

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 Sep 2015 RM'000	Preceding Period Corresponding Quarter Ended 30 Sep 2014 RM'000	Current Period To Date Ended 30 Sep 2015 RM'000	Preceding Period To Date Ended 30 Sep 2014 RM'000
Revenue	20,734	14,065	53,849	38,971
Cost of sales	(16,451)	(10,736)	(42,516)	(30,184)
Gross profit	4,283	3,329	11,333	8,787
Other income	380	76	762	333
Selling and distribution expenses	(938)	(459)	(2,553)	(1,864)
Administration expenses	(1,432)	(1,534)	(4,982)	(4,468)
Other expenses	37	(291)	(328)	(476)
Operating profit	2,330	1,121	4,232	2,312
Finance cost	(109)	(75)	(301)	(195)
Profit before tax	2,221	1,046	3,931	2,117
Tax expense	(599)	(443)	(1,169)	(713)
Profit for the period	1,622	603	2,762	1,404
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,622	603	2,762	1,404
Total comprehensive income attributable to the Owners of the Company	1,624	623	2,766	1,496
Non-controlling interests	(2)	(20)	(4)	(92)
	1,622	603	2,762	1,404
Weighted average no. of ordinary shares in issue ('000)	203,939	188,000	193,371	188,000
Earnings per share (sen):				
-Basic	0.80	0.33	1.43	0.80
-Diluted	0.80	0.33	1.43	0.80

Note:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended ("FYE") 31 December 2014 and the accompanying explanatory notes attached to the interim financial statements.

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015**

	Unaudited As at 30 Sep 2015	Audited As at 31 December 2014
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,847	11,306
Deferred tax assets	246	394
	<u>12,093</u>	<u>11,700</u>
Current assets		
Inventories	10,178	7,635
Trade receivables	23,071	18,854
Other receivables	554	1,453
Cash and bank balances	5,971	4,214
	<u>39,774</u>	<u>32,156</u>
TOTAL ASSETS	<u><u>51,867</u></u>	<u><u>43,856</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	20,680	18,800
Share premium	4,477	2,691
Unappropriated profit	13,260	11,434
	<u>38,417</u>	<u>32,925</u>
Non-controlling interests	(142)	(138)
Total equity	<u><u>38,275</u></u>	<u><u>32,787</u></u>
Non-current liabilities		
Finance lease liabilities	288	183
Borrowings	2,488	2,488
Deferred tax liabilities	16	18
	<u>2,792</u>	<u>2,689</u>
Current liabilities		
Trade payables	2,715	3,257
Other payables	2,278	1,355
Finance lease liabilities	49	111
Borrowings	5,251	3,438
Tax payables	507	219
	<u>10,800</u>	<u>8,380</u>
Total liabilities	<u><u>13,592</u></u>	<u><u>11,069</u></u>
TOTAL EQUITY AND LIABILITIES	<u><u>51,867</u></u>	<u><u>43,856</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	18.58	17.51

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2014.

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Attributable to Equity Holders of the Company					
	<u>Non-Distributable</u>		<u>Distributable</u>		Non-controlling interests RM'000	Total equity RM'000
	Share Capital RM'000	Share Premium RM'000	Unappropriated Profit RM'000	Total RM'000		
At 1 January 2014	18,800	2,691	8,973	30,464	(96)	30,368
Total comprehensive income for the financial period	-	-	1,496	1,496	(92)	1,404
Rounding adjustment	-	-	-	-	1	1
Dividend of 0.3% per share	-	-	(564)	(564)	-	(564)
At 30 Sep 2014 (Unaudited)	<u>18,800</u>	<u>2,691</u>	<u>9,905</u>	<u>31,396</u>	<u>(187)</u>	<u>31,209</u>
At 1 January 2015	18,800	2,691	11,434	32,925	(138)	32,787
Private Placement	1,880	1,786	-	3,666	-	3,666
Total comprehensive income for the financial period	-	-	2,766	2,766	(4)	2,762
Dividend of 0.5% per share	-	-	(940)	(940)	-	(940)
At 30 Sep 2015	<u>20,680</u>	<u>4,477</u>	<u>13,260</u>	<u>38,417</u>	<u>(142)</u>	<u>38,275</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 2014.

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015**

	Current Period To Date Ended 30 Sep 2015 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 31 Dec 2014 (Audited) RM'000
OPERATING ACTIVITIES		
Profit before tax	3,931	4,122
Adjustments for:-		
- Non cash items	749	1,105
- Non-operating items	239	204
Operating profit before working capital changes	4,919	5,431
Changes in working capital		
Inventories	(2,552)	(1,945)
Receivables	(3,714)	(1,695)
Payables	650	961
Bill payables	2,020	657
Cash generated from operations	1,323	3,409
Tax expense paid	(734)	(843)
Tax refund	-	19
Interest paid	(180)	(102)
Net cash from operating activities	409	2,483
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,195)	(222)
Proceed from disposal of property, plant and equipment	43	10
Interest received	59	67
Net cash used in investing activities	(1,093)	(145)
FINANCING ACTIVITIES		
Dividend paid on ordinary shares	(940)	(564)
Interest paid	(121)	(170)
Proceeds from issuance of shares pursuant to private placement	3,666	-
Repayment of term loan	(207)	(401)
Repayment of finance lease liabilities	43	(108)
Net cash used in financing activities	2,441	(1,243)
Net Changes In Cash And Cash Equivalents	1,757	1,095
Cash And Cash Equivalents At The Beginning Of The Period	4,214	3,119
Cash And Cash Equivalents At The End Of The Period	5,971	4,214

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2014.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015

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

A1. Basis of reporting 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 ("ACE LR").

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2014 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 2014.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by Malaysian Accounting Standards Board ("MASB") with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the relevant new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2015.

The Directors anticipate that the adoption of new and revised MFRSs and IC Interpretations will have no material 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 2014.

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 year-to-date.

A5. Items of unusual nature and amount

There were no unusual items affecting assets, liabilities, equity, net income or cash flow of the Group during the quarter under review and current year-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 2015 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (CONT'D)

A7. Profit for the period

Profit for the current quarter and period-to-date ended 30 Sep 2015 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	30 Sep 2015 RM'000	30 Sep 2015 RM'000
Other income including investment income	(147)	(559)
Unrealised foreign exchange gain	156	143
Interest expense	109	301
Interest income	(25)	(59)
Depreciation	216	655
Inventories written down	-	197
Reversal of inventories written down	(41)	(189)

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 30 Sep 2015	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from				
External customers	16,905	3,829	-	20,734
Inter-segment revenue	2,727	5,325	(8,052)	-
Total revenue	19,632	9,154	(8,052)	20,734
Profit before tax	1,513	708	-	2,221
Tax expense				(599)
Profit for the period				1,622

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2015 (CONT'D)

A8. Segmental information (cont'd)

Period to Date ended 30 Sep 2015	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	47,500	6,349	-	53,849
Inter-segment revenue	6,375	15,051	(21,426)	-
Total revenue	53,875	21,400	(21,426)	53,849
Profit before tax	3,059	872	-	3,931
Tax expense				(1,169)
Profit for the period				2,762

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

As at the reporting date, there were no outstanding capital commitments not provided for in the interim financial report.

A11. Material subsequent event

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected.

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

There were no contingent liabilities and contingent assets, which upon becoming enforceable may have a material effect on the net assets, profits or financial position of the Group for the current quarter and current year-to-date under review.

A14. Significant related party transactions

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2014, 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, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and current year-to-date under review.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE ACE LR

B1. Review of performance

The Group registered RM20.734 million revenue for the current quarter which represents an increase of RM6.669 million or 47.42% as compared to the revenue of RM14.065 million in the previous period's corresponding quarter. The Group registered profit before tax of RM2.221 million for the quarter under review which represents an increase of RM1.175 million or 112.33% as compared to the Group's profit before tax of RM1.046 million reported in the previous period's corresponding quarter. Profit before tax improved due to higher revenue recorded despite of lower gross margin achieved.

For the current quarter, trading segment registered revenue of RM16.905 million from the external customers and RM2.727 million from inter-company transaction and reported profit before tax of RM1.513 million for the quarter under review. In the previous quarter, the group achieved revenue of RM14.259 million from the external customers and RM1.857 million from inter-company transaction and reported profit before tax of RM0.786 million for the trading segment. The increase in profit before tax for the trading segment for the current quarter was mainly due to higher revenue achieved together with lower operating expenses incurred.

The manufacturing segment registered revenue of RM3.829 million from the external customers and RM5.325 million from inter-company transaction and reported profit before tax of RM0.708 million for the quarter under review. In the previous quarter, the Group achieved revenue of RM1.873 million from external customers and RM4.232 million from inter-company transaction and reported profit before tax of RM0.093 million for the manufacturing segment. The significant increase in profit before tax for the manufacturing segment for the current quarter was mainly attributable to higher revenue achieved couple with higher gross margin achieved..

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

For the quarter under review, the Group registered increase in revenue of 28.53% from RM16.132 million to RM20.734 million and increase in profit before tax of 28.53% from RM0.879 million to RM2.221 million as compared to preceding quarter ended 30 June 2015. The significant increase in profit before tax was mainly attributable to higher revenue achieved couple with higher gross margin achieved as compared with previous quarter. For the current quarter, trading segment achieved revenue of RM16.905 million and profit before tax of RM1.513 million as compared to revenue of RM14.259 million and profit before tax of RM0.786 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM3.829 million and reported profit before tax of RM0.708 million as compared to revenue of RM1.873 million and profit before tax of RM0.093 million in the previous quarter.

B3. Prospects

While we are keeping a keen eye on the current projects that we have at hand we are still looking forwards the future as we continue focus on manufacturing, distribution and trading of animal health and nutrition products with but also further develop in the current market and pursue increased market share in the export market. We also intend to venture into aquaculture and ruminant sector and will continue to obtain GMP compliance to achieve higher quality standards for all products. Despite the current challenging business environment, barring any unforeseen circumstances, the Board of Directors expects the performance of the Group to remain satisfactory in the future.

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 2015 (CONT'D)

B5. Tax expense

	Current quarter ended 30 Sep 2015 RM'000	Current year to-date 30 Sep 2015 RM'000
Income tax		
- Current period	476	1,023
-Deferred Tax	<u>123</u>	<u>146</u>
	<u>599</u>	<u>1,169</u>

The Group's effective tax rate for the current quarter and current year-to-date were higher than the statutory rate due to losses incurred by the investment holding company and subsidiaries.

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. (a) Status of corporate proposals

There was no corporate proposal announced but not completed as at the date of this quarterly report.

(b) Status of utilisation of proceeds of Private Placement

The gross proceeds of RM3.666 million from the private placement exercise which was completed on 14 July 2015 have been utilised in the following manner:

Purposes	Proposed utilisation	Actual utilisation as at 30.9.2015	Balance to be utilised		Reasons for deviation
	RM'000	RM'000	RM'000	%	
(i) Working capital	3,566	1,500	2,066	57.94%	(1)
(ii) Estimated listing expenses	100	89	11	11.00%	(2)
	<hr/> 3,666	<hr/> 1,589	<hr/> 2,077	<hr/> 56.66%	

Notes:

- (1) The approved time frame for utilisation is within twelve (12) months from the date of listing i.e. by 13 July 2016.
- (2) The actual amount utilised to defray expenses was lower than the estimated expenses. The difference of RM11,000 shall be adjusted to be allocated for working capital.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (CONT'D)

B9. Group borrowings and debts securities

The Group's borrowings as at 30 Sep 2015 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:</u>			
Finance lease liabilities	-	49	49
Bank borrowings	<u>5,251</u>	<u>-</u>	<u>5,251</u>
Total	<u>5,251</u>	<u>49</u>	<u>5,300</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings:</u>			
Finance lease liabilities	-	288	288
Bank borrowings	<u>2,488</u>	<u>-</u>	<u>2,488</u>
Total	<u>2,488</u>	<u>288</u>	<u>2,776</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.

B11. Material litigation

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

B12. Dividends

- a) No interim dividend has been recommended for the financial quarter ended 30 Sep 2015 and previous year's corresponding period ended 30 Sep 2014.
- b) There was no dividend paid during the financial quarter ended 30 Sep 2015 and previous year's corresponding period ended 30 Sep 2014.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2015 (CONT'D)

B13. Earnings per share

The basic and diluted 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:

	Quarter Ended		Year To Date Ended	
	30 Sep 2015	30 Sep 2014	30 Sep 2015	30 Sep 2014
Comprehensive income attributable to owners of the Company (RM'000)	1,622	603	2,762	1,404
Weighted average number of ordinary shares in issue ('000)	203,939	188,000	193,371	188,000
Earnings per share (sen)				
- Basic	0.80	0.33	1.43	0.80
- Diluted	0.80	0.33	1.43	0.80

B14. Supplementary information on the disclosure of realised and unrealised profit

The amount of realised and unrealised profits included in the retained profits of the Group are as follows:

	Unaudited as at 30 Sep 2015 RM'000	Audited as at 31 Dec 2014 RM'000
Realised retained earnings	23,430	21,369
Unrealized retained earnings	230	376
	23,660	21,745
Less: Consolidated adjustments	(10,400)	(10,311)
Total group retained earnings	<u>13,260</u>	<u>11,434</u>

By Order of the Board
 PeterLabs Holdings Berhad
 Wong Keo Rou (MAICSA 7021435)
 Company Secretary
 Kuala Lumpur

Date: 24 November 2015