

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 December 2020 RM'000	Preceding Period Corresponding Quarter Ended 31 December 2019 RM'000	Current Period To Date Ended 31 December 2020 RM'000	Preceding Period To Date Ended 31 December 2019 RM'000
Revenue	18,972	24,368	80,026	96,234
Cost of sales	(15,323)	(19,818)	(64,941)	(78,282)
Gross profit	3,649	4,550	15,085	17,952
Other income	635	555	2,534	1,309
Selling and distribution expenses	(802)	(900)	(2,607)	(3,325)
Administration expenses	(2,252)	(2,187)	(9,019)	(8,879)
Other expenses	(51)	(379)	(295)	(826)
Operating profit	1,179	1,639	5,698	6,231
Finance cost	(44)	(135)	(269)	(522)
Profit before tax	1,135	1,504	5,429	5,709
Tax expense	(183)	(214)	(1,574)	(1,434)
Profit for the period	952	1,290	3,855	4,275
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	952	1,290	3,855	4,275
Total comprehensive income attributable to the Owners of the Company	952	1,290	3,855	4,275
Weighted average no. of ordinary shares in issue ('000)	236,214	214,740	236,214	214,740
Earnings per share (sen):				
-Basic	0.40	0.60	1.63	1.99

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 2019 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 DECEMBER 2020

	Unaudited As at 31 December 2020 RM'000	Audited As at 31 December 2019 RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	15,345	16,630
	<u>15,345</u>	<u>16,630</u>
Current assets		
Inventories	10,024	14,550
Trade receivables	21,720	26,347
Other receivables	2,042	390
Tax recoverable	34	39
Cash and bank balances	24,313	14,775
	<u>58,133</u>	<u>56,101</u>
TOTAL ASSETS	<u><u>73,478</u></u>	<u><u>72,731</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	31,821	27,459
Unappropriated profits	26,504	25,011
Total equity	<u>58,325</u>	<u>52,470</u>
Non-current liabilities		
Lease liabilities	1,139	1,133
Borrowings	-	16
Deferred tax liabilities	663	350
	<u>1,802</u>	<u>1,499</u>
Current liabilities		
Trade payables	3,481	5,851
Other payables	5,753	5,192
Lease liabilities	347	593
Borrowings	3,769	6,791
Tax payable	1	335
	<u>13,351</u>	<u>18,762</u>
Total liabilities	<u>15,153</u>	<u>20,261</u>
TOTAL EQUITY AND LIABILITIES	<u><u>73,478</u></u>	<u><u>72,731</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	24.69	24.43

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2019.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020**

	Attributable to Equity Holders of the Company		
	<u>Non-Distributable</u>	<u>Distributable</u>	Total
	Share Capital RM'000	Unappropriated Profits RM'000	Equity RM'000
At 1 January 2020	27,459	25,011	52,470
Proceeds from private placement (Net)	4,362	-	4,362
Total comprehensive income for the financial period	-	3,855	3,855
Dividend of RM 0.01 per share in respect of financial year ended 31 December 2020 paid on 9 October 2020	-	(2,362)	(2,362)
At 31 December 2020 (Unaudited)	31,821	26,504	58,325
At 1 January 2019	27,459	20,804	48,263
Effect of adoption of MFRS 16	-	(68)	(68)
Total comprehensive income for the financial period	-	4,275	4,275
At 31 December 2019 (Audited)	27,459	25,011	52,470

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 2019.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

	Current Period To Date Ended 31 December 2020 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 31 December 2019 (Audited) RM'000
OPERATING ACTIVITIES		
Profit before tax	5,429	5,709
Adjustments for:-		
- Non cash items	1,519	2,511
- Non-operating items	(236)	379
Operating profit before working capital changes	6,712	8,599
Changes in working capital		
Inventories	5,014	10,516
Receivables	3,007	(2,950)
Payables	(1,837)	(2,757)
Revolving credit	-	3,349
Bill payables	(1,788)	(1,106)
Cash generated from operations	11,108	15,651
Tax expense paid	(1,590)	(1,765)
Tax refunded	-	107
Interest received	360	142
Interest paid	(107)	(354)
Net cash from operating activities	9,771	13,781
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(384)	(22)
Proceed from disposal of property, plant and equipment	214	-
Net cash used in investing activities	(170)	(22)
FINANCING ACTIVITIES		
Dividend paid	(2,362)	-
Proceeds from private placement (Net)	4,361	-
Repayment of revolving credit	(700)	-
Interest paid	(161)	(168)
Repayment of term loans	(550)	(3,844)
Repayment of lease liabilities	-	(576)
Repayment of finance lease liabilities	(620)	-
Net cash from / (used) in financing activities	(32)	(4,588)
Net changes in cash and cash equivalents	9,569	9,171
Effect of exchange rate changes	(31)	9
Cash and cash equivalents at the beginning of the period	14,775	5,595
Cash and cash equivalents at the end of the period	24,313	14,775

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2019.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020

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 (“ACE LR”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2019 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 2019 except for the adoption of the following Amendments to MFRSs during the current financial period:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 Definition of a Business
- Amendments to MFRS 101 and MFRS 108 Definition of Material
- Amendments to MFRS 9, MFRS 139 and MFRS 7 Interest Rate Benchmark Reform
- Amendments to MFRS 16 Leases Covid-19 – Related Rent Concessions

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:

Amendments to MFRSs		Effective for annual periods beginning on or after
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment Proceeds before Intended Use	1 January 2022
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2022
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between on Investor and its Associate or Joint Venture	Yet to be confirmed

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 2019.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 (CONT'D)

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.

A7. Profit for the period

Profit for the current quarter and period-to-date ended 31 December 2020 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	31.12.2020 RM'000	31.12.2020 RM'000
Other income including investment income	(338)	(1,488)
Interest income	(95)	(360)
Expected credit losses on trade receivables (net)	(3)	(31)
Gain on disposal of property, plant and equipment	(17)	(153)
Reversal of inventories written down	(187)	(490)
Interest expense	44	269
Depreciation	479	1,981
Net realised foreign exchange loss	44	195
Net unrealised foreign exchange (gain) / loss	(1)	59

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 (CONT'D)

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 31 December 2020	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	18,714	258	-	18,972
Inter-segment revenue	1,104	6,738	(7,842)	-
Total revenue	19,818	6,996	(7,842)	18,972
Profit before tax	808	327	-	1,135
Tax expense				(183)
Profit for the period				952

Period to Date ended 31 December 2020	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	74,916	5,110	-	80,026
Inter-segment revenue	4,114	25,006	(29,120)	-
Total revenue	79,030	30,116	(29,120)	80,026
Profit before tax	3,990	1,439	-	5,429
Tax expense				(1,574)
Profit for the period				3,855

A9. Valuation of property, plant and equipment

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 (CONT'D)

A10. Capital commitments

Authorised capital expenditure not provided for the interim financial report as at the end of the current quarter was as follows:

	As at 31/12/2020 (Unaudited) RM'000
Authorised and contracted but not provided for:	
Acquisition of 60 % equity interest in Thye On Tong Trading Sdn Bhd	9,720

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 31/12/2020 RM'000	As at 31/12/2019 RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to Subsidiaries		
- Utilised	3,769	6,807
- Limit	21,897	21,897

A14. Significant related party transactions

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2019, 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.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE ACE LR

B1. Review of performance

	4QFY20	4QFY19	Variance	FY2020	FY2019	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	18,972	24,368	-22.14%	80,026	96,234	-16.84%
Operating Profit	1,179	1,639	-28.07%	5,698	6,231	-8.55%
Profit Before Interest And Tax	1,179	1,639	-28.07%	5,698	6,231	-8.55%
Profit Before Tax	1,135	1,504	-24.53%	5,429	5,709	-4.90%
Profit After Tax	952	1,290	-26.20%	3,855	4,275	-9.82%
Profit Attributable to Ordinary Equity Holders Of The Parent	952	1,290	-26.20%	3,855	4,275	-9.82%

The Group registered RM18.972 million revenue for the current quarter which represents decrease of RM5.396 million or 22.14% as compared to the revenue of RM24.368 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.135 million for the quarter under review which represents decrease of RM0.369 million or 24.53% as compared to the Group's profit before tax of RM1.504 million reported in the previous period's corresponding quarter. Profit before tax decreased due to lower revenue achieved.

For the current quarter, trading segment registered revenue of RM18.714 million from the external customers and RM1.104 million from inter-company transactions and reported profit before tax of RM0.808 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM23.845 million from the external customers and RM1.665 million from inter-company transactions and reported profit before tax of RM1.290 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 RM0.258 million from the external customers and RM6.738 million from inter-company transactions and reported profit before tax of RM0.327 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM0.523 million from external customers and RM6.922 million from inter-company transactions and reported profit before tax of RM0.214 million for the manufacturing segment. The increase in profit before tax for the manufacturing segment for the current quarter was mainly due to higher gross profit margin achieved coupled with lower operating expenses incurred.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

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

	4QFY20	3QFY20	Variance
	RM'000	RM'000	%
Revenue	18,972	20,149	-5.84%
Operating Profit	1,179	1,853	-36.37%
Profit Before Interest And Tax	1,179	1,853	-36.37%
Profit Before Tax	1,135	1,793	-36.70%
Profit After Tax	952	1,228	-22.48%
Equity Holders Of The Parent	952	1,228	-22.48%

For the quarter under review, the Group registered decrease in revenue of 5.84% from RM20.149 million to RM18.972 million and decrease in profit before tax of 36.70% from RM1.793 million to RM1.135 million as compared to preceding quarter ended 30 September 2020. The decrease in profit before tax was mainly attributable to higher operation expenses incurred coupled with lower revenue achieved. For the current quarter, trading segment achieved revenue of RM18.714 million and profit before tax of RM0.808 million as compared to revenue of RM18.529 million and profit before tax of RM1.305 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM0.258 million and reported profit before tax of RM0.327 million as compared to revenue of RM1.620 million and profit before tax of RM0.488 million in the previous quarter.

B3. Prospects

The Board anticipates continuous business disruptions arising from the impact of the new waves of Covid19 incidents nationwide, compounded by some pressure from unfavourable exchange rates, higher prices for some raw materials and slow collection.

With the approval granted from shareholders on the recently held EGM which allowed the Company to proceed on the Proposed Acquisition of 60% equity interest in Thye On Tong Trading Sdn Bhd, coupled with the Proposed Diversification which the Management is of the view that such corporate action will contribute positively to the Group future earnings and further improve the financial position of the Group.

B4. Profit forecast

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

B5. Tax expense

	Current quarter ended 31.12.2020 RM'000	Current period-to-date 31.12.2020 RM'000
Income tax		
-Current period	(9)	1,223
-Under provision in previous year	38	38
-Deferred taxation	154	313
	183	1,574

The Group's effective tax rate for the current quarter is lower than the statutory rate mainly due to certain expenses were deductible for tax purposes.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

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

Save as disclosed below, there were no other corporate proposals announced but not completed as at the date of this report:

- a) On 13 July 2020, Alliance Investment Bank Berhad (“AIBB”) had, on behalf of the Board, announced that the Company proposes to undertake a private placement of up to 21,473,990 new ordinary shares in Peterlabs Holdings Berhad (“PHB”), representing approximately ten percent (10%) of the total number of issued shares of PHB (“Proposed Private Placement”)

Further to the above, on 14 July 2020 AIBB had, on behalf of the Board of Directors of PHB, announced that the additional listing application for the listing of and quotation for the Placement Shares to be issued pursuant to the Proposed Private Placement has been submitted to Bursa Malaysia Securities Berhad (“Bursa Securities”) on 14 July 2020.

In addition to that, on 21 July 2020, AIBB had on behalf of the Board provided additional information in relation to the utilisation of proceeds from the Proposed Private Placement as follows:

Details of utilisation	RM'000	Estimated timeframe for utilisation (from the date of listing of the Placement Shares)
Investment in new business	3,000	Within 12 months
Working capital	1,165	Within 12 months
Estimated expenses in relation to the Proposed Private Placement	130	Upon completion of the Proposed Private Placement
Total gross proceeds raised from the Proposed Private Placement	<u>4,295</u>	

In addition to that, on behalf of the Board of Directors of PHB, AIBB announced on 23 July 2020 that the Bursa Securities had approved up to 21,473,990 Placement Shares to be issued pursuant to the Proposed Private Placement subject to the following conditions:

- (i) PHB and AIBB must fully comply with the relevant provisions under the ACE Market Listing Requirements pertaining to the implementation of the Proposed Private Placement;
- (ii) PHB and AIBB to inform Bursa Securities upon the completion of the Proposed Private Placement; and

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

B8. Status of corporate proposals (cont'd)

(iii) PHB to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the Proposed Private Placement is completed.

In addition to that, on behalf of the Board of Directors of PHB, AIBB announced on 19 August 2020 that the Board had fixed the issue price for the entire 21,473,990 Placement Shares ("Issue Price") at RM0.2060 per share. The Issue Price represents a discount of RM0.0225 or approximately 9.85% to the 5-day volume weighted average market price of the PHB Shares up to and including 18 August 2020, being the last market day immediately preceding the Price-Fixing Date of RM0.2285 per PHB Share.

In addition to that, on behalf of the Board of Directors of PHB, AIBB announced on 26 August 2020 that the Private Placement has been completed following the listing of and quotation for the entire 21,473,990 Placement Shares on the ACE Market of Bursa Malaysia Securities Berhad.

The gross proceeds of RM4.424 million from the private placement exercise which was completed on 26 August 2020 have been utilised in the following manner:

Purposes	Proposed utilisation	Actual proceeds raised	Actual utilisation	Balance to be utilised		Estimated timeframe for the utilisation of proceeds (from the date of listing of the Placement Shares)
	*	#		RM'000	RM'000	
	RM'000	RM'000	RM'000	RM'000	%	
Investment in new business	3,000	3,000	1,080	1,920	64.00%	Within 12 months
Working capital	1,165	1,294	-	1,294	100.00%	Within 12 months
Estimated listing expenses	130	130	62	68	52.31%	The surplus shall be adjusted to be allocated for working capital.
	4,295	4,424	1,142	3,282	74.12%	

Notes:

* As per announcement dated 21 July 2020

As per announcement dated 26 August 2020

- b) On behalf of the Board of Directors of PHB ("Board"), AIBB announced on 22 July 2020 that the Company proposes to undertake:-
- (i) the proposed acquisition of 60% equity interest in Thye On Tong Trading Sdn Bhd ("TOT") from the Vendors for a purchase consideration of RM10,800,000 to be satisfied via combination of Cash Consideration and issuance of the Consideration Shares; and
 - (ii) the proposed diversification of the existing business of PHB Group to include the distribution of consumer goods in conjunction with the Proposed Acquisition.

The Proposals are subject to the following approvals being obtained from the following parties:-

- (i) Bursa Securities for the listing of and quotation for the Consideration Shares on the ACE Market of Bursa Securities, in relation to the Proposed Acquisition;

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

B8. Status of corporate proposals (cont'd)

- (ii) the shareholders of the Company for the issuance of the Consideration Shares at an EGM to be convened, in relation to the Proposed Acquisition;
- (iii) the shareholders of the Company for the Proposed Diversification; and
- (iv) any other relevant authorities, if required.

The Proposed Acquisition and the Proposed Diversification are inter-conditional. However, the Proposals are not conditional upon any other corporate exercise undertaken or to be undertaken by the Company.

- c) On behalf of the Board of Directors of PHB (“Board”), AIBB announced on 14 August 2020 that the additional listing application for the listing of and quotation for the Consideration Shares to be issued pursuant to the Proposed Acquisition has been submitted to Bursa Malaysia Securities Berhad on 14 August 2020.
- d) On behalf of the Board of Directors of PHB (“Board”), AIBB announced on 2 September 2020 that pursuant to Rule 10.02(g) of the Listing Requirements, the highest percentage ratio applicable to the Proposed Acquisition is 31.31% calculated based on the audited total assets of TOT compared with the audited total assets of the PHB Group.

On 28 September 2020, PHB shareholders have approved the Proposed Acquisition and the Proposed Diversification with 100% of voted shares accepted.

- e) On behalf of the Board of Directors of PHB (“Board”), AIBB announced on 4 January 2021 that PHB and the Vendors had on 1 January 2021 agreed to waive one of the conditions precedent in the SSA (“CP Waiver”), which is set out as follow:-

The execution of sale and purchase agreements for the sale of the following properties (“Properties”) at the agreed purchase price of RM1,800,000 to Datuk Loh Saw Foong and Datin Lin Ching Yein and/or such investment holding company as may be nominated by them (“SPAs”) and the fulfillment of all conditions precedent to the SPAs for the Properties:-

- property held under land title Geran 71175, Lot 1143 including buildings thereon erected with postal address of No. 13, Jalan Yam Tuan, 70000 Seremban, Negeri Sembilan and No. 14, Jalan Siow Loong Hin, 70000 Seremban, Negeri Sembilan;
- property held under land title Geran 148866, Lot 9009 including buildings thereon erected with postal address of No. 27, Jalan Lombong Emas 4, Seremban Light Industrial Park, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan;
- property held under land title Geran 148867, Lot 9010 including buildings thereon erected with postal address of No. 29, Jalan Lombong Emas 4, Seremban Light Industrial Park, Jalan Tun Dr. Ismail, 70200 Seremban, Negeri Sembilan; and
- property held under land title Geran 179040, Lot 14008 including buildings thereon erected with postal address of No. 157, Jalan Bukit Intan 4, Taman Bukit Intan, Off Jalan Labu, 70200 Seremban, Negeri Sembilan,

(referred to as the “Said CP”).

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

B8. Status of corporate proposals (cont'd)

In view that the parties to the SPAs in respect of the Properties will require more time to complete the transactions, the Company has agreed to allow for the completion of the SSA despite the non-fulfilment of the Said CP with the undertaking from each of the Vendors that SPAs will be completed within 60 days from 1 January 2021 unless otherwise mutually agreed by the Company and the Vendors (“Undertaking”) with all costs and expenses with respect to the transfer of Properties pursuant to the SPAs to be borne by the Vendors.

The Vendors each irrevocably and unconditionally agree to fully indemnify and keep the Purchaser fully indemnified in the event of breach of the Undertaking.

Pursuant to the CP Waiver, PHB and the Vendors have mutually agreed and confirmed that all the conditions precedent to the SSA have been fulfilled. Accordingly, the SSA has become unconditional.

B9. Group borrowings and debts securities

The Group’s borrowings as at 31 December 2020 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:</u>			
Lease liabilities - (Finance)	-	310	310
Bank borrowings	<u>3,769</u>	-	<u>3,769</u>
Total	<u>3,769</u>	<u>310</u>	<u>4,079</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings:</u>			
Lease liabilities - (Finance)	<u>-</u>	<u>563</u>	<u>563</u>
Total	<u>-</u>	<u>563</u>	<u>563</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.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2020 (CONT'D)

B12. Dividends

- (a) The directors declared an interim single-tier tax exempt dividend of 1 sen per ordinary share amounting to RM 2.362 million, in respect of the financial year ended 31 December 2020. The interim dividend paid on 09 October 2020. Such dividend will accounted for in shareholders' equity as an appropriation of unappropriated profits in the financial year ending 31 December 2020
- (b) No interim dividend has been recommended for the previous year's corresponding period ended 31 December 2019

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>31.12.2020</u>	<u>31.12.2019</u>	<u>31.12.2020</u>	<u>31.12.2019</u>
Comprehensive income attributable to owners of the Company (RM'000)	952	1,290	3,855	4,275
Weighted average number of ordinary shares in issue ('000)	236,214	214,740	236,214	214,740
Earnings per share (sen)				
- Basic	0.40	0.60	1.63	1.99

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

Date: 15 March 2021