



SUPERGENICS BERHAD

(Company No. 201601043153 (1214095-X))

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF YEAR ENDED 30 JUNE 2021

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 THE 1ST HALF YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL 6 Months Ended		CUMULATIVE YTD	
	30 Jun 2021 RM'000	30 Jun 2020 RM'000	30 Jun 2021 RM'000	30 Jun 2020 RM'000
Revenue	5,345	1,624	5,345	1,624
Cost of sales	(4,484)	(1,392)	(4,484)	(1,392)
Gross profit	861	232	861	232
Other operating income	109	19	109	19
Operating and administrative expenses	(1,101)	(866)	(1,101)	(866)
Loss from operations	(131)	(615)	(131)	(615)
Finance costs	(174)	(159)	(174)	(159)
Loss before taxation	(305)	(774)	(305)	(774)
Taxation	(16)	-	(16)	-
Total comprehensive Loss	(321)	(774)	(321)	(774)
Total comprehensive Loss attributable to :				
Owners of the parent	(321)	(774)	(321)	(774)
	(321)	(774)	(321)	(774)
Loss per-share	sen	sen	sen	sen
Basic	(0.34)	(0.84)	(0.34)	(0.84)
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 2020.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST HALF YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As At 30 Jun 2021 RM'000	(AUDITED) As At 31 Dec 2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	5,280	4,740
Right-of-use assets	880	966
Contract assets	550	533
Deferred tax assets	333	333
	7,043	6,572
CURRENT ASSETS		
Trade receivables	3,994	3,006
Other receivables	329	432
Contract assets	148	214
Other investments	1,153	1,140
Cash and bank balances	194	1,426
	5,818	6,218
TOTAL ASSETS	12,861	12,790
EQUITY		
Share capital	6,302	6,302
Merger reserve	(1,450)	(1,450)
Retained earnings	281	602
Total Equity	5,133	5,454
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	1,249	1,077
Bank borrowings	3,106	3,262
	4,355	4,339
CURRENT LIABILITIES		
Trade payables	1,381	1,379
Other payables	304	466
Contract liabilities	892	281
Amount owing to directors	107	135
Lease liabilities	246	183
Bank borrowings	374	387
Provision for taxation	69	166
	3,373	2,997
TOTAL LIABILITIES	7,728	7,336
TOTAL EQUITY AND LIABILITIES	12,861	12,790
NET ASSETS PER-SHARE (RM)	0.055	0.059

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2020.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST HALF YEAR ENDED 30 JUNE 2021

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 2021	6,302	(1,450)	602	5,454
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(321)	(321)
As at 30 Jun 2021	6,302	(1,450)	281	5,133
As at 1 Jan 2020	1,700	(1,450)	3,031	3,281
Loss for the financial year, representing total comprehensive income for the financial year	-	-	(2,150)	(2,150)
Transactions with owners:-				
Issuance of ordinary shares	5,000	-	-	5,000
Share issuance expenses	(398)	-	-	(398)
Total transactions with owners	4,602	-	-	4,602
Final single-tier dividend for financial year ended 31 Dec 2019	-	-	(279)	(279)
As at 31 Dec 2020	6,302	(1,450)	602	5,454

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2020.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST HALF YEAR ENDED 30 JUNE 2021

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended 30 Jun 2021 (UNAUDITED) RM'000	12 Months Ended 31 Dec 2020 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(305)	(2,374)
Adjustments for:		
Depreciation of property, plant and equipment	221	245
Depreciation of right-of-use asset	85	171
Impairment loss on trade receivables	-	399
Impairment loss on contract assets	-	890
Unrealised loss on foreign exchange	-	5
Fixed assets written off	-	2
Share of associate's results	-	120
Interest expenses	174	308
Interest income	(24)	(72)
Fair value gain on financial assets at fair value through profit and loss	(18)	(68)
Operating profit/(loss) before working capital changes	133	(374)
Changes in working capital:		
Trade & other receivables	(885)	1,146
Trade & other payables	(159)	1,073
Contract assets & liabilities	660	(796)
Amount owing to directors	(28)	61
	(412)	1,484
Cash (used in)/generated from operations	(279)	1,110
Interest paid	(174)	(309)
Interest received	24	72
Tax paid	(113)	(353)
	(263)	(590)
Net cash (used in)/generated from operating activities	(542)	520
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in other investment	5	(1,052)
Purchase of property, plant and equipment	(824)	(3,297)
Investment in an associate	-	(120)
Net cash used in investing activities	(819)	(4,469)
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Drawdown of borrowings	-	605
Repayment of borrowings	(168)	(26)
Proceed/(Repayment) of lease liabilities	297	(146)
Dividend paid	-	(279)
Proceeds from issuance of share capital, net of share issuance expenses	-	4,601
Net cash generated from financing activities	129	4,755
Net (decrease)/increase in cash and cash equivalents	(1,232)	806
Cash and cash equivalents at beginning of the period/year	1,426	620
Cash and cash equivalents at end of the period/year	194	1,426
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR COMPRISES:		
Cash and bank balances	194	1,426

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2020.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

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 2020 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 2021:-

Description	Effective for annual periods beginning on or after
Amendments to MFRS Standards arising from Interest Rate Reform – Phase 2:- <ul style="list-style-type: none">• Amendments to MFRS 4: Insurance Contracts• Amendments to MFRS 7: Financial Instruments: Disclosures• Amendments to MFRS 9: Financial Instruments• Amendments to MFRS 16: Leases• Amendments to MFRS 139: Financial Instruments: Recognition and Measurement	1 Jan 2021



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

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.

The Group early adopted amendment to MFRS 16, "COVID-19-Related Rent Concessions" which exempts lessees from having to determine whether rent concessions on individual lease contracts as a direct consequence of the COVID-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications.

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 3: Business Combinations – Reference to the Conceptual Framework	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



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

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

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018-2020:- <ul style="list-style-type: none">• Amendments to MFRS 101: First-time Adoption of Malaysian Financial Reporting Standards• Amendments to MFRS 9: Financial Instruments• Amendments to MFRS 141: Agriculture• Amendments to Illustrative Examples accompanying MFRS 16, "Leases"	1 Jan 2022
MFRS 17: Insurance Contracts Amendments to MFRS 17: Insurance Contracts	1 Jan 2023
Amendments to MFRS101 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current	1 Jan 2023

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

Other than the business operation and project progress disruption resulted from the different phases of Movement Control Order that were continuously imposed by Malaysia Government to curb the spread of COVID-19 disease from 18 March 2020 until to date, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting period ended 30 June 2021.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

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 June 2021 under review.

A6) Debt and equity securities

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.

A7) Segmental reporting

The Group's segmental report for the current financial period ended 30 June 2021 under review are as follows:-

Revenue by Business Activities

	Individual 6 Months Ended		Cumulative 6 Months Ended	
	30 Jun 2021 RM'000	30 Jun 2020 RM'000	30 Jun 2021 RM'000	30 Jun 2020 RM'000
<u>REVENUE</u>				
Provision of integrated turnkey solutions	4,386	960	4,386	960
Provision of maintenance services	568	664	568	664
Laboratory Services	391	-	391	-
Total consolidated revenue	5,345	1,624	5,345	1,624

A8) 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 June 2021.

A9) 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 June 2021.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

A10) Material changes in the composition of the Group

There was no changes in the composition of the Group during the reporting period ended 30 June 2021.

A11) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting period ended 30 June 2021.

A12) 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 June 2021 under review.

A13) Capital commitment

There was no commitment for the purchase of property, plant and equipment provided for in the current financial report ended 30 June 2021.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

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

B1) Review of performance

(i) 1st Half Year, FY 2021 (“H1FY2021”) vs 1st Half Year, FY 2020 (“H1FY2020”)

	INDIVIDUAL			CUMULATIVE		
	6 Months Ended		Variance	YTD		Variance
	30 Jun 2021	30 Jun 2020		30 Jun 2021	30 Jun 2020	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,345	1,624	229.1	5,345	1,624	229.1
Gross profit	861	232	271.1	861	232	271.1
Loss before taxation	(305)	(774)	60.6	(305)	(774)	60.6

For the current financial period under review, the Group posted a revenue of RM5.35 million as compared to its corresponding preceding financial period, H1FY2020 of RM1.62 million. The higher revenue was attributable to the improved progress of completion of the Group's secured projects which were affected by the volatile conditions under Movement Control Order.

In line with the increase in revenue, the Group had improved its performance by reducing the loss before taxation during the current period, whereby the Group has recorded loss before taxation of RM0.3 million as compared to its corresponding preceding financial period, H1FY2020 loss before taxation of RM0.77 million.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

B1) Review of performance (Cont'd)

(ii) Changes in revenue and PBT for H1FY2021 as compared with the immediate preceding period ended 31 Dec 2020 ("H2FY2020")

	Current	Immediate	Variance
	6 Months Ended	6 Months Ended	
	30 Jun 2021	31 Dec 2020	
	RM'000	RM'000	%
Revenue	5,345	3,511	52.2
Gross profit	861	1,540	(44.1)
Loss before taxation	(305)	(1,600)	80.9

The Group has recorded revenue of RM5.35 million with loss before tax of RM0.30 million for the 1st half year ended 30 Jun 2021 as compared to the immediate preceding half year which recorded revenue of RM3.51 million and loss before tax of RM1.60 million.

The Group's higher revenue for the 1st half year ended of FY2021 was mainly due to the improved progress of completion of the Group's secured projects. However, the gross margin has reduced due to the increasing project cost for both existing and newly secured projects such as raw materials, sub-contractor cost and labour cost. Nonetheless, the Group has recorded lower loss before taxation compared to the immediate preceding period whereby the Group performance was impacted by the one-off adjustment amounted to RM1.29 million for the provision of impairment of trade receivable in the immediate preceding period.

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.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

B2) Future prospects (Cont'd)

Bank Negara Malaysia and the Department of Statistics Malaysia have announced that Malaysia's Gross Domestic Product (GDP) expanded by 16.1% year-on-year in the second quarter of 2021. That indicates a continued recovery trajectory following a smaller decline of 0.5% in the preceding quarter, and a decline of 3.4% during the fourth quarter of 2020. Based on a six-month perspective, GDP rose by 7.1%, relative to a contraction of 8.4% during the same period in 2020. This growth was supported by the implementation of stimulus and assistance packages throughout the period valued at a total of RM75 billion, completed by on going measures under budget 2021. (Source: Ministry of Finance – Malaysia's 2Q 2021 GDP Grows by 16.1%; Economy Expected to Continue on Recovery Path).

Based on the above, barring any further unforeseen circumstances and in view of the increasing Covid-19 cases in the country but tempered by the vaccination program started on 24 February 2021, the Company is working towards minimization of the impact on the existing and new project as a result of the implementation of different phases of Movement Control Order that were continuously imposed by Malaysia Government from 18 March 2020 until to date.

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 RM12.56 million and with total order book of RM17.48 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 this coming financial year ending 31 December 2021.

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 1st HALF YEAR ENDED 30 JUNE 2021

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) 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.

C3) Dividends

No dividend has been declared by the Group since the end of the previous financial year. The Board of Directors do not recommend any dividend in respect of the current financial period under review.

C4) Earnings / (loss) per share

	Individual		Cumulative	
	6 Months Ended	6 Months Ended	YTD	YTD
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
a) <u>Basic earnings per-share</u>				
Loss attributable to the owners of parent ('000)	(321)	(774)	(321)	(774)
Total weighted average number of ordinary shares in issue ('000)	93,000	92,313	93,000	92,313
Basic loss per share (sen)	(0.34)	(0.84)	(0.34)	(0.84)
b) <u>Diluted earnings per-share</u>	N/A	N/A	N/A	N/A



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED 30 JUNE 2021

C5) Authorisation for issue

The interim financial report were authorised for issue by the Board of Directors in accordance with resolution of the directors on 30 Aug 2021.