

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 September 2022 RM'000	Preceding Period Corresponding Quarter Ended 30 September 2021 RM'000	Current Period To Date Ended 30 September 2022 RM'000	Preceding Period To Date Ended 30 September 2021 RM'000
Revenue	38,570	46,608	120,970	141,932
Cost of sales	(33,561)	(40,801)	(104,561)	(123,220)
Gross profit	5,009	5,807	16,409	18,712
Other income	256	805	847	1,510
Selling and distribution expenses	(1,289)	(687)	(3,751)	(2,707)
Administration expenses	(2,583)	(3,083)	(7,916)	(10,593)
Other expenses	(117)	(397)	(857)	(646)
Operating profit	1,276	2,445	4,732	6,276
Finance cost	(96)	(191)	(339)	(711)
Profit before tax	1,180	2,254	4,393	5,565
Tax expense	(305)	(626)	(1,214)	(1,436)
Profit for the period	875	1,628	3,179	4,129
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	875	1,628	3,179	4,129
Total comprehensive income attributable to the Owners of the Company	815	1,547	2,897	3,779
Non-controlling interests	60	81	282	350
	875	1,628	3,179	4,129
Weighted average no. of ordinary shares in issue ('000)	275,214	275,214	275,214	273,214
Earnings per share (sen):				
-Basic	0.30	0.56	1.05	1.38

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 30 SEPTEMBER 2022

	Unaudited As at 30 September 2022 RM'000	Audited As at 31 December 2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,709	17,738
Investment properties	990	998
Goodwill on consolidation	9,957	9,957
	<u>27,656</u>	<u>28,693</u>
Current assets		
Inventories	22,582	22,023
Trade receivables	34,014	41,101
Other receivables	9,018	5,571
Tax recoverable	146	30
Cash and bank balances	12,213	14,150
	<u>77,973</u>	<u>82,875</u>
TOTAL ASSETS	<u><u>105,629</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	33,264	32,018
	<u>73,665</u>	<u>72,419</u>
Non-controlling interests	1,890	1,608
Total equity	<u>75,555</u>	<u>74,027</u>
Non-current liabilities		
Lease liabilities	2,545	2,946
Borrowings	1,075	1,272
Deferred tax liabilities	1,082	1,049
	<u>4,702</u>	<u>5,267</u>
Current liabilities		
Trade payables	9,205	9,403
Other payables	5,282	7,460
Lease liabilities	993	942
Borrowings	9,872	14,248
Tax payable	20	221
	<u>25,372</u>	<u>32,275</u>
Total liabilities	<u>30,074</u>	<u>37,541</u>
TOTAL EQUITY AND LIABILITIES	<u><u>105,629</u></u>	<u><u>111,568</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.77	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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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
Dividend of RM0.006 per share in respect of FYE 31 December 2022 and paid on 22 July 2022	-	(1,651)	(1,651)	-	(1,651)
Total comprehensive income for the financial period	-	2,897	2,897	282	3,179
At 30 September 2022 (Unaudited)	<u>40,401</u>	<u>33,264</u>	<u>73,665</u>	<u>1,890</u>	<u>75,555</u>
At 1 January 2021	31,821	26,537	58,358	-	58,358
Issuing of 39,000,000 shares @ RM0.22 per unit	8,580	-	8,580	-	8,580
Acquisition of subsidiary	-	-	-	2,562	2,562
Total comprehensive income for the financial period	-	3,779	3,779	350	4,129
At 30 September 2021 (Unaudited)	<u>40,401</u>	<u>30,316</u>	<u>70,717</u>	<u>2,912</u>	<u>73,629</u>

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

	Current Period To Date Ended 30 September 2022 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 30 September 2021 (Unaudited) RM'000
OPERATING ACTIVITIES		
Profit before tax	4,393	5,565
Adjustments for:-		
- Non cash items	2,145	1,982
- Non-operating items	114	800
Operating profit before working capital changes	6,652	8,347
Changes in working capital		
Inventories	(449)	3,323
Receivables	2,936	(5,691)
Payables	(2,444)	(743)
Bill payables	(3,731)	(4,819)
Cash generated from operations	2,964	417
Tax paid	(1,499)	(995)
Tax refunded	1	-
Interest received	123	306
Interest paid	(222)	(94)
Net cash (used in) / from operating activities	1,367	(366)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(94)	(234)
Net outflow acquisition of equity interest in a subsidiary	-	1,701
Proceed from disposal of property, plant and equipment	143	15
Net cash from investing activities	49	1,482
FINANCING ACTIVITIES		
Repayment of revolving credit	(649)	(2,000)
Dividend paid	(1,651)	-
Interest paid	(117)	(617)
Repayment of term loans	(194)	(15)
Repayment of lease liabilities	(775)	(1,140)
Net cash used in financing activities	(3,386)	(3,772)
Net changes in cash and cash equivalents	(1,970)	(2,656)
Effect of exchange rate changes	33	92
Cash and cash equivalents at the beginning of the period	14,150	24,313
Cash and cash equivalents at the end of the period	12,213	21,749

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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: Initial Application of MFRS 17 and MFRS 9- Comparative Information 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 MRFS 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

A7. Profit for the period

Profit for the current quarter and period-to-date ended 30 September 2022 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	30.09.2022 RM'000	30.09.2022 RM'000
Other income including investment income	(186)	(423)
Interest income	(48)	(123)
Gain on disposal of property, plant & equipment	(48)	(143)
Reversal of inventory written down	(5)	(158)
Expected credit losses on trade receivables (net)	57	698
Interest expense	96	339
Depreciation	508	1,525
Net realised foreign exchange (gain) / loss	(35)	35
Net unrealised foreign exchange loss	71	40

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 30 September 2022	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from				
External customers	37,601	969	-	38,570
Inter-segment revenue	652	5,614	(6,266)	-
Total revenue	38,253	6,583	(6,266)	38,570
Profit before tax	1,038	142	-	1,180
Tax expense				(305)
Profit for the period				875

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

A8. Segmental information (cont'd)

Period to Date ended 30 September 2022	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from				
External customers	118,445	2,525	-	120,970
Inter-segment revenue	2,071	14,853	(16,924)	-
Total revenue	120,516	17,378	(16,924)	120,970
Profit before tax	3,912	481	-	4,393
Tax expense				(1,214)
Profit for the period				3,179

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

The material capital commitments of the Group as at 30 September 2022 are as follow:

	RM'000
Additions of Industrial Land	<u>6,750</u>

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 30/09/2022	As at 31/12/2021
	RM'000	RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to subsidiaries		
- Utilised	10,947	15,521
- Limit	57,437	57,437

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

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.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE AMLR

B1. Review of performance

	3QFY22	3QFY21	Variance	FY2022	FY2021	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	38,570	46,608	-17.25%	120,970	141,932	-14.77%
Operating Profit	1,276	2,445	-47.81%	4,732	6,276	-24.60%
Profit Before Interest And Tax	1,276	2,445	-47.81%	4,732	6,276	-24.60%
Profit Before Tax	1,180	2,254	-47.65%	4,393	5,565	-21.06%
Profit After Tax	875	1,628	-46.25%	3,179	4,129	-23.01%
Profit Attributable to Ordinary Equity Holders Of The Parent	815	1,547	-47.32%	2,897	3,779	-23.34%

The Group registered RM38.570 million revenue for the current quarter which represents decrease of RM8.038 million or 17.25% as compared to the revenue of RM46.608 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.180 million for the quarter under review which represents decrease of RM1.074 million or 47.65% as compared to the Group's profit before tax of RM2.254 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 RM37.601 million from the external customers and RM0.652 million from inter-company transactions and reported profit before tax of RM1.038 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM45.441 million from the external customers and RM1.145 million from inter-company transactions and reported profit before tax of RM1.701 million for the trading segment. The decrease in profit before tax for the trading segment for the current quarter was mainly due to lower revenue achieved.

The manufacturing segment registered revenue of RM0.969 million from the external customers and RM5.614 million from inter-company transactions and reported profit before tax of RM0.142 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM1.167 million from external customers and RM6.749 million from inter-company transactions and reported profit before tax of RM0.553 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 THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

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

	3QFY22	2QFY22	Variance
	RM'000	RM'000	%
Revenue	38,570	41,407	-6.85%
Operating Profit	1,276	1,388	-8.07%
Profit Before Interest And Tax	1,276	1,388	-8.07%
Profit Before Tax	1,180	1,253	-5.83%
Profit After Tax	875	919	-4.79%
Profit Attributable to Ordinary Equity Holders Of The Parent	815	848	-3.89%

For the quarter under review, the Group registered decrease in revenue of 6.85% from RM41.407 million to RM38.570 million and decrease in profit before tax of 5.83% from RM1.253 million to RM1.180 million as compared to preceding quarter ended 30 June 2022. The decrease in profit before tax was mainly attributable to lower revenue achieved. For the current quarter, trading segment achieved revenue of RM37.601 million and profit before tax of RM1.038 million as compared to revenue of RM39.982 million and profit before tax of RM0.937 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM0.969 million and reported profit before tax of RM0.142 million as compared to revenue of RM1.425 million and profit before tax of RM0.316 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 another 25 basis point by Bank Negara Malaysia recently, weakening of Ringgit Malaysia and geopolitical uncertainties weigh on the Group's margin while rising inflationary pressures which would reduce disposable income and adversely affect consumer sentiments are expected to soften the demand for our Group's products and services.

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.

Despite overall situations and business environment are still full of uncertainties and remain unpredictable, the Group is committed to the fulfillment of its obligations to steer through these tough times.

The Board believes that the Group's prospects for the financial year ending 31 December 2022 would remain profitable.

B4. Profit forecast

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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

B5. Tax expense

	Current quarter ended 30.09.2022 RM'000	Current period-to-date 30.09.2022 RM'000
Income tax		
-Current period	284	1,181
-Deferred taxation	21	33
	305	1,214

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 30 September 2022 were as follows:

	Total RM'000
<u>Short-term borrowings (secured):</u>	
Lease liabilities-finance lease	297
Bank borrowings	<u>9,872</u>
Total	<u><u>10,169</u></u>
	Total RM'000
<u>Long-term borrowings(secured):</u>	
Lease liabilities-finance lease	453
Bank borrowings	<u>1,075</u>
Total	<u><u>1,528</u></u>

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2022 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (CONT'D)

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.

B11. Material litigation

As at the date of this announcement, neither the Company nor any of its subsidiaries companies 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 companies 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

- a) No dividend has been proposed by the Board of Directors for the current quarter ended 30 September 2022.
- b) No interim dividend has been recommended for the previous period corresponding period ended 30 September 2021.

B13. Earnings per share

The basic earnings per share is calculated based on the Group's profit 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>30.09.2022</u>	<u>30.09.2021</u>	<u>30.09.2022</u>	<u>30.09.2021</u>
Profit attributable to owners of the Company (RM'000)	815	1,547	2,897	3,779
Weighted average number of ordinary shares in issue ('000)	275,214	275,214	275,214	273,214
Earnings per share (sen)				
- Basic	0.30	0.56	1.05	1.38

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

Date: 30 November 2022