



SUPERGENICS BERHAD

(Company No. 201601043153 (1214095-X))

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 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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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL 6 Months Ended		CUMULATIVE YTD	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000	31 Dec 2021 RM'000	31 Dec 2020 RM'000
Revenue	5,647	3,511	10,992	5,135
Cost of sales	(3,800)	(1,971)	(8,284)	(3,363)
Gross profit	1,847	1,540	2,708	1,772
Other operating income	314	295	423	314
Operating and administrative expenses	(1,542)	(3,166)	(2,643)	(4,031)
Share of associate's results	-	(120)	-	(120)
Profit/(Loss) from operations	619	(1,451)	488	(2,065)
Finance costs	(183)	(149)	(357)	(308)
Profit/(Loss) before taxation	436	(1,600)	131	(2,373)
Taxation	(94)	224	(111)	224
Total comprehensive Profit/(Loss)	342	(1,376)	20	(2,149)
Total comprehensive profit/(Loss) attributable to :				
Owners of the parent	342	(1,376)	20	(2,149)
	342	(1,376)	20	(2,149)
Earning/(Loss) per-share	<u>sen</u>	<u>sen</u>	<u>sen</u>	<u>sen</u>
Basic	0.37	(1.48)	0.02	(2.32)
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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(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2021

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) As At 31 DEC 2021 RM'000	(AUDITED) As At 31 Dec 2020 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,898	4,740
Right-of-use assets	795	966
Intangible asset	-	-
Contract assets	473	533
Deferred tax assets	333	333
	6,499	6,572
CURRENT ASSETS		
Trade receivables	5,714	3,006
Other receivables	350	432
Contract assets	152	214
Other investments	77	1,140
Cash and bank balances	2,186	1,426
	8,479	6,218
TOTAL ASSETS	14,978	12,790
EQUITY		
Share capital	6,302	6,302
Merger reserve	(1,450)	(1,450)
Retained earnings	622	602
Total Equity	5,474	5,454
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	1,141	1,077
Bank borrowings	3,115	3,262
	4,256	4,339
CURRENT LIABILITIES		
Trade payables	867	1,379
Other payables	355	466
Contract liabilities	2,284	281
Amount owing to directors	102	135
Lease liabilities	265	183
Bank borrowings	1,388	387
Provision for taxation	(13)	166
	5,248	2,997
TOTAL LIABILITIES	9,504	7,336
TOTAL EQUITY AND LIABILITIES	14,978	12,790
NET ASSETS PER-SHARE (RM)	0.059	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 2ND HALF YEAR ENDED 31 DECEMBER 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
Profit for the financial year, representing total comprehensive income for the financial year	-	-	20	20
As at 31 Dec 2021	6,302	(1,450)	622	5,474
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.

SUPERGENICS BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2ND HALF YEAR ENDED 31 DECEMBER 2021**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	12 Months Ended 31 Dec 2021 (UNAUDITED) RM'000	12 Months Ended 31 Dec 2020 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	131	(2,374)
Adjustments for:		
Depreciation of property, plant and equipment	645	245
Depreciation of right-of-use asset	171	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	357	308
Interest income	(25)	(72)
Fair value gain on financial assets at fair value through profit and loss	(45)	(68)
Operating profit/(loss) before working capital changes	1,234	(374)
Changes in working capital:		
Trade & other receivables	(2,626)	1,146
Trade & other payables	(623)	1,073
Contract assets & liabilities	2,124	(796)
Amount owing to directors	(33)	61
	(1,158)	1,484
Cash (used in)/generated from operations	76	1,110
Interest paid	(357)	(309)
Interest received	70	72
Tax paid	(289)	(353)
	(576)	(590)
Net cash (used in)/generated from operating activities	(500)	520
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in other investment	1,063	(1,052)
Addition in intangible asset	-	-
Purchase of property, plant and equipment	(932)	(3,297)
Investment in an associate	-	(120)
Net cash generated from/(used in) investing activities	131	(4,469)
CASH FLOW FROM FROM FINANCING ACTIVITIES		
Drawdown of borrowings	1,038	605
Repayment of borrowings	(1,233)	(26)
Proceed/(Repayment) of lease liabilities	1,324	(146)
Dividend paid	-	(279)
Proceeds from issuance of share capital, net of share issuance expenses	-	4,601
Net cash generated from financing activities	1,129	4,755
Net increase in cash and cash equivalents	760	806
Cash and cash equivalents at beginning of the year	1,426	620
Cash and cash equivalents at end of the year	2,186	1,426
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR COMPRISES:		
Cash and bank balances	2,186	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 2nd HALF YEAR ENDED
31 DECEMBER 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 amendments to following accounting standards that are effective for the Group's financial year beginning on or after 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 2nd HALF YEAR ENDED
31 DECEMBER 2021**

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

The above amendments to accounting standards effective during the financial year do not have any significant impact on the interim financial report of the Group.

The Group early adopted amendment to MFRS 16 "Leases", (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 accounting Standards and amendments to accounting 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 2nd HALF YEAR ENDED
31 DECEMBER 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">• Amendment to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards• Amendment to MFRS 9: Financial Instruments• Amendment to MFRS 141: Agriculture• Amendment 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
Amendments to MFRS108: Accounting policies, changes in Accounting Estimates and Errors	1 Jan 2023
Amendments to MFRS112: Deferred tax related to Assets and Liabilities arising from a single transaction	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.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF YEAR ENDED 31 DECEMBER 2021

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 31 Dec 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 31 Dec 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 31 Dec 2021 under review are as follows:-

Revenue by Business Activities

	Individual 6 Months Ended		Cumulative 6 Months Ended	
	31 Dec 2021 RM'000	31 Dec 2020 RM'000	31 Dec 2021 RM'000	31 Dec 2020 RM'000
REVENUE				
Provision of integrated turnkey solutions	4,603	2,963	8,989	3,923
Provision of maintenance services	691	548	1,259	1,212
Laboratory Services	353	-	744	-
Total consolidated revenue	5,647	3,511	10,992	5,135

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 31 Dec 2021.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF YEAR ENDED
31 DECEMBER 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 31 Dec 2021.

A10) Material changes in the composition of the Group

On 8 October 2021, the Company incorporated a new wholly-owned subsidiary, Supergenics Therapeutic Sdn Bhd with issued share capital of RM100.

A11) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting period ended 31 Dec 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 31 Dec 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 31 Dec 2021.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF YEAR ENDED 31 DECEMBER 2021

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

B1) Review of performance

(i) 2nd Half Year, FY 2021 (“H2FY2021”) vs 2nd Half Year, FY 2020 (“H2FY2020”)

	INDIVIDUAL			CUMULATIVE		
	6 Months Ended		Variance	YTD		Variance
	31 Dec 2021	31 Dec 2020		31 Dec 2021	31 Dec 2020	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,647	3,511	60.8	10,992	5,135	114.1
Gross profit	1,847	1,540	20.2	2,708	1,772	53.1
Profit/(Loss) before taxation	436	(1,600)	127.2	131	(2,373)	105.5

For the current financial period under review, the Group posted a revenue of RM5.65 million as compared to its corresponding preceding financial period, H2FY2020 of RM3.51 million. The higher revenue was attributable to the increase number of new project and the improved progress of completion of the Group's secured projects which were affected by the volatile conditions under Movement Control Order.

The improvement of the gross profit margin mainly contributed by the project with higher margin and some of the major projects are in the beginning stage which generally contribute higher margin to the Group.

In line with the increase in revenue, the Group had improved its performance by increasing the profit before taxation during the current period, whereby the Group has recorded profit before taxation of RM0.44 million as compared to its corresponding preceding financial period, H2FY2020 loss before taxation of RM1.60 million. The Group performance in H2Y2020 was impacted by the one-off adjustment of the provision of impairment of trade receivables.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF YEAR ENDED 31 DECEMBER 2021

B1) Review of performance (Cont'd)

(ii) Changes in revenue and PBT for H2FY2021 as compared with the immediate preceding period ended 30 Jun 2021 (“H1FY2021”)

	Current	Immediate	
	6 Months Ended		Variance
	31 Dec 2021	30 Jun 2021	
	RM'000	RM'000	%
Revenue	5,647	5,345	5.6
Gross profit	1,847	861	114.5
Profit/(Loss) before taxation	436	(305)	242.7

The Group has recorded revenue of RM5.65 million with profit before tax of RM0.44 million for the 2nd half year ended 31 Dec 2021 as compared to the immediate preceding half year which recorded revenue of RM5.35 million and loss before tax of RM0.31 million.

The improvement of the gross profit margin mainly contributed by newly secured projects with higher margin as well as cost saving from existing project in term of the implementation, software and licensing cost.

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 2nd HALF YEAR ENDED
31 DECEMBER 2021**

B2) Future prospects (Cont'd)

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.

The Malaysian economy recorded a recovery momentum with a growth of 3.6% in the fourth quarter of 2021, attributed to the easing of interstate movement restrictions in October 2021, the resumption of economic and social activities and the effective booster doses rollout of the National COVID-19 Immunisation Programme (PICK). In terms of the monthly performance, the GDP grew by 2.6% in December from 5.4% in November and 2.7% in October 2021. The growth was achieved despite the emergence of the Omicron variant as well as the occurrence of severe flooding in the Klang Valley and several states in the month of December. Overall Malaysia's GDP performance improved with a growth of 3.1% in 2021 as compared to a significant contraction of 5.6% in 2020. (Source: Ministry of Finance – Malaysian Economy Fourth Quarter 2021).

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 high vaccination rates and the lifting of interstate movement restrictions, the Company is working towards minimization of the impact on the existing and new project.

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 RM19.40 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 financial year ending 31 December 2022.

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 2021**

PART C: OTHER INFORMATION

C1) Status of Corporate Proposal

Save as disclosed below, there were no other corporate proposals announced as at the date of this report :-

- i. On 27 December 2021, the Board proposed the subscription of 242,500 new ordinary shares in Hope Stemcell Sdn Bhd, representing 19.40% equity interest in Hope Stemcell Sdn Bhd for a total cash consideration of RM242,500.
- ii. On 11 January 2022, the resolution set out in the notice of Extraordinary General Meeting ("EGM") dated 27 December 2021 was duly passed by way of poll at EGM.

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.



NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 2nd HALF YEAR ENDED 31 DECEMBER 2021

C4) Earnings / (loss) per share

	Individual 6 Months Ended		Cumulative YTD	
	31 Dec 2021	31 Dec 2020	31 Dec 2021	31 Dec 2020
a) <u>Basic earnings per-share</u>				
Profit/(Loss) attributable to the owners of parent ('000)	342	(1,376)	20	(2,149)
Total weighted average number of ordinary shares in issue ('000)	93,000	92,658	93,000	92,658
Basic earning/(loss) per share (sen)	0.37	(1.48)	0.02	(2.32)
b) <u>Diluted earnings per-share</u>	N/A	N/A	N/A	N/A

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 28 Feb 2022.