

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2022

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2022 RM'000	Preceding Period Corresponding Quarter Ended 31 March 2021 RM'000	Current Period To Date Ended 31 March 2022 RM'000	Preceding Period To Date Ended 31 March 2021 RM'000
Revenue	40,993	48,956	40,993	48,956
Cost of sales	(35,372)	(41,971)	(35,372)	(41,971)
Gross profit	5,621	6,985	5,621	6,985
Other income	281	411	281	411
Selling and distribution expenses	(1,088)	(1,324)	(1,088)	(1,324)
Administration expenses	(2,637)	(3,546)	(2,637)	(3,546)
Other expenses	(109)	(177)	(109)	(177)
Operating profit	2,068	2,348	2,068	2,348
Finance cost	(108)	(326)	(108)	(326)
Profit before tax	1,960	2,022	1,960	2,022
Tax expense	(575)	(527)	(575)	(527)
Profit for the period	1,385	1,495	1,385	1,495
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,385	1,495	1,385	1,495
Total comprehensive income attributable to the Owners of the Company	1,234	1,339	1,234	1,339
Non-controlling interests	151	156	151	156
Weighted average no. of ordinary shares in issue ('000)	275,214	268,714	275,214	268,714
Earnings per share (sen):				
-Basic	0.45	0.50	0.45	0.50

Note:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2021 and the accompanying explanatory notes attached to the interim financial statements.

PETERLABS HOLDINGS BERHAD (Registration No: 201001025806 (909720-W))

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Unaudited As at 31 March 2022 RM'000	Audited As at 31 December 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	17,650	17,738
Investment properties	995	998
Goodwill on consolidation	9,957	9,957
	<u>28,602</u>	<u>28,693</u>
Current assets		
Inventories	20,911	22,023
Trade receivables	39,526	41,101
Other receivables	4,537	5,571
Tax recoverable	16	30
Cash and bank balances	15,400	14,150
	<u>80,390</u>	<u>82,875</u>
TOTAL ASSETS	<u><u>108,992</u></u>	<u><u>111,568</u></u>
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the Company		
Share capital	40,401	40,401
Unappropriated profits	33,252	32,018
	<u>73,653</u>	<u>72,419</u>
Non-controlling interests	1,759	1,608
Total equity	<u>75,412</u>	<u>74,027</u>
Non-current liabilities		
Lease liabilities	2,945	2,946
Borrowings	1,205	1,272
Deferred tax liabilities	1,047	1,049
	<u>5,197</u>	<u>5,267</u>
Current liabilities		
Trade payables	9,022	9,403
Other payables	6,206	7,461
Lease liabilities	1,040	942
Borrowings	11,998	14,248
Tax payable	117	221
	<u>28,383</u>	<u>32,275</u>
Total liabilities	<u>33,580</u>	<u>37,541</u>
TOTAL EQUITY AND LIABILITIES	<u><u>108,992</u></u>	<u><u>111,568</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.76	26.31

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2021.

PETERLABS HOLDINGS BERHAD (Registration No: 201001025806 (909720-W))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

	Attributable to Equity Holders of the Company				
	<u>Non-Distributable</u> Share Capital RM'000	<u>Distributable</u> Unappropriated Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 January 2022	40,401	32,018	72,419	1,608	74,027
Total comprehensive income for the financial period	-	1,234	1,234	151	1,385
At 31 March 2022 (Unaudited)	40,401	33,252	73,653	1,759	75,412
At 1 January 2021	31,821	26,537	58,358	-	58,358
Issuing of 39,000,000shares @ RM0.22 per unit	8,580	-	8,580	-	8,580
Acquisition of subsidiary	-	-	-	2,655	2,655
Total comprehensive income for the financial period	-	1,339	1,339	156	1,495
At 31 March 2021 (Unaudited)	40,401	27,876	68,277	2,811	71,088

Note:

The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2021.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2022

	Current Period To Date Ended 31 March 2022 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 31 March 2021 (Unaudited) RM'000
OPERATING ACTIVITIES		
Profit before tax	1,960	2,022
Adjustments for:-		
- Non cash items	582	657
- Non-operating items	(22)	189
Operating profit before working capital changes	2,520	2,868
Changes in working capital		
Inventories	1,052	(557)
Receivables	2,601	(175)
Payables	(1,634)	2,035
Bill payables	(2,270)	(1,845)
Cash generated from operations	2,269	2,326
Tax expense paid	(667)	(333)
Tax refunded	1	-
Interest paid	(67)	(79)
Net cash from operating activities	1,536	1,914
INVESTING ACTIVITIES		
Interest received	36	119
Purchase of property, plant and equipment	(76)	(104)
Net outflow acquisition of equity interest in a subsidiary	-	1,913
Proceed from disposal of property, plant and equipment	95	-
Net cash from / (used in) investing activities	55	1,928
FINANCING ACTIVITIES		
Repayment of revolving credit	-	(1,000)
Interest paid	(41)	(247)
Repayment of term loans	(48)	(15)
Repayment of lease liabilities	(242)	(226)
Net cash used in financing activities	(331)	(1,488)
Net changes in cash and cash equivalents	1,260	2,354
Effect of exchange rate changes	(10)	16
Cash and cash equivalents at the beginning of the period	14,150	24,313
Cash and cash equivalents at the end of the period	15,400	26,683

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2021.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (MFRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with MFRS 134: Interim Financial Reporting and Appendix 9B of the ACE Market Listing Requirements (“AMLR”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2021 and the accompanying explanatory notes attached to the interim financial report.

A2. Significant accounting policies

Significant accounting policies adopted by the Group in these interim financial statements are consistent with those of the audited financial statements for the FYE 31 December 2021 except for the adoption of the following Amendments to Malaysian Financial Reporting Standards (“MFRSs”) during the current financial period:

- Amendments to MFRS 3 Business Combination : Reference to the Conceptual Framework
- Amendments to MFRS 116 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract
- Annual improvements to MFRS standards 2018 - 2020

The adoption of these Amendments to MFRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on these interim financial statements.

As at the date of authorisation of these interim financial statements, the following amendments to MFRSs which were in issue but not yet effective and have not been early adopted by the Group:

MFRS and Amendments to MFRSs		Effective for annual periods beginning on or after
Amendments to MFRS 101	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Presentation of Financial Statements: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
MFRS 17*	Insurance Contracts	1 January 2023
Amendments to MFRS 17*	Insurance Contracts	1 January 2023
Amendments to MFRS 4*	Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (CONT'D)

A2. Significant accounting policies (Cont'd)

MFRS and Amendments to MFRSs		Effective for annual periods beginning on or after
Amendments to MFRS 112	Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128 *	Consolidated Financial Statements and Investment in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Yet to be confirmed

* Not applicable to the Group's and the Company's operation.

The adoption of these amendments to MFRSs are not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

A3. Auditors' report

There was no qualification on the Audited Financial Statements of the Group for the FYE 31 December 2021.

A4. Seasonal or cyclical factors

The operations of the Group were not significantly affected by seasonal or cyclical factors during the current financial quarter under review and current period-to-date.

A5. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group that were unusual because of their nature, size or incidence for the quarter under review and current period-to-date.

A6. Material changes in estimates

There were no changes in estimates that had a material effect in the current quarter and period-to-date results.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (CONT'D)

A7. Profit for the period

Profit for the current quarter and period-to-date ended 31 March 2022 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	31.03.2022 RM'000	31.03.2022 RM'000
Other income including investment income	(138)	(138)
Interest income	(36)	(36)
Gain on disposal of property, plant & equipment	(95)	(95)
Expected credit losses on trade receivables (net)	(12)	(12)
Interest expense	108	108
Depreciation	506	506
Net realised foreign exchange loss	12	12
Net unrealised foreign exchange loss	5	5

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 31 March 2022	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	40,861	132	-	40,993
Inter-segment revenue	676	5,178	(5,854)	-
Total revenue	41,537	5,310	(5,854)	40,993
Profit before tax	1,938	22	-	1,960
Tax expense				(575)
Profit for the period				1,385

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (CONT'D)

A8. Segmental information (cont'd)

Period to Date ended 31 March 2022	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	40,861	132	-	40,993
Inter-segment revenue	676	5,178	(5,854)	-
Total revenue	41,537	5,310	(5,854)	40,993
Profit before tax	1,938	22	-	1,960
Tax expense				(575)
Profit for the period				1,385

A9. Valuation of property, plant and equipment

There was no valuation of the property, plant and equipment in the current quarter under review.

A10. Capital commitments

There was no capital commitment as at date of this announcement.

A11. Material subsequent events

There were no material events subsequent to the reporting date up to the date of this report.

A12. Changes in composition of the Group

There was no change in composition of the Group for the current quarter under review.

A13. Contingent liabilities or contingent assets

	Company	
	As at 31/03/2022 RM'000	As at 31/12/2021 RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to Subsidiaries		
- Utilised	13,203	15,521
- Limit	57,437	57,437

A14. Significant related party transactions

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2021, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

A15. Issuances, cancellations, repurchase, resale and repayment of debt and equity

There were no issuance or repayment of debt and equity securities, share buy-back, share cancellations, share held as treasury shares and resale of treasury shares during the quarter and financial period under review.

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QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE AMLR

B1. Review of performance

	1QFY22	1QFY21	Variance	FY2022	FY2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	40,993	48,956	-16.27%	40,993	48,956	-16.27%
Operating Profit	2,068	2,348	-11.93%	2,068	2,348	-11.93%
Profit Before Interest And Tax	2,068	2,348	-11.93%	2,068	2,348	-11.93%
Profit Before Tax	1,960	2,022	-3.07%	1,960	2,022	-3.07%
Profit After Tax	1,385	1,495	-7.36%	1,385	1,495	-7.36%
Profit Attributable to ordinary Equity Holders Of The Parent	1,234	1,339	-7.84%	1,234	1,339	-7.84%

The Group registered RM40.993 million revenue for the current quarter which represents decrease of RM7.963 million or 16.27% as compared to the revenue of RM48.956 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.960 million for the quarter under review which represents decrease of RM0.062 million or 3.07% as compared to the Group's profit before tax of RM2.022 million reported in the previous period's corresponding quarter. Profit before tax decreased due to decrease in revenue generated by the Group.

For the current quarter, trading segment registered revenue of RM40.861 million from the external customers and RM0.676 million from inter-company transactions and reported profit before tax of RM1.938 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM47.649 million from the external customers and RM1.032 million from inter-company transactions and reported profit before tax of RM1.621 million for the trading segment. The increase in profit before tax for the trading segment for the current quarter was mainly due to lower operating expenses incurred in tandem with the lower revenue achieved.

The manufacturing segment registered revenue of RM0.132 million from the external customers and RM5.178 million from inter-company transactions and reported profit before tax of RM0.022 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM1.307 million from external customers and RM5.634 million from inter-company transactions and reported profit before tax of RM0.401 million for the manufacturing segment. The decrease in profit before tax for the manufacturing segment for the current quarter was mainly due to lower gross profit margin achieved coupled with lower revenue achieved.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

B2. Material changes in the current quarter's results compared to the results of the immediate preceding quarter

	1QFY22	4QFY21	Variance
	RM'000	RM'000	%
Revenue	40,993	41,253	-0.63%
Operating Profit	2,068	2,994	-30.93%
Profit Before Interest And Tax	2,068	2,994	-30.93%
Profit Before Tax	1,960	2,853	-31.30%
Profit After Tax	1,385	1,878	-26.25%
Equity Holders Of The Parent	1,234	1,702	-27.50%

For the quarter under review, the Group registered decrease in revenue of 0.63% from RM41.253 million to RM40.993 million and decrease in profit before tax of 31.30% from RM2.853 million to RM1.960 million as compared to preceding quarter ended 31 December 2021. The decrease in profit before tax was mainly attributable to lower revenue achieved. For the current quarter, trading segment achieved revenue of RM40.861 million and profit before tax of RM1.938 million as compared to revenue of RM40.196 million and profit before tax of RM2.329 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM0.132 million and reported profit before tax of RM0.022 million as compared to revenue of RM1.057 million and profit before tax of RM0.524 million in the previous quarter.

B3. Prospects

The Group anticipates the challenging environment for the industry to continue for the year, as high commodities prices, rising freight costs, implementation of minimum wages of RM1,500.00, hike in the overnight policy rate of 25 basis point by Bank Negara Malaysia, weakening of Ringgit Malaysia and geopolitical uncertainties weigh on the Group's margin while rising inflationary pressures may dampen discretionary spending. However, the reopened borders and relaxation of quarantine requirements in Malaysia are expected to spur economic activity and consumer spending.

The Group's latest diversification also reflected our confidence in the long-term potential of our newly acquired subsidiary and our ability to manage the risks of the current landscape while strategies are well placed to drive future growth.

The Group will continue to focus on the health and safety of its employees and customers alike while ensuring the sustainability of its operations in the short-term as well as the long-term.

B4. Profit forecast

No profit forecast has been issued by the Group previously in any public document.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

B5. Tax expense

	Current quarter ended 31.03.2022 RM'000	Current period-to-date 31.03.2022 RM'000
Income tax		
-Current period	577	577
-Deferred taxation	(2)	(2)
	<u>575</u>	<u>575</u>

The Group's effective tax rate for the current quarter is higher than the statutory rate mainly due to certain expenses not deductible for tax purposes.

B6. Profit from sale of unquoted investments and/or properties

There was no disposal of unquoted investments or properties for the current quarter under review.

B7. Quoted securities

There was no acquisition and/or disposal of quoted securities for the current quarter under review.

B8. Status of corporate proposals

There were no corporate proposals announced but not completed as at the date of this report:

B9. Group borrowings and debts securities

The Group's borrowings as at 31 March 2022 were as follows:

	Total RM'000
<u>Short-term borrowings:</u>	
Lease liabilities	1,040
Bank borrowings	<u>11,998</u>
Total	<u><u>13,038</u></u>
	Total RM'000
<u>Long-term borrowings:</u>	
Lease liabilities	2,945
Bank borrowings	<u>1,205</u>
Total	<u><u>4,150</u></u>

All the Group's borrowings are denominated in Ringgit Malaysia.

B10. Off balance sheet financial instruments

The Group does not have any financial instruments with off-balance sheet risk as at the date of this quarterly report.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2022 (CONT'D)

B11. Material litigation

As at the date of this announcement, neither the Company nor any of its subsidiaries is engaged in any material litigation and/or arbitration either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries and the Directors are not aware of any proceedings pending or threatened or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company or its subsidiaries.

B12. Dividends

No interim dividend has been recommended for the financial quarter ended 31 March 2022 and previous year's corresponding period ended 31 March 2021.

B13. Earnings per share

The basic earnings per share is calculated based on the Group's comprehensive income attributable to equity holders of the Company divided by the weighted average number of ordinary shares as follows:

	<u>Quarter Ended</u>		<u>Period To Date Ended</u>	
	<u>31.03.2022</u>	<u>31.03.2021</u>	<u>31.03.2022</u>	<u>31.03.2021</u>
Comprehensive income attributable to owners of the Company (RM'000)	1,234	1,339	1,234	1,339
Weighted average number of ordinary shares in issue ('000)	275,214	268,714	275,214	268,714
Earnings per share (sen)				
- Basic	0.45	0.50	0.45	0.50

By Order of the Board
PeterLabs Holdings Berhad
Wong Yuet Chyn (MAICSA 7047163)
Young Wou Jian (MAICSA 7049158)
Company Secretary
Kuala Lumpur

Date: 31 May 2022