



Malaysian  
Genomics  
Resource  
Centre

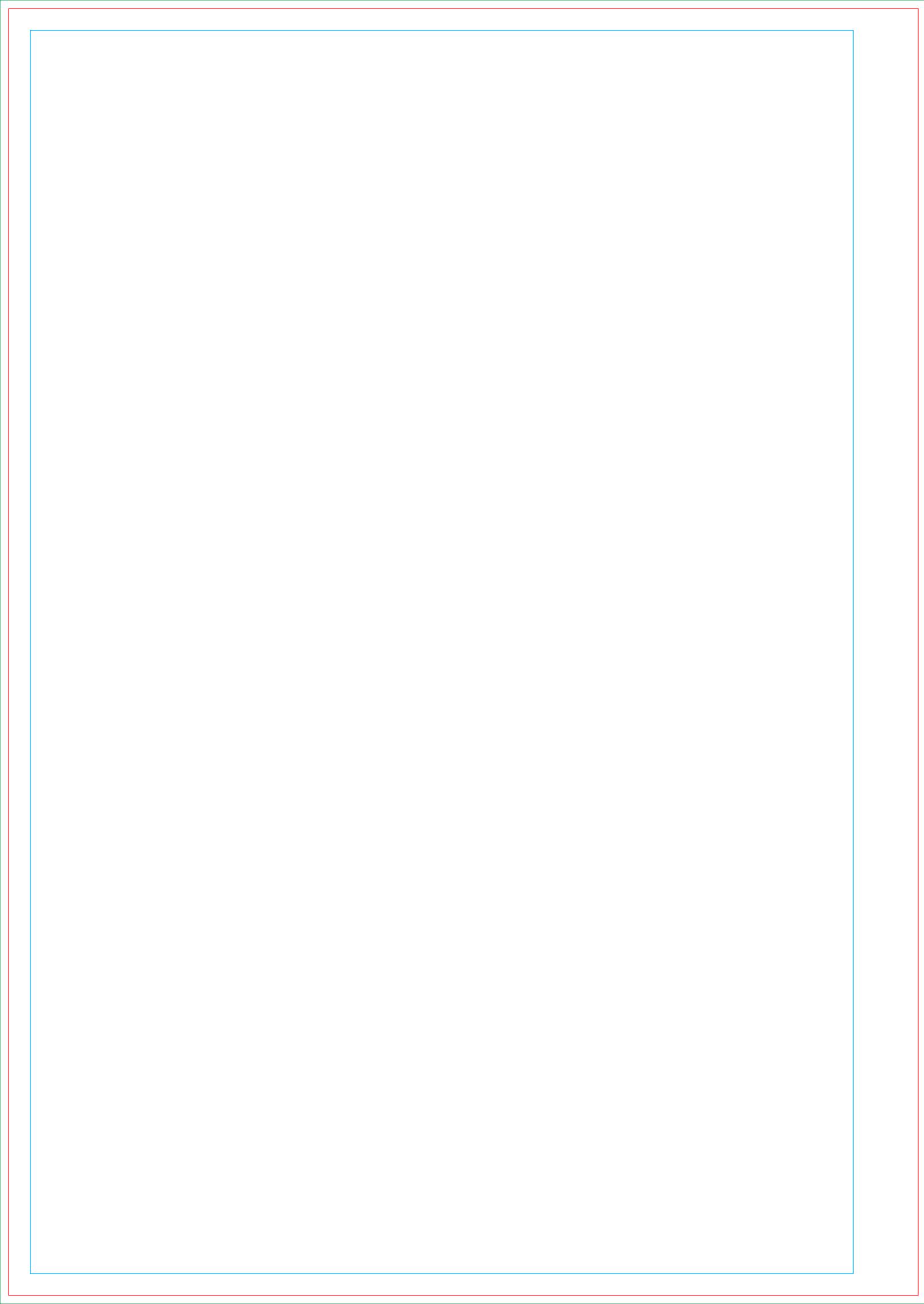
ANNUAL REPORT 2024

Malaysian Genomics Resource Centre Berhad  
[200401014287 (652790-V)]



# DISCOVER POSSIBILITIES

GENOME SEQUENCING | GENOME ANALYSIS | GENETIC SCREENING | CANCER IMMUNOTHERAPY |  
BIOINFORMATICS ANALYSIS | CELL THERAPY | ADVANCED PERSONALISED HEALTHCARE



**Malaysian Genomics Resource Centre Berhad** (hereafter referred to as 'MGRC') is a public-listed company focussing on realising the enormous potential within the evolving space of health technologies for the benefit of mankind. To achieve this, we need to provide quality innovations to lead MGRC into the future and keep it at the forefront of reliable healthcare products and services.

Our journey of discovery at MGRC is inspired by hope, driven by necessity and fuelled by passion to help shape a better future for mankind.



## Our Vision

To be the leading provider of innovative and reliable healthcare products and services in Southeast Asia.



## Our Mission

To improve the quality of life of our customers by providing innovative, reliable, accessible and sustainable healthcare products and services.



## Our Corporate Values

- To be innovative and reliable.
- To develop products with integrity and honesty.
- To offer products that are accessible and affordable for everyone.
- To work with respect and care for our customers and for the environment.
- To evolve accountably and sustainably.

This annual report is available on the web at <https://www.mgrc.com.my/investor-relations/annual-report> or you can scan here to download



MGRC diversified into biopharmaceutical services, in distributing of immunotherapy and cell therapies. We will continue to discover possibilities and evolve to adapt the changing in healthcare industry.

# What's Inside This Report



Malaysian  
Genomics  
Resource  
Centre

## 20<sup>th</sup> ANNUAL GENERAL MEETING

**Venue :** Westside Room 4, Level 8,  
St. Giles Boulevard,  
Mid Valley City,  
Lingkaran Syed Putra,  
59200 Kuala Lumpur,  
Wilayah Persekutuan

**Date :** 23 June 2025 (Monday)

**Time :** 10:00 am

## Corporate Information

- 04 Corporate Directory
- 05 Corporate Structure
- 06 Profile of Directors and Managements

## Performance Review

- 18 Chairman's Statement and Management Discussion and Analysis

## Sustainability Statement

- 26 Sustainability Statement

## Corporate Governance

- 51 Corporate Governance Overview Statement
- 65 Other Compliance Information
- 67 Statement on Risk Management and Internal Control
- 70 Audit and Risk Management Committee Report

## Financial Statements

- 76 Directors' Report
- 81 Statement by Directors
- 81 Statutory Declaration
- 82 Independent Auditors' Report
- 87 Statements of Financial Position
- 88 Statements of Profit or Loss and Other Comprehensive Income
- 89 Statements of Changes in Equity
- 91 Statements of Cash Flows
- 94 Notes to the Financial Statements

## Other Information

- 138 List of Material Properties
- 139 Analysis of Shareholdings
- 142 Notice of 20th Annual General Meeting

## Form Of Proxy

The background of the entire page is a photograph of a person's hand holding a black pen over a white document. The document has several rectangular yellow sticky notes pinned to it with metal clips. The scene is lit from above, creating strong shadows and highlights on the hand and the paper.

# CORPORATE INFORMATION

---

Corporate Directory **04**

Corporate Structure **05**

Profile Of Directors and Managements **06**

# CORPORATE INFORMATION

4

Corporate Directory

## BOARD OF DIRECTORS

### LEONG YIEN HUNG

(Executive Chairman / Managing Director)

### MUHAMMAD BADRI BIN HUSSIN

(Executive Director / Chief Operating Officer)

### MOHD SHAKIR BIN SHAHIMI

(Independent Non-Executive Director)

### DATUK WIRA MUHAMMAD FAIZAL BIN ZAINOL

(Independent Non-Executive Director)

### MOHAMAD RUZAINI BIN HAMZAH

(Independent Non-Executive Director)

### CHIH YI MAY

(Independent Non-Executive Director)

### YAP KOK WEI

(Independent Non-Executive Director)

### CHUNG ENG LAM

(Independent Non-Executive Director)

### LER PEI FEN

(Independent Non-Executive Director)

### LIM KOK KIONG

(Independent Non-Executive Director)

### TAN YIING FUNG

(Independent Non-Executive Director)

## AUDIT AND RISK MANAGEMENT COMMITTEE

- Mohd Shakir bin Shahimi
- Lim Kok Kiong
- Tan Yiing Fung

## REGISTERED OFFICE

B-21-1, Level 21, Northpoint Mid Valley City No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur

Tel : +603 9770 2200  
Fax : +603 2201 7774

## SHARE REGISTRAR

Aldpro Corporate Services Sdn Bhd  
[202101043817 (1444117-M)]  
B-21-1, Level 21,  
Northpoint Mid Valley City, No. 1,  
Medan Syed Putra Utara,  
59200 Kuala Lumpur  
Tel : +603 9770 2200  
Fax : +603 2201 7774

## NOMINATION AND REMUNERATION COMMITTEE

- Mohd Shakir bin Shahimi
- Chih Yi May

## PRINCIPAL PLACE OF BUSINESS

8F, Jalan Teknologi 3/6  
Taman Sains Selangor 1  
Kota Damansara (PJU5)  
47810 Petaling Jaya  
Selangor, Malaysia

Tel : +603 7890 0015/  
+603 7890 0016  
Fax : +603 6150 3232

## COMPANY SECRETARIES

**TAN TONG LANG**  
SSM PC No. 202208000250  
(MAICSA 7045482)

**THIEN LEE MEE**  
SSM PC No. 201908002254  
(LS0010621)

## AUDITORS

Jamal, Amin & Partners  
(AF 1067)  
No. 62-1, 1st Floor, Jalan 2/23A  
Off Jalan Genting Klang  
Taman Danau Kota  
Setapak, 53300 Kuala Lumpur

Tel : +603 4142 1626  
Fax : +603 4142 1601

## PRINCIPAL BANKER

RHB Bank Berhad  
CIMB Islamic Bank Berhad

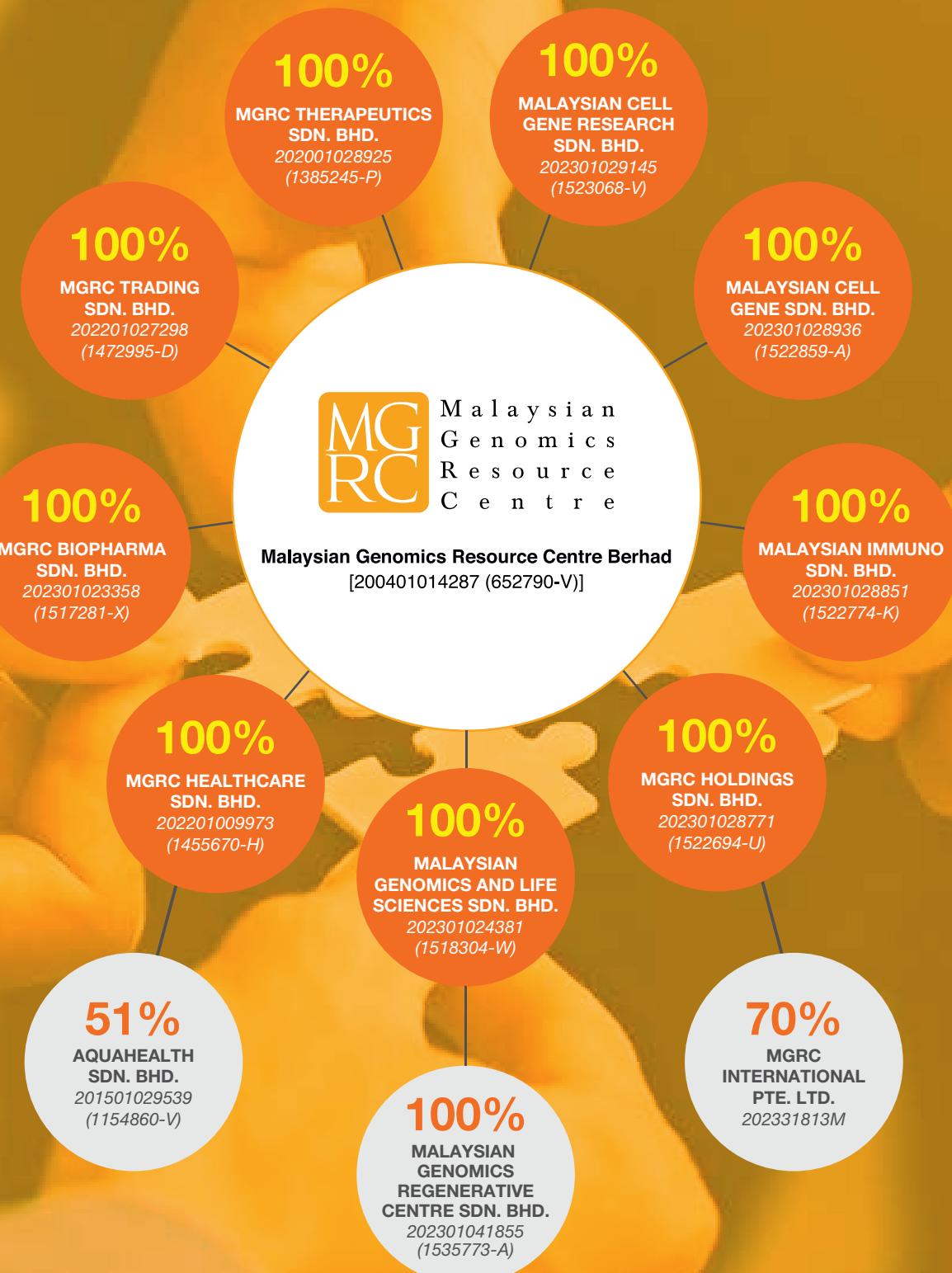
## WEBSITE

[www.mgrc.com.my](http://www.mgrc.com.my)

# CORPORATE INFORMATION

Corporate Structure

5



# CORPORATE INFORMATION

6

Profile of Directors and Managements

## PROFILE OF DIRECTORS



### LEONG YIEN HUNG

*Executive Chairman / Managing Director*

- Nationality : Malaysian
- Age : 41

**Mr Leong Yien Hung** ("Mr Leong"), was appointed to the Board as Managing Director on 19 February 2025 and re-designated as Executive Chairman / Managing Director on 23 April 2025. He obtained his Bachelor in Computer Science from Coventry University, United Kingdom in 2003.

He has more than 15 years of experience in Malaysia's finance industry specializing in full fledge financial services and alternative investments.

He is a member of Investment Committees of Proven Venture Capital, which is managed by 5 Pillars Ventures Sdn Bhd, a venture capital management corporation licensed by the Securities Commission Malaysia.

Presently, he is a Director of an unlisted public company namely Octowill Trustees Berhad and an Independent and Non-Executive Director at Aldrich Resources Berhad.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He did not attend any Board Meeting held in the financial year ended 31 December 2024 in view that he was appointed as Managing Director of the Company on 19 February 2025.

## PROFILE OF DIRECTORS

### MUHAMMAD BADRI BIN HUSSIN

*Executive Director / Chief Operating Officer*

- Nationality : Malaysian
- Age : 51



**Encik Muhammad Badri bin Hussin**, a Malaysian was appointed to the Board as an Independent Non-Executive Director on 20 October 2023 and subsequently redesignated as an Executive Director/Chief Operating Officer on 4 March 2024.

He graduated from Universiti Utara Malaysia (UUM) in 1996 with Bachelor's in Accountancy (Hons) and subsequently obtained a Master of Business Administration (MBA) from Universiti Malaysia Pahang (UMP) in 2015. Badri began his career as an auditor with PricewaterhouseCoopers for four years from 1997 to 2001. He subsequently joined a retail pharmaceutical company, PharmaCare Medicine Shoppe Sdn Bhd in 2001. He later joined KPJ Healthcare Group and served with KPJ Healthcare Berhad for twenty-one years. He started as an accountant at KPJ Ampang Puteri in 2002 and was subsequently appointed as General Manager for Hospital Penawar Pasir Gudang in 2004 and Puteri Specialist Hospital Johor Bahru in 2006. He was also assigned to manage two hospitals in Indonesia namely Rumah Sakit Medika Permata Hijau Jakarta in 2006 and Rumah Sakit Medika Bumi Serpong Damai Tangerang in 2009, where he was also a director.

In 2012, he was appointed as General Manager of former KPJ Kuantan Specialist Hospital and subsequently promoted as Chief Executive Officer. He was involved in the development, commissioning and opening of the new KPJ Pahang Specialist Hospital in 2016 and was appointed as its Chief Executive Officer. In 2017, he was appointed as Chief Executive Officer of KPJ Tawakkal KL. In 2020, he was appointed as Chief Executive Officer as well as Director of KPJ Ampang Puteri Specialist Hospital. Prior joining MGRC, he was the Group CEO of a private entity, Integra Healthcare Technology Sdn Bhd since 1 February 2023.

He does not have any family relationship with any directors and/or major shareholders of the Company and has no conflict of interest with the Company.

He has not been convicted of any offences within the last 5 years, other than the traffic offences, if any, and public sanction or penalty imposed by the relevant regulatory bodies, during the financial year ended 31 December 2024.

He has attended a total of six (6) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024. He does not have any directorships in other public listed companies.

# CORPORATE INFORMATION

8

Profile of Directors and Managements

## PROFILE OF DIRECTORS



### MOHD SHAKIR BIN SHAHIMI

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 51

**Encik Mohd Shakir Bin Shahimi** was appointed to the Board as an Independent Non-Executive Director on 30 August 2022. He is the Chairman of both the Audit and Risk Management Committee and the Nomination and Remuneration Committee of the Company.

Encik Mohd Shakir graduated with a Bachelor's Degree in Accountancy from Universiti Utara Malaysia. He is a qualified Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA).

Encik Mohd Shakir began his career with Arthur Andersen & Co as an Auditor from 1997 to 2000 before joining Harta Usahawan Sdn Bhd as an Accountant until June 2001. He then resided in Australia for a year and joined Baqir Hussain, Yeap & Associates as a freelance auditor upon returning to Malaysia in April 2003, before joining Khairuddin Hasyudeen & Razi as an Audit Manager in May 2003, where he has worked to date.

He does not have any directorship in other public companies and listed issuers in Malaysia.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He attended a total of six (6) Board Meetings of the Company held during the financial year ended 31 December 2024.

## PROFILE OF DIRECTORS

### DATUK WIRA MUHAMMAD FAIZAL BIN ZAINOL

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 56



**Datuk Wira Muhammad Faizal**, a Malaysian was appointed to the Board as an Independent Non-Executive Director on 2 February 2024. He pursued his tertiary education in Accountancy at UITM Arau, Perlis. In 1993, he founded FZ Agency, a used car and insurance agency. He later entered into a strategic partnership with Hoshino IMPUL Co. Ltd of Japan and became the sole importer and distributor of IMPUL-tuned vehicles in Malaysia in 2004.

He serves in an advisory capacity as a Corporate Advisor for Homevest Sdn Bhd, a rapidly growing property management company; Twistcode Technologies Sdn Bhd, the fastest super-computing with artificial intelligence start-up in Malaysia; and as a Special Advisor to the Malaysia Industry Forward Association.

In 2022, he was promoted to International Banking and Financial Consultant at UBB Investment Bank Limited, where he gained experience in strategic analysis, wealth management, and risk assessment. In July 2022, he was appointed Special Advisor to the Malaysia Industry Forward Association (MIFA). Recently, he was appointed Chairman of Kanzun Wealth Berhad, an associate of a venture capital management company focusing on investment in syariah-compliant financial derivatives.

Apart from his business endeavors, Datuk Wira Muhammad Faizal is actively involved in humanitarian efforts. He is a multifaceted entrepreneur and philanthropist, and was instrumental in founding Pertubuhan Kebajikan Baitul Aman, a charitable organization focused on helping tafhib schools and orphanages. Additionally, he served as Vice President of Persatuan Alumni SMSAH, which organized charity golf tournaments from 2009 to 2015.

He does not have any directorship in other public companies and listed issuers in Malaysia.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He attended a total of three (3) Board Meetings of the Company held during the financial year ended 31 December 2024.

# CORPORATE INFORMATION

10

Profile of Directors and Managements

## PROFILE OF DIRECTORS



### MOHAMAD RUZAINI BIN HAMZAH

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 38

**Encik Mohamad Ruzaini bin Hamzah**, was appointed to the Board as an Independent Non-Executive Director on 17 October 2023.

Encik Mohamad Ruzaini graduated with a Bachelor of Chemical Engineering from Keio University, Tokyo, Japan, in 2009. He has experience in group credit risk management and underwent the Financial Sector Talent Enrichment Program under Bank Negara Malaysia (“FSTEP”) during his employment at Malayan Banking Berhad.

He is the Co-founder of Yayasan Setia Negara Malaysia, which is involved in philanthropic endeavors aimed at addressing various social issues in Malaysia. He also serves as the Chief Operating Officer at Yayasan Seri Negara, where he oversees day-to-day operations and manages charitable initiatives to improve the welfare of communities.

Encik Mohamad Ruzaini began his career with Malayan Banking Berhad as an Executive in Risk Management in 2010 before joining RHB Bank Berhad as a Treasury Financial Analyst in 2011. Later, he was appointed Director of Programs & Business Development at Yayasan MyPrihatin and Managing Director at Formasi Holdings Sdn Bhd, where he developed business strategies and facilitated business growth.

He does not have any directorship in other public companies and listed issuers in Malaysia.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He attended a total of six (6) Board Meetings of the Company held during the financial year ended 31 December 2024.

## PROFILE OF DIRECTORS

### CHIH YI MAY

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 30



Ms Chih Yi May, was appointed to the Board as an Independent Non-Executive Director on 1 June 2023. She is a member of the Nomination and Remuneration Committee of the Company.

She served as management for a few private companies related to healthcare industries covering administrative, marketing and distribution for healthcare related activities. After completed her study, she is focusing on her own business which is related to healthcare industries.

She has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

She attended a total of six (6) Board Meetings of the Company held during the financial year ended 31 December 2024.

# CORPORATE INFORMATION

12

Profile of Directors and Managements

## PROFILE OF DIRECTORS



### YAP KOK WEI

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 50

**Mr Yap Kok Wei** (“Mr Yap”) was appointed to the Board as an Independent Non-Executive Director on 4 October 2024.

Mr Yap served as a Portfolio Manager (Asia Pacific) at Sumitomo Mitsui DS Asset Management in Hong Kong for more than 10 years, covering Asia Pacific region. During this period, he plays a crucial role in conducting macro and equity research, significantly contributing to the organizations fund performance, marketing and fund-raising endeavors. Mr. Yap's international experience extends to his time as a Senior Analyst (ASEAN) at Huatai-Pinebridge Fund Management in Shanghai, China where he focused on macro and equity research. Currently, Mr Yap is the Chief Investment Officer of Proven Venture Capital PLT. He has extensive experience in the investment industry and responsible in managing equity funds.

He does not have any directorship in other public companies and listed issuers in Malaysia, except he also sit on the Board of unlisted public company, Octowill Trustees Berhad.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He attended a total of one (1) Board Meetings of the Company held during the financial year ended 31 December 2024 in view that he was appointed as Independent Non-Executive Director of the Company on 4 October 2024.

## PROFILE OF DIRECTORS

### CHUNG ENG LAM

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 60



**Mr Chung Eng Lam** ("Mr Chung") was appointed to the Board as an Independent Non-Executive Director on 19 February 2025.

Mr Chung graduated with a Certificate in Mechanical and Automotive Engineering from Tunku Abdul Rahman College, Kuala Lumpur, in 1986. He began his career in 1986 as a Technician at Syarikat Sunto Trading, where he was involved in the maintenance and installation of medical equipment, mechanical and electrical systems, and other hospital-related equipment. He was also responsible for designing hospital stainless steel furniture used in sterile and mortuary departments across various hospitals, including Hospital Ampang, Hospital Serdang, and Hospital Putrajaya, among others.

In 1996, he was promoted as Technical Manager in Syarikat Sunto Trading. During the same year, he became one of the co-founding team members of CS Laundry System Sdn Bhd. In 2006, he co-founded Maymedic Technology Sdn Bhd and has since played an instrumental role in spearheading the company's business. Mr Chung was appointed as an Executive Director of BCM Alliance Bhd on 4 November 2015, a company that was listed on the ACE Market of Bursa Malaysia. Subsequently, he resigned from his position as Executive Director of BCM Alliance Bhd in 2021.

Currently, he is the Managing Director of Maymedic Technology Sdn Bhd. As the business unit head for Maymedic, he is responsible to oversee the day-to-day operations of the company. With over thirty-eight (38) years of industry experience, he specializes in supplying disinfection, sterilization, and surgical room equipment, as well as providing related repair and maintenance services.

He does not have any directorship in other public companies and listed issuers in Malaysia.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He did not attend any Board Meeting held in the financial year ended 31 December 2024 in view that he was appointed as Independent Non-Executive Director of the Company on 19 February 2025.

# CORPORATE INFORMATION

14

Profile of Directors and Managements

## PROFILE OF DIRECTORS



### LER PEI FEN

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 38

**Ms Ler Pei Fen** ("Ms Ler") was appointed to the Board as an Independent Non-Executive Director on 19 February 2025.

Ms. Ler is a highly experienced professional with a successful track record in the financial industry. With a career spanning over a decade, she has held key roles in reputable organizations, demonstrating her expertise and leadership capabilities.

Ms. Ler served as a Remisier at RHB Investment Bank Bhd in 2011. She leveraged her deep understanding of financial markets to provide exceptional service to her clients. She was responsible for overseeing and analyzing market trends, executing trades, and offering valuable investment advice to help her clients.

In 2012, Ms. Ler served as a Senior Agent at Hong Leong Assurance Bhd until 2022. She showcased her comprehensive knowledge of insurance products and risk management strategies. Ms. Ler demonstrated her ability to assess clients' insurance needs and tailor solutions that protected their assets and provided financial security.

In 2018, she was appointed as a Director at Finicon Venture Holdings Sdn Bhd, where she played a vital role in overseeing the company's operations and driving its growth initiatives. Her leadership acumen and business expertise have contributed to the company's success in navigating industry challenges and capitalizing on emerging opportunities.

Throughout her career, Ms. Ler has consistently demonstrated strong analytical skills, deep industry knowledge, and dedication to delivering excellent results for clients and organizations. Her extensive experience in the financial sector, coupled with her strategic mindset, makes her a valuable asset in navigating the complexities of the ever-evolving financial landscape.

She does not have any directorship in other public companies and listed issuers in Malaysia.

She has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

She did not attend any Board Meeting held in the financial year ended 31 December 2024 in view that she was appointed as Independent Non-Executive Director of the Company on 19 February 2025.

## PROFILE OF DIRECTORS

### LIM KOK KIONG

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 53



**Mr Lim Kok Kiong** ("Mr Lim") was appointed to the Board as an Independent Non-Executive Director on 19 February 2025. He also the member of the Audit and Risk Management Committee of the Company.

Mr. Lim is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") and Certified Public Accountant of the Malaysian Institute of Certified Public Accountants ("MICPA") with over 35 years of working experience in corporate finance, treasury, accounting, and auditing. He began his career as an auditor at KPMG Peat Marwick. Subsequently, he held key leadership positions in various private, public, and multinational companies across diverse industries, including water treatment, industrial products, luxury car distribution and assembly, computer manufacturing, and retail.

In 2012, Mr. Lim was appointed as a Non-Independent, Non-Executive Director and Chairman of the Audit Committee at a listed company, serving until March 2013. At the same time, he also held the role of Finance Director at a private college. He was engaged in the management of a company involved in oil palm cultivation in Ranau, Sabah. Mr. Lim also accumulated significant experience in other listed companies, working in fields such as data communications, hardware and software solutions, e-business strategy, as well as the supply, installation, testing, and commissioning of commercial laundry equipment and medical devices. Currently, he serves as the Chief Financial Officer of W Aesthetics Holdings Sdn Bhd.

He does not have any directorship in other public companies and listed issuers in Malaysia.

He has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

He has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

He did not attend any Board Meeting held in the financial year ended 31 December 2024 in view that he was appointed as Independent Non-Executive Director of the Company on 19 February 2025.

# CORPORATE INFORMATION

16

Profile of Directors and Managements

## PROFILE OF DIRECTORS



### TAN YIING FUNG

*Independent Non-Executive Director*

- Nationality : Malaysian
- Age : 36

**Ms Tan Yiing Fung** ("Ms Tan") was appointed to the Board as an Independent Non-Executive Director on 19 February 2025. She also the member of the Audit and Risk Management Committee of the Company.

Ms. Tan began her career with Messrs. Teh & Lee as an Associate in 2012. During her tenure at Messrs. Teh & Lee, her main areas of practice were corporate and commercial laws, where she was involved in equity and debt transactions, including mergers and acquisitions, joint ventures, corporate restructuring, takeovers, as well as private debt securities, corporate loans, and private funds transactions. She left Messrs. Teh & Lee in March 2021 and joined Messrs. CY Poon & CM Lim as a Partner. Currently, she oversees the business operations of the firm's branch office in Kuala Lumpur. Her main areas of practice include corporate law, conveyancing, and banking, specializing in equity and debt capital markets and advising on the establishment of private equity funds.

Currently, she sits on the Board of Aldrich Resources Berhad and West River Berhad.

She has no family relationship with any other Director and/or major shareholders of the company nor any conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

She has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year.

She did not attend any Board Meeting held in the financial year ended 31 December 2024 in view that she was appointed as Independent Non-Executive Director of the Company on 19 February 2025.

# PERFORMANCE REVIEW

18 CHAIRMAN'S STATEMENT AND  
MANAGEMENT DISCUSSION AND  
ANALYSIS



# PERFORMANCE REVIEW

18

Chairman's Statement & Management Discussion and Analysis

# CHAIRMAN'S STATEMENT & MANAGEMENT DISCUSSION & ANALYSIS

“

Our vision remains clear:

to evolve into a leading specialist healthcare group,  
driven by our sustainability framework that  
prioritizes people development, customer  
satisfaction, stakeholder partnerships, and a  
steadfast commitment to preventive and precision  
healthcare.

”

**Dear Valued Shareholders,**

On behalf of the Board of Directors and Management of Malaysian Genomics Resource Centre Berhad (“MGRC” or “the Group”), we are honoured to present to you the Group’s Annual Report for the financial year ended 31 December 2024. This combined Chairman’s Statement to Shareholders and Management Discussion and Analysis (“MD&A”) has been meticulously prepared to offer our valued shareholders a comprehensive overview of the Group’s financial performance, recent developments in our business operations, and the products and services we pride ourselves on. Furthermore, this document sheds light on our strategic objectives and plans, which are set with the Group’s long-term vision in mind and in the best interests of our shareholders.

## Chronology of Events:

The journey through 2024 has been a transformative period for MGRC, marked by a series of strategic initiatives and collaborations that underscore our commitment to innovation and global expansion in the healthcare sector. The year began with MGRC entered research collaboration agreements with Universiti Sains Malaysia for purpose of exploring the genetics of Penang Women; and determining the age of the ancient Penang Women Skeleton using the Accelerator Mass Spectrometry dating technique.

Our collaboration with few healthcare providers such as De Cell Berhad for purposes of establishing a strategic partnership to provide cell-gene therapy products and services to the market, Kumpulan Medic Iman Sdn Bhd for purposes of establishing a strategic partnership between the Parties and in setting up key commercial term and scope of business cooperation in respect of the areas of provide services of genome sequencing, bioinformatics analysis and genetic screening and to offer biopharmaceutical products, with a focus on supplying cell therapies for different types of cancer and regenerative diseases, both

Kumpulan Perubatan Penawar Sdn Bhd and Hospital Penawar Sdn Bhd for cooperations for genetic screening services known as “Origene All-in-One Report” including a derivative product known as “Childhood-Onset Disease Profile” for cell-gene therapies and Innoquest Pathology Sdn Bhd (“Innoquest”) for business cooperation in respect of the Group provide technical support on the screening services whereby Innoquest is to market the genetic screening services specifically agreed and allowed by the Group during the tenure of this Collaboration.

We also entered a memorandum of understanding with Twistcode Technologies Sdn Bhd for purposes of exploring opportunities for collaboration in research, development, and commercialisation initiatives in bioinformatics as a service platform that are accessible in Malaysia and Middle East’s markets, inclusive of the on premises solution as one service.

Innovation continued to be the cornerstone of MGRC’s efforts, as evidenced by the launch of the “GenomeCheck” – genome testing services by Dx&Vx Co. Ltd. in Southeast Asia. Also the Group has entered into a Distributorship Agreement with

BioMab, Inc. to distribute cell therapy related products specified in Malaysia.

As I assumed the role of Chairman, succeeding Noor Azri bin Dato Sri Noor Azerai, my focus has been on reinforcing our strategic vision and steering MGRC towards continued success and innovation.

Reflecting on our achievements and our dedication to becoming a diversified specialist healthcare group, we continue to expand our local and international sales channels. This expansion underlines MGRC's unwavering commitment to transforming healthcare experiences, fostering innovations, and enabling optimal health outcomes. Looking ahead, with Malaysia's economy showing signs of rapid rejuvenation, we are optimistic about the abundant opportunities that lie ahead. Our vision remains clear: to evolve into a leading specialist healthcare group, driven by our sustainability framework that prioritizes people development, customer satisfaction, stakeholder partnerships, and a steadfast commitment to preventive and precision healthcare.

## Financial Review:

During the financial year ended 2024, MGRC navigated through a series of transformative strategic decisions aimed at future growth and sustainability. Our revenue stood at RM5.52million, marking a decline from the RM12.87million recorded in the previous period. This reduction can be primarily attributed to a strategic

transition from vaccines to immunotherapy and cell therapies in our biopharmaceutical segment. This shift was complemented by the organic growth of our genetic screening business and ventures into new territories and FMCG market development.

From a profitability perspective, the Group faced a loss before tax of RM4.51 million, marking a decline from the RM22.54 million recorded in the previous period. This reduction can be primarily attributed to a credit control policy and cost-saving implementation.

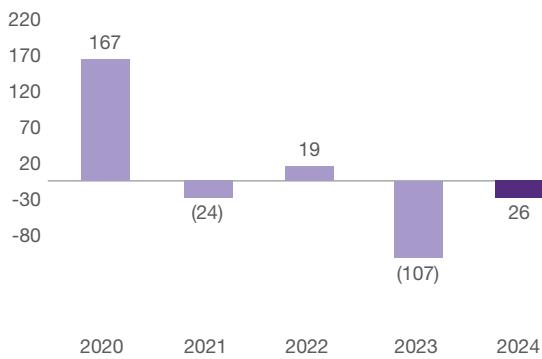
In essence, while FYE2024 presented its set of challenges, the decisions taken were anchored in MGRC's long-term vision. We remain committed to our strategic goals and are optimistic about leveraging the investments of this year for future growth.

Examining our liquidity, cash and bank balances stood at RM0.27 million by the end of FYE2024, a decrease from the RM1.42 million of FPE2023. This decline was primarily driven by our robust business development activities, leading to an increase in receivables and inventories.

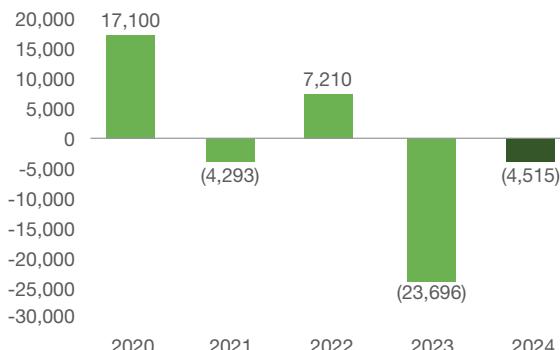
On the liability front, the total liabilities as at FYE2024 were RM4.78 million, marking a slight increased from the RM3.61 million of FPE2023. This increased can be attributed to higher inventories maintain for business development activities.

## HISTORICAL FINANCIAL SUMMARY:

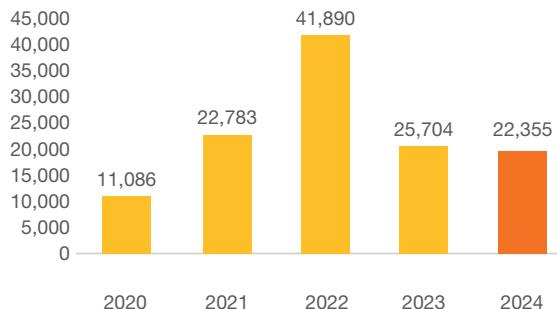
**Return on shareholders' equity (%)**



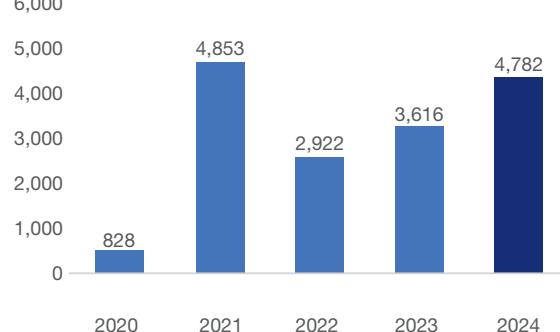
**Profit/(Loss), net of tax (RM'000)**



**Total Assets (RM'000)**



**Total Liabilities (RM'000)**

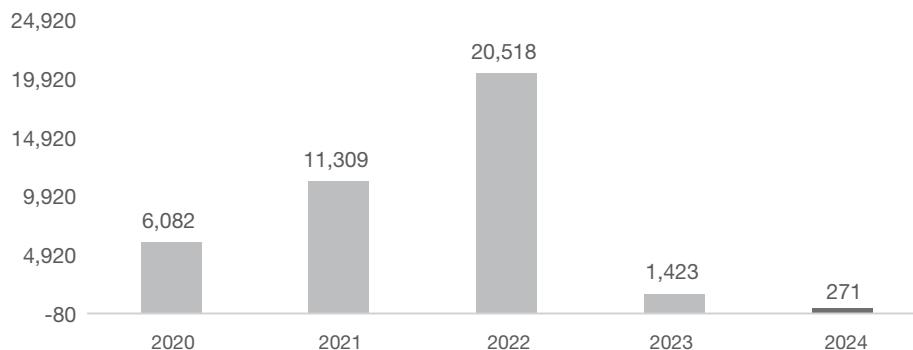


# PERFORMANCE REVIEW

20

Chairman's Statement & Management Discussion and Analysis

**Cash and cash equivalents (RM'000)**



Financial year/period ended	30.6.2020 (RM'000)	30.6.2021 (RM'000)	30.6.2022 (RM'000)	31.12.2023 18 months (RM'000)	31.12.2024 (RM'000)
-----------------------------	-----------------------	-----------------------	-----------------------	-------------------------------------	------------------------

## Results

Profit/(Loss), net of tax	17,100	(4,293)	7,210	(23,696)	(4,515)
---------------------------	--------	---------	-------	----------	---------

## Equity and Liabilities

Total equity	10,258	17,930	38,968	22,088	<b>17,573</b>
Total liabilities	828	4,853	2,922	3,616	<b>4,782</b>
<b>Total Equity and Liabilities</b>	<b>11,086</b>	<b>22,783</b>	<b>41,890</b>	<b>25,704</b>	<b>22,355</b>

## Assets

Property, plant and equipment	36	3,822	4,305	3,519	<b>2,946</b>
Rights-of-use assets	-	1,547	1,493	1,821	<b>1,442</b>
Intangible assets	1,844	1,752	4,950	4,294	<b>3,879</b>
Other non current assets	-	-	1,080	-	<b>2,500</b>
Current assets	9,206	15,662	30,062	16,070	<b>11,588</b>
<b>Total Assets</b>	<b>11,086</b>	<b>22,783</b>	<b>41,890</b>	<b>25,704</b>	<b>22,355</b>

## Others:

Cash and cash equivalents	6,082	11,309	20,518	1,423	<b>271</b>
Return on shareholders' equity (%)	167	(24)	19	(107)	<b>(26)</b>

## COMPANY BACKGROUND OVERVIEW



**Together, our collective insights and dedication aim to propel MGRC's growth in the biopharmaceutical and healthcare realms.**

Since its establishment in 2004, MGRC has consistently been a trailblazer in the realm of genomics, championing its myriad potentials both within Malaysia and on the international stage. Rooted in our proprietary bioinformatics technologies and expertise, our initial offerings centred around genome sequencing and analysis services tailored for diverse research and commercial endeavours. This pioneering spirit paved the way for our listing on the ACE Market of Bursa Malaysia Securities in 2010.

In response to the ever-evolving healthcare landscape of the 21st century, MGRC has judiciously expanded its service portfolio to cater to a wider array of needs:

**Genome Sequencing and Bioinformatics Analysis Services:** Leveraging cutting-edge technologies to decode and understand the intricate wonders of the genome.

**Genetic Screening and Molecular Biology Services:** Tailored screenings and advanced molecular services to offer insights into individual genetic compositions.

**Immunotherapy and Cell Therapy Products:** Spearheading innovations in treatments, particularly in the realm of targeted cell therapies.

# PERFORMANCE REVIEW

22

Chairman's Statement & Management Discussion and Analysis

## Other Services:

- **Product Distribution:** We are a trusted name in the marketing and distribution of laboratory equipment, medical consumables, and related products.
- **Product Development:** Offering R&D and OEM services, we stand out in crafting bespoke genetic test tailored to unique needs.
- **Downstream Healthcare Services:** Marking a strategic shift, the group has ventured from being predominantly a laboratory service provider to becoming a frontrunner in direct healthcare service delivery. This transition has been marked by a series of pivotal milestones. We introduced genetic screening complemented by personalised health supplements solutions, underscoring our commitment to holistic healthcare.

## Headquarters and Facilities

Nestled in Kota Damansara, Selangor, the state-of-the-art MGRC facility is a testament to our commitment to innovation and excellence. This facility, operational since April 2021, proudly hosts our headquarters, a high-throughput sequencing laboratory, and a cutting-edge cell processing laboratory. Our dedication to global standards is evidenced by our three ISO certifications under the Integrated Management System. Our Biosafety Level 2 (BSL-2) certified cell processing laboratory remains a pioneering establishment in Malaysia, ensuring stringent biocontainment measures. With a focus on CAR T-cell immunotherapy and other cell engineering services, we continue to lead the way in this domain. The cGMP accreditation, in line with international pharmaceutical standards, further underscores our unwavering commitment to quality and safety.

## Welcoming New Directors to the Board

As we navigated through FYE2024, MGRC experienced a defining moment in its leadership journey. Noor Azri Bin Dato Sri Noor Azerai, with his notable contributions, passed on the mantle to me, and I humbly accepted the role of Executive Chairman / Managing Director. This transition marks a new chapter, and I am deeply committed to guiding MGRC with the same dedication and vision.

Joining us in this endeavour are group of Independent and Non-Executive Directors. Together, our collective insights and dedication aim to propel MGRC's growth in the biopharmaceutical and healthcare realms.

## Anti-Bribery and Corruption Policy

MGRC's ethos revolves around a culture of accountability and exemplary corporate governance. Ensuring investor confidence remains paramount. Our commitment to ethical practices is unwavering, and we strictly adhere to the laws and regulations in our operational countries. Our zero-tolerance stance on bribery and corruption is resolute. MGRC's Anti-Bribery and Corruption Policy remains a beacon for the Board

of Directors, Management, employees, and business associates, ensuring a culture of integrity and responsibility.

## Dividend Policy

In light of the strategic decisions and investments made throughout the year, the Board of Directors opted not to recommend a dividend for FYE2024. This decision aligns with our goal to harness resources for the expansion and diversification of MGRC's business operations in the forthcoming financial year.

## Products and Services

### Genetic Screening Services

MGRC's flagship product, the DTECT® genetic screening tests, remains at the forefront of our offerings. These tests inspect an individual's DNA for markers associated with genetic variations that influence various biological processes. Such markers can hint at heightened risks of diseases, disorders, wellness, fitness, and athletic performance traits. Through the insights provided by genetic screening, individuals can collaborate with healthcare professionals to form tailored health management plans.

The DTECT® Sports and Fitness Genetic Screening Test, introduced in collaboration with Genotec Sdn Bhd, continues to serve individuals keen on exploring their genetic inclinations towards sports and fitness. This invaluable information assists both professional athletes and fitness enthusiasts in tailoring their fitness and recovery plans to their genetic profile.

Furthermore, with the increasing understanding of pharmacogenetic information, MGRC remains focused on providing information about potential adverse drug reactions. This is particularly pivotal in fields such as cardiology and psychiatry, where the correct prescription can make a significant difference in patient outcomes.

MGRC introduced Origene which are all-in-one genetic screening test and its available in Chinese version.

### Immunotherapy and Cell Therapy Services

MGRC's CAR T-cell immunotherapy stands as a groundbreaking development in the battle against cancer, providing a highly targeted approach to bolster the immune system's ability to precisely detect and eliminate cancer cells. This cutting-edge therapy holds the promise of improved treatment efficacy and extended periods of remission, reinforcing MGRC's commitment to advancing cancer care through innovative therapeutic options.

### Genome Sequencing and Bioinformatics Services

The domain of genome sequencing and bioinformatics remains a pivotal service area for MGRC. By converting

biological DNA information into computer data, MGRC facilitates deeper research across various sectors, from healthcare to agriculture. As the realm of genetics continues to expand, MGRC remains dedicated to leveraging these technologies for the betterment of various industries.

### Product Distribution, Development, and Downstream Healthcare Services

With the evolving healthcare needs of Malaysia, MGRC has turned its focus towards more enduring healthcare challenges.

MGRC's acquisition of a 51% stake in Aquahealth Sdn Bhd underscores the group's commitment to address Malaysia's kidney health challenge. By integrating kidney dialysis services with genetic screening, nutrition management, and lifestyle recommendations, MGRC aims to play a pivotal role in not only treating but also preventing and managing chronic kidney disease in the nation.

### New Verticals

MGRC's strategic move to reorganise its operations has led to the formation of four distinct verticals, each focused on addressing the multi-dimensional needs of the healthcare sector:

#### Clinical Testing and Biotherapeutics

**CAR T-cell Immunotherapy:** As MGRC's cornerstone offerings, the CAR T-cell Immunotherapy represent the forefront of personalised cancer treatments. The adoption and enhancement of the therapy underscore MGRC's commitment to leveraging advanced biotechnologies for therapeutic applications.

**Genetic and Genomic Tests:** With our Dtect® and Origene genetic screening tests, we offer insights into potential health risks, allowing individuals to take preventive measures and adopt tailored health management programs.

#### Specialised Healthcare Services

**Kidney Dialysis Services:** Following the acquisition of Aquahealth Sdn Bhd, MGRC has positioned itself to address Malaysia's rising kidney disease concerns. By integrating genetic screening, nutrition management, and lifestyle advice, we aim to provide a holistic renal care service.

**Specialist Centres:** Envisioned as hubs for specialty healthcare areas like oncology and cardiology, these centres offer focused care and advanced treatments for specific medical conditions.

#### Specialised Manufacturing

**Medical Devices:** MGRC aims to innovate and produce cutting-edge medical devices tailored to address specific healthcare needs and enhance

treatment efficacy.

**Pharmaceutical Products:** Leveraging advanced research and biotechnological developments, MGRC is venturing into the formulation and distribution of specialised pharmaceutical solutions.

#### Healthcare Artificial Intelligence and Big Data

**Localised AI Technology:** Understanding the importance of regional nuances, MGRC focuses on the localisation of AI solutions to harness the potential of healthcare data in Malaysia. This endeavour seeks to optimise treatment regimes, predict health trends, and offer actionable insights to healthcare professionals.

**Big Data Applications:** In an era where data drives decisions, MGRC aims to utilise vast datasets to unlock deeper insights into patient care, healthcare trends, and therapeutic outcomes. This approach promises improved healthcare delivery, predictive analytics, and a more patient-centric approach.

### Business Objective and Strategies

#### Genetic Screening Services

As the direct-to-consumer genetic testing market continues to expand, MGRC remains committed to capitalising on this momentum. MGRC's goals for the future include:

**Expanding Geographical Influence:** Leveraging our collaborations with entities of healthcare provider, we aim to address genetic conditions unique to regions.

**Embracing Digital Platforms:** Our association with platforms promises a more streamlined genetic screening service experience, heightening its global appeal.

**B2B Strategies and White Labelling:** Through offering white label genetic screening tests to corporate clients, MGRC is poised to tap into established customer bases and maximise market reach.

#### Immunotherapy and Cell Therapy Products

With the CAR T-cell therapy market expanding at an unprecedented rate, MGRC's strategies going forward revolve around:

**Cost-effective Treatment Solutions:** Offering CAR T-cell immunotherapies at competitive rates remains a priority, ensuring broader patient accessibility.

**Focus on R&D:** MGRC is set to bolster its research initiatives, exploring the potential of new cell products and therapies.

#### Genome Sequencing and Analysis Services

Even as MGRC shifts its primary gaze towards

# PERFORMANCE REVIEW

24

Chairman's Statement & Management Discussion and Analysis

healthcare, our expertise in genome sequencing and bioinformatics retains its importance.

**Maintaining a Broad Project Spectrum:** MGRC remains equipped to undertake sequencing projects across diverse sectors, beyond just healthcare.

**Emphasis on Surveillance:** Following our contribution to the tracking of SARS-CoV-2 variants, MGRC aims to extend these services to monitor other diseases or significant health concerns.

## Moving Forward

MGRC is steadfastly navigating the ever-evolving healthcare landscape with a strategic vision aimed at fostering sustainable growth and broadening our service spectrum. At the core of our strategy lies the commitment to secure future expansion, boost profitability, and establish diversified revenue channels. We are continually on the lookout for business opportunities that align seamlessly with our core mission and vision, ensuring that our growth trajectory remains in harmony with our foundational goals.

Following the reconfiguration of our group structure in FYE2024, which saw MGRC evolve into an investment holding and management entity, we have successfully established four distinct and robust verticals within our subsidiaries. These include Clinical Testing and Biotherapeutics, where we are deepening our engagement in CAR T-cell immunotherapy and expanding our cell therapy offerings alongside our existing genetic, genomic testing, and contract research services.

## Appreciation

As we reflect on the milestones of the financial year ended 2024, our hearts are filled with immense gratitude for the collective efforts and unwavering trust that have steered MGRC through the challenges and triumphs of the year.

To our esteemed shareholders, we extend our profound thanks for your continued belief in our vision and for standing steadfast with us. Your confidence and support have been instrumental in fuelling the Group's commitment to delivering accessible and innovative healthcare products and services.

To our valued customers and partners, your trust in our capabilities and the collaborations we've forged have been the cornerstone of our growth and accomplishments. Every milestone MGRC has achieved is a testament to your unwavering faith and partnership.

To the Board members, the Management team, and the entire MGRC family, the resilience, passion, and dedication displayed, especially amidst the uncertainties of the past year, have been nothing short of exemplary. Your tireless efforts and contributions have been pivotal in navigating the course of MGRC's journey this year.

With an optimistic gaze towards the future, MGRC eagerly anticipates forging stronger bonds, achieving shared goals, and scaling new heights in the coming years. We are steadfast in our belief that, with the collective effort of all stakeholders, the horizon holds even greater promise and potential for MGRC.

In Specialised Healthcare Services, we are extending our reach into specialist services catering to emerging medical needs and enhancing our presence in preventive medicine clinics, specialist centres, and pharmaceutical outlets. Our Specialised Manufacturing vertical is focused on elevating our production capabilities for advanced medical devices and pharmaceutical solutions, with an emphasis on innovation and efficiency. Meanwhile, our Healthcare Artificial Intelligence and Big Data vertical is set on advancing the localisation of our AI technology to leverage healthcare data more effectively, pushing the envelope in healthcare improvement, security, and safety.

Quality remains the linchpin of MGRC's strategic initiatives. Earning and preserving the trust of our clients through dependable, timely, and superior products and services is a pledge we uphold with utmost seriousness. As we venture into new realms within the healthcare sector, our resolve remains unwavering—to lead the charge in delivering insightful, impactful, and pertinent outcomes.

Looking ahead, MGRC is poised to identify and seize business opportunities that resonate with our ambition to transform into a comprehensive specialist healthcare conglomerate. Our journey is marked by a relentless pursuit to innovate and offer a wide array of products and services that meet the diverse needs of the healthcare sector, society, and our valued clients in a manner that ensures sustainability, ensuring MGRC's enduring success and leadership in the healthcare industry.



# SUSTAINABILITY STATEMENT

# TABLE OF CONTENT

<b>Executive Chairman's Message</b>	
<b>About this Report</b>	27
Reporting Frameworks	28
Scope	28
Feedback	28
<b>About Our Organisation</b>	29
About MGRC	29
Vision	29
Mission	29
Our Story	29
Our Corporate Values	30
Group Structure	30
Our Contributions to SDGs	31
<b>Good Governance and Ethical Business Practices</b>	32
Sustainability Governance and Policies	32
Risk Assessment	32
Communication of Critical Concerns	33
Anti-corruption	34
<b>Addressing Sustainability Matters</b>	34
Our Approach to Sustainability	34
Stakeholder Engagement	35
Materiality Assessment	36
Our Material Matters	38
<b>Ethical business impacting customers and society</b>	38
Customer Value Creation	38
Data Security	40
Regulatory Compliance	41
<b>Empowering Our People</b>	42
Occupational Health and Safety	42
Human Rights	42
Fostering Diverse and Inclusive Workforce	42
Employees Well-being	43
Human Capital Development	44
<b>Managing Our Environmental Impact</b>	44
Responsible Waste Management	44
Reducing Our Energy Consumption	45
Water Consumption	45
Reducing Our Carbon Footprint	45
<b>GRI Content Index</b>	46

# SUSTAINABILITY STATEMENT



# SUSTAINABILITY STATEMENT

Executive Chairman's Message

27

## EXECUTIVE CHAIRMAN'S MESSAGE

(GRI 2-22)



**Leong Yien Hung**  
*Executive Chairman/ Managing Director*

**Dear valued stakeholders,**

As Chairman of MGRC, it is my pleasure to present our Sustainability Report for FYE 31 December 2024, highlighting our ongoing commitment to sustainable development and responsible business practices. At MGRC, we believe that sustainability is integral to our long-term success and the well-being of the communities we serve.

At MGRC, against the backdrop of these macroeconomic environment, we have remained dedicated in our commitment to excellence and responsible business practices. Our goal is to make our products and services more accessible to the average individuals by collaborating with our partners to offer innovative healthcare solutions at significantly lower costs compared to what is typically charged elsewhere. In addition to this commitment to deliver indirect economic benefits to consumers, this year, more focus is also given to the "S" aspect of the ESG (Environmental, Social, and Governance) and sustainability pillars. Retaining talents, fostering staff development, and consistently delivering services and products that align with the expectations of our stakeholders are central components of our sustainability agenda.

MGRC has invested considerable effort into making sustainability an intrinsic part of our culture and long-term strategy. This commitment aligns with the Company's values, which underscores our dedication to a sustainable future. Sustainability has been embedded in MGRC's daily business activities, decision-making process, and governance mechanisms including our risk management. This integration ensures that sustainability is embraced by every single person within our organization and making positive impact on the economic, social, and environment as a whole.

Engagement with our stakeholders is continuously done as their interests are of paramount importance in our ecosystem. These stakeholders, internal and external, have collectively formed the web of relationships that underpin MGRC's operations and growth trajectory. The insights gathered from engagements with our stakeholders have played important role in directing the Company's sustainability priorities.

Our stakeholder engagement largely centred around our employees. Employees, as the backbone of the organization, have offered valuable perspectives and ideas. Employees engagement feed into our policy and efforts to provide the best working environment to them, while broadening their career progression. These engagements underscore MGRC's recognition that collaboration and active participation from its stakeholders are essential in driving meaningful and lasting sustainability outcomes.

The year 2024 also marked a significant milestone for MGRC as this is the second year the Company uses the Global Reporting Initiative (GRI) standards as a reference in preparing our Sustainability Report. Data are collected and impacts are measured and reported, which then served as a baseline against which future progress could be measured and compared. This strategic move underlines MGRC's commitment to transparency and accountability in its sustainability initiatives, providing stakeholders with a clear view of the company's sustainability performance.

# SUSTAINABILITY STATEMENT

28

About this report

## ABOUT THIS REPORT

(GRI 2-22)

Malaysian Genomics Resource Centre Berhad (“MGRC” or “the Group” or “the Company”) is pleased to present the Group’s Sustainability Report for FYE2024. This report communicates our sustainability strategy, approach, and initiatives, which demonstrates our commitment towards sustainability, accountability, and continuous improvements within the context of Economic, Environment and Social (“EES”). Overall, this report provides detailed account of how the Group embeds sustainability in our daily business and decision-making process. The objective is to inform our stakeholders, internal and external, on how the Group manages our environmental and social impacts while maintaining economic viability. It also reflects the Company’s commitment to United Nations Sustainable Development Goals (“SDGs”).

## REPORTING FRAMEWORKS

This report is prepared with reference to Global Reporting Initiatives (“GRI”) Standards 2021, and meets the criteria of the Bursa Malaysia ACE Market Listing Requirements relating to Sustainability Statements in Annual Reports.

## SCOPE

(GRI 2-1, 2-2, 2-3)

MGRC is a listed company on Bursa Malaysia ACE Market and headquartered in Selangor, Malaysia. The scope of this report covers the activities of MGRC and its subsidiaries, all of which are located in Malaysia except for one in Singapore. The report covers the reporting period for the year ended 31 December 2024, unless otherwise stated. Our Sustainability Report published annually together with the publication of our Annual Report.

## FEEDBACK

(GRI 2-3)

We welcome any enquiries, views, and comments on this Report. To submit feedbacks or obtain further clarification, please contact us at:

8F Jalan Teknologi 3/6  
Taman Sains Selangor 1  
Kota Damansara (PJU5)  
47810 Petaling Jaya, Selangor  
Malaysia

Tel	:	+603-7890 0015, +603-7890 0016
Fax	:	+603-6150 3232
Email	:	<a href="mailto:enquiries@mgrc.com.my">enquiries@mgrc.com.my</a>
Website	:	<a href="http://www.mgrc.com.my">www.mgrc.com.my</a>

# SUSTAINABILITY STATEMENT

About Our Organisation

29

## ABOUT OUR ORGANISATION

### ABOUT MGRC

(GRI 2-1, 2-28)

MGRC is a leading genomics and biopharmaceutical company based in Malaysia. The Group was established in 2004 and listed on the Bursa Malaysia Stock Exchange in 2010. The Company is focussing on realising the enormous potential within the evolving space of health technologies for the benefit of mankind. To achieve this, MGRC needs to provide quality innovations to lead the Company into the future and keep it at the forefront of reliable healthcare products and services.

From pioneering work in genome sequencing, bioinformatics analysis, and genetic screening services, MGRC has expanded into the biopharmaceutical sector with the manufacturing of cell therapies including immunotherapy for various types of cancer. Our journey of discovery at MGRC is inspired by hope, driven by necessity and fuelled by passion to help shape a better future for mankind.

MGRC is a member of Malaysian Association for Cell & Gene Therapy (MACT).

#### VISION

To be the leading provider of innovative and reliable healthcare products and services in Southeast Asia

#### MISSION

To improve the quality of life of our customers by providing innovative, reliable and accessible healthcare products and services.

### OUR STORY

(GRI 2-1, 2-6)

Since 2004, MGRC has pioneered innovative products and services in Malaysia and in the region. Our unique and innovative products and services began with genome sequencing and analysis services, and later expanded to genetic screening services, Chimeric Antigen Receptor (“CAR”) T-cell cancer immunotherapy, mesenchymal stem cell (“MSC”) therapy, exosome therapy and kidney dialysis.

Our involvement in biotechnology and healthcare sectors, especially in niche markets, contributed to the growth of Malaysia by facilitating technology transfer into the country, reducing capital outflow by making our products and services available locally and contributing to local infrastructure development by setting up the first privately owned Biosafety Level 2 (“BSL-2”) facility in the region for CAR T-cell immunotherapy and other cell engineering services. The provision of better health solutions will enable our customers to take proactive actions to improve their health - leading to better health for the population, and result in improved health and increased productivity for the economy.

MGRC continues to develop new and innovative healthcare solutions and expand into other areas of healthcare to benefit the growth of both local and worldwide economies. With our continuous expansion efforts, we have gained international presence which include Australia, the United States of America, Philippines, Thailand, Indonesia, India, Middle East and North Africa.

# SUSTAINABILITY STATEMENT

30

About Our Organisation

## OUR CORPORATE VALUES

- 
- 01** To be innovative and reliable.
  - 02** To develop products with integrity and honesty.
  - 03** To offer products that are accessible and affordable for everyone.
  - 04** To work with respect and care for our customers and for the environment.
  - 05** To evolve accountably and sustainably.

## GROUP STRUCTURE

(GRI 2-1)

MGRC is the parent company of the following subsidiaries, which are 100% owned, unless otherwise stated:

- MGRC Healthcare Sdn. Bhd.
- MGRC Therapeutics Sdn. Bhd.
- MGRC Trading Sdn. Bhd.
- MGRC Biopharma Sdn. Bhd.
- Malaysian Genomics and Life Sciences Sdn. Bhd.
- MGRC Holdings Sdn. Bhd.
- Malaysian Immuno Sdn. Bhd.
- Malaysian Cell Gene Sdn. Bhd.
- Malaysian Cell Gene Research Sdn. Bhd.
- Aquahealth Sdn. Bhd. (51%)
- MGRC International Pte Ltd (70%)
- Malaysian Genomics Regenerative Centre Sdn. Bhd.

# SUSTAINABILITY STATEMENT

About Our Organisation

31

## OUR CONTRIBUTIONS TO SDGS

(GRI 2-23)

MGRC's sustainable strategies are aligned with the United Nations ("UN") 2030 Agenda for Sustainable Development, which promotes 17 Sustainable Development Goals ("SDGs") to which all UN member states should adhere. These SDGs provide a blueprint for the global community to create and achieve a more sustainable future for all.

The alignment of MGRC's initiatives to the SDGs are detailed below:

SDGs	MGRC's Initiatives
<b>3</b> GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"><li>We strive to achieve zero accidents through continuous safety and health monitoring.</li><li>We have in place an "Emergency Response Plan" to ensure the safety of our employees at all times.</li><li>We provide complimentary genetic screening tests to our employees as well as discounts on products and services as part of employee benefits.</li><li>We provide discounts for employee's extended family members and friends under the initiative "friends and families" campaign.</li><li>We made our cancer immunotherapy treatments more accessible and affordable to cancer patients through compassionate use basis</li></ul>
<b>5</b> GENDER EQUALITY 	<ul style="list-style-type: none"><li>We provide equal opportunities, basic salary and remuneration for men and women of the same job level.</li><li>For this reporting period, our total workforce is made up of 69% (2023: 59%) female and 31% (2023: 41%) male.</li></ul>
<b>7</b> AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"><li>We continuously monitor and aim to minimise our energy consumption by purchasing energy efficient equipment.</li><li>Increasing energy awareness amongst our staff to iterate the importance of responsible energy consumption and avoiding wastage.</li></ul>
<b>8</b> DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"><li>We develop and maintain a dynamic workforce with diverse individuals from different ethnic groups, cultural background, age, experiences and skills.</li><li>We uphold fair employment practices and making a decent, safe, and secure workplace for our employees.</li></ul>
<b>13</b> CLIMATE ACTION 	<ul style="list-style-type: none"><li>We recognise the impact of climate change could be on our business and give consideration on climate in our every business activity.</li><li>We aim to reduce our greenhouse gas ("GHG") emissions by optimizing our energy consumption.</li></ul>
<b>16</b> PEACE, JUSTICE AND STRONG INSTITUTIONS 	<ul style="list-style-type: none"><li>We are dedicated to maintaining integrity and adhering to all relevant laws and regulations throughout our business activities.</li><li>We established Code of Conduct, Anti-Bribery and Corruption ("ABC") Policy, Whistleblowing policy, Personal Data Protection Policy as part of our preventive measures.</li><li>Our governance strategy, risk management, and business practices are aligned with the Malaysian Code on Corporate Governance ("MCCG"), which serves as our guiding framework.</li></ul>
<b>17</b> PARTNERSHIPS FOR THE GOALS 	<ul style="list-style-type: none"><li>We collaborated with our partners to make our products and services available to much wider market.</li></ul>

# SUSTAINABILITY STATEMENT

32

Good Governance and Ethical Business Practices

## GOOD GOVERNANCE AND ETHICAL BUSINESS PRACTICES

### SUSTAINABILITY GOVERNANCE AND POLICIES

(GRI 2-9, 2-11, 2-12, 2-13, 2-14, 2-22)

The Board of Directors (“BOD”) of MGRC is the ultimate authority over the Group’s sustainability strategy and governance. The Company practices top-down approach in pursuing its sustainability agenda. The BOD reviews and approves all sustainability-related initiatives and policies to ensure that the Group pursues its regulatory and commercial objectives, while at the same time being a responsible and sustainable organisation. Our Executive Chairman oversees sustainability practices and its applications across the Group’s business and operations, which aim to follow Bursa Malaysia’s ACE Market Sustainability Framework closely. Executive Chairman is the chair of the highest governance body in MGRC.

The BOD is responsible in identifying and managing MGRC’s impacts on the economy, environment, and people. This is done via various engagements with our stakeholders, both internally and externally. Policies are put in place to not only contribute positively to sustainability pillars, but also to prevent negative impacts as well. Our governance practice is also guided by the Malaysian Code on Corporate Governance (“MCCG”) to ensure that our corporate policy and strategy, risk management, and internal control are in line with best practices.

### RISK ASSESSMENT

(GRI 2-22)

Risk Assessment refers to MGRC’s sustainability factors that could create a bad reputation, such as by greenwashing or harming the company financially. **Figure 1** explain the mapping on two concerns, namely, key audit risk and key audit focus, with the integration with the mission of MGRC. This is based on the risk assessment via internal reports and discussions with internal stakeholders.

We divided the key risks into three factors that relates to business economic sustainability, namely operational efficiency, operation disruptions and business expansion challenges.



**Figure 1:** Mapping of key risks and key audit focus

**Operational efficiency** is concerned with how well a worker’s talents are converted into his or her experiences on the cognitive level. As a result, the operating process is the work that they accomplish, and it will be evaluated based on how long it takes to complete a task, how much material is used, and how well the process produces its output. The publication of this information is desired in sustainability programmes. The concept goes beyond cost management because it also incorporates sustainability strategies that investigate the processes involved in producing goods or providing services.

# SUSTAINABILITY STATEMENT

Good Governance and Ethical Business Practices

33

**Operational disruptions.** Operations will therefore be less efficient when there are interruptions. The indications under this are to limit the disruption risk, employee training, growth, and retention because the nature of business is employee- or people-centric. This is because improving operational efficiency calls for regular work and a strong commitment to ongoing education. To do that, MGRC must do a process analysis to align the business strategy and goals to talents, establish a skills inventory and performing skill-gap analysis as well as exit interview data analysis to gather information to identify potential area for improvement.

The culture and values of a sustainable organisation are said to be linked to operational disruptions and operational efficiency. As a result, it develops a technique for connecting issues with **business expansion** to suggested corporate principles (Innovative, Accountability, and Sustainability). This is because long-term business success is dependent on strong business connections with internal and external stakeholders that are founded on corporate principles. The KPIs will track things like product quality and safety, customer retention rate, and cost-effectiveness.

The aforementioned Risk Assessment will result in the MGRCs' Sustainability Dual Pillars as shown in **Figure 2**.



Figure 2: MGRC's Sustainability Dual Pillars

## COMMUNICATION OF CRITICAL CONCERN

(GRI 2-16, 2-25, 2-26, 413-2)

MGRC has in place mechanisms that stakeholders, including employees, could use to communicate their concerns or grievances related to MGRC's business conduct in its operations and business relationships. This includes whistleblowing channels, grievance procedure and customer feedback procedure.

Our employee grievance procedure allows employees to raise grievances, which will then be addressed by the respective Head of Department. Should this not solve the issue, they will then be brought to Human Resource personnel and subsequently to the management office to arbitrate.

The Board also encourages management transparency by engaging in an open culture and two-way communication that encourages employee participation in every aspect of operational processes.

Our operations do not have negative impacts on local communities.

# SUSTAINABILITY STATEMENT

34 Good Governance and Ethical Business Practices, Addressing Sustainability Matters

## ANTI-CORRUPTION

(GRI 2-26, 205-1, 205-2, 205-3)

MGRC has established a Code of Conduct and Anti-Bribery and Corruption (“ABC”) Policy to serve as guidance for the Group’s employees and stakeholders to follow. We have also established a Whistleblowing Policy as an avenue for any parties to report unethical behaviour, illegal acts or failure to comply with relevant laws, rules and regulations and internal policies. Our Code of Conduct, ABC Policy and Whistleblowing Policy are published on our Company’s website at [www.mgrc.com.my](http://www.mgrc.com.my). Employees are also provided with the ABC Policy together with the Employee’s handbook via email. On demand, online training is provided to all associated persons via link. Online training is outsourced and maintained by eQuickLearn

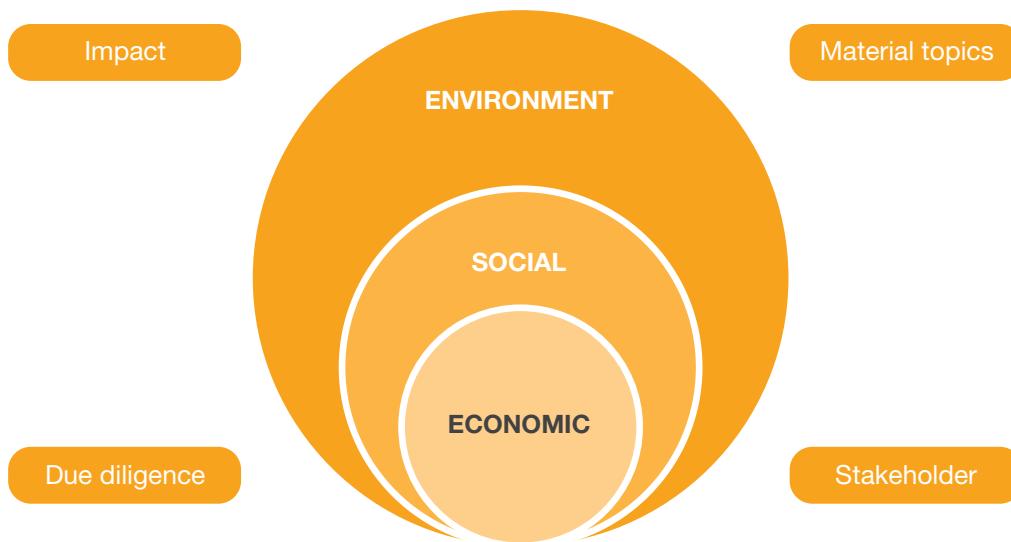
For this reporting period, the number of confirmed correction cases were zero (2023: zero), which is aligned with the Company’s target. We are pleased to highlight that since our inception in 2004, none of the management or employees of MGRC have been disciplined or dismissed, nor are there any instances of recorded grafts.

## ADDRESSING SUSTAINABILITY MATTERS

### OUR APPROACH TO SUSTAINABILITY

(GRI 2-24, 2-25)

Our approach to sustainability is embedded in the way we work. Steps are taken to obtain understanding about our current practice and measure our impact from those current practice. Gaps are analysed before we put in policy and execution to improve them. Our leaders aim to always be ready to change for better and believe in continuous improvement.



**Figure 3:** MGRC’s approach to sustainability

**Figure 3** presents our eco-centric approach to sustainability where we acknowledge the fact that our economic agenda is a subset of a much larger social and environmental factors. Sustainability agenda in MGRC is designed with the understanding that in every activity that we do is crucial to focus in conserving the nature. Also, in our daily operations, we consider and take actions on matters concerning humanity as to not adversely affecting the quality of human life, while at the same time meet the basic human needs, equity and human rights. We report our material matters; those that represent MGRC’s most significant impacts on the economy, environment and people, including impacts on human rights. Steps are taken to identify, prevent, and mitigate potential negative impacts on economy, environment, and people caused by our activities. Stakeholders are identified and engaged to gain insight as to how they are, or could be, affected by our business activities.

## STAKEHOLDER ENGAGEMENT

(GRI 2-29)

Aligned with our commitment to openness, and with the aim to continuously improve our business process, we actively engage with internal and external stakeholders. Engagements are conducted directly or indirectly; the purpose is to gain insights into their concerns and perspective as well as to manage our impacts. Our stakeholders include employees, customers, suppliers, shareholders, regulators, and local community. For this financial years, employees

Stakeholders	Areas of Interest	Engagement Approaches	Our responses
<b>Shareholders/ Investors</b> 	<ul style="list-style-type: none"> <li>Profitability and return on Investment</li> <li>Sustainable performance</li> <li>Operational improvements</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial results</li> <li>Annual report</li> <li>Company website</li> <li>Annual General Meeting</li> <li>Analyst briefings</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance (please refer to Financial Statement)</li> <li>Good governance and ethical business practices</li> <li>Business continuity</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Career progression</li> <li>Compensation and job benefits</li> <li>Continuous training and development</li> <li>Employees well-being</li> <li>Health and safety</li> <li>Technological advancement</li> </ul>	<ul style="list-style-type: none"> <li>Performance appraisal</li> <li>Internal meetings/dialogue session</li> <li>Training and development</li> <li>Engagement with management</li> <li>Survey questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Fully paid training</li> <li>Celebration of festivals/Team Building program</li> <li>Responsible waste disposal</li> <li>Employee Handbook</li> <li>Equal opportunity for internal promotion</li> <li>Employee training</li> </ul>
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Career progression</li> <li>Compensation and job benefits</li> <li>Continuous training and development</li> <li>Employees well-being</li> <li>Health and safety</li> <li>Technological advancement</li> </ul>	<ul style="list-style-type: none"> <li>Site visit for corporate customers</li> <li>Company website</li> <li>E-mails and feedback</li> <li>Routine meetings</li> <li>One-to-one sessions</li> <li>Dialogue sessions</li> <li>Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement</li> <li>Customer satisfaction</li> <li>Corporate responsibility</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Sustainable business relationship</li> <li>Proper supplier selection and evaluation</li> <li>Timely payments according to credit terms</li> </ul>	<ul style="list-style-type: none"> <li>Selection among at least three suppliers</li> <li>Supplier performance evaluation</li> <li>Face-to-face communications and emails</li> <li>Business partnership</li> </ul>	<ul style="list-style-type: none"> <li>Continuous improvement</li> <li>Business continuity</li> <li>Good governance and ethical business practices</li> </ul>
<b>Government/ Regulators</b> 	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Regulatory compliance</li> <li>Anti-Bribery Act compliance</li> <li>Occupational Safety and Health compliance</li> <li>Malaysian Financial Reporting Standard compliance</li> <li>Company Act compliance</li> <li>Employment Act compliance</li> <li>ACE Market Listing requirements</li> <li>City council requirements</li> <li>Best practices and policies</li> </ul>	<ul style="list-style-type: none"> <li>Audit</li> <li>Bursa announcements</li> <li>Obtaining relevant certifications</li> <li>Company website</li> <li>Dialogue sessions</li> <li>Face-to-face and online meetings</li> <li>Correspondence through phone, emails and letters</li> <li>On-site inspections</li> <li>Seminars and workshops organised by regulators</li> </ul>	<ul style="list-style-type: none"> <li>Policies and procedures to ensure compliance</li> <li>Good governance and ethical business practices</li> <li>Health and safety</li> </ul>

# SUSTAINABILITY STATEMENT

36

Addressing Sustainability Matters

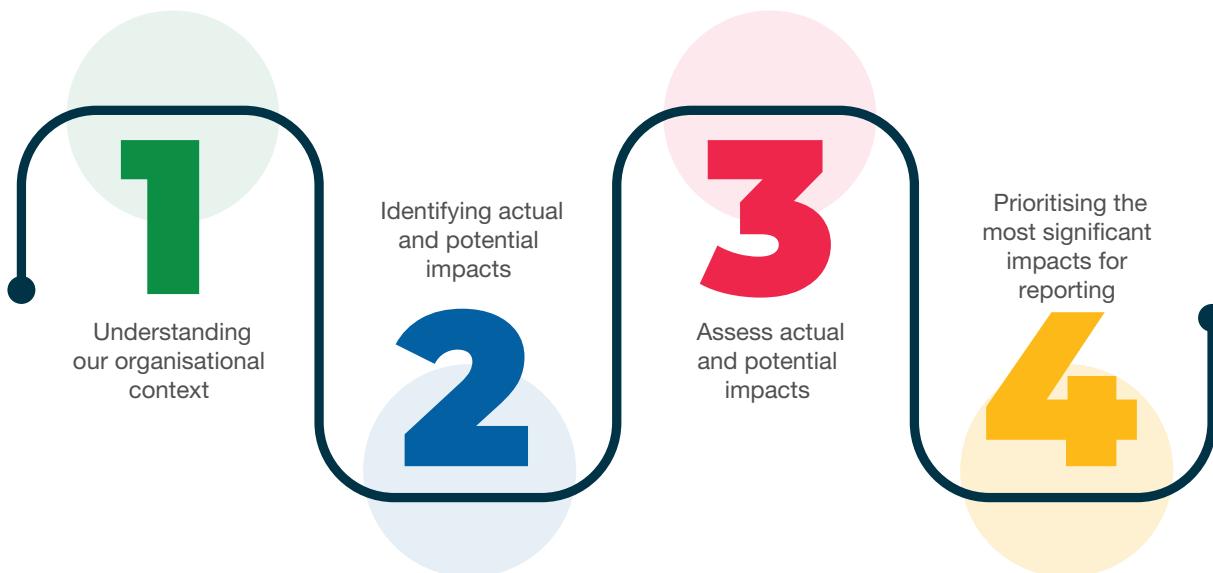
Stakeholders	Areas of Interest	Engagement Approaches	Our responses
Local communities and the public 	<ul style="list-style-type: none"> <li>Employment creation</li> <li>Support local economy</li> <li>Contribution to community</li> <li>Minimal environment impact from operations</li> <li>Environmental hazard/waste management</li> </ul>	<ul style="list-style-type: none"> <li>Employment creation</li> <li>Support local economy</li> <li>Contribution to community</li> <li>Minimal environment impact from operations</li> <li>Environmental hazard/waste management</li> </ul>	<ul style="list-style-type: none"> <li>Employment</li> <li>Internship placement for local students</li> <li>CSR initiatives</li> <li>Proper waste disposal</li> </ul>
Analyst/Media 	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Share price performance</li> <li>Business growth and expansion</li> <li>Corporate governance</li> <li>Product accessibility and availability</li> <li>Business development</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly financial results</li> <li>Annual report</li> <li>Company website</li> <li>Bursa announcements</li> <li>Analyst briefings and interview sessions</li> <li>News releases</li> <li>Media events</li> <li>Product placements</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Good governance</li> <li>Business continuity</li> </ul>

## MATERIALITY ASSESSMENT

(GRI 3-1)

In previous reporting period, MGRC conducted materiality assessment through insights obtained from both internal and external stakeholders during engagements. Our materiality assessment involves the process of identifying material topics, gathering stakeholders' insight on those topics identified, and then prioritizing the topics. Material topics are also obtained from stakeholders' engagement.

Steps taken to determine our material topics are:

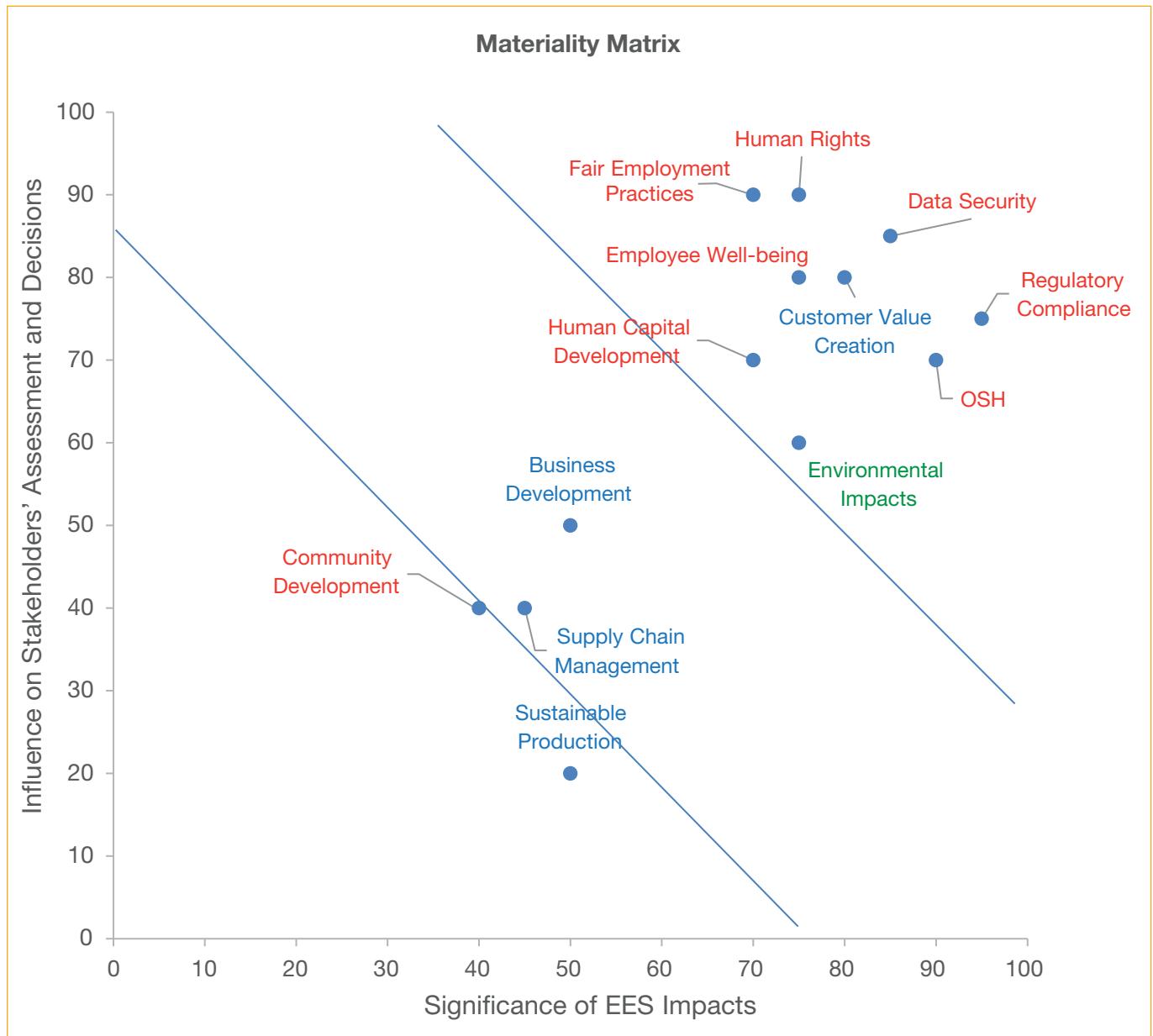


# SUSTAINABILITY STATEMENT

Addressing Sustainability Matters, Ethical Business Impacting Customers and Society

37

The results of our materiality assessment are plotted in **Figure 4** below, based on the importance of each material topic for both MGRC and our stakeholders. A total of 13 material topics were identified and prioritised. The top right quadrant highlights the material topics that are most important to our stakeholders and to our Group. The results enable us to refine our overall sustainability strategy and reporting and focus on the areas to be prioritised.



**Figure 4:** Materiality Matrix

# SUSTAINABILITY STATEMENT

38 Addressing Sustainability Matters, Ethical Business Impacting Customers and Society

## OUR MATERIAL MATTERS

(GRI 3-2)

<b>Ethical Business Impacting Customers and Society</b>	<b>Customer value creation</b> <ul style="list-style-type: none"><li>- Providing products and services that are innovative, accessible and affordable to a wider range of customers, promoting inclusivity in sustainability efforts.</li></ul> <b>Data security</b> <ul style="list-style-type: none"><li>- Measures taken to protect customers' privacy and personal information. Data are safeguarded against possible breaches.</li></ul> <b>Regulatory compliance</b> <ul style="list-style-type: none"><li>- Ensuring regulatory compliance in all aspect of our business process to protect public health, safety, and well-being.</li></ul>
<b>Empowering Our People</b>	<b>Occupational Health and Safety (OHS)</b> <ul style="list-style-type: none"><li>- Taking appropriate measures to identify hazard risk in our organization and prevent work-related injuries and ill health.</li></ul> <b>Human rights</b> <ul style="list-style-type: none"><li>- Assessing how business activities and products could have impact on human right and take actions to prevent any negative implications.</li></ul> <b>Diverse and inclusive workforce</b> <ul style="list-style-type: none"><li>- It is our commitment to have a diverse and inclusive workforce, reflecting our values and to make impact to the country.</li></ul> <b>Employee well-being</b> <ul style="list-style-type: none"><li>- Caring for our employees to safeguard their overall well-being.</li></ul> <b>Human capital development</b> <ul style="list-style-type: none"><li>- Initiatives aimed at creating career progression pathways for our employees while also expanding opportunities for qualified candidates to pursue promising careers within this industry.</li></ul>
<b>Managing Our Environmental Impacts</b>	<b>Environmental impacts</b> <ul style="list-style-type: none"><li>- Focusing on how we manage our waste, consume water and electricity responsibly, and reduce our GHG emissions.</li></ul>

## ETHICAL BUSINESS IMPACTING CUSTOMERS AND SOCIETY

(GRI 3-3)

### CUSTOMER VALUE CREATION

(GRI 203-1, 203-2)

Our pricing policy, various collaborations, and infrastructure development have created significant positive indirect economic impacts to local and global consumers. We strive to make our products and services more readily available to the average individual by collaborating with our partners to provide innovative healthcare solutions to the public, so that they can benefit from long-term health and well-being, and reduce premature mortality due to non-communicable diseases. Our strategies and impacts are as follow:

# SUSTAINABILITY STATEMENT

Ethical Business Impacting Customers and Society

39

Pricing policy and strategy	<p>Our cancer immunotherapy treatments are made more accessible and affordable to cancer patients on a compassionate use basis. The typical treatment cost of CAR T-cell therapy is high in the worldwide market. However, in collaboration with our partner, iCARTAB, we are making this treatment start from 20% of the typical treatment costs in the worldwide market.</p> <p>We acknowledge the importance of making healthcare solution more accessible to patients that are of urgent need of such treatment to improve their health condition or save their lives.</p>
Collaborative efforts with other market players	<p>In the past year, we have signed various collaborative agreement locally and internationally to expand clientele reach and increase market awareness of MGRC's products, services and solutions.</p> <p>Efforts includes, and not limited to, making products and services available via various digital health platforms both in Malaysia and globally.</p> <p>With new genetic screening services and cell gene therapy product, MGRC has expanded its reach into other industry such as sports industry, education industry and healthcare facilities industry via strategic collaboration.</p>
Acquisition of interest	<p>Our subsidiary, MGRC Healthcare (MGRC-H), have acquired a 51 percent stake in Aquahealth Sdn Bhd to provide downstream healthcare services that include kidney dialysis services.</p> <p>During the reporting period, MGRC have acquired approximately 16 percent stake in Genotec Sdn Bhd to explore the opportunity, diversify and expanding its healthcare business downstream with the objective of enhancing its revenue in the future.</p> <p>More frontline healthcare services will be made available to the public in the future, whether through MGRC-H or MGRC-T, another of our subsidiaries.</p>
Compassionate drug use basis	CAR T-Cell immunotherapy can be made available to patients across Southeast Asia after consultation and screening by their treating oncologists or haematologists on a compassionate use basis.
Infrastructure development	The setting up of one of first privately owned Biosafety Level 2 ("BSL-2") laboratories in the region for CAR T-cell immunotherapy and other cell engineering services.

On top of that, MGRC also has formed local and global partnerships/collaborations with various local and international companies/organisations to encourage sustainable businesses that can stimulate the local, regional and worldwide economics. Our collaborations facilitate technology and knowledge transfers between countries, especially developing countries.

Among the notable collaborations involving Research and Development (R&D) aspects for healthcare solutions include:

#### **During the reporting period:**

- **Universiti Sains Malaysia:**
  - Exploring the genetics of Penang Women and Determining the age of the ancient Penang Women Skeleton using the Accelerator Mass Spectrometry ("AMS") dating technique
- **De Cell Berhad:**
  - Development new project called "EXOGENETIX", a program that provide cell-gene therapy products and services to the market
- **Twistcode Technologies Sdn Bhd:**
  - Undertake research and development in bioinformatics as a services
- **Kumpulan Perubatan Penawar Sdn Bhd & Hospital Penawar Sdn Bhd:**
  - To explore the cell-gene therapies in childhood-onset disease

# SUSTAINABILITY STATEMENT

40

Ethical Business Impacting Customers and Society

- Kumpulan Medic Iman Sdn Bhd:
  - To explore the cell-gene therapies for different types of cancer and regenerative diseases
- Innoquest Pathology Sdn Bhd:
  - Collaboration on genetic screening services

## In the past years:

- **Rinani Genotec Sdn Bhd:**
  - Development of new healthcare solutions on genetic screening tests for sports and fitness.
- **MAHSA Health Sdn Bhd:**
  - Memorandum of understanding (“MoU”) to explore opportunities for health and wellness-related services, and identify opportunities for conducting collaborative R&D.
- **National Institutes of Health (“NIH”):**
  - Agreement on publication and presentation of scientific data in the field of medical research, and cooperation in the field of medical research.
- **United Doctors Hospital, Saudi Arabia:**
  - Collaboration in the field of genomics and cell therapies, including R&D for genetic screening tests, bioinformatics analysis and cell therapies projects in the Middle East and North Africa (“MENA”) region.
- **Ajlan & Bros Medical Company, Saudi Arabia:**
  - MoU for the distribution of biopharmaceutical and genomics products and services, and identification of commercial R&D for agriculture, aquaculture, plantations, healthcare, and industrial biotechnology in the MENA region.
- **University Malaysia Sabah (“UMS”):**
  - Letter of Intent (“LOI”) to collaborate on R&D in genetics, regenerative and alternative medicines.
- **Acquest Healthcare Stem Cell Research, Thailand:**
  - Agreement to explore and evaluate the exchange of knowledge and expertise in CAR T-cell and other cell products for mutual commercial benefits.
- **Salus Holdings Company Limited, Thailand:**
  - Agreement to enter into joint venture in cell therapies.
- **Marine Group, Thailand:**
  - LOI to conduct collaborative research in the use of genetic screening tests and formulated cosmetic products containing cell therapy ingredients on regeneration of skin and hair.
- **SIRIM Berhad:**
  - MoU to form a strategic partnership for cooperating on research and development in medical and biotechnology areas, for the benefit of the Malaysian Industry, Society and Government
- **Kensana Health Australia and Mahsa University:**
  - MoU for the purpose of collaboration on research and development into phytopharmaceutical and biotechnology towards commercialisation.
- **AntChain technology:**
  - MoU to integrate MGRC’s expertise in personalised and precision medicine with technology acumen, particularly in blockchain traceability

## DATA SECURITY

(GRI 418-1)

At MGRC, we value our customers’ information and are aware of the importance of keeping them safe. Therefore, we strictly follow the guidelines and policy of the Personal Data Protection Act 2010 (“PDPA”). It is the Company’s policy that serial numbers are used instead of customers’ information when processing their samples in the laboratory. This is to prevent any laboratory personnel from finding out the identity of our customers and misusing their information. For this financial year, we received zero (2023: zero) complaints from outside parties as well as from regulatory bodies concerning breaches of customer privacy. There is no incident of data leaks, thefts, or losses of customer data reported during the year. In fact, we have not received any complaints of data breach since MGRC’s inception in 2004.

# SUSTAINABILITY STATEMENT

Ethical Business Impacting Customers and Society

41

## REGULATORY COMPLIANCE

(GRI 2-27, 416-1, 416-2, 417-1, 417-2, 417-3)

We strive to be responsible towards our customers and deliver quality products and services. We understand that ensuring constant quality and continuous improvements are important factors for ensuring a successful and sustainable business in today's dynamic and constantly changing business environment. We have obtained the necessary certifications to ensure that our products and services follow set quality standards that are appropriate for their use and can meet our customers' expectations.

Our facility has successfully obtained the following ISO certifications:

Certification	Description
 ISO 9001:2015	Standards to meet the needs of customers and stakeholders within the statutory and regulatory requirements related to products and services.
 ISO 15189:2012	Certification adhered to by medical laboratories when developing quality management systems and assessment of competence.
 ISO 17025:2017	General requirements for the competence, impartiality and consistent operation of laboratories.
 GMP Certificate of Compliance	National Pharmaceutical Regulatory Agency ("NPRA") certification for a facility that has met the respective acceptance criteria for the grade mentioned in accordance with the requirements of good manufacturing practice ("GMP") guide for Biosafety Level 2 ("BSL-2") laboratory.
Certificate of Conformity: Good Distribution Practice for Medical Devices ("GDPMD")	Certification for an authorised representative company to import, store, handle, distribute and document medical devices.  This had been terminated on 2 October 2024.

# SUSTAINABILITY STATEMENT

42

Ethical Business Impacting Customers and Society, Empowering Our People

During the reporting period, the number of instances of non-compliance with laws and regulations is zero (2023: zero). MGRC also does not have any cases of non-compliance with the laws and regulation that resulted in monetary fines.

In terms of customer health and safety concerns, MGRC placed a stringent QC process before a product or services is released. During the reporting period, the number of incidents of non-compliance concerning the health and safety impacts of products and services is zero (2023: zero).

MGRC also follows the requirements from ISO and GMP when it comes to product and service information and labelling. The number of incidents of non-compliance concerning product and service information and labelling during the year is zero (2023: zero). The number of incidents of non-compliance concerning marketing communications also is zero (2023: zero).

## EMPOWERING OUR PEOPLE

(GRI 3-3)

## OCCUPATIONAL HEALTH AND SAFETY

(GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10)

MGRC places utmost emphasis on employees' safety and health to ensure healthy lives and promote well-being. We provide the necessary amenities such as clean, air-conditioned work environment and access to safe and clean Coway water for drinking.

In addition, MGRC has in place an 'Emergency Response Plan' to ensure the safety of our employees at all times. The plan includes designated Floor Marshalls for all the levels in our facility, emergency response team with first aid kit to take timely action, emergency showers in all our laboratories for employees to use when exposed to toxic substances, and other necessary SOPs in place which include assembly point, emergency exits and fire extinguishers. Besides the usual lab coat used by personnel in our genomics laboratory, our cell laboratory personnel wears personal protective equipment (PPE) to protect themselves from any contagious organisms.

Engagements with our employees are carried out from time to time to get their views and concerns regarding their safety issues, if any. Our employees are adequately informed on health and safety issues and are reminded as to the importance of following the SOPs in place with regards to health and safety. During this reporting period, there has been zero (2023: zero) work-related injuries and work-related ill health occurred in the Company. To date, we have no incidence of injuries of fatalities in our facility.

## HUMAN RIGHTS

(GRI 406-1)

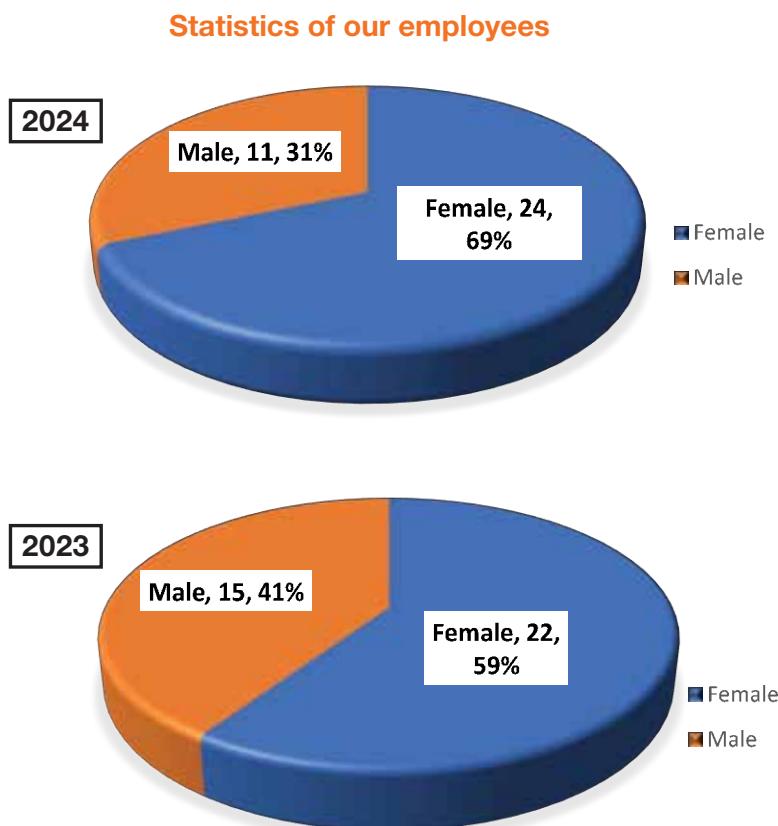
As an organization, MGRC upholds the fundamental rights of individuals throughout our operations. It is our policy that human rights are respected and discrimination is not practiced in all aspects of our business and decisions. Human rights principles are considered in our risk assessment to avoid negative impacts on our stakeholders, including employees, consumers, and the community. Stakeholders' engagement provides insights to better understand their concerns related to human rights issues. During this reporting period, we received zero (2023: zero) complaints regarding violations of human rights and zero (2023: zero) cases of discrimination.

## FOSTERING DIVERSE AND INCLUSIVE WORKFORCE

(GRI 2-7, 202-2, 405-1, 405-2)

At MGRC, we aim to develop and maintain a dynamic workforce with diverse individuals from different ethnic groups, cultural background, age, experiences and skills, as we strongly believe that diversity will bring forth greater ideas, creativity and productivity. Currently, we conduct non-discriminatory and diverse employment practices throughout our Group. Most of our senior management are from local community (Malaysian).

Our current employee breakdown is as follows:



Most of our employees are permanent, full-time employees. We provide equal opportunities, basic salary and remuneration for men and women of the same job level.

## EMPLOYEES WELL-BEING

(GRI 202-1, 401-1)

At MGRC, our approach to employee well-being goes beyond financial benefits and extends to creating an environment where our staff' happiness, work-life balance, and overall health are important. We are aware that high employee turnover rate will negatively affect and disrupt the overall business operations of the Group. Therefore, we strive to minimise our employee turnover rate by providing them with a conducive working environment and allowing them to progress and advance in their career. We create awareness of self-belonging among employees as part of a big family via instilling camaraderie and teamwork through various social initiatives and activities which include team building activities, townhall, festival celebrations, departmental lunch gathering and social initiatives. We also provide confirmed employees with complimentary genetic screening tests as a health benefit and to help them learn and be aware of the benefits of such unique tests.

We will continue to put in more efforts to manage and retain our talents in a sustainable way. Moving forward, our commitment is to deepen our engagement with employees and enhance our risk assessment frameworks to ensure a supportive, inclusive, and equitable working environment. Through continuous dialogue with employees, we aim to foster a culture of openness, collaboration, and innovation. We believe that by actively listening to our employees and valuing their diverse perspectives, we can enhance job satisfaction, drive innovation, and improve overall performance.

The lowest-paid worker at our Company receives a salary of RM2,500 (2023:RM2,500) per month. This wage surpasses the national minimum wage rate set by the Malaysia's Minimum Wages Order 2022 for the private sector that came into effect on 1 May 2022 also Minimum Wages Order 2024 for the private sector that came into effect on 1 February 2025. This salary level intended to contribute to the alleviation of poverty among low-income workers. MGRC complies with the labour law and provide SOCSO and EPF contributions in a timely manner.

# SUSTAINABILITY STATEMENT

44

Empowering Our People, Managing Our Environmental Impact

## HUMAN CAPITAL DEVELOPMENT

(GRI 404-1, 404-2)

MGRC consider employees to be our biggest and most valuable asset and the main reason for our success. In a highly specialised industry such as MGRC, where the learning curve is high due to the specialised work nature, maintaining skilled employees who are experienced and familiar with the job requirements are essential. In the competitive and ever-changing business landscape, we acknowledge and recognise the importance of continuous training and development of our employees to ensure that they are able to execute their work properly and productively and able to build their career for a long term. Each employee is encouraged to attend company-paid trainings at least once a year. We continue to identify suitable training opportunities for our employees in order to enhance their knowledge and contribute to the Group to a higher level. We will reap the benefits in the future by retaining skilled employees who can be empowered to take on future leadership roles. In this reporting period, on average, our employees attended 11 (2023: 34.03) hours of training.

- MGRC provides high-value employment opportunities for local graduates, especially in the biotechnology sector. This effort will stimulate economic growth and help to reduce the number of graduates who failed to find employment in the field that they studied. Currently, it has been reported that 61 percent of biotech graduates in 2019 and 2022 were working in unrelated sectors. To alleviate this dilemma, MGRC has formed collaborations with various organisations and institutions to support local students and graduates. These collaborations include working with MAHSA Health Sdn. Bhd. to promote practice-based education, and research and knowledge exchange which involve creating opportunities for students' clinical placement, internship, employment and training and IMU Education Sdn Bhd to explore opportunities to develop industry education excellence worldwide and to collaborate with IMU Education for its Graduate Trainee Programme as well as to support IMU Education's continuous efforts in producing excellent practitioners in relevant and highly competitive industries of Medical Biotechnology and Biomedical Science.

During the reporting period, MGRC had participated in NBiOSHOWCASE 2024 by Malaysian Bioeconomy Development Corporation Sdn Bhd that included promoting job opportunities and talent development in bioeconomy.

## MANAGING OUR ENVIRONMENTAL IMPACT

(GRI 3-3)

### RESPONSIBLE WASTE MANAGEMENT

(GRI 306-1, 306-2, 306-3, 306-4, 306-5)

MGRC's waste discharge and disposal is minimal, and we comply with environmental laws to ensure that waste by-products from our facility do not adversely impact the surrounding environment and people.

We practice proper waste disposal practice that is detailed as follows:

- We decontaminate wastes that are bio-contamination risks in autoclave equipment to neutralise pathogens before disposing of them.
- We keep potentially hazardous biological waste in a specially designated storage area to prevent leakages before responsibly disposing of it.
- We engage a professional medical waste disposal company to properly dispose of wastes from our facility.

During the reporting period, our clinical waste generated is 6.32 (2023:2.21) tonnes.

# SUSTAINABILITY STATEMENT

Managing Our Environmental Impact

45

## REDUCING OUR ENERGY CONSUMPTION

(GRI 302-1)

We take the following steps to manage energy efficiency to reduce the usage of non-renewable resources and minimise pollution of the environment:

- Monitoring and tracking energy consumption of our facility
- Checking the energy efficiency of our equipment
- Purchasing the latest energy-efficient equipment whenever possible, such as refrigerators and air conditioners with a 4 or 5 energy star rating and SIRIM certification.
- Ensuring that staff follow recommended practices to minimise unnecessary wastes by turning off equipment and all energy sources which are not required to be on either after or during (break times and non-peak hours) office hours.
- Using motion-activated tinted sliding doors in our facility to reduce air conditioner electricity.
- Complying with all environmental laws and regulations - to date we do not have any environmental-related complaints lodged against our company.
- Utilising energy-saving LED lights in our facility.

Our electricity consumption during the reporting period is 398,627 (2023: 635,533) kWh.

## WATER CONSUMPTION

(GRI 303-5)

The Company is making every effort to conserve water and promote responsible water usage among our employees to consume water responsibly. During the reporting period, our total water consumption amounted to 856 (2023:1,551) cubic metres.

## REDUCING OUR CARBON FOOTPRINT

(GRI 305-2, 305-3)

Reducing our GHG emission has consistently been part of our agenda. However, prior to this reporting period, we have not established a proper GHG emissions inventory. This year signifies our initial efforts to quantify our environmental impacts in terms of carbon emission. It is important to note that our data is somewhat limited as we lack information on Scope 1 emission for this year. Additionally, in the case of Scope 3 emissions, we have established an inventory for just one category, which specifically pertains to emissions resulting from employees commuting. Emission factors and methodologies come from Greenhouse Gas Protocol.

### Scope 2:

Scope 2 emissions are associated with electricity purchased and consumed by our office and equipment used in our operations. Total scope 2 emission for this reporting period is 276.65 (2023: 371.66) tonnes.

### Scope 3:

Due to limitations in obtaining other data related to scope 3 emissions, this year's calculation of emissions under this scope consist of only indirect emissions generated by employees commuting. The calculation methodology used is average-data method where the transportation mode and distance from home to the workplace are determined via a survey. The survey was deployed at the end of the financial year. The employee participation rate is 53% (2023 : 54%). Total GHG emissions for this category are 98.90 (2023: 135.04) tonnes.



# SUSTAINABILITY STATEMENT

46

GRI Content Index

## GRI CONTENT INDEX

<b>Statement of use</b>	Malaysian Genomics Resource Centre Berhad has reported the information cited in this GRI content index for the period 1 July 2022 to 31 December 2023 and for the year 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	28, 29, 30
	2-2 Entities included in the organization's sustainability reporting	28
	2-3 Reporting period, frequency and contact point	28
	2-4 Restatements of information	N/A
	2-5 External assurance	N/A
	2-6 Activities, value chain and other business relationships	29
	2-7 Employees	42
	2-8 Workers who are not employees	N/A
	2-9 Governance structure and composition	32
	2-10 Nomination and selection of the highest governance body	Not reported
	2-11 Chair of the highest governance body	32
	2-12 Role of the highest governance body in overseeing the management of impacts	32
	2-13 Delegation of responsibility for managing impacts	32
	2-14 Role of the highest governance body in sustainability reporting	32
	2-15 Conflicts of interest	N/A
	2-16 Communication of critical concerns	33
	2-17 Collective knowledge of the highest governance body	Not reported
	2-18 Evaluation of the performance of the highest governance body	Not reported
	2-19 Remuneration policies	Not reported
	2-20 Process to determine remuneration	Not reported
	2-21 Annual total compensation ratio	Not reported
	2-22 Statement on sustainable development strategy	27, 28, 32
	2-23 Policy commitments	31
	2-24 Embedding policy commitments	34
	2-25 Processes to remediate negative impacts	33, 34
	2-26 Mechanisms for seeking advice and raising concerns	33, 34
	2-27 Compliance with laws and regulations	41
	2-28 Membership associations	29
	2-29 Approach to stakeholder engagement	35
	2-30 Collective bargaining agreements	Not reported
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	36
	3-2 List of material topics	38
	3-3 Management of material topics	38, 42, 44
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Not reported
	201-2 Financial implications and other risks and opportunities due to climate change	Not reported
	201-3 Defined benefit plan obligations and other retirement plans	Not reported
	201-4 Financial assistance received from government	N/A

# SUSTAINABILITY STATEMENT

GRI Content Index

47

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 202: Market Presence 2016</b>	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	43
	202-2 Proportion of senior management hired from the local community	42
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	38
	203-2 Significant indirect economic impacts	38
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	Not reported
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	34
	205-2 Communication and training about anti-corruption policies and procedures	34
	205-3 Confirmed incidents of corruption and actions taken	34
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A
<b>GRI 207: Tax 2019</b>	207-1 Approach to tax	Not reported
	207-2 Tax governance, control, and risk management	Not reported
	207-3 Stakeholder engagement and management of concerns related to tax	Not reported
	207-4 Country-by-country reporting	N/A
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	N/A
	301-2 Recycled input materials used	N/A
	301-3 Reclaimed products and their packaging materials	N/A
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organisation	45
	302-2 Energy consumption outside of the organisation	N/A
	302-3 Energy intensity	Not reported
	302-4 Reduction of energy consumption	Not reported
	302-5 Reductions in energy requirements of products and services	N/A
<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	Not reported
	303-2 Management of water discharge-related impacts	Not reported
	303-3 Water withdrawal	N/A
	303-4 Water discharge	Not reported
	303-5 Water consumption	45
<b>GRI 304: Biodiversity 2016</b>	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	N/A
	304-3 Habitats protected or restored	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	N/A
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	Not reported
	305-2 Energy indirect (Scope 2) GHG emissions	45
	305-3 Other indirect (Scope 3) GHG emissions	45
	305-4 GHG emissions intensity	Not reported
	305-5 Reduction of GHG emissions	Not reported
	305-6 Emissions of ozone-depleting substances (ODS)	N/A
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	N/A

# SUSTAINABILITY STATEMENT

48

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	44
	306-2 Management of significant waste-related impacts	44
	306-3 Waste generated	44
	306-4 Waste diverted from disposal	44
	306-5 Waste directed to disposal	44
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Not reported
	308-2 Negative environmental impacts in the supply chain and actions taken	Not reported
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	43
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	N/A
	401-3 Parental leave	N/A
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	N/A
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	42
	403-2 Hazard identification, risk assessment, and incident investigation	42
	403-3 Occupational health services	42
	403-4 Worker participation, consultation, and communication on occupational health and safety	42
	403-5 Worker training on occupational health and safety	42
	403-6 Promotion of worker health	42
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	42
	403-8 Workers covered by an occupational health and safety management system	Not reported
	403-9 Work-related injuries	42
	403-10 Work-related ill health	42
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	44
	404-2 Programs for upgrading employee skills and transition assistance programs	44
	404-3 Percentage of employees receiving regular performance and career development reviews	Not reported
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	42
	405-2 Ratio of basic salary and remuneration of women to men	42
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	42
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	N/A
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not reported
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	N/A

# SUSTAINABILITY STATEMENT

GRI Content Index

49

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 413: Local Communities 2016</b>	413-1 Operations with local community engagement, impact assessments, and development programs	Not reported
	413-2 Operations with significant actual and potential negative impacts on local communities	33
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	N/A
	414-2 Negative social impacts in the supply chain and actions taken	Not reported
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	N/A
<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	41
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	41
<b>GRI 417: Marketing and Labelling 2016</b>	417-1 Requirements for product and service information and labelling	41
	417-2 Incidents of non-compliance concerning product and service information and labeling	41
	417-3 Incidents of non-compliance concerning marketing communications	41
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	40

A photograph showing the silhouettes of three people in profile, facing right. They appear to be in a modern office environment, with one person in the foreground wearing a light-colored shirt and two others in darker clothing. The background is bright and slightly blurred.

# CORPORATE GOVERNANCE

- 51** CORPORATE GOVERNANCE OVERVIEW STATEMENT
- 65** OTHER COMPLIANCE INFORMATION
- 67** STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
- 70** AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## INTRODUCTION

The Board of Directors (“Board”) of Malaysian Genomics Resource Centre Berhad (“MGRC” or “Company”) acknowledges good corporate governance as its priority in conducting the business and affairs of the Company. The Board is responsible and committed in ensuring and maintaining the highest standard of corporate governance within the Company and adhering to the principles and best practices as prescribed by the Malaysian Code on Corporate Governance 2021 (“Code” or “MCCG”) with the objective of protecting and enhancing long-term shareholders’ values and stakeholders’ interests. This statement complies with Rule 15.25 of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and shall be read together with the Corporate Governance Report (“CG Report”) of the Company for the financial year ended 31 December 2024.

The detailed application of each Practice as set out in the Code is disclosed in the CG Report can be downloaded from the Company’s website at [www.mgrc.com.my](http://www.mgrc.com.my).

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Duties and Responsibilities of the Board

The Board is responsible for, amongst others, establishing and communicating the strategic direction and corporate values of the Company, as well as supervising its affairs to strive for success within a framework of acceptable risks and effective controls in compliance with the relevant laws, regulations, guidelines and directives in the territories in which it operates.

The Board reviews management performance and ensures that the necessary financial and human resources are available to meet the objectives of the Company.

The duties and responsibilities of the Board include determining the Company’s overall strategic plans, performing periodic reviews of business and financial performance, and engaging in succession planning as well as adopting practical risk management and internal controls to implement a strong framework of internal controls for the Company.

In addition, the Board has delegated specific responsibilities to various Board Committees to assist the Board in the operations of the Company. The functions and Terms of Reference of the Board Committees have been clearly defined. There are two (2) Board Committees namely, the Audit and Risk Management Committee (“ARMC”), as well as the Nomination and Remuneration Committee (“NRC”). These Committees would deliberate and discuss the relevant issues within their respective Terms of Reference and thereafter report their recommendations to the Board for final approval and decision making.

The roles and responsibilities of the Chairman and the Chief Operating Officer (“COO”) of MGRC are clearly defined. The COO has the overall responsibility in the Company’s business operational matters with the objective of driving the Company and the Group towards achieving strategic goals and objectives alongside with the implementation of the Company’s policies, corporate strategies and decisions.

All Board members participate fully in decisions on key issues involving the Company. The Executive Directors are responsible for implementing policies and decisions of the Board and managing the Company’s day-to-day operations. Together with the Independent Non-Executive Directors, they ensure that strategies are fully discussed and examined, taking into account the long-term interests of various stakeholders including shareholders, employees, financiers, customers, suppliers and other communities.

The Independent Non-Executive Directors play an important role in providing unbiased and independent judgement to ensure a balance, and impartial Board decision-making process.

The Board has designated Mr Leong Yien Hung, the Executive Chairman / Managing Director, to whom any concerns may be conveyed.

### 1.1 Code of Conduct and Ethics

The Board recognises the need to formalise and commit to ethical values through a Code of Conduct, and the implementation of appropriate internal systems to support, promote and ensure compliance. The Board has also established a Code of Conduct and Ethics, which is accessible at the Company’s website at <http://www.mgrc.com.my/investor-relations/corporate-governance>.

The Code of Conduct and Ethics sets out basic principles to guide all the Directors of the Company and its subsidiaries, on the appropriate standards of conduct and ethical behaviour for Directors.

# CORPORATE GOVERNANCE

52

Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### II. Board Composition

During the financial year, the Board consists of eight (8) members, of which, two (2) are Executive Directors and six (6) are Independent Non-Executive Directors, thus fulfilling the ACE LR which stipulates that at least one-third of the Board should comprise Independent Directors. Nonetheless, there are changes in the composition of the Board members subsequently, whereby the current Board consists of eleven members, with two (2) Executive Directors and nine (9) Independent Non-Executive Directors. Please refer to the Corporate Directory of this Annual Report on disclosure of the current Board composition.

The Board is of the opinion that its composition reflects a balance of Executive and Non-Executive Directors, such that the interests of not only the Company, but also of its stakeholders and the public are upheld in the formulation and adoption of business strategies. Collectively, the Directors combine their diverse commercial, regulatory, industry and financial experience to add value to the Board as a whole.

The Company has complied with Practice 1.4 of the MCCG as the Chairman of the Board is not a member of the ARMC and the NRC. The Company has also complied with Paragraph 15.02(1)(b) of the ACE LR of Bursa Securities as the Company is currently having three (3) female Board members.

The profiles of the current members of the Board are set out in the section entitled Profile of Directors of this Annual Report.

### III. Appointment to the Board

To comply with best practices for the appointment of new Directors through a formal and transparent procedure, the NRC, which comprise exclusively of Non-Executive Directors, is responsible for making recommendations relating to any new appointments to the Board. In making these recommendations, the NRC will take into account the individual's skill, knowledge, expertise, experience, professionalism, integrity and level of other commitments. Any new nomination received is put to the Board for assessment and approval.

The Board is entitled to the services of the Company Secretar(ies) who shall ensure that all appointments are properly formalised. All necessary information is obtained from Directors, both for internal records and statutory obligations such as the requirements of the Companies Act, 2016, ACE LR and/or other authoritative.

The Board is supportive by gender and ethnic diversity in the boardroom as recommended by the Code. During the financial year, the Board comprises seven (7) male and one (1) female directors, as compared to the current composition of eight (8) male directors and three (3) female directors.

The Directors observe the relevant recommendations of the Code to the effect that they are required to notify the Chairman before accepting any new Directorships, and to indicate the time expected to be spent on the new appointments.

As set out in the Policy, upon the existence of a casual vacancy or upon the decision of the Board to invite an additional Director to the Board, the NRC shall examine the current composition of the Board and pre-define the desired characteristics/profile of the new Director.

In so doing, the Board shall:

- uphold and implement best practices relating to gender diversity in the Boardroom;
- uphold and implement best practices relating to ethnic diversity, in ensuring that at least two (2) of the three (3) main ethnic groups in Malaysia, are represented on the Board at all times;
- consider the kinds of professional qualification, skill sets, industry experience and profile that the new Director should have, in order to preserve an all-rounded and balanced Board; and
- consider and discuss other pertinent or relevant factors that may arise.

The existing Directors may then propose the name of any potential candidate to the Chairman of the Board, from:

- their own personal contacts; and/or
- a registry of Directors, such as that maintained by the NAM Institute for the Empowerment of Women Malaysia (NIEW) at <http://www.wcdregistry.com>, or the Malaysian Alliance of Corporate Directors at <http://www.macd.org.my>.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

### III. Appointment to the Board *(continued)*

The Chairman of the Board shall, within a specified timeframe, disclose the names of the potential candidates that have been nominated, to all Board members.

The Board members shall then decide to whom the invitation should be issued, based on its consideration of the relevant factors.

The Chairman of the Board or any individual Director may approach the potential candidate to gauge his / her interest in being appointed to the Board of the Company.

If the potential candidate indicates his agreement to be appointed to the Board of the Company, the Chairman of the Board or any individual Director shall communicate the same to the other Directors and the Company Secretary.

The Company Secretary shall then prepare the necessary documentation which shall include:

- customer due diligence and background checks,
- resolutions of the Board and Board Committee for approval,
- the relevant declarations and statutory forms including consent to act, and
- announcement templates to enable the Company to make the necessary announcements to Bursa.

### IV. Audit and Risk Management Committee

The composition of the ARMC, its terms of reference and its activities during the financial year ended 31 December 2024 are set out in the ARMC Report.

The performance of the ARMC is assessed once a year by the NRC.

Details of the activities carried out by the ARMC and its roles and responsibilities in the financial year under review are set out in the ARMC Report.

### V. Nomination and Remuneration Committee

The current NRC comprises solely Non-Executive Directors namely the following:

1. Mohd Shakir Bin Shahimi (Chairman, Independent Non-Executive Director);
2. Chih Yi May (Member, Independent Non-Executive Director).

The principal objectives of the NRC which also forms part of the Fit and Proper Policy are:

- a. to assist the Board in nominating new nominees of Board members;
- b. to assess the Board in overseeing the selection of, and assessing the performance of, the Directors of the Company on an on-going basis;
- c. to assist the Board in assessing the remuneration packages of the Executive Directors;
- d. to assess the performance of the ARMC; and
- e. to assess the performance of the Independent Directors.

During the financial year under review, the activities carried out by the NRC included the following:

- Reviewed the terms of office of the ARMC and assessed its effectiveness as a whole and the individual ARMC members;
- Reviewed the length of service of each Independent Non-Executive Director and assessed their independence;
- Reviewed the meeting attendance of the Board and Board Committees;
- Reviewed the training programmes attended by the Directors;
- Reviewed and recommended to the Board, the re-election of the Directors who will be retiring at the forthcoming Annual General Meeting ("AGM") of the Company;
- Reviewed and recommended to the Board, the retention of Independent Director in accordance with Practice 5.3 of the Code, if applicable;
- Reviewed the contribution and performance of the Board as a whole, and of each individual Director;
- Reviewed and recommended to the Board, the Directors' Fees commencing from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company;
- Reviewed and recommended to the Board, the benefits payable to the Directors under Section 230 of the Companies Act 2016; and
- Reviewed the remuneration packages of the Executive Directors.

# CORPORATE GOVERNANCE

54

Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### VI. Performance Assessment and Remuneration

The NRC recommends to the Board, the policy framework and remuneration and benefits extended to the Executive Directors of the Company. The remuneration of Non-Executive Directors is a matter to be decided by the Board as a whole, with the Directors concerned abstaining from deliberation and voting in respect of their remuneration.

The aggregate remuneration paid or payable to all Directors of the Company and the corresponding bands of remuneration for the financial year ended 31 December 2024 is reflected in the Corporate Governance Report submitted to Bursa Securities.

The Board has adopted a policy on the assessment of Directors' performance and remuneration. The objective of the Company's policy on Directors' remuneration is to ensure that the level of remuneration is sufficient to attract and retain high-profile Directors with a wealth of experience in diversified industries. Extracts from the policy are set out in the ensuing sections below.

### VII. Management

The management of the Company is vested in the Executive Chairman / Managing Director and Chief Operating Officer.

All management actions are carried out subject to a set of Authority Limits of the Company. The Authority Limits sets out the Management's limit of authority in relation to the day-to-day operations and functions of the Company, by indicating the levels of recommendations and approvals corresponding to various action items.

### VIII. Policies Governing the Board of Directors

The Company has adopted the Policies Governing the Board of Directors ("Policy"), which incorporates a policy on Board composition with regards to the mix of skills, independence, and diversity (including gender and ethnic diversity). The NRC oversees matters relating to the nomination of new Directors and annually reviews the required mix of skills and experience and conducts the respective independence assessment on the Independent Directors. The NRC also reviews succession planning and boardroom diversity, oversees training courses for Directors and also conducts an annual assessment on the effectiveness of the Board as a whole, its committees and the contribution of each individual Director.

### IX. Tenure of Independent Directors

The Company's board charter provides as follows:

- The tenure of an Independent Director shall not exceed a cumulative term of nine (9) years. However, upon completion of the nine (9) years, the Independent Director may continue to serve on Board subject to his/her re-designation as Non-Independent Director.
- In the event the Director remain as an Independent Director after a period of nine (9) years, the Board shall first justify the aforesaid position prior obtaining annual shareholders' approval.
- The Board shall undertake an assessment on the Independent Directors annually, looking beyond the Independent Director's background, economic and family relationships and considering whether the Independent Director can continue to bring independent and objective judgement in board deliberations.

### X. Assessment of Independence

The Board has set out policies and procedures to ensure effectiveness of the Independent Directors, including their new appointments.

In view of the current size of the Board, the Board will assess the independence of the Independent Directors annually, taking into account the individual Director's ability to exercise independent judgment at all times, and his/her contribution to the effectiveness of the Board functions.

The Independent Directors are not employees, and they do not participate in the day-to-day management or the daily business of the Company. They bring an external perspective, constructive challenge and help in developing proposals on strategy, scrutinise the performance of Management in meetings, approve goals and objectives, and monitor risk profile of the Company's business and reporting monthly business performance.

The Board is satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to act in the best interests of the Company.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

### X. Assessment of Independence *(continued)*

The NRC follows the criteria for the assessment of initial and ongoing independence of Directors, based on the definitions set out in the ACE LR.

#### Criteria

- An Independent Director means a Director who is free from any business or other relationship with the management, whom can interfere the independent judgement or the ability to act in the best interests of MGRC.
- An Independent Director is one (1) who:
  - a. is not an Executive Director of the applicant, listed issuer or any related corporation of MGRC;
  - b. is not, and has not been within the last three (3) years, an officer (except as an independent director) of MGRC;
  - c. is not a major shareholder of MGRC;
  - d. is not a family member of any Executive Director, officer or major shareholder of MGRC;
  - e. is not acting as a nominee or representative of any Executive Director or major shareholder of MGRC;
  - f. has not been engaged as an adviser by MGRC under such circumstances as prescribed by the Exchange or is not presently a partner, Director (except as an Independent Director) or major shareholder, as the case may be, of a firm or corporation which provides professional advisory services to MGRC under such circumstances as prescribed by the Exchange; or
  - g. has not engaged in any transaction with MGRC under such circumstances as prescribed by the Exchange or is not presently a partner, Director or major shareholder, as the case may be, of a firm or corporation (other than subsidiaries of MGRC) which has engaged in any transaction with MGRC under such circumstances as prescribed by the Exchange.

The aforesaid criteria shall be applied by the Board in the following instances:

- admission of a new Independent Director;
- annually; and
- as and when a new interest or relationship develops.

In applying the above criteria, the Board must give effect to the spirit, intention and purpose of the said definitions. If a person does not fall within any of paragraphs (a) to (g) of the said definition, it does not mean that the person will automatically qualify to be an Independent Director. The Director concerned as well as the Board of Directors of MGRC must still apply the test of whether the said Director is able to exercise independent judgment and act in the best interests of the applicant or listed corporation as set out in the said definition.

On an annual basis, each individual Director shall submit to the Board, a declaration of ongoing independence based on the provisions of the ACE LR.

### XI. Policies Governing the Annual Assessment and Remuneration of Independent Directors

- The NRC will conduct an annual assessment on the effectiveness of the Board as a whole, the Board Committees and contribution of each individual Director, including the Independent Directors.
- Conduct an annual review on the performance of ARMC members in accordance with its terms of reference.
- Once completed, the appraisal forms are forwarded to the Company Secretary and the results are tabulated. The tabulated results are then forwarded to the Chairman of the Board.
- At the point of appointment to the Board or on a yearly basis once the Director has been appointed, a recommendation pertaining to the Directors' fee is made by the Senior Management of the Company, to the Nomination and Remuneration Committee.
- The recommendation is made based on (i) the amount of time commitment the Director concerned channels towards the Company; (ii) the roles and responsibilities of the Director; (iii) the expertise and skills that the Director concerned brings to the Board; (iv) the business strategy and long-term objectives of the Company, and (v) the number of Board Committees that the Director in question sits on, as well as in what capacity (i.e. Chairman, or ordinary member).
- The NRC then considers the proposed fee, against its own independent re-assessment of the factors listed above.
- Subject to the NRC's agreement, the proposed fees that was recommended by the Senior Management shall be recommended to the Board for approval.
- The Board will also consider the proposed fees based on the performance of the said Director and collective performance appraisals undertaken by the Board as a whole and each Director respectively.
- Once approved by the Board, the proposed fee will be tabled to the shareholders at the next Annual General Meeting ("AGM") of the Company for their final approval.

# CORPORATE GOVERNANCE

56

Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### XI. Policies Governing the Annual Assessment and Remuneration of Independent Directors (continued)

- Allowable claims and allowances for Directors shall include all transportation and accommodation costs incurred in connection with attending Board, Board committee meetings and AGMs.

### XII. Policies Governing the Annual Assessment and Remuneration of Executive Directors

- The NRC undertake an appraisal on the Executive Directors and the outcome of the review will be tabled to the Board for final assessments.
- The Board then reviews the results and considers whether the current remuneration package of the Executive Director (whether under a Service Contract or an Employment Contract) should be revised or retained at status quo.
- At Board level, the Board members may make observations or comments as he/she may deem fit.

*Note: No Director shall participate in any discussion on his/her own remuneration*

The aggregate remuneration paid or payable to all Directors of the Company during the financial year ended 31 December 2024 is listed on named basis as required pursuant to Practice 8.1 of the CG Report. The Company has not complied with Practice 8.2 of the MCCG which requires it to make the detailed disclosures on named basis for the remuneration of the top five (5) senior management in the bands of RM50,000.00. The Company has explained its departure from this practice in the CG Report.

### XIII. Board Meeting

The Board is schedule to meet four(4) times a year at quarterly intervals, with additional meetings to be convened as and when necessary, in which important decisions are required to be made between the scheduled meetings. The meeting agenda for these meetings includes the review of quarterly financial results and announcements, business directions, business plans and budgets, risk management report, macro strategies and discussions on other major matters such as acquisitions, investments and disposals., if any.

Proceedings of, and resolutions passed at each Board Meeting are documented in the minutes and signed by the Chairman at the subsequent Board Meeting. In addition to Board Meetings, the Board exercises control over matters that require Board's approval via circular resolutions. These minutes and resolutions are kept at the registered office of the Company.

During the financial year under review, a total of six (6) Board Meetings were held and the attendance of the Directors during the aforesaid period were as follows:

Directors	No. of Meetings Attended
Mr Leong Yien Hung <sup>5</sup>	-
Encik Muhammad Badri bin Hussin	6/6
Encik Mohd Shakir bin Shahimi	6/6
Datuk Wira Mohammad Faizal bin Zainol <sup>2</sup>	3/5
Encik Mohamad Ruzaini bin Hamzah	6/6
Chih Yi May	6/6
Mr Yap Kok Wei <sup>4</sup>	1/1
Ms Tan Yiing Fung <sup>5</sup>	-
Mr Lim Kok Kiong <sup>5</sup>	-
Mr Chung Eng Lam <sup>5</sup>	-
Ms Ler Pei Fen <sup>5</sup>	-
Encik Noor Azri bin Dato' Sri Noor Azerai <sup>1</sup>	6/6

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

### XIII. Board Meeting *(continued)*

Directors	No. of Meetings Attended
Encik Syed Zulkifli bin Syed Ismail <sup>1</sup>	5/6
Encik Mohamad Hasni bin Ibrahim <sup>3</sup>	5/5

Remarks:

1. Resigned on 19 February 2025
2. Appointed on 2 February 2024
3. Appointed on 2 February 2024 and resigned on 19 February 2025
4. Appointed on 4 October 2024
5. Appointed on 19 February 2025

### XIV. Supply of Information

The agenda for the Board Meetings together with appropriate reports and information on the Company's business operations and proposal papers meant for Board's consideration, are circulated to all the Directors prior to the meetings in a timely manner to enable the Directors to review the material and obtain additional information or clarification prior to the meeting.

The Directors will be given the notice of meeting setting out the agenda items together with the relevant meeting materials in advance as early as practicable.

The Directors have access to all information within the Company as well as to the advice and services of the company secretar(ies), whether individually or as a whole, to assist them in the decision-making process. Where necessary, the Directors may engage independent professionals at the Company's expense on specific issues, to enable the Directors to discharge their duties by utilising the available knowledge and resources.

### XV. Time Commitment

The Board is satisfied with the level of time commitment extended by the Directors in fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the majority attendance record of the Directors at Board meetings.

Directors are expected to have the relevant expertise in order to for them to contribute positively to the Company's performance and to channel sufficient time and attention towards carrying out their responsibilities to the Company and Group. The Board obtains this commitment from its new members at the time of appointment. The Board has established policies and procedures where a Director should notify the Chairman officially, before accepting any new Directorship from any other company and the notification shall set out the expectation and an indication of time commitment that will be spent on the new appointment. The Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company.

### XVI. Company Secretary

Every Director has ready and unrestricted access to the advice and the services of the Company Secretar(ies) in ensuring effective functioning of the Board. The Company Secretary ensure that Board policies and procedures are both followed and reviewed regularly and are legally responsible to ensure that each Director is made aware of and provided with guidance as to his/her duties, responsibilities and powers.

The Directors are also regularly updated and advised by the Company Secretary on new statutory and regulatory requirements issued by regulatory authorities, and the resulting implications thereof on the Company and Directors in terms of duties and responsibilities. They are also responsible for ensuring the Group's compliance with the relevant statutory and regulatory requirements.

The Board ensures that the Company Secretar(ies) appointed have the relevant experience and skills, and act in accordance with the Code of Ethics for Company Secretary.

The responsibilities carried out by the Company Secretar(eis) include:

- Preparation and submission of statutory forms to the Companies Commission of Malaysia;
- Proper maintenance of statutory records;

# CORPORATE GOVERNANCE

58

Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### XVI. Company Secretary (continued)

The responsibilities carried out by the Company Secretar(eis) include: (continued)

- Transmissions/submissions of corporate announcements/replies to the Bursa Securities;
- Drafting the necessary Notices of Meetings, Directors' Resolutions, Minutes of Directors' and Shareholders' meetings and other relevant documents under the direction and instruction of the Board of Directors;
- Attendance in general meetings such as AGM and Extraordinary General Meeting ("EGM");
- Attendance in Board and Board Committee meetings;
- Preparation of board papers for Board and Board Committee Meetings and general meetings where required; and
- Advising the Board on matters pertaining to the statutory requirements prescribed under the various statutes, rules and regulations, particularly the Companies Act 2016, the ACE LR of Bursa Securities and in general, such other matters relating to secretarial practice.

### Directors' Training

All the Directors including the newly appointed Directors have completed the Mandatory Accreditation Programme ("MAP1") required by Bursa Securities as at the issuance date of this annual report. The Directors shall be attending MAP II within the stipulated timeframe in due course.

The Board are aware on the importance and benefits of continuous participation in training and education programmes aimed at enhancing their knowledge, skills and level of contribution to the Company.

\* The Board has adopted a policy on training whereby the Company shall facilitate the attendance of any training programme, course or seminar by any Director, for the purposes of continuing education and training, via two (2) mechanisms:

#### - *On the Recommendation of the Nomination and Remuneration Committee*

The NRC shall periodically conduct a training needs analysis on behalf of the Board.

- *In so doing, the NRC shall have regard to the results of performance appraisals and other relevant considerations, in assessing whether any of the Directors should undergo any specific types of training and if so, in what areas.*
- *In the event the NRC wishes to recommend a particular area of training for a particular Director, the NRC shall communicate with the Director concerned.*
- *A suitable training programme/course/seminar for the above purposes may then be identified, either by the NRC or by the Director concerned.*
- *The Company shall make the necessary arrangements for the Director to attend the training, including payment of registration fees and other related matters.*

#### - *At the Request of Any Director*

- *Any Director may identify a training programme/course/seminar which he/she believes would be relevant to his/her continuing education and professional development and notify the Company accordingly.*
- *The Company shall make the necessary arrangements for the Director to attend the training, including payment of registration fees and other related matters.*

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS *(continued)*

### XVI. Company Secretary *(continued)*

#### Directors' Training *(continued)*

\*The Board has adopted a policy on training whereby the Company shall facilitate the attendance of any training programme, course or seminar by any Director, for the purposes of continuing education and training, via two (2) mechanisms: *(continued)*

The respective Directors who have served during the financial year ended 31 December 2024 have attended training and related events as follows:

##### 1. Muhammad Badri bin Hussin

Title	: Mandatory Accreditation Programme
Organiser	: ICDM
Date	: 30 and 31 January 2024
Title	: ISSB : Applying the IFRS Sustainability Disclosure Standards
Organiser	: International Finance Corporation
Date	: 11 November 2024

##### 2. Mohd Shakir bin Shahimi

Title	: ISSB : Applying the IFRS Sustainability Disclosure Standards
Organiser	: International Finance Corporation
Date	: 11 November 2024

##### 3. Datuk Wira Muhammad Faizal bin Zainol

Title	: Mandatory Accreditation Programme
Organiser	: ICDM
Date	: 15 and 16 May 2024

##### 4. Mohamad Ruzaini bin Hamzah

Title	: Mandatory Accreditation Programme
Organiser	: ICDM
Date	: 25 and 26 March 2024

##### 5. Chih Yi May

Title	: ISSB : Applying the IFRS Sustainability Disclosure Standards
Organiser	: International Finance Corporation
Date	: 11 November 2024

##### 6. Noor Azri bin Dato' Sri Noor Azerai

Title	: ISSB : Applying the IFRS Sustainability Disclosure Standards
Organiser	: International Finance Corporation
Date	: 11 November 2024

##### 7. Syed Zulkifli bin Syed Ismail

Title	: Mandatory Accreditation Programme
Organiser	: ICDM
Date	: 25 and 26 March 2024
Title	: ISSB : Applying the IFRS Sustainability Disclosure Standards
Organiser	: International Finance Corporation
Date	: 11 November 2024

# CORPORATE GOVERNANCE

60

Corporate Governance Overview Statement

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (continued)

### XVI. Company Secretary (continued)

#### Directors' Training (continued)

\* The Board has adopted a policy on training whereby the Company shall facilitate the attendance of any training programme, course or seminar by any Director, for the purposes of continuing education and training, via two (2) mechanisms: (continued)

The respective Directors who have served during the financial year ended 31 December 2024 have attended training and related events as follows: (continued)

#### 8. Mohamad Hasni bin Ibrahim

Title	:	Mandatory Accreditation Programme
Organiser	:	ICDM
Date	:	15 and 16 May 2024

#### 9. Yap Kok Wei

Title	:	Mandatory Accreditation Programme
Organiser	:	ICDM
Date	:	24 and 26 March 2025

All the Directors will continue to attend relevant training and education programmes and events in order to keep themselves abreast of the latest economic, technological, commercial and industry-related developments with a view to continuing to discharge their duties and responsibilities effectively.

The Board encourages its Directors to attend talks, seminars, workshops, events and conferences to enhance their skills and knowledge to enable them to carry out their roles effectively as Directors in discharging their responsibilities. The Directors are briefed by the Company Secretary on the letters and circulars issued by Bursa Securities, if any, at every Board Meeting.

### XVII. Board Charter

The Board has formalised and established a Board Charter to govern the manner in which the Company conducts its affairs.

The Board Charter and the terms of reference of the respective Board Committees are published in the Company's website, which serves as a reference for the Directors' fiduciary duties and functions of the Board Committees respectively.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Internal Control

The Board acknowledges its responsibility in maintaining a sound system of internal controls in the Company. This control provides reasonable, but not absolute assurance against material misstatement, loss or fraud. The Board seeks regular assurance on the continuity and effectiveness of the internal control system through independent review by the internal auditors.

The internal audit function is independent in the operations of the Group and provides reasonable assurance that the Group's system of internal control and risk management is satisfactory and operating effectively. An Internal Audit Planning Memorandum, setting out the scope of the internal audit to be undertaken, is tabled to the Audit Committee.

Information on the Company's internal control and risk management system is presented in the Statement on Internal Control and Risk Management of this Annual Report.

### II. Relationship with Auditors

The Company's independent external auditors play an essential role in ensuring the reliability of the Company's financial statements and providing the assurance of accuracy to shareholders. The Company has always maintained a formal and transparent relationship with its external auditors, in seeking professional advice and ensuring compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

### III. Assessment of Sustainability and Independence of External Auditors

The ARMC undertakes an annual assessment of the suitability and independence of the external auditors. The ARMC meets with the external auditors at least twice a year to discuss their audit plan, audit findings and the Company's financial statements.

At least two (2) of these meetings are held without the presence of the Executive Directors and the Management. The ARMC also meets with the external auditors additionally whenever it deems necessary.

In addition, the external auditors are invited to attend the AGM of the Company and are available to answer shareholders' questions on the conduct of the statutory audit and the preparation and contents of their audit report.

### IV. Code of Conduct and Ethics

The Board recognises the need to formalise and commit to ethical values through a Code of Conduct and Ethics, and the implementation of appropriate internal systems to support, promote and ensure compliance. The Board has also established a Code of Conduct and Ethics, which has been uploaded to the Company's website.

The Code of Conduct and Ethics sets out basic principles to guide all the Directors of the Company and its subsidiaries, on the appropriate standards of conduct and ethical behaviour for Directors. It covers the following areas:

- Compliance with laws, rules and regulations
- Corporate governance
- Conduct of business and fair dealing
- Conflicts of interest
- Use of non-public information and disclosure (insider trading)
- Use of company funds, assets and information
- Social responsibility and the environment
- Proper records and communication
- Spokesman
- Whistleblowing
- Breaches, waiver and review

# CORPORATE GOVERNANCE

62

Corporate Governance Overview Statement

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *(continued)*

### V. Whistleblowers

The Company has adopted a Policy on Whistleblowing in order to provide a transparent and confidential process for dealing with concerns.

The following general principles are set out in the policy:

- All concerns raised by employees will be treated fairly and properly, as long as it is a genuine concern;
- The Company will not tolerate harassment or victimisation of anyone raising a genuine concern;
- Any individual making a disclosure will retain anonymity unless the individual agrees otherwise;
- The Company will ensure that any individual raising a concern is aware of who is handling the matter; and/or
- The Company will ensure no one will be at risk of suffering some form of reprisal as a result of raising a concern in any circumstances.

A grievance procedure is also clearly outlined in the policy.

The Board has also established Anti-Bribery and Corruption policy. The said policy and the whistleblowing policy are published at the Company's website as follows:

ANTI-BRIBERY AND CORRUPTION POLICY:

<http://www.mgrc.com.my/wp-content/uploads/2020/10/MGRC-Anti-Bribery-and-Corruption-Policy.pdf>

WHISTLEBLOWING POLICY:

<http://www.mgrc.com.my/wp-content/uploads/2023/11/MGRC-Whistleblowing-Policy-Whistleblowing-Form.pdf>

### VI. Sustainability and Corporate Social Responsibility

The Board is aware of the importance of business sustainability and has formalised a plan to promote sustainability in developing its corporate strategies, taking into account the impact on the environmental, social, cultural and governance aspects of business operations.

The Board also encourages management transparency by engaging in an open culture and two-way communication that encourages employee participation in every aspect of operational processes. The Company's activities on corporate social responsibilities for the financial year under review are disclosed in this Annual Report under the Sustainability Statement.

The Board is also mindful of establishing processes to safeguard employees' health and safety and put in place the necessary procedures to respond to potential possible incidents.

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

### I. Financial Reporting

In preparing the financial statements, the Directors are required to select appropriate accounting policies and to ensure that they are consistently applied and supported by reasonable and prudent judgements and estimates. The Directors are responsible for ensuring that the Company keeps proper accounting records that are accurate at all times, the financial position of the Company; thereby enabling them to ensure that the financial statements comply with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible to take such steps as are reasonable so as to safeguard the assets of the Company against fraud and other irregularities.

The Statement of Directors' Responsibility for preparing the Audited Financial Statements pursuant to Rule 15.26(a) of the ACE LR is set out in this Annual Report.

### II. Shareholders

The Board recognises the importance of accountability to shareholders on all major developments affecting the Company. Information is disseminated to shareholders and investors through various channels, which include the website, annual financial results, annual reports, as well as where appropriate, circulars and press releases. The Board regularly reviews the information that has been disseminated to ensure consistent and accurate information is provided to shareholders of the Company.

The AGM is the principal forum for dialogue with shareholders and serves as a platform on which Directors may promote and encourage bilateral communications with its shareholders. In addition, the Company has complied with Practice 13.3 of the MCCG which is to leverage technology to conduct the remote general meeting and electronic voting.

The external auditors are also present in order to provide their professional and independent clarification on issues or concern raised by the shareholders, if any.

In line with the recommendations of the Code, the Chairman of the general meetings will inform the shareholders of their right to demand a poll at all general meetings.

The Company has adopted a Corporate Disclosure Policy which sets out the standard operating procedures and guidelines for the Board and Management to follow in relation to dissemination of information to shareholders.

### III. Compliance with Applicable Malaysian Financial Reporting Standards

In presenting the annual audited financial statements and quarterly announcements of financial results to the shareholders, the Board is responsible for presenting a balanced and meaningful assessment of the Group's position and prospects and ensuring that the financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The ARMC assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness.

### IV. Re-Election of Directors

Upon the recommendation of the NRC and the Board, the Directors who are standing for re-election are stated in the Notice of the Twentieth (20th) AGM.

As set out in the Board Charter, all Directors are subject to retire by rotation. Directors shall retire from office at least once in every three (3) years, but shall be eligible for re-election. In accordance with the Company's Constitution, one-third (1/3) of the Directors (including a Managing Director) or if their number is not a multiple of three, then the number nearest to one-third, are required to retire from office at the AGM in every subsequent year. The retiring Director may offer himself/herself for re-election.

Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next AGM of the Company. He/she shall be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

# CORPORATE GOVERNANCE

64

Corporate Governance Overview Statement

## PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS *(continued)*

### IV. Re-Election of Directors *(continued)*

#### Compliance Statement

The application of the MCCG is on an “apply or explain” basis and the practices underpinning the principles are entrenched in many of the Group’s internal controls, policies and procedures governing corporate conduct. The Board has taken steps to ensure that the Company has adopted and applied the principles, best practices and the ACE LR, along with Companies Act 2016 and the latest Corporate Governance Guide issued by Bursa.

Except for Practice 8.2, the Board is of the view that the Company has, in all material aspects, complied with the Principles and Practices as set out in the MCCG. The explanation for the departure of the above-mentioned practices are reported in the announced CG Report in Practice 8.2.

### V. Statement of Directors’ Responsibility

The Directors are required to take reasonable steps to ensure that the financial statements of Malaysian Genomics Resource Centre Berhad are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016, so as to give a true and fair view of the state of affairs of the Group and the Company as at the end of the financial year and of the financial performance and the cash flows for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors have:-

- adopted the appropriate accounting policies and has applied them consistently throughout the year;
- made reasonable and prudent judgments and estimates;
- ensured that all applicable accounting standards in Malaysia have been followed, subject to any material departure and explained in the financial statements; and
- prepared the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Group and the Company have maintained proper accounting records which disclose with reasonable accuracy in the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2016.

The Directors are also responsible for taking reasonable steps to ensure that proper internal controls are in place to safeguard the assets of the Group and the Company, and to prevent and detect fraud and other irregularities and material misstatements.

This statement has been approved by the Board of Directors on 23 April 2025.

## OTHER COMPLIANCE INFORMATION

### 1. AUDIT AND NON-AUDIT SERVICES

For the financial year ended 31 December 2024, the external auditors of the Company rendered audit and non-audit services to the Company, as follows:

	Group RM	Company RM
Audit service rendered		
Statutory audit	130,000	85,000
Non-audit service rendered		
Review of Statement on Risk Management and Internal Control and ISA701	5,000	5,000
	<b>135,000</b>	<b>90,000</b>

### 2. MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of the Directors, major shareholders and any chief executive who is not a Director, either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the previous financial period except for those disclosed in the Financial Statements of the Group.

### 3. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no material recurrent related party transactions of a revenue or trading nature during the financial year ended 31 December 2024 other than those disclosed in Note 21 to the Financial Statements of the Group. Those recurrent related party transactions did not exceed the threshold prescribed under Rule 10.09(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

# CORPORATE GOVERNANCE

66

Other Compliance Information

## OTHER COMPLIANCE INFORMATION *(continued)*

### 4. STATUS OF UTILISATION OF PROCEEDS FROM PRIVATE PLACEMENT

a)

Proposed Utilisation of Proceeds from Private Placement	Proposed Utilisation Timeframe	Proposed Utilisation (RM'000)	Variation (#) (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated (RM'000)
Expenses for the private placement	Immediate	361	-	(361)	-
Working capital	Within 24 months from receipt of funds	23,834	(5,800)	(18,034)	-
Haemodialysis Business	Within 24 months from 28 June 2022	-	5,500	(5,500)	-
Capital Expenditure	Within 24 months from 28 June 2022	-	300	(300)	-
		<b>24,195</b>	-	<b>(24,195)</b>	-

# Pursuant to the variation of purpose of utilisation of proceeds as announced by the Company on 28 June 2022.

b)

Proposed Utilisation of Proceeds from Private Placement	Proposed Utilisation Timeframe	Proposed Utilisation (RM'000)	Variation (RM'000)	Actual Utilisation (RM'000)	Balance of Amount Allocated (RM'000)
Future viable investment	Within 24 months from completion	3620	(60)	(2560)	1,000
Working capital*	Within 12 months from listing	413	-	(413)	-
Estimated expenses	Upon completion	-	60	(60)	-
		<b>4,033</b>	-	<b>(3,033)</b>	<b>1,000</b>

\* In the event the Company is unable to identify any suitable and viable opportunities within the time frame stipulated (or any extended time frame, if applicable), the proceeds allocated for future viable investments shall be utilised as working capital of the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### INTRODUCTION

Pursuant to Rule 15.26(b) of ACE Market Listing Requirements (“ACE LR”), Bursa Malaysia Securities Berhad (“Bursa Securities”), the Board of Directors (“the Board”) of Malaysian Genomics Resource Centre Berhad (“MGRC”) is pleased to provide the following statement on the state of internal control and risk management of the Group, comprising the Company and its subsidiaries, which has been prepared in accordance with Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance issued by the Securities Commission Malaysia and the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Securities.

The Company was incorporated on 18 May 2004 and was listed on the ACE Market of Bursa Securities on 5 October 2010.

The Board is pleased to share the key aspects of the Group’s internal control and risk management systems for the financial year ended 31 December 2024.

### BOARD RESPONSIBILITY

The Board is responsible to maintain a sound risk management framework and system of internal control to safeguard shareholders’ investment and the Group’s assets, as well as to review the adequacy and integrity of the system of internal control and risk management. The responsibility to review the adequacy and integrity of the Group’s system of internal control and risk management is delegated to the Audit and Risk Management Committee, which is empowered under its terms of reference to seek assurance on the adequacy and integrity of the internal control and risk management system from Management and through independent reviews carried out by the internal audit function.

The Board confirms that it has a formal process for identifying, evaluating, and managing the significant risks faced by the Group for the financial year under review and that this process is ongoing.

However, as there are inherent limitations in any system of internal controls, such systems put into effect by the Management can only reduce but cannot eliminate all risks that may impede the achievement of the Group’s business objectives. Therefore, the internal control and risk management system can only provide reasonable, and not absolute, assurance against material misstatement or loss.

### KEY ELEMENTS OF THE GROUP’S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Key elements of the Group’s internal control and risk management system established to facilitate the proper conduct of the Group’s businesses are described below:

#### 1. Control Environment

Internal policies and procedures undergo constant improvements to ensure that they continue to support the Group’s business and operations. Internal policies and procedures pertaining to the Group’s business activities and operations are regularly reviewed and tested during the internal audit fieldwork conducted by the Internal Auditors. Recommendations for enhancements to such policies and procedures are then implemented/addressed.

The Group maintains a formal organisational structure. In addition, a formal set of Authority Limits is in place to establish and enhance the internal control system of the Group’s various operations.

The Authority Limits set out the limits of authority with regards to the following areas:

- Statutory Requirements;
- Annual Budget and Business Plan;
- Capital Expenditure and Fixed Assets;
- Staff, Financial and Other Matters;
- Sales and Marketing; and
- Acquisitions and Disposals.

Every financial year, the Group issues an annual budget, which is approved by the Board.

The Audit and Risk Management Committee, which comprises three (3) Independent Directors, reviews all internal audit reports and has regular meetings with the Management on all major internal control and risk management issues highlighted by the outsourced internal audit function.

# CORPORATE GOVERNANCE

68

Statement on Risk Management and Internal Control

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

### 2. Processes for Identifying, Evaluating and Managing Risk

The Board recognises that the identification, evaluation and management of significant risks faced by the Group are ongoing processes.

The Board reviews internal control and risk management issues identified by the Management and maintains an ongoing commitment to strengthen the Group's control environment and processes as well as its risk management processes.

Clear reporting structures are in place to ensure proper monitoring of the Group's operations and regular quarterly reports are issued which monitor the Group's performance.

#### A. INTERNAL AUDIT FUNCTION

The Board has outsourced its internal audit function to external service provider, Kloo Point Consulting Group Sdn Bhd ("Internal Auditors").

The Internal Auditors report directly to the Audit and Risk Management Committee and prepare the Internal Audit Plan ("IAP") every cycle (twice a year). The IAP is reviewed and approved by the Audit and Risk Management Committee and subsequently by the Board of Directors.

During the financial year under review, the Internal Auditors conducted two (2) internal audit cycles as follows:

Cycle 1 (August 2024): Sourcing and Purchasing

- i. Evaluation and pre-qualification of new suppliers
- ii. Request for quotation
- iii. Quotation management
- iv. Selection of suppliers
- v. Purchasing requisitioning process
- vi. Purchasing order processing and approval
- vii. Purchase order cancellation procedures
- viii. Segregation of duties
- ix. Assessment of suppliers

Cycle 2 (November 2024): Inventory Control

- i. Stock receiving procedures
- ii. Stock balance recording and monitoring control
- iii. Safeguarding of inventory
- iv. Stocktaking procedures
- v. Monitoring of stock ageing
- vi. Picking and delivery process

Internal audits are conducted based on the IAP covering the adequacy, effectiveness and efficiency of governance, risk management and internal controls. During the internal audits, areas where internal control deficiencies are noted, improvement opportunities are recommended and follow-up audits on corrective actions are carried out.

The Audit and Risk Management Committee deliberates on the internal audit reports, which include the audit findings, recommended corrective actions and Management responses in areas where there are significant risks and internal control deficiencies. The Board and the Management will continuously review and improve the existing risk management processes and the internal control system to ensure their adequacy and effectiveness in the dynamic business environment.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(continued)*

### B. INTERNAL RISK EVALUATION, IDENTIFICATION AND MANAGEMENT PROCESS

In addition to the implementation of the recommendations of the outsourced internal audit function, the Management, through a Risk Management Working Committee, also conducts its own internal risk assessments regularly throughout the financial year.

During every financial year, the Risk Management Working Committee identifies key risk areas for the financial year as well as how such risks can be managed or mitigated. The Management then tables a report on its findings in the form of a Risk Management Report, before the Audit and Risk Management Committee and the Board as a whole.

The Risk Management Report sets out the following:

- a. Risk Categories;
- b. Risk Evaluation;
- c. Control Effectiveness;
- d. Risk Metrics;
- e. Risk Treatment Option; and
- f. Mitigated Risk.

The risk areas covered by the Risk Management Report include operational, project and strategic risks. Some of the high priority risks that were identified include operational improvements to prevent bribery and corruption, disruptions caused by server malfunctions, and the need to upgrade inventory management systems.

### OPINION OF THE BOARD

The improvement of the system of internal control is a continuous process, and the Board maintains an ongoing commitment to strengthening the Group's internal control and risk management environment and processes.

Based on the internal processes which have been put into place by the Management, as well as the activities carried out by, and subsequent reports of the outsourced Internal Audit function, the Board is of the view that the Group's system of internal control and risk management is sufficiently sound and adequate to safeguard the shareholder's investments and Group's assets for the financial years moving forward.

The Board has received assurance from the Executive Chairman and COO that the Group's internal control and risk management system will be continuously assessed, monitored and improved in ensuring operations are continuously running adequately and effectively.

### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the Annual Report of the Group for the financial year ended 31 December 2024, and they have reported to the Board that nothing has come to their attention that cause them to believe the statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by rule 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and Management thereon. The report from the external auditors was made solely for, and directed solely to, the Board of Directors in connection with their compliance with the ACE LR and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board of Directors in respect of any aspect of this report.

# CORPORATE GOVERNANCE

70

Audit and Risk Management Committee Report

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors of the Company is pleased to present the Audit and Risk Management Committee Report which provides insights as to the manner the Audit and Risk Management Committee discharged its functions for the Group for the financial year ended 31 December 2024, in compliance with Rule 15.15(1) of the ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) as well as the Malaysian Code on Corporate Governance 2021 (“**MCCG 2021**”).

The principal objectives of the Audit and Risk Management Committee are to assist the Board in discharging its statutory duties and responsibilities in relation to corporate governance, internal control systems, risk management, management, accounting and financial reporting practices of the Company and its subsidiary and to ensure proper disclosure to the shareholders of the Company.

### COMPOSITION OF AUDIT AND RISK MANAGEMENT COMMITTEE

The current composition of the Audit and Risk Management Committee consists of three (3) non-executive members who are all independent directors in compliance with Rule 15 .09(1)(a) & (b) of the ACE LR of Bursa Securities:

- **Mohd Shakir bin Shahimi**  
- (Independent Non-Executive Director) (Chairman)
- **Lim Kok Kiong**  
- (Independent Non-Executive Director) (Member)
- **Tan Yiing Fung**  
- (Independent Non-Executive Director) (Member)

The Chairman of the Audit and Risk Management Committee, Encik Shakir bin Shahimi, is a Chartered Accountant and Member of the Malaysian Institute of Accountants as well as an Independent Non-Executive Director in compliance with Rule 15.09(1)(c)(i) and Rule 15.10 of the ACE LR respectively.

### MEETINGS AND ATTENDANCE

During the financial year under review, the Audit and Risk Management Committee (“ARMC”) convened eight (8) meetings and the attendance of each committee member at each meeting is set out as follows:

Committee Members	No. of Meetings Attended
Encik Mohd Shakir bin Shahimi (Chairman)	8/8
Lim Kok Kiong <sup>3</sup> (Member)	-
Tan Yiing Fung <sup>3</sup> (Member)	-
Encik Syed Zulkifli bin Syed Ismail <sup>1</sup> (Member)	7/8
Encik Mohammad Hasni bin Ibrahim <sup>2</sup> (Member)	7/7

Notes:

1. Resigned as Member on 19 February 2025.
2. Appointed as Member on 4 March 2024 and resigned on 19 February 2025.
3. Appointed as Member on 19 February 2025.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(continued)*

### TERMS OF REFERENCE

A copy of the latest Terms of Reference of the Audit and Risk Management Committee is available for viewing under “Corporate Governance” section of the Company’s website at [www.mgrc.com.my](http://www.mgrc.com.my).

### SUMMARY OF WORKS DURING THE FINANCIAL YEAR

#### 1. Oversight of the Financial Reporting Process and Related Party Transactions

During the financial year ended 31 December 2024, the Audit and Risk Management Committee carried out its duties as set out in its Terms of Reference. The Audit and Risk Management Committee discharged its oversight role by carrying out the following activities during the financial year:

- Reviewed the unaudited quarterly report on consolidated financial results and annual audited financial statements, as well as the audit report and issues arising from the audits with the external auditors of the Group and the Company including the announcements pertaining thereto, before recommending the same to the Board for approval and release of the Group’s unaudited quarterly report on consolidated financial results to Bursa Securities.
- In particular, the Audit and Risk Management Committee focused on changes in or implementation of major accounting policies, significant matters highlighted during financial reporting and/or significant judgments made by management, as well as significant and unusual events. Reviewed the Group’s Audit Planning Memorandum for the financial year under review prior to the commencement of the annual audit. The Audit Planning Memorandum was presented to the Audit and Risk Management Committee for review and approval.
- Met with external auditors during the financial year without the presence of Executive Board members and the Management, during which meetings the external auditors were given the opportunity to raise any issues of concern directly to the Audit and Risk Management Committee.
- Reviewed related party transactions and conflict of interest situations that may arise within the Group and the adequacy of the Company’s procedures and processes in identifying, monitoring, reporting and reviewing related party transactions in a timely and orderly manner. The Company has a policy in place whereby in every financial year, two directors must review and sign off on a related party transaction declaration document. This exercise is carried out on a yearly basis.
- Noted emerging financial reporting issues pursuant to the introduction of new accounting standards, as well as additional statutory, legal and regulatory disclosure requirements.
- Reviewed and discussed key audit matters with the External Auditors to ensure that issues that are most significant in the audit was disclosed, and to address the issues highlighted by the External Auditor with management.

#### 2. Oversight of the External Audit Function

##### a) Procedures to Assess Suitability and Independence of External Auditors

The Audit and Risk Management Committee has established a clear policy framework on the assessment of suitability and independence of the external auditors, entitled “Policies Governing Internal and External Auditors”.

##### b) Assessment on Suitability and Independence of External Auditors

The Audit and Risk Management Committee reviewed and assessed the Independence and competency of the External Auditors on a yearly basis. The Audit and Risk Management Committee was satisfied with the services rendered by Messrs. Jamal, Amin & Partners and their technical competency i.e. effectiveness, suitability and independence and hence, recommended to the Board the re-appointment of Messrs. Jamal, Amin & Partners as external auditors of the Company for the financial year ending 31 December 2025. The Board has in turn, recommended the same for shareholders’ approval at the forthcoming Twentieth Annual General Meeting of the Company.

# CORPORATE GOVERNANCE

72

Audit and Risk Management Committee Report

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(continued)*

### 2. Oversight of the External Audit Function *(continued)*

#### c) Summary of External Auditor's Activities

The summary of the external auditors' activities below discloses activities conducted during the financial year under review. It comprises information on significant issues raised and addressed by the external auditors.

In relation to audit and audit-related services, the Audit Planning Memorandum addressed the following areas:

- Purpose of the Audit Planning Memorandum & Responsibilities;
- Audit Team;
- Audit Scope;
- Audit Approach;
- Timeline;
- Audit Fieldwork;
- Significant Risk and Area;
- Subsidiaries; and
- Fees.

The Audit and Risk Management Committee reviewed and discussed with the External Auditors the audit planning memorandum covering the audit objectives and approach, audit plan, key audit areas and relevant technical pronouncements and accounting standards issued by MASB and regulating requirements applicable to the Group and the processes and controls in place to ensure effective and efficient financial reporting and disclosures under the financial reporting standards. Deliverables, upon completion of the external audit, include the issuance of auditors' reports, and a separate Audit Review Memorandum highlighting major audit and accounting issues encountered, and the resolution of such issues. Deliverables, upon completion of the external audit, include the issuance of auditors' reports, and a separate Audit Summary Report highlighting major audit and accounting issues encountered, and the resolution of such issues.

Specifically, the external auditors' report expresses opinions on, and reports to, the Audit and Risk Management Committee (or those charged with governance) the results of their audits of:

- The consolidated and separate financial statements of MGRC for the financial year ended 31 December 2024; and
- MGRC's Statement on Risk Management and Internal Control in accordance with Recommended Practice Guide 5 - Guidance for Auditors on the Review of Directors' Statement on Internal Control ("RPG 5") issued by Malaysian Institute of Accountants.
- The Audit and Risk Management Committee reviewed with External Auditors the memorandum of comments and recommendations arising from their studies and evaluation of the system of internal and accounting controls together with Management's response to the findings of the External Auditors and ensured where appropriate, that necessary corrective actions had been taken by Management.

### 3. Oversight of the Internal Control and Risk Management Audit Function

In discharging its duties and responsibilities, the Audit and Risk Management Committee is supported by an independent and adequately resourced internal audit function. The internal audit function is outsourced to Kloo Point Consulting Group Sdn Bhd.

During the financial year ended 31 December 2024, the internal audit function carried out audits in accordance with the internal audit plan approved by the Audit and Risk Management Committee and also other areas of significance that were recommended by the Management. The results of the internal audit reviews and the recommendations for enhancement of existing controls were duly presented to the Audit and Risk Management Committee. The Audit and Risk Management Committee has full access to the Internal Auditors and has received reports on audits performed. The Audit and Risk Management Committee oversees the internal control and risk management framework of the Group.

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(continued)*

### 3. Oversight of the Internal Control and Risk Management Audit Function *(continued)*

During the financial year under review, the Audit and Risk Management Committee performed the following activities:

- Reviewed the adequacy of the scope, function, competency and resources of the internal audit function and assessed the overall performance of the Internal Auditors;
- The internal audits performed met the objective in highlighting to the Audit and Risk Management Committee the audit findings which require follow-up actions by the Management, any outstanding audit issues which require corrective actions to be taken to ensure adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Ensure that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe by the Management;
- The Internal Auditors had been given the opportunity to raise any issues of concern directly to the Audit and Risk Management Committee;
- Reviewed the internal audit plan and internal audit reports issued by the Internal Auditors, considered the findings of Internal Auditors, as well as Management's response thereon, and monitored the implementation of agreed recommendations and action plans;
- Reviewed the Risk Management Report prepared by the Management and submitted to the Audit and Risk Management Committee once in every financial year, requested for more information and proposed amendments to the content to better address risk management best practices;
- Reviewed the Risk Management Framework and ensure that the risk management structure is embedded throughout the Company and it is consistently adopted throughout the Company and its subsidiaries, within the parameters adopted by the Company; and
- Sought and obtained periodic updates from the Internal Auditors on the status of implementation of post-audit recommendations from previous, as well as current, internal audit cycles.

The Audit and Risk Management Committee also conform to the Statement on Internal Control and Risk Management conducted by the external auditors. Prior to the conclusion of the external audit, the external auditors reviewed the Internal Audit Report and followed up on the status of the recommendations therein during their audit fieldwork.

Once completed, the external auditor will be issuing a written communication to the Management and the Audit and Risk Management Committee, describing significant deficiencies and material weaknesses identified during the audit, if any; and issued a management letter, including recommendations for improvements in controls and procedures, if applicable.

### INTERNAL AUDIT FUNCTION

The Group's internal audit function is carried out by an outsourced internal auditor namely Kloo Point Consulting Group Sdn Bhd.

The purpose of the internal audit function is to provide the Board, through the Audit and Risk Management Committee, reasonable assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent and performs audit assignments with impartiality, proficiency, and due professional care.

The internal auditors have affirmed that they were free from any relationships or conflicts of interest, which could impair their objectivity and independency in the internal audit function of MGRC.

# CORPORATE GOVERNANCE

74

Audit and Risk Management Committee Report

## AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(continued)*

### INTERNAL AUDIT FUNCTION *(continued)*

During the FY2024, the summary of works undertaken by the internal auditors comprised the following:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and effectiveness of the Group's system of internal control and recommended appropriate actions to be taken where necessary;
- Presentation of audit findings and corrective actions to be taken by Management in the Audit and Risk Management Committee Meetings.

The Internal Auditors conducted two (2) internal audit cycles during the financial year under review, covering the following areas:

- Sourcing and Purchasing
- Inventory Control

### REVIEW OF THE PERFORMANCE OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The performance of the Audit and Risk Management Committee was reviewed once during the financial year by the Nomination and Remuneration Committee.

### TOTAL COSTS INCURRED FOR OUTSOURCED INTERNAL AUDIT FUNCTION

The total costs incurred by the Company for the outsourced internal audit function of the Group for the financial year ended 31 December 2024 was amounted to RM42,003.90 (2023: RM61,276.03).

This Audit and Risk Management Committee Report was approved by the Board on 23 April 2025.



# FINANCIAL STATEMENTS

- 76 DIRECTORS' REPORT
- 81 STATEMENT BY DIRECTORS
- 81 STATUTORY DECLARATION
- 82 INDEPENDENT AUDITORS' REPORT
- 87 STATEMENTS OF FINANCIAL POSITION
- 88 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- 89 STATEMENTS OF CHANGES IN EQUITY
- 91 STATEMENTS OF CASH FLOWS
- 94 NOTES TO THE FINANCIAL STATEMENTS

# FINANCIAL STATEMENTS

76

Director's Report

## DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The Company's principal activities include enabling personalised and precision medicine through genetics, genomics, immunotherapy and biopharmaceutical services, as well as investment holding.

The principal activities of the subsidiaries are disclosed in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

### FINANCIAL RESULTS

	Group RM	Company RM
Loss/Profit for the financial period attributable to:		
- Owners of the Company	(4,191,392)	56,194
- Non-controlling interest	(323,329)	-
	<hr/>	<hr/>
	(4,514,721)	56,194

### DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Board of Directors does not recommend any dividend to be paid for the financial year under review.

### RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review.

## DIRECTORS' REPORT

### ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures by the company during the finance year.

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year under review.

### DIRECTORS OF THE COMPANY

The Directors in office during the financial year and during the year from the end of the financial year to the date of this report are:

Leong Yien Hung*	(Appointed on 19 February 2025)
Encik Muhammad Badri Bin Hussin	
Mohd Shakir Bin Shahimi	
Chih Yi May	
Datuk Wira Muhammad Faizal Bin Zainol	
Encik Mohamad Ruzaini Bin Hamzah	
Yap Kok Wei	(Appointed on 4 October 2024)
Lim Kok Kiong	(Appointed on 19 February 2025)
Tan Yeing Fung	(Appointed on 19 February 2025)
Ler Pei Fen	(Appointed on 19 February 2025)
Chung Eng Lam	(Appointed on 19 February 2025)
Aswath A/L Ramakrishnan	(Not reelected on 29 April 2024)
Encik Mohammad Hasni Bin Ibrahim	(Resigned on 19 February 2025)
Noor Azri Bin Dato' Sri Noor Azerai**	(Resigned on 19 February 2025)
Syed Zulkifli Bin Syed Ismail	(Resigned on 19 February 2025)

\* Also a Director of a subsidiary of the Company, Appointed on 10<sup>th</sup> April 2025.

\*\* Also a Director certain subsidiaries of the Company.

The Directors of the Company's subsidiaries in office (excluding those Directors listed above) during the financial year and during the year commencing from the end of the financial year to the date of this report are:

Ler Yi Bin	(Appointed on 10 <sup>th</sup> April 2025)
Suhaini Bin Kadiman	(Resigned on 10 <sup>th</sup> April 2025)

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of Directors' shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, none of the Directors who held office at the end of the financial year held any shares in the Company or its subsidiaries during the financial year except as follow:

	No. of ordinary shares		
	As at 1.1.2024	Acquired	Disposed
Interest in the Company	-	-	-
Direct interest:			
Muhammad Badri Bin Hussin		5,000	5,000

By virtue of his interest in the ordinary shares of the Company, Muhammad Badri Bin Hussin is also deemed to have interest in the ordinary shares of all the subsidiary companies to the extent the Company has an interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interests in the ordinary shares or debentures of the Company and its related corporation during the financial year.

# FINANCIAL STATEMENTS

78

Director's Report

## DIRECTORS' REPORT

### DIRECTORS' BENEFITS

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of share in or debentures of the Company of any other body corporate.

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

### DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group/ Company RM
Directors' remuneration:	
- fees	254,728
- salaries and other emoluments	690,118
- employee provident fund	81,660
	<hr/> <u>1,026,452</u>

### SUBSIDIARIES

Details of the subsidiaries are disclosed in Note 7 to the financial statements.

### AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM	Company RM
	<hr/> <u>130,000</u>	<hr/> <u>85,000</u>

### INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

## DIRECTORS' REPORT

### OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
  - to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
- the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
  - adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
  - any amount stated in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, there does not exist:
- any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) No contingent or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the year of twelve months after the end of the financial period which, in the opinion of the Directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.
- (e) In the opinion of the Directors:
- the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
  - there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

# FINANCIAL STATEMENTS

80

Director's Report

## DIRECTORS' REPORT

### AUDITORS

The auditors, have indicated that their willingness to accept the re-appointment as auditor of the Company.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

---

LEONG YIEN HUNG

---

MUHAMMAD BADRI BIN HUSSIN

Kuala Lumpur  
Dated: 23 April 2025

# FINANCIAL STATEMENTS

Statement By Directors, Statutory Declaration

81

## STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies Act 2016

We, LEONG YIEN HUNG and MUHAMMAD BADRI BIN HUSSIN, being two of the Directors of MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 87 to 136 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

LEONG YIEN HUNG

MUHAMMAD BADRI BIN HUSSIN

Kuala Lumpur

Dated : 23 April 2025

## STATUTORY DECLARATION

Pursuant to Section 251(1) of The Companies Act 2016

I, MUHAMMAD BADRI BIN HUSSIN, being the Director primarily responsible for the financial management of MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 87 to 136 are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above )  
named MUHAMMAD BADRI BIN HUSSIN at )  
Kuala Lumpur in the Federal Territory on )  
)

MUHAMMAD BADRI BIN HUSSIN

Before me,

COMMISSIONER FOR OATHS

# FINANCIAL STATEMENTS

82

Independent Auditor's Report

## INDEPENDENT AUDITORS' REPORT

To the Members of Malaysian Genomics Resource Centre Berhad  
Registration No.: 200401014287 (652790-V)  
(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of **MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 87 to 136.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

#### Key Audit Matters

Key audit matters are those matter that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter for the Group is as below:

Key audit matters	How our audit addressed the key audit matters
<b>Impairment of financial assets</b>  As at 31 December 2024, as shown in Note 10 and Note 11 to the financial statements, the Group's trade and other receivables and the Company's amount owing by subsidiaries amounted to RM10.2 million and RM21.2 million which represented 45.5% and 60.7% respectively, of the Group's and of the Company's total assets.	Our audit procedures in this area included, among others: <ul style="list-style-type: none"><li>• We challenged the appropriateness and reasonableness of the assumptions applied in the Directors' assessment of the impairment of those balances;</li></ul>

## INDEPENDENT AUDITORS' REPORT

To the Members of Malaysian Genomics Resource Centre Berhad  
Registration No.: 200401014287 (652790-V)  
(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

#### Key Audit Matters *(continued)*

Key audit matters	How our audit addressed the key audit matters
<b>Impairment of financial assets <i>(continued)</i></b> <p>The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.</p> <p>To determine whether there is objective evidence of impairment, the Group consider factors such as the Group contractual entitlement to a debt, the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.</p> <p>The recoverability of trade receivables, other receivables and amount owing by subsidiaries, allowance for expected credit losses is considered to be a significant risk due to the pervasive nature of these balances to the financial statements and affect the working capital management of the business.</p> <p>We focused our testing of the impairment and recoverability of trade receivables, other receivables and amount owing by subsidiaries on the key assumptions made by the management.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"><li>• We considered and concurred with the agreed payment terms;</li><li>• We verified receipts subsequent to period-end; and</li><li>• We considered the completeness and accuracy of disclosures.</li><li>• We have reviewed the adequacy of the policy disclosed to determine the accounting estimates for the impairment as disclosed in Note 2(c).</li><li>• We tested the accuracy of the ageing against supporting documents on a sample basis.</li><li>• We discussed with management to understand the underlying assumptions used when determining the Expected Credit Losses ("ECL") for trade and other receivable and amount owing by subsidiaries.</li><li>• We obtained specific representation from management which has been included in the management's representation letters on the recoverability of those amount.</li></ul>
<b>Revenue and cost of sales recognition</b> <p>As at 31 December 2024, the Group's revenue and cost of sales amounting to RM5.5 million and RM2.1 million respectively are derived from personalized and precision medicine through genetics, genomics, immunotherapy and biopharmaceutical services.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"><li>• We obtained an understanding of the Group's relevant internal controls and testing the controls over timing and amount of revenue recognised;</li></ul>

# FINANCIAL STATEMENTS

84

Independent Auditor's Report

## INDEPENDENT AUDITORS' REPORT

To the Members of Malaysian Genomics Resource Centre Berhad  
Registration No.: 200401014287 (652790-V)  
(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

#### Key Audit Matters *(continued)*

Key audit matters	How our audit addressed the key audit matters
<p><b>Revenue and cost of sales recognition <i>(continued)</i></b></p> <p>The core principle of MFRS 15 is entity recognizes revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with that core principle by applying the following steps:-</p> <ul style="list-style-type: none"><li>i. Identify the contract(s) with a customer;</li><li>ii. Identify the performance obligations in the contract;</li><li>iii. Determine the transaction price;</li><li>iv. Allocate the transaction price to the performance obligations in the contract; and</li><li>v. Recognise revenue when (or as) the entity satisfies</li></ul> <p>Given its significant drivers of the Group and Company's financial performance, revenue and cost of sales recognition is identified as a key audit matter in our audit.</p> <p>There is a risk that revenue could be subject to misstatement, particularly in respect of the timing and amount of revenue recognized. As described in the Material Accounting Policy Information in 3 (o) to the financial statements, revenue is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer.</p>	<p>Our audit procedures in this area included, among others: <i>(continued)</i></p> <ul style="list-style-type: none"><li>• We inspected the terms of significant sales contracts to determine the point of transfer of control to customers;</li><li>• We evaluated the transaction price by agreeing the invoices issued with the agreed purchase order from customers;</li><li>• We evaluated whether the allocation of transactions price to the respective performance obligations;</li><li>• We evaluated the appropriateness of the timing of revenue recognition based on the transfer of control of the related goods to the customer; and</li><li>• We inspected documents evidencing the delivery of goods to customers;</li><li>• We performed testing on the recording of sales transactions close to the year end, including credit notes issued after year end, to establish whether the transactions were recorded in the correct accounting period.</li></ul>

#### Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

## INDEPENDENT AUDITORS' REPORT

To the Members of Malaysian Genomics Resource Centre Berhad  
Registration No.: 200401014287 (652790-V)  
(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *(continued)*

#### Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

#### Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

# FINANCIAL STATEMENTS

86

Independent Auditor's Report

## INDEPENDENT AUDITORS' REPORT

To the Members of Malaysian Genomics Resource Centre Berhad  
Registration No.: 200401014287 (652790-V)  
(Incorporated in Malaysia)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

#### Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats of safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

### OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

**JAMAL, AMIN & PARTNERS**  
(No: AF 1067)  
Chartered Accountants

Kuala Lumpur

Date: 23<sup>rd</sup> April 2025

**NUR FATIMAH BINTI MOHAMAD KHIRRULZAKI**  
(No: 3731/04/27(J))  
Chartered Accountant

# FINANCIAL STATEMENTS

Statements of Financial Position

87

## STATEMENTS OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	<b>2,945,565</b>	3,518,750	<b>2,573,087</b>	3,159,987
Right-of-use assets	5	<b>1,442,557</b>	1,821,277	<b>1,353,976</b>	1,644,112
Intangible assets	6	<b>3,879,586</b>	4,294,055	<b>1,438,762</b>	1,524,132
Investment in subsidiaries	7	-	-	<b>2,390,009</b>	2,390,009
Other Investments	8	<b>2,500,000</b>	-	<b>2,500,000</b>	-
		<b>10,767,708</b>	9,634,082	<b>10,255,834</b>	8,718,240
<b>Current Assets</b>					
Inventories	9	<b>936,527</b>	619,103	-	1,097
Trade and other receivables	10	<b>10,150,608</b>	13,948,214	<b>3,318,477</b>	6,645,651
Amount owing by subsidiaries	11	-	-	<b>21,190,541</b>	18,700,891
Tax recoverable		<b>229,630</b>	78,893	<b>34,609</b>	22,292
Cash and cash equivalents	12	<b>270,758</b>	1,423,214	<b>107,772</b>	191,492
		<b>11,587,523</b>	16,069,424	<b>24,650,859</b>	25,561,423
<b>TOTAL ASSETS</b>		<b>22,355,231</b>	25,703,506	<b>34,906,693</b>	34,279,663
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	13	<b>59,435,566</b>	59,435,566	<b>59,435,566</b>	59,435,566
Accumulated losses		<b>(41,280,203)</b>	(37,088,811)	<b>(27,805,374)</b>	(27,861,568)
Equity attributable to the owners of the Company		<b>18,155,363</b>	22,346,755	<b>31,630,192</b>	31,573,998
Non-controlling interest	7	<b>(582,844)</b>	(259,515)	-	-
<b>TOTAL EQUITY</b>		<b>17,572,519</b>	22,087,240	<b>31,630,192</b>	31,573,998
<b>LIABILITIES</b>					
<b>Non-Current Liability</b>					
Lease liabilities	14	<b>1,225,862</b>	1,609,733	<b>1,225,862</b>	1,511,265
<b>Current Liabilities</b>					
Trade and other payables	15	<b>3,172,979</b>	1,646,316	<b>1,406,023</b>	909,434
Amount owing to subsidiaries	11	-	-	<b>359,213</b>	18,008
Lease liabilities	14	<b>383,871</b>	360,217	<b>285,403</b>	266,958
		<b>3,556,850</b>	2,006,533	<b>2,050,639</b>	1,194,400
<b>TOTAL LIABILITIES</b>		<b>4,782,712</b>	3,616,266	<b>3,276,501</b>	2,705,665
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>22,355,231</b>	25,703,506	<b>34,906,693</b>	34,279,663

The accompanying notes form an integral part of the financial statements.

# FINANCIAL STATEMENTS

88

Statements of Profit Or Loss and Other Comprehensive Income

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2024

	Note	Group		Company	
		1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023 (18 months)	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023 (18 months)
		RM	RM	RM	RM
Revenue	16	<b>5,522,089</b>	12,860,105	<b>16,771</b>	9,354,522
Cost of sales		<b>(2,093,527)</b>	(5,357,429)	<b>(1,332)</b>	(3,747,333)
Gross profit		<b>3,428,562</b>	7,502,676	<b>15,439</b>	5,607,189
Other income		<b>291,481</b>	63,480	<b>5,410,491</b>	3,614,509
Administrative expenses		<b>(8,062,520)</b>	(28,120,213)	<b>(5,211,156)</b>	(18,369,801)
Marketing and distribution		<b>(52,713)</b>	(1,834,265)	<b>(47,538)</b>	(1,709,661)
Finance cost		<b>(119,183)</b>	(154,325)	<b>(111,042)</b>	(132,937)
(Loss)/Profit before taxation	17	<b>(4,514,373)</b>	(22,542,647)	<b>56,194</b>	(10,990,701)
Taxation	18	<b>(348)</b>	(1,152,883)	-	(1,153,237)
<b>(Loss)/Profit/Total comprehensive (expense)/income for the financial period/year</b>		<b>(4,514,721)</b>	(23,695,530)	<b>56,194</b>	(12,143,938)
 (Loss)/Profit/Total comprehensive (expense)/income for the financial period/year attributable to:					
- owners of the Company		<b>(4,191,392)</b>	(21,514,906)	<b>56,194</b>	(12,143,938)
- non-controlling interest		<b>(323,329)</b>	(2,180,624)	-	-
		<b>(4,514,721)</b>	(23,695,530)	<b>56,194</b>	(12,143,938)
 (Loss) per share attributable to owners of the Company (sen per share):					
- Basic	19	<b>(3.05)</b>	(14.40)		
- Diluted	19	<b>(3.05)</b>	(14.40)		

The accompanying notes form an integral part of the financial statements.

# FINANCIAL STATEMENTS

Statements of Changes In Equity

89

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

Group	Attributable to the Owners of the Company					Total Equity RM	
	Non-distributable			Subtotal RM	Non- controlling Interest RM		
	Share Capital RM	Accumulated Losses RM					
<b>2024</b>							
At 1 January 2024	59,435,566	(37,088,811)	22,346,755	(259,515)	22,087,240		
Loss/Total comprehensive expense for the financial year	-	(4,191,392)	(4,191,392)	(323,329)	(4,514,721)		
At 31 December 2024	59,435,566	(41,280,203)	18,155,363	(582,844)	17,572,519		
<b>2023</b>							
At 1 July 2022	52,620,371	(15,573,905)	37,046,466	1,921,109	38,967,575		
Loss/Total comprehensive expense for the financial period	-	(21,514,906)	(21,514,906)	(2,180,624)	(23,695,530)		
Issuance of shares, net of share issuance expenses	6,815,195	-	6,815,195	-	6,815,195		
At 31 December 2023	59,435,566	(37,088,811)	22,346,755	(259,515)	22,087,240		

The accompanying notes form an integral part of the financial statements.

# FINANCIAL STATEMENTS

90

Statements of Changes In Equity

## STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 31 December 2024

Company	Share Capital RM	Non-distributable		Total Equity RM
		Accumulated Losses RM	Total Equity RM	
<b>2024</b>				
At 1 January 2024	59,435,566	(27,861,568)	31,573,998	
Loss/Total comprehensive expense for the financial year	-	59,194	59,194	
At 31 December 2024	<u>59,435,566</u>	<u>27,805,374</u>	<u>31,630,192</u>	
<b>2023</b>				
At 1 July 2022	52,620,371	(15,717,630)	36,902,741	
Profit/Total comprehensive expense for the financial period	-	(12,143,938)	(12,143,938)	
Issuance of shares, net of share issuance expenses	6,815,195	-	6,815,195	
At 31 December 2023	<u>59,435,566</u>	<u>(27,861,568)</u>	<u>31,573,998</u>	

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

	Note	RM	Group		Company	
			1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023 (18 months)	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023 (18 months)
<b>Cash Flows From Operating Activities</b>						
(Loss)/Profit before taxation		(4,514,373)	(22,542,647)		56,194	(10,990,701)
Adjustments for:						
Amortisation of intangible assets	6	422,372	659,638		93,273	138,563
Inventories written off	9	25,799	-		-	-
Depreciation of property, plant and equipment	4	773,380	1,367,529		730,999	1,363,516
Depreciation of right-of-use assets	5	378,720	560,632		290,136	427,756
Impairment loss on:						
- trade receivables	23	121,130	7,618,741		121,130	7,618,741
- Other receivables	10	-	6,745,614		-	-
- inventories	9	5,988	61,284		-	57,727
Interest expense on lease liabilities		119,183	154,325		111,042	132,937
Interest income		(271)	(62,551)		-	(55,580)
(Gain)/Loss on disposal of property, plant and equipment	4	(29,300)	2,734		(29,300)	2,734
Property, plant and equipment written off	4	-	5,643		-	5,643
Reversal of ECL on trade receivables	23	(1,561,130)	(80,741)		(1,561,130)	(80,741)
Reversal of impairment loss on inventories	9	(29,463)	-		-	-
Operating loss before working capital changes		(4,287,965)	(5,509,799)		(187,656)	(1,379,405)
Changes in working capital:						
Inventories		(319,748)	(297,030)		1,097	324,533
Trade and other receivables		2,737,606	(19,121,864)		2,267,174	(5,088,163)
Amount owing by/(to) subsidiaries		-	-		54,401	38,665
Trade and other payables		1,387,263	248,737		458,589	(321,374)
Cash (used in)/generated from operations		3,805,121	(19,170,157)		2,781,261	(5,046,339)
		(482,844)	(24,679,956)		2,593,605	(6,425,744)

The accompanying notes form an integral part of the financial statements.

# FINANCIAL STATEMENTS

92

Statements of Cash Flows

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

	Note	Group		Company		
		1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023 (18 months) RM	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023 (18 months) RM	
<b>Cash Flows From Operating Activities (continued)</b>						
Cash (used in)/generated from operations (continued)						
Cash (used in)/generated from operations (continued)		(482,844)	(24,679,956)	2,593,605	(6,425,744)	
Interest paid		(111,042)	(132,937)	(111,042)	(132,937)	
Income tax paid		(151,085)	(153,784)	(11,777)	(45,263)	
Net cash (used in)/generated from operating activities		<u>(744,971)</u>	<u>(24,966,677)</u>	<u>2,470,786</u>	<u>(6,603,944)</u>	
<b>Cash Flows From Investing Activities</b>						
Investment in subsidiaries		-	-	-	(350,009)	
Interest received		271	62,551	-	55,580	
Purchase of property, plant and equipment	4	(200,195)	(593,300)	(144,099)	(230,524)	
Purchase of intangible assets	6	(7,903)	(3,220)	(7,903)	(3,220)	
Proceeds from disposal of property, plant and equipment	4	29,300	3,448	29,300	3,448	
Advances to subsidiaries		-	-	(2,184,838)	(18,713,394)	
Net cash used in investing activities		<u>(178,527)</u>	<u>(530,521)</u>	<u>(2,307,540)</u>	<u>(19,238,119)</u>	
<b>Cash Flows From Financing Activities</b>						
Proceeds from issuance of shares, net of share issuance expenses	13	-	6,815,195	-	6,815,195	
Repayment of lease liabilities	14	(228,958)	(413,063)	(228,958)	(413,063)	
(Repayment)/Advances from to subsidiaries		-	-	(18,008)	18,008	
Net cash (used in)/generated from financing activities		<u>(228,958)</u>	<u>6,402,132</u>	<u>(246,966)</u>	<u>6,420,140</u>	

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

For the Financial Year Ended 31 December 2024

		Group		Company	
	Note	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2024 (18 months)	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2024 (18 months)
		RM	RM	RM	RM
<b>Net decrease in cash and cash equivalents</b>		(1,152,456)	(19,095,066)	(83,720)	(19,421,923)
<b>Cash and cash equivalents at beginning of the financial year/period</b>		1,423,214	20,518,280	191,492	19,613,415
<b>Cash and cash equivalents at end of the financial year/period</b>		270,758	1,423,214	107,772	191,492
<b>Cash and cash equivalents at end of the financial year/period comprises:</b>					
Cash and bank balances	12	270,758	1,423,214	107,772	191,492

The accompanying notes form an integral part of the financial statements.

# FINANCIAL STATEMENTS

94

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 1. CORPORATE INFORMATION

The Company's principal activities include enabling personalised and precision medicine through genetics, genomics, immunotherapy and biopharmaceutical services, as well as investment holding.

The principal activities of the subsidiaries are described in Note 7 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year.

The Company is a public company limited by shares, incorporated and domiciled in Malaysia, and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is B-21-1, Level 21, Northpoint Mid Valley City No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur.

The principal place of business of the Company is No. 8F, Jalan Teknologi 3/6, Kawasan Perindustrian Nouvelle Lot 8, Taman Sains Selangor 1, Kota Damansara, PJU 5, 47810 Petaling Jaya, Selangor.

### 2. BASIS OF PREPARATION

#### (a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared under the historical cost convention except as disclosed in summary of significant accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported year. It also requires Directors to exercise their judgment in the process of applying the Group's and Company's accounting policies. Although these estimates and judgment are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c) to the financial statements.

Accounting standards and amendments to accounting standards that are effective for the Group and the Company's financial year beginning on or after 1 January 2024 are as follows:

- Amendments to MFRS 16, "Leases" (Lease Liability in a Sale and Leaseback)
- Amendments to MFRS 101, "Presentation of Financial Statements" (Non-current Liabilities with Covenants)
- Amendments to MFRS 107 and MFRS 7, Statement of Cash Flows and Financial Instruments - Disclosures (Supplier Finance Arrangements)

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION (continued)

#### (a) Basis of preparation (continued)

Accounting standard and amendments to accounting standards that are applicable for the Group and the Company in the following years but are not yet effective:

##### *Annual periods beginning on/after 1 January 2025*

Amendments to MFRS 121 “Lack of Exchangeability” (The Effects of Changes in Foreign Exchange Rates)

##### *Annual periods beginning on/after 1 January 2026*

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments
- Amendments that are part of Annual Improvements - Volume 11:
  - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 7, Financial Instruments: Disclosures
  - Amendments to MFRS 9, Financial Instruments
  - Amendments to MFRS 10, Consolidated Financial Statements
  - Amendments to MFRS 107, Statement of Cash Flows
  - Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures - Contracts Referencing Nature-dependent Electricity

##### *Annual periods beginning on/after 1 January 2027*

- MFRS 18, Presentation and Disclosure in Financial Statements
- MFRS 19, Subsidiaries without Public Accountability: Disclosures

##### *Effective date yet to be determined by the Malaysian Accounting Standards Board*

- Amendments to MFRS 10, “Consolidated Financial Statements” and MFRS 128, “Investments in Associates and Joint Ventures” (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The adoption of the accounting standard and amendments to accounting standard are not expected to have any significant impact to the financial statements of the Group and of the Company.

#### (b) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

#### (c) Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group’s and the Company’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

# FINANCIAL STATEMENTS

96

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 2. BASIS OF PREPARATION *(continued)*

#### (c) Significant accounting estimates and judgements *(continued)*

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

##### (i) Measurement of expected credit loss allowance for financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward looking estimates at the end of reporting year.

##### (ii) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its equipment will be significant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Change in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

The carrying amounts of the property, plant and equipment is disclosed in Note 4 to the financial statements.

##### (iii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. When such indicators exist, recoverable amounts of the cash-generating unit are determined based on the value-in-use calculation. These calculations require the estimation of the expected future cash flows from the cash generating unit and a suitable discount rate is applied in order to calculate the present value of those cash flows.

##### (iv) Taxation

Deferred tax asset is recognised for unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which tax losses can be utilised. Significant management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing level of future taxable profits.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### (a) Basis of consolidation

##### (i) Subsidiary companies

Subsidiaries are entities, including structured entities, controlled by the Group. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The Group considers it has de-facto power over an investee when, despite not having the majority of voting rights, it has the current ability in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders to direct the activities of the investee that significantly affect the investee's return.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Business combinations are accounted for using the acquisition method on the acquisition date. The consideration transferred includes the fair value of assets transferred, equity interest issued by the Group and liabilities assumed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in the profit or loss as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Inter-company transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions. Any difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities, any non-controlling interests and other components of equity related to the disposed subsidiary. Any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset depending on the level of influence retained.

# FINANCIAL STATEMENTS

98

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (b) Investment in subsidiaries

In the Company's separate financial statements, investments in subsidiaries are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investment are recognised in profit or loss.

#### (c) Property, plant and equipment

##### (i) Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised as net in the profit or loss.

##### (ii) Depreciation and impairment

Property, plant and equipment under construction are not depreciated until the asset are ready for their intended use. Property, plant and equipment are depreciated on the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows:

Computer hardware and software	2 years
Development servers and laboratory equipment	3 - 5 years
Furniture, fittings and office equipment	10 years
Renovation and air-conditioners	10 years
Books and logo	10 years
Motor vehicle	5 years

Depreciation methods, useful lives and residual values are reviewed at end of each reporting year, and adjusted as appropriate.

At the end of the reporting year, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (d) Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill or intangible assets not ready to use, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Impairment losses recognised in prior years are assessed at the end of each reporting year for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year/period in which the reversals are recognised.

#### (e) Intangible assets

License is carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised in profit or loss on straight-line basis to allocate the cost over the estimated useful lives of 10 - 20 years.

At the end of the reporting year, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

#### (f) Inventories

Inventories are valued at the lower of cost and net realisable value after adequate allowance has been made for all deteriorated, damaged, obsolete or slow-moving inventories. Cost is determined on the first-in-first-out method.

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses.

# FINANCIAL STATEMENTS

100

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (g) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three month or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts pledged deposits, if any.

#### (h) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the exchange reserve.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the spot exchange rates at the date when the fair value was determined. Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss, except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income.

#### (i) Financial assets

##### (i) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVTPL")

The classification depends on the Group's and the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group and the Company reclassify debt instruments when and only when its business model for managing those assets changes.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (i) Financial assets *(continued)*

##### (ii) Recognition and initial measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group and the Company commit to purchase or sell the asset.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### (iii) Subsequent measurement

###### Debt instruments

Debt instruments mainly comprise of trade and other receivables, amount owing by subsidiaries and cash and bank balances.

There are three subsequent measurement categories, depending on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

- FVOCI

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method in profit or loss.

- FVTPL

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises.

# FINANCIAL STATEMENTS

102

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

(i) Financial assets *(continued)*

(iii) Subsequent measurement *(continued)*

#### Equity instruments

The Group and the Company subsequently measure all its equity investments at fair value. Equity investments are classified as FVTPL with movements in their fair values recognised in profit or loss in the period in which the changes arise, except for those equity securities which are not held for trading. The Group and the Company has elected to recognise changes in fair value of equity securities not held for trading in OCI as these are strategic investments and the Group and the Company considers this to be more relevant. Movements in fair values of investments classified as FVOCI are recognised in OCI. Dividends from equity investments are recognised in profit or loss when the Group's and the Company's right to receive payments is established.

(iv) Expected credit losses ("ECL")

The Group and the Company assess ECL associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

For trade receivables, the Group and the Company apply the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

In measuring ECL, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to unbilled work in progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group and the Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the ECL rates, the Group and the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking factors affecting the ability of the customers to settle the receivables.

The Group and the Company define a financial instrument as default, which is aligned with the definition of credit-impaired, when the debtor meets unlikelihood to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- Concessions have been made by the Group and the Company related to the debtor's financial difficulty
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- The debtor is insolvent

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (i) Financial assets *(continued)*

##### (iv) Expected credit losses ("ECL") *(continued)*

Financial assets that are credit-impaired are assessed for impairment on an individual basis.

The Group and the Company write off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group and the Company may write-off financial assets that are still subject to enforcement activity.

#### (j) Financial liabilities

Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at FVTPL. Finance liabilities carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in profit or loss.

FVTPL category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee or a designated and effective hedging instrument) or financial liabilities that are specifically designated into this category upon initial recognition.

All financial liabilities are subsequently measured at amortised cost using the effective interest method other than those categorised as FVTPL.

Other financial liabilities categorised as FVTPL are subsequently measured at their fair values with the gain or loss recognised in profit or loss.

#### (k) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### (l) Leases - Accounting by lessee

Leases are recognised as right-of-use assets and a corresponding liability at the commencement date on which the leased asset is available for use by the Group and the Company.

In determining the lease term, the Group and the Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension or termination options are taken into consideration in determining the lease term if it is reasonably certain that the lease will be extended or terminated.

Right-of-use assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs

# FINANCIAL STATEMENTS

104

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (l) Leases - Accounting by lessee *(continued)*

Right-of-use assets are subsequently measured at cost, less accumulated depreciation and impairment loss. The right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company is reasonably certain that it will exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used. Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

#### (m) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (n) Provisions

Provisions are recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic resources will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

When the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when reimbursement is virtually certain.

#### (o) Revenue and income recognition

##### (i) Revenue from contracts with customers

Revenue is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods or services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at a point in time.

A contract with customer exists when the contract has commercial substance, the Group and the Company and their customer has approved the contract and intend to perform their respective obligations, the Group's and the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

##### Genetic screening and genome sequencing services

The provision of genetic screening and genome sequencing services is recognised when the services are rendered to the customer by the Group and the Company.

##### Biopharmaceutical and healthcare products

Revenue from the sale of biopharmaceutical and healthcare products is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good to a customer. An asset is transferred as and when the customer obtains control of the asset, which coincides with the delivery of goods and services and acceptance by customers.

##### (ii) Other revenue and income

##### Interest income

Interest income is recognised on an accrual basis using the effective interest method.

# FINANCIAL STATEMENTS

106

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (p) Employee benefits

##### (i) Short term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

##### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred.

#### (q) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

#### (r) Operating segments

Operating segments are reported in a manner consistent with the internal reporting and are regularly reviewed by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Chairman that makes strategic decisions.

## NOTES TO THE FINANCIAL STATEMENTS

### 3. MATERIAL ACCOUNTING POLICY INFORMATION *(continued)*

#### (s) Related Parties

A party is related to an entity (referred to as the “reporting entity”) if:

- a) A person or a close member of that person’s family is related to a reporting entity if that person: -
  - (i) has control or joint over the reporting entity; or
  - (ii) has significant influence over the reporting entity; or
  - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

Close members of the family of a person are those family members who may be expected to influenced by, that person in their dealings with the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies: -
  - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture if a third entity and the other entity is an associate of third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity itself such a plan, the sponsoring employers are also related to the reporting entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a) above.
  - (vii) A person identified in (a) (i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity or a member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

# FINANCIAL STATEMENTS

108

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Property, Plant and Equipment

Group	Computer hardware and software RM	Development servers and laboratory equipment RM	Furniture, fittings and office equipment RM	Renovation and air-conditioners RM	Books and logo RM	Motor vehicle RM	Capital work-in-progress RM	Total RM
<b>2024</b>								
<b>Cost</b>								
At 1 January 2024	339,857	6,443,185	468,766	2,382,290	12,854	125,713	211,480	9,984,145
Additions	10,000	43,796	77,050	69,349	-	-	-	200,195
Disposal	-	-	-	-	-	(125,713)	-	(125,713)
At 31 December 2024	349,857	6,486,981	545,816	2,451,639	12,854	-	211,480	10,058,627
<b>Accumulated depreciation</b>								
At 1 January 2024	278,620	5,404,932	122,217	467,018	2,142	125,713	-	6,400,642
Charge for the financial year	54,683	410,500	61,748	245,164	1,285	-	-	773,380
Disposal	-	-	-	-	-	(125,713)	-	(125,713)
At 31 December 2024	333,303	5,815,432	183,965	712,182	3,427	-	-	7,048,309
<b>Accumulated impairment loss</b>								
At 1 January 2024/ At 31 December 2024	-	64,753	-	-	-	-	-	64,753
<b>Carrying amount</b>								
At 31 December 2024	16,554	606,796	361,851	1,739,457	9,427	-	211,480	2,945,565

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Property, Plant and Equipment (continued)

Group (Continued)	Computer hardware and software RM	Development servers and laboratory equipment RM	Furniture, fittings and office equipment RM	Renovation and air-conditioners RM	Books and logo RM	Motor vehicle RM	Capital work-in-progress RM	Total RM
<b>2023</b>								
<b>Cost</b>								
At 1 July 2022	428,611	6,847,539	384,754	2,372,182	12,854	125,713	-	10,171,653
Additions	78,073	202,885	90,754	10,108	-	-	211,480	593,300
Disposal	(41,140)	-	-	-	-	-	-	(41,140)
Written off	(125,687)	(607,239)	(6,742)	-	-	-	-	(739,668)
At 31 December 2023	339,857	6,443,185	468,766	2,382,290	12,854	125,713	211,480	9,984,145
<b>Accumulated depreciation</b>								
At 1 July 2022	249,444	5,249,031	67,768	109,925	215	125,713	-	5,802,096
Charge for the financial period	186,842	761,599	60,068	357,093	1,927	-	-	1,367,529
Disposal	(34,958)	-	-	-	-	-	-	(34,958)
Written off	(122,708)	(605,698)	(5,619)	-	-	-	-	(734,025)
At 31 December 2023	278,620	5,404,932	122,217	467,018	2,142	125,713	-	6,400,642
<b>Accumulated impairment loss</b>								
At 1 July 2022/ At 31 December 2023	-	64,753	-	-	-	-	-	64,753
<b>Carrying amount</b>								
At 31 December 2023	61,237	973,500	346,549	1,915,272	10,712	-	211,480	3,518,750

# FINANCIAL STATEMENTS

110

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Property, Plant and Equipment (continued)

Company	Computer hardware and software RM	Development servers and laboratory equipment RM	Furniture, fittings and office equipment RM	Renovation and air-conditioners RM	Books and logo RM	Motor vehicle RM	Total RM
<b>2024</b>							
<b>Cost</b>							
At 1 January 2024	329,657	6,313,054	457,801	2,382,290	12,854	125,713	9,621,369
Additions	-	-	74,750	69,349	-	-	144,099
Disposal	-	-	-	-	-	(125,713)	(125,713)
At 31 December 2024	329,657	6,313,054	532,551	2,451,639	12,854	-	9,639,755
<b>Accumulated depreciation</b>							
At 1 January 2024	277,345	5,402,517	121,894	467,018	2,142	125,713	6,396,629
Charge for the financial year	47,500	376,418	60,632	245,164	1,285	-	730,999
Disposal	-	-	-	-	-	(125,713)	(125,713)
At 31 December 2024	324,845	5,778,935	182,526	712,182	3,427	-	7,001,915
<b>Accumulated impairment loss</b>							
At 1 January 2024/ At 31 December 2024	-	64,753	-	-	-	-	64,753
<b>Carrying amount</b>							
At 31 December 2024	4,812	469,366	350,025	1,739,457	9,427	-	2,573,087

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Property, Plant and Equipment (continued)

	Computer hardware and software RM	Development servers and laboratory equipment RM	Furniture, fittings and office equipment RM	Renovation and air-conditioners RM	Books and logo RM	Motor vehicle RM	Total RM
<b>2023</b>							
<b>Cost</b>							
At 1 July 2022	428,611	6,847,539	384,754	2,372,182	12,854	125,713	10,171,653
Additions	67,873	72,754	79,789	10,108	-	-	230,524
Disposal	(41,140)	-	-	-	-	-	(41,140)
Written off	(125,687)	(607,239)	(6,742)	-	-	-	(739,668)
At 31 December 2023	329,657	6,313,054	457,801	2,382,290	12,854	125,713	9,621,369
<b>Accumulated depreciation</b>							
At 1 July 2022	249,444	5,249,031	67,768	109,925	215	125,713	5,802,096
Charge for the financial period	185,567	759,184	59,745	357,093	1,927	-	1,363,516
Disposal	(34,958)	-	-	-	-	-	(34,958)
Written off	(122,708)	(605,698)	(5,619)	-	-	-	(734,025)
At 31 December 2023	277,345	5,402,517	121,894	467,018	2,142	125,713	6,396,629
<b>Accumulated impairment loss</b>							
At 1 July 2022/At 31 December 2023	-	64,753	-	-	-	-	64,753
<b>Carrying amount</b>							
At 31 December 2023	52,312	845,784	335,907	1,915,272	10,712	-	3,159,987

# FINANCIAL STATEMENTS

112

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 5. RIGHT-OF-USE ASSETS

	Group	2024 RM	2023 RM	Company	2024 RM	2023 RM
<b>Office buildings</b>						
<b>Cost</b>						
At 1 January 2024/1 July 2022		3,034,997	2,145,433		2,592,081	1,702,517
Additional		-	889,564		-	889,564
At 31 December 2024/2023		<u>3,034,997</u>	<u>3,034,997</u>		<u>2,592,081</u>	<u>2,592,081</u>
<b>Accumulated depreciation</b>						
At 1 January 2024/1 July 2022		1,213,720	653,088		947,969	520,213
Charge for the financial year/period		378,720	560,632		290,136	427,756
At 31 December 2024/2023		<u>1,592,440</u>	<u>1,213,720</u>		<u>1,238,105</u>	<u>947,969</u>
<b>Carrying amount</b>						
At 31 December 2024/2023		<u>1,442,557</u>	<u>1,821,277</u>		<u>1,353,976</u>	<u>1,644,112</u>

### 6. INTANGIBLE ASSETS

	Group	2024 RM	2023 RM	Company	2024 RM	2023 RM
<b>Licenses</b>						
<b>Cost</b>						
At 1 January 2024/1 July 2022		5,139,218	5,135,998		1,848,220	1,845,000
Additions		7,903	3,220		7,903	3,220
At 31 December 2024/2023		<u>5,147,121</u>	<u>5,139,218</u>		<u>1,856,123</u>	<u>1,848,220</u>
<b>Accumulated depreciation</b>						
At 1 January 2024/1 July 2022		845,163	185,525		324,088	185,525
Amortisation for the financial year/period		422,372	659,638		93,273	138,563
At 31 December 2024/2023		<u>1,267,535</u>	<u>845,163</u>		<u>417,361</u>	<u>324,088</u>
<b>Carrying amount</b>						
At 31 December 2024/2023		<u>3,879,586</u>	<u>4,294,055</u>		<u>1,438,762</u>	<u>1,524,132</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. INTANGIBLE ASSETS (continued)

#### (a) Impairment assessment of operating license

Included in the intangible assets of the Group is an amount of RM2,440,824 (2023: RM2,769,923) relating to an operating license for a hemodialysis centre granted by Dewan Perniagaan Islam Antarabangsa Malaysia. As of 31 December 2024, the renovation plan application for the construction of the hemodialysis facilities in compliance with Cawangan Kawalan Amalan Perubatan Swasta (“CKAPS”) under Kementerian Kesihatan Malaysia (“KKM”) was delayed and is still pending approval. Hence, the Group has undertaken an impairment assessment of the operating license.

*Key assumptions used to determine the recoverable amount*

The recoverable amount of the operating license has been determined based on value-in-use calculation. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering the 10 years licensing period.

The key assumptions used for the value-in-use calculations include the following:

- (i) Forecast revenue, direct costs and operating expenses based on maximum operation of 42 hemodialysis machines;
- (ii) Forecast capital expenditure to set up the dialysis centre amounting to RM3,980,000; and
- (iii) Pre-tax discount rate of 10.20% (2023 : 11%)

Management determined the revenue, direct costs and operating expenses during the forecast period based on future expectation of changes in the market. Management estimates discount rate using pre-tax rate that reflect current market assessments of the time value of money and the risk specific to the operating license.

The Group's review includes an impact assessment of changes on key assumptions. Based on the sensitivity analysis, the Board of Directors concluded that no reasonable change in the assumption above would cause the carrying amount of the operating license to exceed its recoverable amount.

# FINANCIAL STATEMENTS

114

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 7. INVESTMENT IN SUBSIDIARIES

#### (a) Investment in subsidiaries

	Company	2024	2023
	RM	RM	
<b>Unquoted shares, at cost</b>			
In Malaysia		460,009	460,009
Advance to a subsidiary company treated as quasi-investment		1,930,000	1,930,000
		<b>2,390,009</b>	2,390,009

The advances to a subsidiary is unsecured, non-interest bearing with no fixed terms of repayment. The Company does not anticipate repayment of the advances and it is determined to form part of the Company's net investment in the subsidiary.

#### (b) The subsidiaries and shareholding therein are as follows:

Name of subsidiaries	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024	2023	
<b>Direct holding:</b>				
MGRC Therapeutics Sdn. Bhd. ("MGRC-T") <sup>1</sup>	Malaysia	100	100	Engaged in the business relating to life sciences/cell lab and by products
MGRC Healthcare Sdn. Bhd. ("MGRC-H") <sup>1</sup>	Malaysia	100	100	To supply healthcare products and services
MGRC Trading Sdn. Bhd. ("MGRC Trading")	Malaysia	100	100	Investment holding in dealing with capital market and derivative instruments locally and internationally as well as in general merchants and provision of system developments and information technology in term of software and hardware
MGRC Biopharma Sdn. Bhd. ("MGRC-B")	Malaysia	100	100	Research, development and commercialisation of biopharmaceutical products and services
Malaysian Genomics and Life Sciences Sdn. Bhd. ("MGLS")	Malaysia	100	100	Enabling personalised and precision medicine through genetics, genomics, immunotherapy, and biopharmaceutical services as well as investment holding

## NOTES TO THE FINANCIAL STATEMENTS

### 7. INVESTMENT IN SUBSIDIARIES *(continued)*

(b) The subsidiaries and shareholding therein are as follows: *(continued)*

Name of subsidiaries	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024	2023	
<b>Direct holding:</b>				
MGRC Holdings Sdn. Bhd. ("MGRCH") <sup>1</sup>	Malaysia	100	100	Investment holding company
Malaysian Immuno Sdn. Bhd. ("MISB") <sup>1</sup>	Malaysia	100	100	Research, development and commercialisation of biopharmaceutical products and services
Malaysian Cell Gene Sdn. Bhd. ("MCGSB") <sup>1</sup>	Malaysia	100	100	Research, development and commercialisation of biopharmaceutical products and services
Malaysian Cell Gene Research Sdn. Bhd. ("MCGRSB") <sup>1</sup>	Malaysia	100	100	Research, development and commercialisation of biopharmaceutical products and services
<b>Indirect holding:</b>				
<u>Subsidiary of MGRC-H</u>				
Aquahealth Sdn. Bhd. ("Aquahealth")	Malaysia	51	51	Engaged in the business of general medical services
<u>Subsidiary of MGLS</u>				
Malaysian Genomics Regenerative Centre Sdn. Bhd. ("MGRCSB") <sup>1</sup>	Malaysia	100	100	Other human health services and general medical services

# FINANCIAL STATEMENTS

116

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 7. INVESTMENT IN SUBSIDIARIES (continued)

- (b) The subsidiaries and shareholding therein are as follows: (continued)

Name of subsidiaries	Country of incorporation and principal place of business	Effective ownership and voting interest		Principal activities
		2024	2023	
<u>Subsidiary of MGRCH</u>				
MGRC International Pte. Ltd. <sup>1, 2</sup>	Singapore	70	70	Distribution of Healthcare Products, Beauty Products and Precision Medicine

1. Not audited by Jamal, Amin & Partners.
2. The audited financial statements for the financial year ended 31 December 2024 of the subsidiary are not available at the date the financial statements of the Group. However, the Directors are of the opinion that the financial results of the subsidiary are not material to the Group as the said subsidiary is dormant. Hence the management accounts of the said subsidiary for the financial year ended 31 December 2024 have been used for consolidation purposes.

- (c) Material non-controlling interest ("NCI") in a subsidiary

Financial information of subsidiaries which have material non-controlling interests that are material to the Group is set out below.

	Aquahealth	
	2024	2023
	RM	RM
Non-current assets	2,740,887	3,158,568
Non-current liabilities	-	(98,468)
Current assets	1,348	526,706
Current liabilities	(3,919,327)	(4,109,205)
Net assets	(1,177,092)	(522,219)
Carrying amount of NCI as at 31 December 2024/2023	(576,775)	(255,887)

NCI arising from MGRC International Pte. Ltd. remain inactive as at 31 December 2024 and hence immaterial to disclose.

## NOTES TO THE FINANCIAL STATEMENTS

### 7. INVESTMENT IN SUBSIDIARIES *(continued)*

#### (c) Material non-controlling interest ("NCI") in a subsidiary *(continued)*

Financial information of subsidiaries which have material non-controlling interests that are material to the Group is set out below.

	Aquahealth	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023
	RM	RM
Loss/Total comprehensive expense during the financial year/period	<u>(654,877)</u>	<u>(4,442,849)</u>
Loss/Total comprehensive expense allocated to NCI during the financial year/period	<u>(320,888)</u>	<u>(2,176,996)</u>
Cash flows used in operating activities	(518,415)	(3,410,788)
Cash flows used in investing activities	-	(211,480)
Cash flows generated from financing activities	-	3,500,000
Net increase in cash and cash equivalents	<u>(518,415)</u>	<u>(122,268)</u>
Ownership interest and voting rights percentage held by NCI	<u>49%</u>	<u>49%</u>

# FINANCIAL STATEMENTS

118

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 8. OTHER INVESTMENT

	Group/Company	
	2024 RM	2023 RM
<b>Unquoted shares, at cost</b>		
In Malaysia	2,500,000	-

The above other investment is measured at amortised cost.

### 9. INVENTORIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Lab consumables, at cost	936,527	619,103	-	1,097
Recognised in profit or loss:				
Inventories recognised as cost of sales	1,225,453	2,703,713	1,332	2,319,815
Impairment loss on inventories	5,988	61,284	-	57,727
Reversal of impairment loss on inventories	(29,463)	-	-	-
Inventories written off	25,799	-	-	-

### 10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables	(a)	10,604,876	11,927,015	8,377,200	10,325,458
Less: ECL	(b)	(6,274,700)	(7,714,700)	(6,274,700)	(7,714,700)
		4,330,176	4,212,315	2,102,500	2,610,758
Other receivables		3,228	75,972	-	63,956
Deposits	(c)	9,563,196	12,682,078	1,128,940	3,682,078
Advance to suppliers	(d)	2,745,614	3,188,300	-	83,057
		12,308,810	15,870,378	1,128,940	3,765,135
Less: ECL					
At 1 January 2024/1 July 2022		(6,745,614)	-	-	-
ECL during the financial year/period			(6,745,614)	-	-
At 31 December		(6,745,614)	(6,745,614)	-	-
		5,563,196	9,124,764	1,128,940	3,765,135
Prepayments		9,896,600	13,413,051	3,231,440	6,439,849
		254,008	535,163	87,037	205,802
		10,150,608	13,948,214	3,318,477	6,645,651

- (a) The Group's and the Company's credit terms range from 30 to 90 days ( 2023: 30 to 60 days). Other credit terms are assessed and approved on case-by-case basis.
- (b) The movement on the ECL on trade receivables of the Group and the Company during the financial year/period is disclosed in Note 23 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### 10. TRADE AND OTHER RECEIVABLES *(continued)*

(c) Included in the deposits is an amount of:

- (i) RM1,000,000 (2023: RM3,500,000) with Genotec Sdn Bhd (Formerly known as Rinani Genotec Sdn Bhd) ("Genotec")

On 8 December 2022, the Company signed a letter ("subscription letter") with Genotec for the subscription of not more than 20% of the total shareholding of the ordinary shares in Genotec.

On 31 July 2024, the Company had subscribed 189,970 shares from Genotec in consideration of RM13.16 per subscription share for a total consideration of RM2,500,000.

- (ii) RM4,497,766 (2023: RM5,000,000) with Rinani Renal Berhad ("RRB")

On 1 August 2022, the Group entered into a Collaboration Agreement ("Agreement 1") with RRB to appoint RRB as the exclusive consultant to obtain the exclusive rights to operate a hemodialysis treatment centre on behalf of Dewan Perniagaan Islam Antarabangsa Malaysia. During the financial year, the Company had accepted installment repayment on the deposits made.

- (iii) RM3,936,490 (2023: RM4,000,000) with Dynamic Prestige Consultancy Sdn Bhd ("DPCSB")

On 15 November 2022, the Group entered into a Collaboration Agreement ("Agreement 2") with DPCSB to undertake projects in Malaysia, whereby DPCSB had identified a potential partner that currently owned seven (7) dialysis centres with 91 chairs for collaboration to set up fifty (50) dialysis centres with 42 chairs for each centre. As the DPCSB is having an ongoing litigation case and hence, the recoverable risk are low. The Group viewed that event thought the parties entered into settlement agreement, impairments should be made on prudent basis.

The Group and the Company have expressed their intention to continue the share subscription and the collaborations. The Group and the Company are of the opinion that these deposits paid are recoverable except for Agreement 2 as DPCSB is having an ongoing litigation case and hence, the recoverable risk are low. The Group and the Company viewed that even though the parties are agreeable to enter into settlement agreement, impairments should be made on prudent basis.

(d) Included in the advance to suppliers is an amount of:

- (i) RM2,745,614 (2023: RM2,745,614) with Dynamic Prestige Consultancy Sdn Bhd ("DPCSB").

On 30 June 2022, the Group entered into an engagement letter with DPCSB as a Construction Consultant for Dialysis Centre for a total contract sum of RM3,500,000. On 15 July 2022, DPCSB issued an invoice amounting to RM2,969,783 for deposits as Construction Consultant.

The Directors in view to make impairments based on prudent basis as the party having ongoing litigation case, hence, the recoverable risk are low.

# FINANCIAL STATEMENTS

120

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 11. AMOUNT OWING BY/(TO) SUBSIDIARIES

	Company	
	2024 RM	2023 RM
<b>Amount owing by</b>		
Trade	266,147	(38,665)
Non-trade	20,924,394	18,739,556
	<u>21,190,541</u>	<u>18,700,891</u>
<b>Amount owing to</b>		
Trade	(359,213)	-
Non-trade	-	(18,008)
	<u>(359,213)</u>	<u>(18,008)</u>

The amount owing by/(to) subsidiaries are trade and non-trade in nature, unsecured, interest-free and repayable on demand.

### 12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	<u>270,758</u>	<u>1,423,214</u>	<u>107,772</u>	<u>191,492</u>

### 13. SHARE CAPITAL

	Group/Company			
	Number of Ordinary Shares		Amount	
	2024 Units	2023 Units	2024 RM	2023 RM
<b>Issued and fully paid</b>				
At 1 January 2024/1 July 2022	137,210,480	124,210,480	59,435,566	52,620,371
Issuance of shares during the financial year/period	-	13,000,000	-	6,815,195
At 31 December 2024/2023	<u>137,210,480</u>	<u>137,210,480</u>	<u>59,435,566</u>	<u>59,435,566</u>

# FINANCIAL STATEMENTS

Notes to The Financial Statements

121

## NOTES TO THE FINANCIAL STATEMENTS

### 14. LEASE LIABILITIES

Analysed as:	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current	1,225,862	1,609,733	1,225,862	1,511,265
Current	383,871	360,217	285,403	266,958
	<u>1,609,733</u>	<u>1,969,950</u>	<u>1,511,265</u>	<u>1,778,223</u>

The effective interest rate of the lease liabilities of the Group and the Company is 5.45% and 6.85% respectively (2023: 5.45% and 6.85% respectively) per annum.

The cash flows movement of lease liabilities during the financial year/period are summarised as below:-

Lease liabilities	Group		Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
At 1 January 2024/1 July 2022	1,969,950	1,624,162	1,778,223	1,301,722
Additional	-	889,564	-	889,564
Transfer to accrual	(131,259)	(130,713)	(38,000)	-
Repayment during the financial year/period	(228,958)	(413,063)	(228,958)	(413,063)
At 31 December	<u>1,609,733</u>	<u>1,969,950</u>	<u>1,511,265</u>	<u>1,778,223</u>

### 15. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	(a)	288,196	14,411	5,129	576
Other payables	(b)	1,075,525	185,717	339,156	132,215
Accruals		1,768,646	1,157,549	1,061,738	757,910
Contract liabilities	(c)	3,132,367	1,357,677	1,406,023	890,701
		40,612	288,639	-	18,733
		<u>3,172,979</u>	<u>1,646,316</u>	<u>1,406,023</u>	<u>909,434</u>

(a) The normal trade credit terms granted to the Group and the Company range from 30 to 60 days (2023: 30 to 60 days).

# FINANCIAL STATEMENTS

122

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 15. TRADE AND OTHER PAYABLES (Continued)

- (b) Included in the other payables is an amount of RM18,957 (2023: RM25,900 ) owing to a Director of a subsidiary and entities related to the Director.
- (c) The changes to contract liabilities during the financial year/period are summarised as follows:

	Group	Company	
	2024 RM	2023 RM	2024 RM
	At 1 January 2024/1 July 2022	10,200	18,733
Billing to a customer during the financial year/period	391,773	451,813	-
Revenue recognised during the financial year/period	(639,800)	(173,374)	(18,733)
At 31 December	<u>40,612</u>	<u>288,639</u>	<u>-</u>
			(328,849)
			18,733

Contract liabilities represents the Group's and the Company's obligation to transfer goods or services to customers for which the Group and the Company has billed to customer but remain unfulfilled. The transaction price allocated to remaining unfulfilled performance obligation of the Group and the Company is RM40,612 and RMNil (2023: RM288,639 and RM18,733) respectively which will be recognised as revenue as the Group and the Company performs the services under the contract, which are expected to occur over the next 1 month (2023: 1 month).

### 16. REVENUE

	Group	Company	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024
	RM	RM	RM
Revenue recognised from contracts with customers:			
- genetic screening, genome sequencing services and other services	732,632	1,609,274	15,349
- biopharmaceutical and healthcare product	4,789,457	11,250,831	1,422
	<u>5,522,089</u>	<u>12,860,105</u>	<u>16,771</u>
			9,354,522

Breakdown of the revenue recognised from contracts with customers is as follows:

	Group	Company	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024
	RM	RM	RM

Timing of revenue recognition

- at a point in time	5,522,089	12,860,105	16,771	9,354,522
----------------------	-----------	------------	--------	-----------

# FINANCIAL STATEMENTS

Notes to The Financial Statements

123

## NOTES TO THE FINANCIAL STATEMENTS

### 17. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before taxation is derived after charging/(crediting):

	Group		Company	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023
	RM	RM	RM	RM
Auditors' remuneration:				
- current financial year/period	130,000	214,500	85,000	188,000
- under provision in prior year	-	3,000	-	3,000
- other services	14,000	5,000	5,000	5,000
Amortisation of intangible assets	422,372	659,638	93,273	138,563
Depreciation of property, plant and equipment	773,380	1,367,529	730,999	1,363,516
Depreciation of right-of-use assets	378,720	560,632	290,136	427,756
Directors' remuneration:				
- fees	254,728	331,871	254,728	331,871
- salaries and other emoluments	690,118	1,072,182	690,118	1,072,182
- employee provident fund	81,606	120,552	81,606	120,552
Impairment loss on:				
- trade receivables	121,130	7,618,741	121,130	7,618,741
- other receivables	-	6,745,614	-	-
- inventories	5,988	61,284	-	57,727
Interest expenses on lease liabilities	119,183	154,325	111,042	132,937
Interest income	(271)	(62,551)	-	(55,580)
Inventories written off	25,799	-	-	-
Loss on disposal of property, plant and equipment	(29,300)	2,734	(29,300)	2,734
Management fee	-	-	(5,388,000)	(3,558,000)
Property, plant and equipment written off	-	5,643	-	5,643
Retainer fee	-	-	36,000	18,000
Realised loss on foreign exchange	3,614	11,828	814	8,685
Reversal of ECL on trade receivables	(1,561,130)	(80,741)	(1,561,130)	(80,741)
Reversal of impairment loss on inventories	(29,463)	-	-	-
Short-term leases expenses	121,107	252,863	113,597	251,183

# FINANCIAL STATEMENTS

124

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 18. TAXATION

	Group		Company
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024
	RM	RM	RM
Current taxation:			
- current year provision	-	14,000	-
- under provision in prior year	348	58,883	-
	<u>348</u>	<u>72,883</u>	<u>73,237</u>
Deferred taxation:			
- origination and reversal of temporary differences	-	1,080,000	-
Taxation for the financial year/period	348	1,152,883	-
	<u>348</u>	<u>1,152,883</u>	<u>1,153,237</u>

Income tax rate is calculated at the Malaysian statutory tax rate of 24% of the estimated accessible profit for the financial year/period.

A reconciliation of income tax expense applicable to (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024
	RM	RM	RM
(Loss)/Profit before taxation			
	<u>(4,514,373)</u>	<u>(22,542,647)</u>	<u>56,194</u>
Taxation at statutory tax rate of 24%	(1,083,450)	(5,410,235)	13,487
Expenses not deductible for tax purposes	1,423,450	1,541,408	326,513
Income not subject to tax	-	(21,173)	-
Movement of deferred tax assets not recognised	(340,000)	3,904,000	(340,000)
Under provision of current tax in prior year	348	58,883	-
Recognition of previously unrecognised deferred tax assets	-	1,080,000	-
Taxation for the financial year/period	<u>348</u>	<u>1,152,883</u>	<u>1,153,237</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 18. TAXATION (continued)

#### Unrecognised deferred tax assets

The deductible temporary differences, unutilised tax losses and unabsorbed capital allowances of the Group and the Company for which no deferred tax assets were recognised in the statements of financial position due to uncertainty of their realisation are as follows:

	Group	Company	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024
	RM	RM	RM
Deductible temporary differences	7,743,000	7,593,000	7,743,000
Unutilised tax losses	14,309,000	15,747,000	14,309,000
Unabsorbed capital allowances	-	127,000	-
	<u>22,052,000</u>	<u>23,467,000</u>	<u>22,052,000</u>
			<u>127,000</u>
			<u>23,467,000</u>

The Group's and the Company's unutilised tax losses brought forward from year of assessment 2018 and before, can be carried forward for 10 consecutive years of assessment (i.e. from year of assessments 2018 to 2028). Unutilised tax losses from year of assessment 2019 onwards can be carried forward for a maximum year of 10 consecutive years.

### 19. LOSS PER SHARE

#### (a) Loss per share

Basic earnings per share of the Group is calculated by dividing the consolidated I attributable to owners of the Company by the weighted average number of ordinary shares of the Company in issue during the financial year/period.

	Group	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023
Loss for the financial year / period attributable to the owners of the Company (RM)	(4,191,392)	<u>(21,514,906)</u>
Weighted average number of ordinary shares issued	<u>137,210,480</u>	<u>149,427,482</u>
Basic loss per share (sen)	<u>(3.05)</u>	<u>(14.40)</u>

#### (b) Diluted loss per share

The diluted loss per share is equal to the basic loss per share as there are no outstanding potential dilutive instruments during the financial year/period.

# FINANCIAL STATEMENTS

126

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 20. STAFF COSTS

	Group 1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM	Company 1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Salaries, bonuses and other emoluments (excluding Directors)	2,762,823	5,277,972	1,537,563	4,501,435
Defined contribution plan and social security	326,401	620,357	203,479	541,949
Total staff costs	<u>3,089,224</u>	<u>5,898,329</u>	<u>1,741,042</u>	<u>5,043,384</u>
Staff costs charged to:				
- cost of sales	628,209	1,169,412	-	675,563
- administrative expenses	2,461,015	4,728,917	1,741,042	4,367,821
	<u>3,089,224</u>	<u>5,898,329</u>	<u>1,741,042</u>	<u>5,043,384</u>

### 21. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows:

	Group 1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Rental of motor vehicles paid/payable to a related party, Rinani Motorsports Sdn Bhd	(103,000)	(127,590)
	Company 1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Sales of goods to subsidiaries		
- MGRC-T	-	252,240
- MGRC-H	-	7,205
- MGRC-B	-	152,049
Purchase of goods from a subsidiary		
- MGRC-B	-	364,813
Rental of motor vehicles paid/payable to a related party, Rinani Motorsports Sdn Bhd	(103,800)	(127,590)

# FINANCIAL STATEMENTS

Notes to The Financial Statements

127

## NOTES TO THE FINANCIAL STATEMENTS

### 21. RELATED PARTY DISCLOSURES *(Continued)*

The significant related party transactions of the Group and of the Company, other than key management personnel compensation, are as follows (continued):

	Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Management fee from subsidiaries	(5,388,000)	(3,558,000)
Retainer fee to a subsidiary	36,000	18,000

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The key management personnel compensation is as follows:

	Group/Company	
	1.1.2024 to 31.12.2024 RM	1.7.2022 to 31.12.2023 RM
Salaries, bonuses and other emoluments	687,877	1,862,194
Defined contribution plan and social security	83,847	192,092
	<u>771,724</u>	<u>2,054,286</u>

### 22. SEGMENT INFORMATION

The reportable segments of the Group derive their revenue primarily from the provision of personalised and precision medicine through genetics, genomics, immunotherapy and biopharmaceutical services within the healthcare segment.

#### Business segment

Information about operating segment has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment which is under healthcare in Malaysia.

# FINANCIAL STATEMENTS

128

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 22. SEGMENT INFORMATION *(Continued)*

#### Information about major customer

The following is the major customers with revenue equal to or more than 10% of the Group's total revenue arising from its healthcare segment:

	Group		Company	
	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023	1.1.2024 to 31.12.2024	1.7.2022 to 31.12.2023
	RM	RM	RM	RM
Customer #1	3,743,630	4,793,506	-	2,791,640
Customer #2	-	1,164,750	-	1,164,750
Customer #3	-	1,100,000	-	1,100,000

### 23. FINANCIAL INSTRUMENTS

The following table analyses the financial assets and financial liabilities of the Group and of the Company by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets and liabilities at amortised cost			
	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<b>Financial assets</b>				
Other investment	2,500,000	-	2,500,000	-
Trade and other receivables	9,896,600	13,413,051	3,231,440	6,439,849
Amount owing by subsidiaries	-	-	21,190,541	18,700,891
Cash and bank balances	270,758	1,423,314	107,772	191,492
	<u>12,667,358</u>	<u>14,836,365</u>	<u>27,029,753</u>	<u>25,332,232</u>
<b>Financial liabilities</b>				
Trade and other payables	3,132,367	1,357,677	1,406,023	890,701
Amount owing to subsidiaries	-	-	359,213	18,808
Lease liabilities	1,609,733	1,969,950	1,511,265	1,778,223
	<u>4,742,100</u>	<u>3,327,627</u>	<u>3,276,501</u>	<u>2,687,732</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 23. FINANCIAL INSTRUMENTS *(continued)*

#### Financial risk management

The Group's and the Company's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's and the Company's operations whilst managing its financial risks, including credit risk, liquidity risk and market risk.

#### Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a counterparty of a financial asset fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises mainly from trade and other receivables and intercompany receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables ageing. The Group and the Company monitors the results of the related parties regularly to safeguard credit risk on balance from intercompany receivables.

The maximum exposure to credit risk for the Group and the Company is the carrying amount of the financial assets shown in the statements of financial position.

The ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group	Company	
	2024 RM	2023 RM	2024 RM
	2023 RM		
Neither past due nor individually impaired	302,474	650,957	-
Past due but not individually impaired:			
- between 1 to 30 days	437,544	394,133	-
- between 31 to 60 days	362,390	247,922	23,633
- between 61 to 90 days	386,940	265,011	3,750
- between 91 to 120 days	291,450	146,660	75,000
- more than 121 days	3,244,099	4,763,483	4,763,482
Individually impaired	 4,722,423 5,579,979  10,604,876	 5,817,209 5,579,979  11,927,015	 2,797,221 5,579,979  8,377,200
			 4,865,865 5,579,979  10,325,458

Trade receivables that are neither past due nor individually impaired are creditworthy debtors with good payment records with the Company. These debtors are mostly long term customers with no history of default in payments.

# FINANCIAL STATEMENTS

130

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 23. FINANCIAL INSTRUMENTS (*continued*)

#### Financial risk management (*continued*)

##### Credit risk (*continued*)

The Group's and the Company's trade receivables of RM4,722,423 and RM2,797,221 (2023: RM5,817,209 and RM4,865,865) respectively were past due but not individually impaired. These relate to a number of independent customers for whom there is no recent history of default.

The Group's and the Company's trade receivables of RM5,579,979 and RM5,579,979 (2023: RM5,458,849 and RM5,458,849) respectively were individually impaired. The individually impaired receivables mainly relate to trade receivables, which are facing difficulties in cash flows.

At reporting date, the Group's and the Company's concentration of top 5 and Nil (2023: 5 and 5) trade customers of the Group and of the Company represent 97% and Nil% (2023: 97% and 97%) respectively of the total trade receivables.

Movement on the Group's and Company's expected credit loss allowance of trade receivables are as follows:

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
At 1 January 2024/1 July 2022	7,714,700	469,866	7,714,700	469,866
ECL during the financial year/period	121,130	7,618,741	121,130	7,618,741
Reversal of ECL	(1,561,130)	(80,741)	(1,561,130)	(80,741)
Written off during the financial year/period	-	(293,166)	-	(293,166)
At 31 December	<u>6,274,700</u>	<u>7,714,700</u>	<u>6,274,700</u>	<u>7,714,700</u>
<b>Represented by:</b>				
Individually impaired	5,579,979	5,458,849	5,579,979	5,458,849
Collectively impaired	694,721	2,255,851	694,721	2,255,851
	<u>6,274,700</u>	<u>7,714,700</u>	<u>6,274,700</u>	<u>7,714,700</u>

##### Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables, intercompanies and lease liabilities.

Cash flow forecasting is performed by monitoring the Group's and the Company's liquidity requirements to ensure that it has sufficient liquidity to meet operational, financing repayments and other liabilities as they fall due.

## NOTES TO THE FINANCIAL STATEMENTS

### 23. Financial Instruments (Continued)

#### Financial risk management (continued)

##### Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting year based on contractual undiscounted payments:

	Carrying amount RM	Contractual interest rate %	Contractual cash flow RM	On demand of within one year RM	Between two to five years RM	Over five years RM
<b>2024</b>						
<b>Group</b>						
Trade and other payables	3,132,367	-	3,132,367	3,132,367	-	-
Lease liabilities	1,609,733	-	1,865,400	479,400	1,386,000	-
	<b>4,742,100</b>		<b>4,997,767</b>	<b>3,611,767</b>	<b>1,386,000</b>	<b>-</b>
<b>Company</b>						
Trade and other payables	1,406,023	-	1,406,023	-	-	-
Amount owing to subsidiaries	359,213	-	359,213	-	-	-
Lease liabilities	1,511,265	-	1,764,000	378,000	1,386,000	-
	<b>3,276,501</b>		<b>3,529,236</b>	<b>2,143,236</b>	<b>1,386,000</b>	<b>-</b>
<b>2023</b>						
<b>Group</b>						
Trade and other payables	1,357,677	-	1,357,677	-	-	-
Lease liabilities	1,969,950	-	2,361,700	479,400	1,630,300	252,000
	<b>3,327,627</b>		<b>3,719,377</b>	<b>1,837,077</b>	<b>1,630,300</b>	<b>252,000</b>
<b>Company</b>						
Trade and other payables	890,701	-	890,701	-	-	-
Amount owing to subsidiaries	18,808	-	18,808	-	-	-
Lease liabilities	1,778,223	-	2,142,000	378,000	1,512,000	252,000
	<b>2,687,732</b>		<b>3,051,509</b>	<b>1,287,509</b>	<b>1,512,000</b>	<b>252,000</b>

# FINANCIAL STATEMENTS

Notes to The Financial Statements

# FINANCIAL STATEMENTS

132

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 23. FINANCIAL INSTRUMENTS (continued)

#### Financial risk management (continued)

##### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and cash flow and fair value interest rate risk that may affect the Group's financial position and cash flows.

##### (a) Foreign currency risk

The Group and the Company are exposed to foreign currency risk on sales and purchases that are denominated in currency other than Ringgit Malaysia. The currency giving rise to this risk is primarily United States Dollar ("USD"). The Group and the Company monitor the foreign currency risks on an ongoing basis.

The net unhedged financial assets and liabilities of the Group and the Company that are not denominated in their functional currencies are as follows:

	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
<b>Financial assets/liabilities held in non-functional currency</b>				
<b>United States Dollar</b>				
Trade receivables	115,630	25,417	-	23,633
Trade payables	(697)	(2,201)	-	-
	<u>114,933</u>	<u>23,216</u>	<u>-</u>	<u>23,633</u>

The following table shows the sensitivity of the Group's and the Company's equity and profit net of tax to a reasonable possibly change in the United States Dollar exchange rates against the functional currency of the Group, with all other variable remain constant.

	2024 RM	2023 RM
<b>Group</b>		
<b>(Loss)/Profit net of tax</b>		
USD/RM - strengthened *% (2023 : 5%)	*	882
- weakened *% (2023 : 5%)	*	(882)
<b>Company</b>		
<b>(Loss)/Profit net of tax</b>		
USD/RM - strengthened *% (2023 : 5%)	*	898
- weakened *% (2023 : 5%)	*	(898)

\*The amount is less than 1

## NOTES TO THE FINANCIAL STATEMENTS

### 23. FINANCIAL INSTRUMENTS (continued)

#### Financial risk management (continued)

##### Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The Group and the Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that is not based on observable market data.

The following table analyses the fair value hierarchy for financial instruments not carried at fair value in the statements of financial position:

	2024		2023	
	Carrying Amount RM	Level 2 Fair Value RM	Carrying Amount RM	Level 2 Fair Value RM
<b>Group</b>				
<b>Financial liability</b>				
Lease liabilities	<u>1,609,733</u>	<u>1,609,733</u>	<u>1,969,950</u>	<u>1,969,950</u>
<b>Company</b>				
<b>Financial liability</b>				
Lease liabilities	<u>1,511,265</u>	<u>1,511,265</u>	<u>1,778,223</u>	<u>1,778,223</u>

The fair value of long term lease liabilities carried on the statements of financial position are estimated using valuation technique under the hierarchy level 2 mentioned above whereby the expected future cash flows are discounted at the market interest rate for similar type of borrowings.

The Group and the Company do not anticipate the carrying amount of other financial instruments recorded as at the reporting date to be significant different from the values that would eventually settled.

### 24. CAPITAL MANAGEMENT

The objective of the Group on capital management is to ensure that it maintains a strong credit rating and safeguard the Group's ability to continue as a going concern, so as to support its business, maintain the market confidence and maximise shareholder value.

During the financial year the Group is not subject to externally imposed capital requirement as it does not have any external borrowings.

# FINANCIAL STATEMENTS

134

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 25. CAPITAL COMMITMENTS

	Group		Company	
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Approved but not contracted for:				
Purchase of property, plant and equipment	-	206,070	-	55,999
Purchase of others	140,660	111,759	81	140
Services	191,001	107,862	11,379	32,384
	<u>331,661</u>	<u>425,691</u>	<u>11,460</u>	<u>88,523</u>

### 26. STATUS OF LITIGATION

- (a) According to announcement on 26<sup>th</sup> October 2023, the Company has on 25<sup>th</sup> October 2023, received a notice from an Independent Non-Executive Director (“INED”) of the Company, on his intention to apply for leave to commence derivative proceedings pursuant to Section 347 and Section 348(2) of the Companies Act 2016, in the name of the Company against individual Directors and Management of the Company (collectively referred to as “**Parties**”), for alleged breaches of fiduciary duties by the Parties in relation to the transactions involving the Company and its subsidiaries with external parties.

Subsequently, the Company has on 30<sup>th</sup> October 2023 received an Originating Summons (“OS”) dated 26<sup>th</sup> October 2023 from the abovenamed INED, Aswath A/L Ramakrishnan (“Applicant”) via his solicitors, Messrs. Ahmad Deniel Ruben & Co at the High Court of Malaya at Shah Alam against the Company (“Respondent”) pursuant to the abovementioned Notice.

The OS was filed in relation to certain transactions (“Transaction”) entered into by the Company and its subsidiaries with Rinani Renal Berhad, Dynamic Prestige Consultancy Sdn Bhd and Rinani Genotec Sdn Bhd (now known as Genotec Sdn Bhd), in which the details have been announced to Bursa Malaysia Securities Berhad on 8<sup>th</sup> November 2023. 59

Case management of the matter by way of e-review was held on 23<sup>rd</sup> November 2023.

Subsequently, the Company’s solicitor has on 27<sup>th</sup> December 2023 filed an application to strike out the OS initiated by the Applicant on the following grounds:

- All the Board members, except for the Applicant who has abstained, have agreed to Strike Out the OS.
- The Notice served to all other Board of Directors was defective.
- The OS does not reflect the Applicant's intention to recover the monies in relation to the Transactions.

## NOTES TO THE FINANCIAL STATEMENTS

### 26. STATUS OF LITIGATION *(continued)*

#### (a) *(continued)*

- d. The Applicant has failed to exhaust all the Company's internal process prior filing the OS.
- e. The Applicant's action is premature.
- f. All other reasons mentioned in the Affidavit in Support of the Application to Strike Out.

The hearing date for the OS was fixed on 3<sup>rd</sup> January 2024, where the Court had directed parties to file an Executive Summary by 1<sup>st</sup> February 2024. The status of the Application of Strike Out is pending Court's instruction.

On 13<sup>th</sup> February 2024, the Company was notified by its solicitors that the Applicant has filed an injunction application ("the Injunction Application") against the Company. This injunction seeks to halt any deliberation in relation to the proposed transactions. The injunction will remain in effect until the disposal of the OS.

Pursuant to the Injunction Application, the Board has agreed not to take further action to oppose to the Application until the matter being disposed by the Court in due course.

The hearing of the OS on 18<sup>th</sup> March 2024 has been postponed and the Court has fixed Case Management on 23<sup>rd</sup> May 2024 for further directions.

The Company has vide the Company's solicitors, filed an application to strike out the leave application for OS on 30<sup>th</sup> April 2024.

On 23<sup>rd</sup> May 2024, OS had been struck off.

#### (b)

On 11<sup>th</sup> January 2024, the Company received another Originating Summons ("OSII") filed by the Applicant pursuant to Sections 347 and 348 of the Companies Act 2016 for, among others alleged breach of fiduciary duties of the relevant personnel ("The Relevant Personnel") of the Company in relation with the trading of shares executed by MGRC Trading which resulted in losses to the Company. The reliefs sought by the Applicant are as follows:

- a. That the Applicant is granted with leave to commence derivative action against the Relevant Personnel;
- b. To appoint an independent auditor to conduct an independent review and investigation;
- c. To obtain the relevant documentation and full cooperation from the relevant parties including officers of the Company until the disposal of the OSII;
- d. All Costs associated with the OSII to be paid by the Company forthwith;
- e. Any other reliefs which the Court deems fit.

# FINANCIAL STATEMENTS

136

Notes to The Financial Statements

## NOTES TO THE FINANCIAL STATEMENTS

### 26. STATUS OF LITIGATION *(continued)*

#### (b) *(continued)*

The Court has fixed the hearing date of the OSII on 28<sup>th</sup> June 2024. Subsequently, the Court has rescheduled the hearing date of the OSII to 7<sup>th</sup> May 2024.

The Company has vide the Company's solicitors, filed an application to strike out the leave application for OSII on 30<sup>th</sup> April 2024.

On 7<sup>th</sup> May 2024, OSII had been withdrawn.

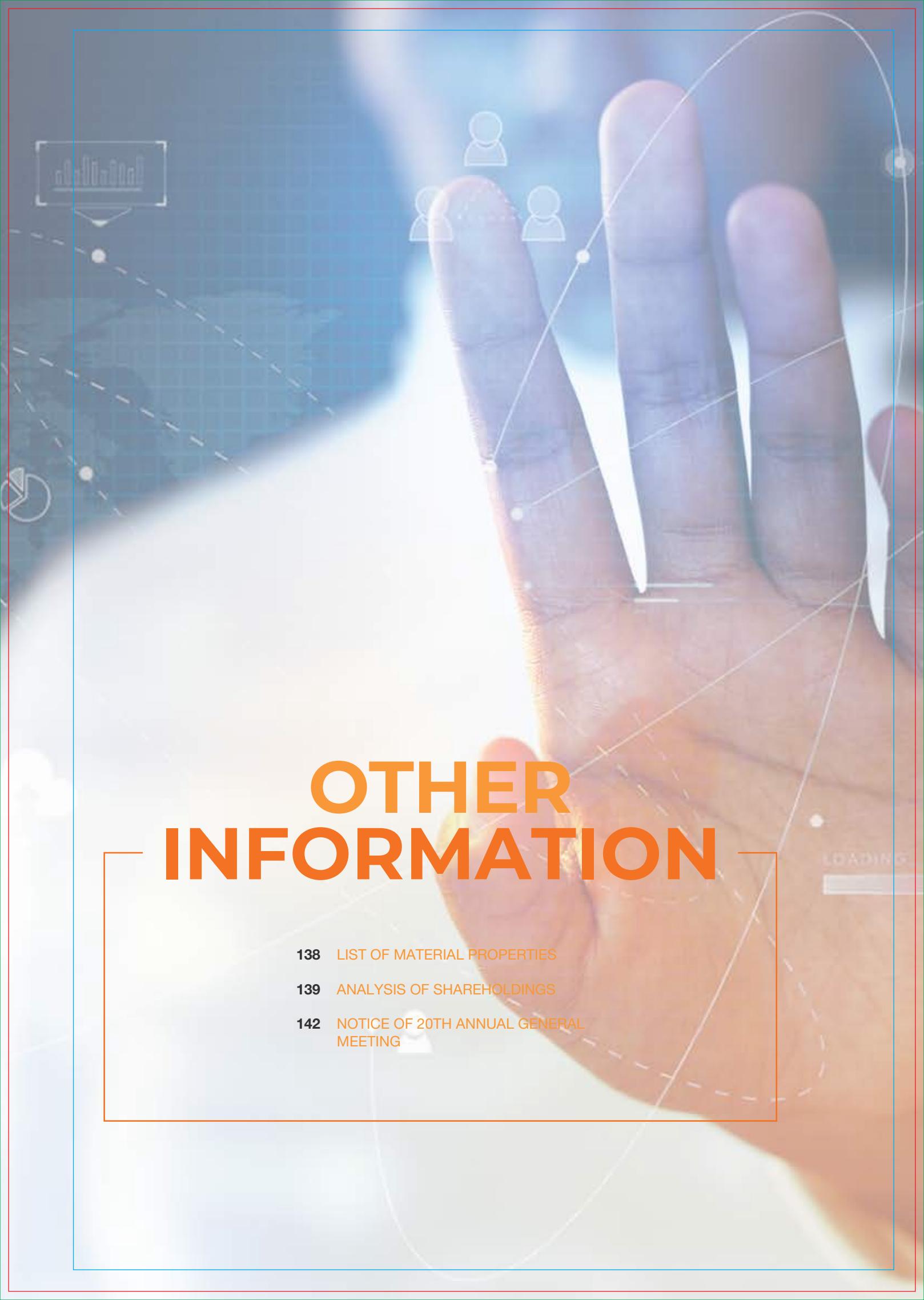
The Board of Directors believes there will be no major operational impact on the Company apart from the costs in relation with the corresponding legal costs.

### 27. COMPARATIVES

The previous financial period of the Group and of the Company was from 1 July 2022 to 31 December 2023, compared to a twelve (12) month period for the current financial year ended 31 December 2024. Therefore, the comparative amounts are not in respect of a comparable period for the statement of profit or loss and other comprehensive income, changes in equity, cash flows and their related notes.

### 28. DATE OF AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the Board of Directors dated 23 April 2025.



# OTHER INFORMATION

- 138** LIST OF MATERIAL PROPERTIES
- 139** ANALYSIS OF SHAREHOLDINGS
- 142** NOTICE OF 20TH ANNUAL GENERAL MEETING

# OTHER INFORMATION

138

Analysis of Shareholdings

## LIST OF MATERIAL PROPERTIES

AS AT 31 DECEMBER 2024

There were no properties owned by the Company for the financial year ended 31 December 2024.

The rest of this page is intentionally left blank

## ANALYSIS OF SHAREHOLDINGS

AS AT 7 April 2025

Total Number of Issued Shares	:	137,210,480 Ordinary shares
No. of Holders	:	1,822
Class of Shares	:	Ordinary Shares
Voting Rights	:	One (1) Vote per Ordinary Share

**DISTRIBUTION SCHEDULE (AS PER THE RECORD OF DEPOSITORS)**

Size of Holdings	No. of Holders	No. of Ordinary Shares Held	% of Shares
1 - 99	24	726	0.0005
100 - 1,000	378	218,954	0.1596
1,001 - 10,000	847	4,475,800	3.2620
10,001 - 100,000	485	16,467,500	12.0016
100,001 to < 5% of shares	85	81,982,700	59.7496
5% and above	3	34,064,800	24.8267
	<b>1,822</b>	<b>137,210,480</b>	<b>100.0000</b>

**SUBSTANTIAL SHAREHOLDERS AS AT 7 APRIL 2025**

(As per Register of Substantial Shareholders)

The substantial shareholders (holding 5% or more of the issued capital) based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name	No. of Shares	Direct	Indirect	%
		%	No. of Shares	
Proven Venture Capital	22,399,900	16.325	-	-
Pixelvest Sdn Bhd PLT	9,551,300	6.961	-	-
Leong Yien Hung	8,433,000	6.146	-	-

**DIRECTORS' INTERESTS IN SHARES AS AT 7 APRIL 2025**

(As per Register of Directors' Shareholdings)

The Directors' Shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name	No. of Shares	Direct	Indirect	%
		%	No. of Shares	
Leong Yien Hung	8,433,000	6.146	-	-
Muhammad Badri Bin Hussin	-	-	-	-
Chih Yi May	-	-	-	-
Yap Kok Wei	-	-	-	-
Tan Yiing Fung	-	-	-	-
Chung Eng Lam	-	-	-	-
Ler Pei Fen	-	-	-	-
Lim Kok Kiong	-	-	-	-
Datuk Wira Hj Mohammad Zainal bin Zainol	-	-	-	-
Mohd Shakir Bin Shahimi	-	-	-	-
Mohd Ruzaini Bin Hamzah	-	-	-	-

# OTHER INFORMATION

140

Analysis of Shareholdings

## ANALYSIS OF SHAREHOLDINGS

AS AT 7 April 2025

### LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 7 APRIL 2025

No.	Name of Shareholders	No. of Ordinary Shares	%
1.	PHILLIP NOMINEES (TEMPATAN) SDN BHD Octowill Trustees Berhad For Proven Venture Capital Plt	16,080,500	11.7196
2.	PIXELVEST SDN. BHD.	9,551,300	6.9611
3.	LEONG YIEN HUNG	8,433,000	6.1460
4.	OCTOWILL TRUSTEES BERHAD For Proven Venture Capital Plt	6,319,400	4.6056
5.	JACQUELINE NGU HIA KEE	6,160,000	4.4895
6.	PM NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account - Eco Asia Ventures Sdn Bhd For Chan Yok Peng	5,548,000	4.0434
7.	LIEW YUEN TENG	5,301,700	3.8639
8.	ER KIAN HONG	5,117,000	3.7293
9.	KEJAYA KAYA SDN. BHD. Pledged Securities Account For Chan Kok San	4,000,000	2.9152
10.	LER PEI FEN	3,887,000	2.8329
11.	TING SIE HUOONG	3,184,000	2.3205
12.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Lim Wai Yee	2,800,200	2.0408
13.	MAYBANK NOMINEES (TEMPATAN) SDN BHD Lee Yoke Hean	2,500,100	1.8221
14.	SPARKS THERAPEUTICS SDN. BHD.	2,470,900	1.8008
15.	YEO TSU SIN	1,827,300	1.3317
16.	LEE YOKE HEAN	1,785,000	1.3009
17.	KEJAYA KAYA SDN. BHD.	1,602,100	1.1676
18.	LEE YOKE HAR	1,588,900	1.1580
19.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. Pledged Securities Account For Ong Tzu Chuen	1,587,200	1.1568
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Tan Kok Aun	1,532,300	1.1168
21.	CHONG TONG SIEW	1,480,000	1.0786
22.	RINANI CARE SDN BHD	1,268,200	0.9243
23.	MOHD RAFAEL BIN MOHD SHAMSUDIN	1,187,600	0.8655
24.	FOO CHAI LEE	1,144,000	0.8338
25.	KHOO HAI CHEW	1,000,000	0.7288

## ANALYSIS OF SHAREHOLDINGS

AS AT 7 April 2025

### LIST OF TOP THIRTY (30) LARGEST SHAREHOLDERS AS AT 7 APRIL 2025 (continued)

No.	Name of Shareholders	No. of Ordinary Shares	%
26.	M & A NOMINEE (TEMPATAN) SDN BHD Pledged Securities Account For Genting Utama Sdn Bhd (M&A)	1,000,000	0.7288
27.	SHAHRIL BIN SHAMSUDDIN	1,000,000	0.7288
28.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. Pledged Securities Account For Lee Chooi Bit	975,000	0.7106
29.	KENANGA NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Zarul Ahmad Bin Mohd Zulkifli	711,100	0.5183
30.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD Pledged Securities Account For Yong Loy Huat	700,000	0.5102

# OTHER INFORMATION

142

Notice Of Annual General Meeting

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twentieth (“**20<sup>th</sup>**”) Annual General Meeting of Malaysian Genomics Resource Centre Berhad (“**MGRC**” or “**the Company**”) will be held at **Westside Room 4, Level 8, St. Giles Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan** on **Monday, 23 June 2025** at **10.00 a.m.** or any adjournment thereof for the purpose of transacting the following businesses:

### AS ORDINARY BUSINESS:

- | <b>AS ORDINARY BUSINESS:</b>  | <b>Explanatory Notes</b>   |
|---|--|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.   | (Please refer to<br><i>Explanatory Note 1</i> )  |
| 2. To approve the payment of Directors’ fees and other benefits payable up to RM350,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 20th AGM until the conclusion of the next AGM of the Company in the year 2026. | (Ordinary Resolution 1)  |
| 3. To re-elect the following Directors who are retiring in accordance with Clause 125 of the Company’s Constitution and being eligible, offered themselves, for re-election:<br><br>i. Leong Yien Hung<br>ii. Yap Kok Wei<br>iii. Tan Yiing Fung<br>iv. Chung Eng Lam<br>v. Ler Pei Fen<br>vi. Lim Kok Kiong  | (Ordinary Resolution 2)<br>(Ordinary Resolution 3)<br>(Ordinary Resolution 4)<br>(Ordinary Resolution 5)<br>(Ordinary Resolution 6)<br>(Ordinary Resolution 7) |
| 4. To re-elect the following Directors who are retiring in accordance with Clause 123 of the Company’s Constitution and being eligible, offered themselves, for re-election:<br><br>i. Mohd Shakir Bin Shahimi<br>ii. Mohamad Ruzaini Bin Hamzah  | (Ordinary Resolution 8)<br>(Ordinary Resolution 9)   |
| 5. To re-appoint Messrs Jamal, Amin & Partners (AF1067) as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.   | (Ordinary Resolution 10)   |

### AS SPECIAL BUSINESS:

To consider and if thought fit, pass the following resolution:

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016**

“THAT approval be and is hereby given to waive the statutory pre-emptive rights to be offered new shares ranking equally to the existing issued shares of the Company pursuant to Section 85 of the Companies Act, 2016 (“the Act”) read together with Clause 58 of the Company’s Constitution.

THAT pursuant to Sections 75 and 76 of the Act and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the

(Ordinary Resolution 11)

## NOTICE OF ANNUAL GENERAL MEETING

aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company or such higher percentage as Bursa Malaysia Securities Berhad (“Bursa Securities”) allowed for the time being and that the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued.

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

7. To transact any other business of which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD

**TAN TONG LANG**  
SSM PC NO. 202208000250  
(MAICSA 7045482)

**THIEN LEE MEE**  
SSM PC No. 201908002254  
(LS0010621)

Company Secretaries

Dated: 30 April 2025

# OTHER INFORMATION

144

Notice of Annual General Meeting

## NOTICE OF ANNUAL GENERAL MEETING

### NOTES:

- (i) In respect of deposited securities, only members whose names appear in the Record of Depositors as at 12 June 2025 ("General Meeting Record of Depositors") shall be eligible to participate at the 20th AGM of the Company.
- (ii) A member of the Company who is entitled to participate at the 20th AGM shall be entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf at the same meeting. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company, and a member may appoint any person to be his proxy.
- (iii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any securities account shall be invalid unless the authorised nominee specifies the proportion of his/her shareholding to be represented by each proxy.
- (iv) Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit as to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of the appointer or a copy of that power of attorney, certified by an advocate and solicitor, or where the member is a body corporate, either under its seal or by the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initiated.
- (vi) The instrument appointing a proxy, a power of attorney or other authorities, where it is signed or certified shall be deposited at the Company's Share Registrar Office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (vii) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of Meeting shall be put to vote by poll.

## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES FOR ORDINARY AND SPECIAL BUSINESS

#### 1. ITEM 1 OF THE AGENDA

Agenda No. 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 provides that the audited financial statements are to be laid in the general meeting and do not require a formal approval of the shareholders. Hence, this Agenda item is not put forward for voting.

#### 2. ORDINARY RESOLUTION 1: TO APPROVE THE PAYMENT OF DIRECTORS' FEES AND OTHER BENEFITS PAYABLE

Pursuant to Section 230 of the Act, fees and benefits payable to the Directors of a public company or a listed company and its subsidiaries shall be approved by shareholders at a general meeting. The Directors' benefits payable include meeting attendance allowances and other claimable benefits.

In determining the estimated total amount of Directors' benefits, the Board has considered various factors, among others, the estimated claimable benefits and estimated number of meetings for the Board and Board Committees held for the period commencing from the conclusion of the 20th AGM until the next AGM of the Company in the year 2026.

In the event the proposed amount is insufficient (e.g. due to more meetings or enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

#### 3. ORDINARY RESOLUTIONS 2 TO 7 – RE-ELECTION OF DIRECTORS IN ACCORDANCE WITH CLAUSE 125 OF THE COMPANY'S CONSTITUTION.

Clause 125 of the Company's Constitution states that the Company at the Annual General Meeting at which a Director retires may fill the vacated office by electing a person thereto and in default thereof, the retiring Director shall, if offering himself for re-election and not being disqualified under the Act from holding office as a Director, be deemed to have been re-elected unless at such meeting it is expressly resolved not to fill such vacated office or unless a resolution for the re-election of such Director shall have been put to the meeting and lost. A retiring Director shall be deemed to have offered himself for re-election unless he has given notice in writing to the Company that he is unwilling to be re-elected.

The following persons was appointed as Directors of the Company as per the appointment date set out in the table below, being eligible, have offered themselves for re-election at the forthcoming 20th Annual General Meeting of the Company.

NO.	NAME OF DIRECTOR	APPOINTMENT DATE
1	LEONG YIEN HUNG	19.02.2025
2	YAP KOK WEI	04.10.2024
3	TAN YIING FUNG	19.02.2025
4	CHUNG ENG LAM	19.02.2025
5	LER PEI FEN	19.02.2025
6	LIM KOK KIONG	19.02.2025

The Board, through Nomination and Remuneration Committee, carried out the necessary assessment on proposed retiring directors and the Board then recommended these retiring Directors for re-election to be tabled for shareholders' approval at the 20th Annual General Meeting. The information on their profiles is provided in the Company's Annual Report 2024.

# OTHER INFORMATION

146

Notice of Annual General Meeting

## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES FOR ORDINARY AND SPECIAL BUSINESS (continued)

#### 4. ORDINARY RESOLUTIONS 8 TO 9 – RE-ELECTIONS OF DIRECTORS IN ACCORDANCE WITH CLAUSE 123 OF THE COMPANY'S CONSTITUTION

Clause 123 of the Company's Constitution states that an election of Directors shall take place each year. At the Annual General Meeting where one-third (1/3) of the Directors for the time being or if the number is not three (3) or a multiple of three (3) then the number nearest one-third (1 /3) shall retire from office provided always that all Directors including a Managing Director shall retire from office once at least in each three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

The Board, through Nomination and Remuneration Committee, carried out the necessary assessment of Mohd Shakir Bin Shahimi and Mohamad Ruzaini Bin Hamzah and concluded that they met the criteria as prescribed under Ace Market Listing Requirements of Bursa Securities on character, experience, integrity, competence and time commitment to effectively discharge their role as Director. The Board then recommended Mohd Shakir Bin Shahimi and Mohamad Ruzaini Bin Hamzah for re-election to be tabled for shareholders' approval at the 20th Annual General Meeting. The information on her profiles is provided in the Company's Annual Report 2024.

#### 5. ORDINARY RESOLUTION 10 – RE-APPOINTMENT OF AUDITORS

The Board, through the Audit and Risk Management Committee, conducted an assessment of the suitability, objectivity, and independence of Messrs Jamal, Amin & Partners (AF1067) for the financial year ended 31 December 2024. The Board was satisfied with the performance of Messrs. Messrs Jamal, Amin & Partners (AF1067) and recommended their re-appointment as the external auditors of the Company to hold office until the conclusion of the next Annual General Meeting, in accordance with Section 271 of the Act.

#### 6. SPECIAL BUSINESS - ORDINARY RESOLUTION 11 AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE ACT

*The proposed Ordinary Resolution 11, if passed, will empower the Directors of the Company to allot and issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with the total number of any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.*

*As of the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the 19th Annual General Meeting held on 29 April 2024 and which will lapse at the conclusion of the 20th Annual General Meeting.*

## NOTICE OF ANNUAL GENERAL MEETING

### EXPLANATORY NOTES FOR ORDINARY AND SPECIAL BUSINESS (continued)

#### 6. SPECIAL BUSINESS - ORDINARY RESOLUTION 11

##### AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE ACT (continued)

Section 85(1) of the Companies Act 2016 provides as follows:

“85. Pre-emptive rights to new shares

1. Subject to the Constitution, where a company issue shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.”

Clause 58 of the Company’s Constitution provides as follows:

“Subject to any direction to the contrary that may be given by the Company in general meeting, any new shares or other convertible securities shall before they are issued, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of general meetings in proportion, as nearly as the circumstances admit, to the amount of the existing shares or other convertible securities to which they are entitled. The offer shall be made by notice specifying the number of shares or other convertible securities offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares or other convertible securities offered, the Directors may dispose of those shares or other convertible securities in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares or other convertible securities which (by reason of the ratio which the new shares or other convertible securities bear to shares or other convertible securities held by persons entitled to an offer of new shares or other convertible securities) cannot, in the opinion of the Directors, be conveniently offered under this Constitution.”

By voting in favour of the proposed ordinary resolution 11, the shareholders of the Company are deemed to have waived their pre-emptive rights pursuant to Section 85(1) of the Companies Act, 2016 and Clause 58 of the Company’s Constitution to be first offered any new shares ranking equally to the existing issued shares of the Company which will result in a dilution of their shareholding percentage in the Company.

### STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

(pursuant to Rule 8.29 of AMLR of Bursa Securities)

As at date of this notice, there are no individuals who are standing for election as Directors (excluding the above Directors who are standing for re-election) at this forthcoming 20th Annual General Meeting.

The Company will seek shareholders’ approval at the general meeting for the issue of securities under Rule 6.04(3) of the AMLR of Bursa Securities. Please refer to the Proposed Ordinary Resolution 11 as stated in the Notice of the 20th AGM of the Company for details.



Malaysian  
Genomics  
Resource  
Centre

# PROXY FORM

Number of shares held	CDS Account No

## MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD

Registration No. 200401014287 (652790-V)  
(Incorporated in Malaysia)

\*I/We \_\_\_\_\_  
(full name as per NRIC/Passport/Certificate of Incorporation in capital letters)

NRIC No. /Company No \_\_\_\_\_

of \_\_\_\_\_

(Full Address)

Email Address: \_\_\_\_\_ Tel No: \_\_\_\_\_ being a member of

**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD Registration No. 200401014287 (652790-V),**  
hereby appoint:

Name of Proxy 1 (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note (ii) set out below)
Address	Email Address	Contact No.

or failing him/her

Name of Proxy 2 (Full Name)	NRIC No./Passport No.	% of Shareholding to be represented (refer to Note (ii) set out below)
Address	Email Address	Contact No.

Or failing him/her, the Chairman of the Meeting as \*my/our proxy to vote for \*me/us on \*my/our behalf at the Twentieth ("20th") Annual General Meeting of Malaysian Genomics Resource Centre Berhad ("MGRC" or "the Company") will be held Westside Room 4, Level 8, St. Giles Boulevard, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Wilayah Persekutuan on Monday, 23 June 2025 at 10.00 a.m. as indicated below:

Please indicate with a (x) in the appropriate box against the resolution how you wish your vote to be casted. If no specific direction as to voting is given, the proxy will vote or abstain at his discretion.

No.	Resolution		For	Against
1.	To approve the payment of Directors' fees and other benefits payable up to RM350,000 to be divided amongst the Directors in such manner as the Directors may determine for the period commencing from the conclusion of the 20th AGM until the conclusion of the next AGM of the Company in the year 2026.	Ordinary Resolution 1		
2.	Re-election of Leong Yien Hung as Director	Ordinary Resolution 2		
3.	Re-election of Yap Kok Wei as Director	Ordinary Resolution 3		
4.	Re-election of Tan Yiing Fung as Director	Ordinary Resolution 4		
5.	Re-election of Chung Eng Lam as Director	Ordinary Resolution 5		
6.	Re-election of Ler Pei Fen as Director	Ordinary Resolution 6		
7.	Re-election of Lim Kok Kiong as Director	Ordinary Resolution 7		
8.	Re-election of Mohd Shakir Bin Shahimi as Director	Ordinary Resolution 8		
9.	Re-election of Mohamad Ruzaini Bin Hamzah as Director	Ordinary Resolution 9		
10.	Re-appointment of Messrs Jamal, Amin & Partners as Auditors	Ordinary Resolution 10		
11.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016	Ordinary Resolution 11		

Delete if not applicable \*

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2025.

Signature/Common Seal of Shareholder

**Notes:**

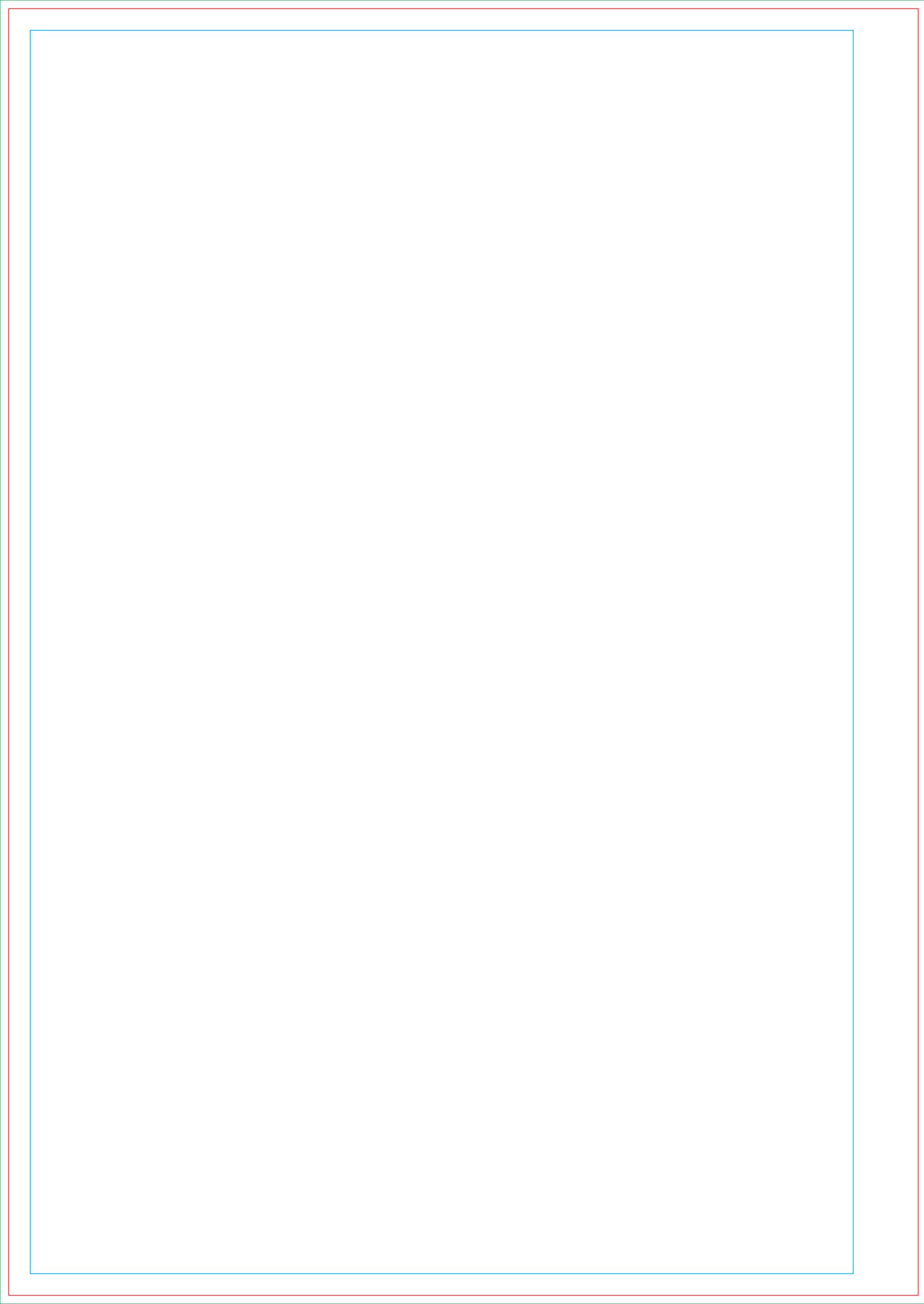
- (i) In respect of deposited securities, only members whose names appear in the Record of Depositors as at 12 June 2025 ("General Meeting Record of Depositors") shall be eligible to participate at the 20th AGM of the Company.
- (ii) A member of the Company who is entitled to participate at the 20th AGM shall be entitled to appoint not more than two (2) proxies to participate and vote on his/her behalf at the same meeting. Where a member appoints more than one (1) proxy, such appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company, and a member may appoint any person to be his proxy.
- (iii) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any securities account shall be invalid unless the authorised nominee specifies the proportion of his/her shareholding to be represented by each proxy.
- (iv) Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one(1) securities account ("Omnibus Account"), there is no limit as to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- (v) The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of the appointer or a copy of that power of attorney, certified by an advocate and solicitor, or where the member is a body corporate, either under its seal or by the hand of an officer or attorney duly authorised. Any alteration in the form of proxy must be initialed.
- (vi) The instrument appointing a proxy, a power of attorney or other authorities, where it is signed or certified shall be deposited at the Company's Share Registrar Office, Aldpro Corporate Services Sdn Bhd at B-21-1, Level 21, Tower B, Northpoint Mid Valley City, No. 1, Medan Syed Putra Utara, 59200 Kuala Lumpur, Wilayah Persekutuan, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
- (vii) Pursuant to Rule 8.31A(1) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of Meeting shall be put to vote by poll.

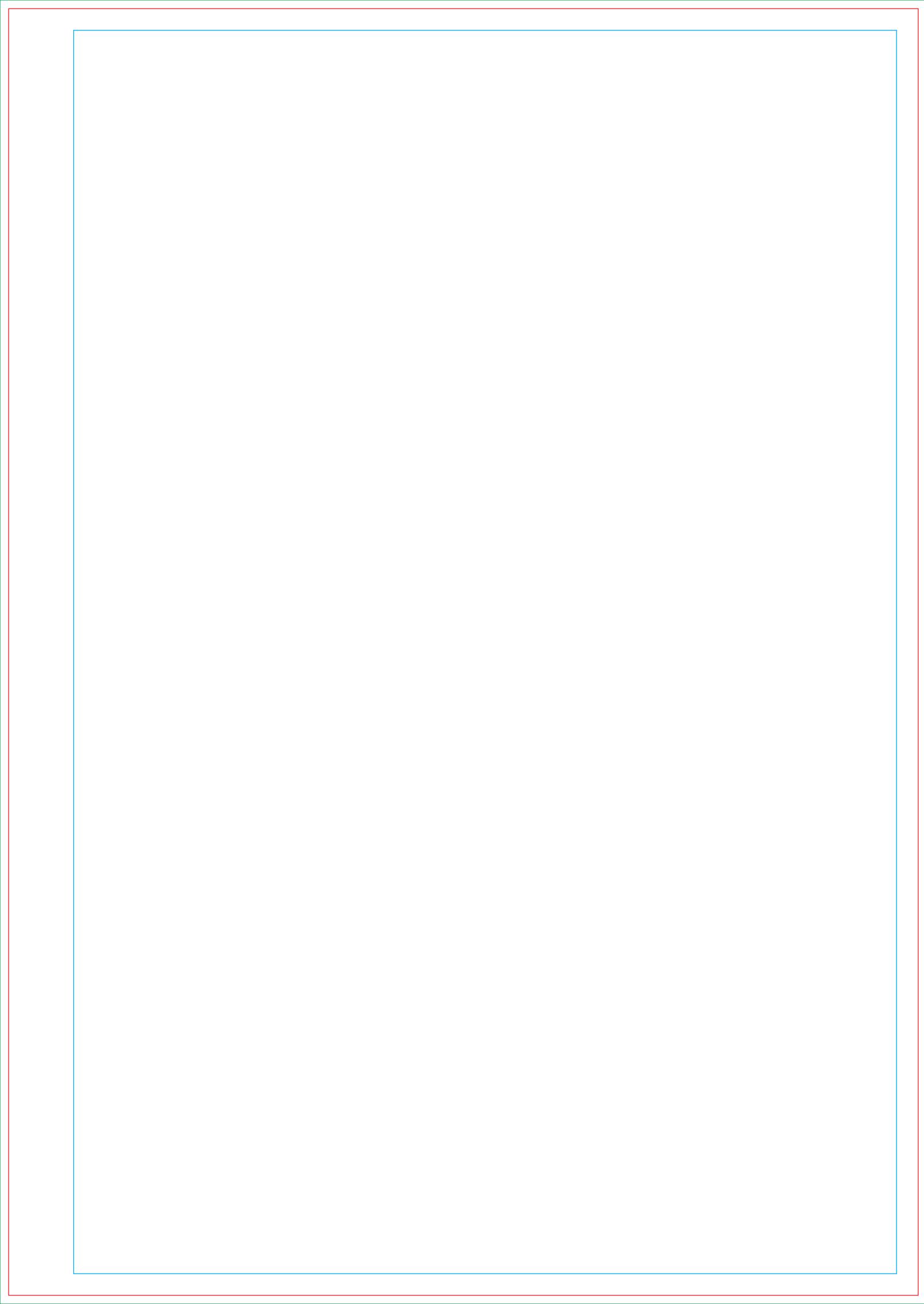
*Fold here*

STAMP

THE SHARE REGISTRAR OF  
**MALAYSIAN GENOMICS RESOURCE CENTRE BERHAD**  
Registration No. 200401014287 (652790-V)  
C/O Aldpro Corporate Services Sdn Bhd  
B-21-1, Level 21, Tower B  
Northpoint Mid Valley City  
No. 1, Medan Syed Putra Utara  
59200 Kuala Lumpur, Wilayah Persekutuan

*Fold here*







Malaysian  
Genomics  
Resource  
Centre

**Malaysian Genomics Resource Centre Berhad 200401014287 (652790-V)**

8F Jalan Teknologi 3/6, Taman Sains Selangor 1, Kota Damansara (PJU 5)  
47810 Petaling Jaya, Selangor, Malaysia

T: +603 7890 0015 and/or      F: +603 6150 3232  
+603 7890 0016                    W: [www.mgrc.com.my](http://www.mgrc.com.my)  
E: [enquiries@mgrc.com.my](mailto:enquiries@mgrc.com.my)