



SUPERGENICS BERHAD

(Company No. 201601043153 (1214095-X))

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE 1ST HALF YEAR ENDED 30 JUNE 2022

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 1ST HALF YEAR ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	INDIVIDUAL 6 Months Ended		CUMULATIVE YTD	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	30 Jun 2022 RM'000	30 Jun 2021 RM'000
Revenue	5,030	5,345	5,030	5,345
Cost of sales	(3,532)	(4,484)	(3,532)	(4,484)
Gross profit	1,498	861	1,498	861
Other operating income	92	109	92	109
Operating and administrative expenses	(1,340)	(1,101)	(1,340)	(1,101)
Share of associate's results	-	-	-	-
Profit/(Loss) from operations	250	(131)	250	(131)
Finance costs	(182)	(174)	(182)	(174)
Profit/(Loss) before taxation	68	(305)	68	(305)
Taxation	(14)	(16)	(14)	(16)
Total comprehensive Profit/(Loss)	54	(321)	54	(321)
Total comprehensive profit/(Loss) attributable to :				
Owners of the parent	54	(321)	54	(321)
	54	(321)	54	(321)
Earning/(Loss) per-share	sen	sen	sen	sen
Basic	0.06	(0.34)	0.06	(0.34)
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 2021.

SUPERGENICS BERHAD

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST HALF YEAR ENDED 30 JUNE 2022**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) As At 30 Jun 2022 RM'000	(AUDITED) As At 31 Dec 2021 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	4,839	4,898
Right-of-use assets	803	795
Investment in associate	243	-
Contract assets	393	456
Deferred tax assets	333	333
	6,611	6,482
CURRENT ASSETS		
Trade receivables	3,935	5,735
Other receivables	473	346
Contract assets	157	148
Amount owing from associate	2,758	-
Other investments	56	77
Tax recoverable	34	13
Cash and bank balances	1,031	2,186
	8,444	8,505
TOTAL ASSETS	15,055	14,987
EQUITY		
Share capital	6,302	6,302
Merger reserve	(1,450)	(1,450)
Retained earnings	676	622
Total Equity	5,528	5,474
LIABILITIES		
NON-CURRENT LIABILITIES		
Lease liabilities	1,062	1,152
Bank borrowings	3,011	3,070
	4,073	4,222
CURRENT LIABILITIES		
Trade payables	518	867
Other payables	361	336
Contract liabilities	3,747	2,284
Amount owing to directors	113	102
Lease liabilities	327	269
Bank borrowings	388	1,433
	5,454	5,291
TOTAL LIABILITIES	9,527	9,513
TOTAL EQUITY AND LIABILITIES	15,055	14,987
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 2021.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST HALF YEAR ENDED 30 JUNE 2022

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 2022	6,302	(1,450)	622	5,474
Profit for the financial period, representing total comprehensive income for the financial period	-	-	54	54
As at 30 Jun 2022	6,302	(1,450)	676	5,528
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

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2021.

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1ST HALF YEAR ENDED 30 JUNE 2022

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months Ended 30 Jun 2022 (UNAUDITED) RM'000	12 Months Ended 31 Dec 2021 (AUDITED) RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	68	131
Adjustments for:		
Depreciation of property, plant and equipment	327	645
Depreciation of right-of-use asset	95	171
Impairment loss on trade receivables	-	(83)
Interest expenses	182	357
Interest income	(8)	(45)
Fair value gain on financial assets at fair value through profit and loss	(19)	(25)
Operating profit before working capital changes	645	1,151
Changes in working capital:		
Trade & other receivables	1,672	(2,560)
Trade & other payables	(325)	(642)
Amount owing from associate	(2,758)	-
Contract assets & liabilities	1,517	2,145
Amount owing to directors	11	(33)
	117	(1,090)
Cash generated from operations	762	61
Interest paid	(47)	(357)
Interest received	27	45
Tax paid	(35)	(289)
	(55)	(601)
Net cash generated from/(used in) operating activities	707	(540)
CASH FLOW FROM INVESTING ACTIVITIES		
Withdrawal in other investment	20	1,088
Purchase of property, plant and equipment	(343)	(451)
Investment in an associate	(243)	-
Net cash (used in) / generated from investing activities	(566)	637
CASH FLOW FROM FINANCING ACTIVITIES		
Drawdown of borrowings	1,250	1,050
Repayment of borrowings	(2,486)	(195)
(Repayment) of lease liabilities	(60)	(192)
Net cash (used in) / generated from financing activities	(1,296)	663
Net decrease / increase in cash and cash equivalents	(1,155)	760
Cash and cash equivalents at beginning of the year	2,186	1,426
Cash and cash equivalents at end of the year	1,031	2,186
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD/YEAR COMPRISES:		
Cash and bank balances	1,031	2,186

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 Dec 2021.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

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

A1) Basis of preparation

These interim financial statements have been prepared under the historical cost convention. These 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 2021 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 2022:-

Description	Effective for annual periods beginning on or after
<ul style="list-style-type: none">• Amendments to MFRS 3 : Business Combinations – Reference to the Conceptual Framework• Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use• Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract• 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



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

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.

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
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 Amendments to MFRS101 Presentation of Financial Statements – Disclosure of Accounting Policies	1 Jan 2023
Amendments to MFRS108: Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 Jan 2023
Amendments to MFRS112: Income Taxes – 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.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

A3) Seasonal or cyclical factors

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

A4) Unusual items

The Ministry of Health (MOH) has reviewed the control measures put in place to combat the Covid-19 pandemic as Malaysia progressed into the endemic stage starting 1st May 2022. All business sectors have gradually resumed business as normal and the border is open for travellers with new relaxed procedures adopted.

Save for the above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows during the reporting period ended 30 June 2022.

A5) Material changes in estimates

There were no material changes in the accounting estimates during the current financial period 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 2022 under review are as follows:-

Revenue by Business Activities

	Individual 6 Months Ended		Cumulative 6 Months Ended	
	30 Jun 2022 RM'000	30 Jun 2021 RM'000	30 Jun 2022 RM'000	30 Jun 2021 RM'000
REVENUE				
Provision of integrated turnkey solutions	4,145	4,386	4,145	4,386
Provision of maintenance services	479	568	479	568
Laboratory Services	406	391	406	391
Total consolidated revenue	5,030	5,345	5,030	5,345



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

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 2022.

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 2022, save as follows:

- (i) Subscription of 242,500 new ordinary shares in Hope Stemcell Sdn Bhd by Supergenics Life Science Sdn Bhd was completed on 18 April 2022.

A10) Material changes in the composition of the Group

Following the completion of the Hope Stemcell Subscription, the equity interest held in Hope Stemcell Sdn Bhd via Supergenics Life Science Sdn Bhd increased from 12% to 29%.

A11) Contingent liabilities and contingent assets

There were no material contingent liabilities or assets for the reporting period ended 30 June 2022.

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 2022 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 2022.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

**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 2022 (“H1FY2022”) vs 1st Half Year, FY 2021 (“H1FY2021”)

	INDIVIDUAL			CUMULATIVE		
	6 Months Ended		Variance	YTD		Variance
	30 Jun 2022	30 Jun 2021		30 Jun 2022	30 Jun 2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5,030	5,345	(5.9)	5,030	5,345	(5.9)
Gross profit	1,498	861	74.0	1,498	861	74.0
Profit/(Loss) before taxation	68	(305)	122.2	68	(305)	122.2

For the current financial period under review, the Group posted a revenue of RM5.03 million as compared to its corresponding preceding financial period, H1FY2021 of RM5.35 million. The lower revenue was mainly due to lower revenue generated from projects as well as maintenance services.

The improvement of the gross profit margin was mainly contributed by the several new projects with higher profit margin.

In line with the increase in gross profit, the Group has recorded profit before taxation of RM0.07 million during the current financial period as compared to its corresponding preceding financial period, H1FY2021 with loss before taxation of RM0.30 million.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

B1) Review of performance (Cont'd)

(ii) Changes in revenue and PBT for H1FY2022 as compared with the immediate preceding period ended 31 Dec 2021 (“H2FY2021”)

	Current 6 Months Ended 30 Jun 2022	Immediate 31 Dec 2021	Variance
	RM'000	RM'000	%
Revenue	5,030	5,647	(10.9)
Gross profit	1,498	1,847	(18.9)
Profit/(Loss) before taxation	68	436	(84.4)

The Group has recorded revenue of RM5.03 million with profit before tax of RM0.07 million for the 1st half year ended 30 June 2022 as compared to the immediate preceding half year which recorded revenue of RM5.65 million and profit before tax of RM0.44 million. The lower revenue was mainly due to lower level of design and build activities in project division.

With the continuing effort in cost saving of the project implementation, software and licensing cost, the gross profit margin for the current financial period under review is aligned with the immediate preceding half year profit margin.



**NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE 1st HALF YEAR ENDED
30 JUNE 2022**

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. In line with the transition to an endemic phase, Malaysia's borders reopened on 1 April 2022 and the Government has also reviewed the control measures put in place during the transition into the endemic phase which took effect on 1 May 2022.

The Malaysian economy registered a stronger growth of 8.9% in the second quarter of 2022 (1Q 2022: 5.0%). While the GDP was lifted to some extent by the low base from the Full Movement Control Order (FMCO) in June 2021, growth in April and May 2022 was particularly robust. Domestic demand continued to strengthen, underpinned by the steady recovery in labour market conditions and ongoing policy support. The higher growth was also reflective of normalising economic activity as the country moved towards endemicity and reopened international borders. On a quarter-on-quarter seasonally-adjusted basis, the economy increased by 3.5% (1Q 2022: 3.8%). (Source: Bank Negara Malaysia - Economic and Financial Developments in Malaysia in the Second Quarter of 2022).

Going forward 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 RM14.5 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 1st HALF YEAR ENDED
30 JUNE 2022**

PART C: OTHER INFORMATION

C1) Status of Corporate Proposal

There are no corporate proposals announced by the Company but not completed as at the date of this report.

C2) Utilisation of Proceeds

There were no proceeds raised during the current financial period under review.

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.

C4) 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 1st HALF YEAR ENDED
30 JUNE 2022**

C5) Earnings / (loss) per share

	Individual 6 Months Ended		Cumulative YTD	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
a) <u>Basic earnings per-share</u>				
Profit/(Loss) attributable to the owners of parent ('000)	54	(321)	54	(321)
Total weighted average number of ordinary shares in issue ('000)	93,000	93,000	93,000	93,000
Basic earning/(loss) per share (sen)	0.06	(0.34)	0.06	(0.34)
b) <u>Diluted earnings per-share</u>	N/A	N/A	N/A	N/A

C6) Authorisation for issue

This interim financial report was authorised for issue by the Board of Directors in accordance with resolution of the directors on 26 Aug 2022.