The Malaysian Government had on 18 Mar 2020 implemented the Movement Control Order ("MCO") to curb the spread of the COVID-19 disease which was further extended to 12 May 2020. During this period, temporary closure of all businesses was mandated except for those involved in the provision of essential services and products. The MCO had eased into a Conditional MCO ("CMCO") until 9 Jun 2020 of which certain restrictions were imposed by authorities such as closure of international borders, overseas travel restrictions and compliance to the standard operating procedures which has impacted the Group's businesses.

Upon the end of CMCO on 9 Jun 2020, it was replaced by Recovery MCO ("RMCO") which would take effect from 10 Jun 2020 to 31 Aug 2020 with more lenient restrictions. Under this new phase, interstate travels are permitted, except for those areas placed under Enhanced MCO ("EMCO").

Other than above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting period ended 30 Jun 2020.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

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 30 Jun 2020 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) 25,000,000 new ordinary shares issued pursuant to the listing of the Company on the Leap Market on 6 Jan 2020.

A7) Dividends paid

On 8 May 2020, the Board of the Company had announced on the intention to declare a final single tier dividend of RM0.003 in respect of the financial period ending 31 Dec 2019.

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 30 Jun 2020.

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 30 Jun 2020.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

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 30 Jun 2020, save and except for the followings:-

- I) 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.
- II) On 8 May 2020, the Board of the Company had announced on the intention to declare a final single tier dividend of RM0.003 in respect of the financial period ending 31 Dec 2019.

A11) Material changes in the composition of the Group

There was no changes in the composition of the Group during the reporting period ended 30 Jun 2020.

A12) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting period ended 30 Jun 2020.

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 30 Jun 2020 under review, save and except for the followings:-

- I) The Proposed Dividend was approved by its shareholders at the Annual General Meeting held on 30 Jul 2020.

A14) Capital commitment

There was no commitment for the purchase of property, plant and equipment provided for in the current financial report ended 30 Jun 2020.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

PART B: ADDITIONAL INFORMATION REQUIRED UNDER THE LEAP MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1) Review of performance

	Current	Immediate
	6 Months Ended	
	30 Jun 2020	31 Dec 2019
	RM'000	RM'000
Revenue	1,624	7,435
Gross profit	232	3,003
(Loss)/profit before taxation	(774)	1,746

The Group has recorded a revenue of RM1.62 million with loss before tax of RM0.77 million for the 1st half year ended 30 Jun 2020 as compared to the immediate preceding half year which recorded a revenue of RM7.44 million and profit before tax of RM1.75 million.

The lower Group's gross profit for the 1st half year ended 30 Jun 2020 was mainly due to lower revenue were recognized in the reporting period. The progress of the project was interrupted for more than 3 months during the MCO period with the imposition of movement restrictions.

There is no comparative figures for the correspondence preceding period.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

B2) Future prospects

The COVID-19 pandemic has adversely affected both local and global economies as well as consumer behaviour resulting in suspensions of businesses, imposition of travel restrictions and border controls.

Malaysia's economy shrank 17.1% in the second quarter ended 2020 as it was seriously impacted by the movement control orders (1Q 2020: 0.7%; 4Q 2019: 3.6%). Bank Negara Malaysia lowered its forecast for the economy this year due to the impact of the Covid-19 pandemic and it expected negative growth of between 3.5% and 5.5% this year before rebounding 5.5% to 8% next year.

Based on the above, barring any further unforeseen circumstances and as there is no certainty on the recovery of the economy at this juncture, the Company is working towards minimization of a delay in our projects as we are faced with both non-work activity and limited work activity for more than three (3) months during the MCO and the CMCO period in line with Ministry of Health (MOH), Kementerian Perdagangan Antarabangsa dan Industri (MITI) and Construction Industry Development Board (CIDB) requirements. Our management team is also working towards expediting our project progress in order to meet project time frames.

The Group will continue to expand our geographical reach and secure more cleanrooms development project as well as the provision of management services for cleanrooms. Our outstanding order book now stands at RM9.70 million and with total order book of RM13.40 million.

With the continuous monitoring of projects and the efforts put in by the management to date to improve our Group's processes and efficiency, the Board is cautiously optimistic for the Group's performance for the financial year ended 31 December 2020.

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 SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

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	(1,971)	79	12 months
(II) Development of a showcase cleanroom	1,000	-	(619)	381	18 months
(III) Enhancement and development of Supergenics' Laboratory Monitoring and Controlling System	1,000	-	(653)	347	12 months
(IV) Estimated listing expenses (1)	1,000	(50)	(950)	-	Immediate
	5,000	-	(4,193)	807	

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 SIX MONTHS FINANCIAL PERIOD ENDED 30 JUNE 2020

C4) Dividends

The Board of the Company had on 8 May 2020 announced on the intention to declare a final single tier dividend of RM0.003 in respect of the financial year ending 31 Dec 2019 which was approved by its shareholders in the Annual General Meeting held on 30 Jul 2020. The Company had subsequently announced that the entitlement date and payment date of the dividend were fixed on 17 Aug 2020 and 28 Aug 2020 respectively.

C5) Earnings / (loss) per share

	Individual 6 Months Ended		Cumulative YTD	
	30 Jun 2020	30 Jun 2019	30 Jun 2020	30 Jun 2019
a) <u>Basic earnings per-share</u>				
Loss attributable to the owners of parent ('000)	(774)	N/A	(774)	N/A
Total weighted average number of ordinary shares in issue ('000)	92,313	N/A	92,313	N/A
Basic loss per share (sen)	(0.84)	N/A	(0.84)	N/A
b) <u>Diluted earnings per-share</u>	N/A	N/A	N/A	N/A

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 28 Aug 2020.