

**PETERLABS HOLDINGS BERHAD (Company No. 909720-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2018 RM'000	Preceding Period Corresponding Quarter Ended 31 March 2017 RM'000	Current Period To Date Ended 31 March 2018 RM'000	Preceding Period To Date Ended 31 March 2017 RM'000
<b>Revenue</b>	21,540	23,109	21,540	23,109
Cost of sales	(17,348)	(18,880)	(17,348)	(18,880)
<b>Gross profit</b>	4,192	4,229	4,192	4,229
Other income	492	247	492	247
Selling and distribution expenses	(908)	(1,248)	(908)	(1,248)
Administration expenses	(2,141)	(1,769)	(2,141)	(1,769)
Other expenses	(55)	(64)	(55)	(64)
<b>Operating profit</b>	1,580	1,395	1,580	1,395
Finance cost	(227)	(137)	(227)	(137)
<b>Profit before tax</b>	1,353	1,258	1,353	1,258
Tax expense	(351)	(376)	(351)	(376)
<b>Profit for the period</b>	1,002	882	1,002	882
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,002	882	1,002	882
Total comprehensive income attributable to the Owners of the Company	1,002	882	1,002	882
Weighted average no. of ordinary shares in issue ('000)	214,740	206,800	214,740	206,800
Earnings per share (sen):				
-Basic	0.47	0.43	0.47	0.43

## 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 2017 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 31 MARCH 2018**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March 2018</b>	<b>31 December 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	18,434	18,711
	<u>18,434</u>	<u>18,711</u>
<b>Current assets</b>		
Inventories	26,767	17,239
Trade receivables	22,267	23,458
Other receivables	639	2,443
Tax recoverable	125	38
Cash and bank balances	10,573	7,033
	<u>60,371</u>	<u>50,211</u>
<b>TOTAL ASSETS</b>	<u><u>78,805</u></u>	<u><u>68,922</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	27,459	27,459
Unappropriated profits	17,996	18,282
<b>Total equity</b>	<u>45,455</u>	<u>45,741</u>
<b>Non-current liabilities</b>		
Finance lease liabilities	737	811
Borrowings	4,148	4,380
Deferred tax liabilities	654	711
	<u>5,539</u>	<u>5,902</u>
<b>Current liabilities</b>		
Trade payables	7,624	4,261
Other payables	5,688	4,225
Finance lease liabilities	292	288
Borrowings	13,800	8,342
Tax payable	407	163
	<u>27,811</u>	<u>17,279</u>
<b>Total liabilities</b>	<u>33,350</u>	<u>23,181</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>78,805</u></u>	<u><u>68,922</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	21.17	21.30

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2017.

**PETERLABS HOLDINGS BERHAD (Company No. 909720-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	Attributable to Equity Holders of the Company			
	<u>Non-Distributable</u>		<u>Distributable</u>	
	Share Capital RM'000	Share Premium RM'000	Unappropriated Profit RM'000	Total equity RM'000
At 1 January 2018	27,459	-	18,282	45,741
Total comprehensive income for the financial period	-	-	1,002	1,002
Dividend of RM0.6 sen per share in respect of financial year ended 31 December 2017 and paid on 9 February 2018	-	-	(1,288)	(1,288)
At 31 March 2018 (Unaudited)	27,459	-	17,996	45,455
At 1 January 2017	20,680	4,477	14,274	39,431
Adjustment for effect of Companies Act 2016 ( <b>Note A</b> )	4,477	(4,477)		
Total comprehensive income for the financial period	-	-	882	882
At 31 March 2017 (Unaudited)	25,157	-	15,156	40,313

**Note A**

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credit standing in the share premium account of RM4.477 million has been transferred to the share capital account. Pursuant to subsection 618 (3) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium account within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

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 2017.

**PETERLABS HOLDINGS BERHAD (Company No. 909720-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

	<b>Current Period To Date Ended 31 March 2018 (Unaudited) RM'000</b>	<b>Preceding Year Corresponding Period Ended 31 March 2017 (Unaudited) RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	1,353	1,258
Adjustments for:-		
- Non cash items	388	173
- Non-operating items	194	112
<b>Operating profit before working capital changes</b>	<b>1,935</b>	<b>1,543</b>
Changes in working capital		
Inventories	(9,504)	551
Receivables	3,010	1,646
Payables	4,821	1,639
Bill payables	5,434	(901)
<b>Cash generated from operations</b>	<b>5,696</b>	<b>4,478</b>
Tax expense paid	(251)	(486)
Interest received	32	24
Interest paid	(145)	(46)
<b>Net cash from operating activities</b>	<b>5,332</b>	<b>3,970</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(144)	(27)
<b>Net cash used in investing activities</b>	<b>(144)</b>	<b>(27)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid on ordinary shares	(1,288)	(1,448)
Interest paid	(82)	(91)
Repayment of term loan	(208)	(202)
Repayment of finance lease liabilities	(70)	(74)
<b>Net cash used in financing activities</b>	<b>(1,648)</b>	<b>(1,815)</b>
<b>Net Changes In Cash And Cash Equivalents</b>	<b>3,540</b>	<b>2,128</b>
<b>Effect of exchange rate changes</b>	<b>-</b>	<b>10</b>
<b>Cash And Cash Equivalents At The Beginning Of The Period</b>	<b>7,033</b>	<b>5,568</b>
<b>Cash And Cash Equivalents At The End Of The Period</b>	<b>10,573</b>	<b>7,706</b>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2017.

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018**

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

**A1. Basis 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 2017 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 2017.

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 adopted new or revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2018.

The Directors anticipate that the adoption of new and revised MFRSs and IC Interpretations that are effective 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 2017.

**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 flow 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 2018 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (CONT'D)

**A7. Profit for the period**

Profit for the current quarter and period-to-date ended 31 March 2018 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	<b>31.03.2018 RM'000</b>	<b>31.03.2018 RM'000</b>
Other income including investment income	(46)	(46)
Unrealised foreign exchange loss	3	3
Net Realised foreign exchange gain	(60)	(60)
Interest expense	227	227
Interest income	(32)	(32)
Depreciation	421	421
Reversal of inventories written down	(24)	(24)

**A8. Segmental information**

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

<b>Quarter ended 31 March 2018</b>	<b>Trading RM'000</b>	<b>Manufacturing RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue from</b>				
External customers	20,739	801	-	21,540
Inter-segment revenue	890	7,564	(8,454)	-
<b>Total revenue</b>	21,629	8,365	(8,454)	21,540
<b>Profit before tax</b>	1,307	46	-	1,353
Tax expense				(351)
<b>Profit for the period</b>				1,002

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2018 (CONT'D)

**A8. Segmental information (cont'd)**

Period to Date ended 31 March 2018	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue from</b>				
External customers	20,739	801	-	21,540
Inter-segment revenue	890	7,564	(8,454)	-
<b>Total revenue</b>	21,629	8,365	(8,454)	21,540
<b>Profit before tax</b>	1,307	46	-	1,353
Tax expense				(351)
<b>Profit for the period</b>				1,002

**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**

	<b>Company</b>	
	<b>As at 31/03/2018</b>	<b>As at 31/12/2017</b>
	RM'000	RM'000
Corporate guarantee given by the Company to financial Institutions for credit facilities granted to Subsidiaries		
- Utilised	17,948	12,722
- Limit	33,450	33,450

**A14. Significant related party transactions**

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2017, 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 financial quarter under review.



QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (CONT'D)

**B: ADDITIONAL INFORMATION PURSUANT TO THE ACE LR**

**B1. Review of performance**

	1QFY18	1QFY17	Variance	FY 2018	FY 2017	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	21,540	23,109	-6.8%	21,540	23,109	-6.8%
Operating Profit	1,580	1,395	13.3%	1,580	1,395	13.3%
Profit Before Interest And Tax	1,580	1,395	13.3%	1,580	1,395	13.3%
Profit Before Tax	1,353	1,258	7.6%	1,353	1,258	7.6%
Profit After Tax	1,002	882	13.6%	1,002	882	13.6%
Profit/(Loss) Attributable to Ordinary Equity Holders Of The Parent	1,002	882	13.6%	1,002	882	13.6%

The Group registered RM21.540 million revenue for the current quarter which represents decrease of RM1.569 million or 6.8% as compared to the revenue of RM23.108 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.353 million for the quarter under review which represents increase of RM0.095 million or 7.6% as compared to the Group's profit before tax of RM1.258 million reported in the previous period's corresponding quarter. Profit before tax increase due to lower sales & marketing expenses incurred in tandem with lower revenue achieved.

For the current quarter, trading segment registered revenue of RM20.739 million from the external customers and RM0.890 million from inter-company transactions and reported profit before tax of RM1.307 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM20.064 million from the external customers and RM1.982 million from inter-company transactions and reported profit before tax of RM0.656 million for the trading segment. The increase in profit before tax for the trading segment for the current quarter was mainly due to lower sales and marketing expenses incurred despite increase in revenue.

The manufacturing segment registered revenue of RM0.801 million from the external customers and RM7.564 million from inter-company transactions and reported profit before tax of RM0.046 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM3.045 million from external customers and RM6.672 million from inter-company transactions and reported profit before tax of RM0.602 million for the manufacturing segment. The decrease in profit before tax for the manufacturing segment for the current quarter was mainly attributable to lower revenue achieved.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018 (CONT'D)

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

	1QFY18	4QFY17	Variance
	RM'000	RM'000	%
Revenue	21,540	21,635	-0.4%
Operating Profit	1,580	1,665	-5.1%
Profit Before Interest And Tax	1,580	1,665	-5.1%
Profit Before Tax	1,353	1,545	-12.4%
Profit After Tax	1,002	1,171	-14.4%
Equity Holders Of The Parent	1,002	1,171	-14.4%

For the quarter under review, the Group registered decrease in revenue of 0.4% from RM21.635 million to RM21.540 million and decrease in profit before tax of 12.4% from RM1.545 million to RM1.353 million as compared to preceding quarter ended 31 December 2017. The decrease in profit before tax was mainly attributable to higher selling and distribution expenses incurred despite lower revenue achieved. For the current quarter, trading segment achieved revenue of RM20.739 million and profit before tax of RM1.307 million as compared to revenue of RM21.438 million and profit before tax of RM1.337 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM0.801 million and reported profit before tax of RM0.046 million as compared to revenue of RM0.197 million and profit before tax of RM0.208 million in the previous quarter.

**B3. Prospects**

In anticipation of the year 2018 which we expect a challenging business environment that will be influenced by factors such as weak consumer sentiment in the regional market and fluctuating currency, we will continue to uphold our healthy business practices to strive for our business sustainability and add value to our shareholders.

Our Group will continue to explore and penetrate the China and others market as the demand for products like Osmofat has been strong in China and others. Besides, our Group sub subsidiary , Peterlabs Sdn Bhd entered into a distributor agreement with Zoetis Malaysia Sdn Bhd for the sale and distribution of 16 products produced by Zoetis.

Barring any unforeseen circumstances, the Board believes that the Group's prospects in this financial year ending 31 December 2018 remains positive with challenges ahead and target to achieve a better result than this financial year ended 31 December 2017.

**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 2018 (CONT'D)

**B5. Tax expense**

	Current quarter ended 31.03.2018 RM'000	Current period- to-date 31.03.2018 RM'000
Income tax		
-Current period	408	408
-Deferred taxation	<u>(57)</u>	<u>(57)</u>
	<u>351</u>	<u>351</u>

The Group's effective tax rate for the current quarter and current period-to-date were higher than the statutory rate due to losses incurred by subsidiaries and certain expenses which were 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 other 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 2018 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Short term borrowings:</u></b>			
Finance lease liabilities	-	292	292
Bank borrowings	<u>13,800</u>	-	<u>13,800</u>
Total	<u>13,800</u>	<u>292</u>	<u>14,092</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Long term borrowings:</u></b>			
Finance lease liabilities	-	737	737
Bank borrowings	<u>4,148</u>	-	<u>4,148</u>
Total	<u>4,148</u>	<u>737</u>	<u>4,885</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 2018 (CONT'D)

**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) An interim single tier dividend, in respect of the financial year ended 31 December 2017, of 0.6 sen per share on 214,739,900 ordinary shares, amounting to RM1,288,439 had been declared and paid on 09 February 2018. Such dividend will accounted for in shareholders' equity as an appropriation of unappropriated profits in the financial year ending 31 December 2018.
- b) An interim single tier dividend, in respect of the financial year ended 31 December 2016, of 0.7 sen per share on 206,800,000 ordinary shares, amounting to RM1,447,600 had been declared and already paid on 24 January 2017.

**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		Period To Date Ended	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Comprehensive income attributable to owners of the Company (RM'000)	1,002	882	1,002	882
Weighted average number of ordinary shares in issue ('000)	214,740	206,800	214,740	206,800
Earnings per share (sen)				
- Basic	0.47	0.43	0.47	0.43

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

Date: 31 May 2018