

**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 2019**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2019 RM'000	Preceding Period Corresponding Quarter Ended 31 March 2018 RM'000	Current Period To Date Ended 31 March 2019 RM'000	Preceding Period To Date Ended 31 March 2018 RM'000
<b>Revenue</b>	23,149	21,540	23,149	21,540
Cost of sales	(19,266)	(17,348)	(19,266)	(17,348)
<b>Gross profit</b>	3,883	4,192	3,883	4,192
Other income	483	492	483	492
Selling and distribution expenses	(683)	(908)	(683)	(908)
Administration expenses	(1,888)	(2,141)	(1,888)	(2,141)
Other expenses	(94)	(55)	(94)	(55)
<b>Operating profit</b>	1,701	1,580	1,701	1,580
Finance cost	(158)	(227)	(158)	(227)
<b>Profit before tax</b>	1,543	1,353	1,543	1,353
Tax expense	(540)	(351)	(540)	(351)
<b>Profit for the period</b>	1,003	1,002	1,003	1,002
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,003	1,002	1,003	1,002
Total comprehensive income attributable to the Owners of the Company	1,003	1,002	1,003	1,002
Weighted average no. of ordinary shares in issue ('000)	214,740	214,740	214,740	214,740
Earnings per share (sen):				
-Basic	0.47	0.47	0.47	0.47

## 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 2018 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 2019**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31 March 2019</b>	<b>31 December 2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	17,236	17,678
	<u>17,236</u>	<u>17,678</u>
<b>Current assets</b>		
Inventories	24,889	25,478
Trade receivables	24,355	23,079
Other receivables	776	810
Tax recoverable	182	169
Cash and bank balances	7,713	5,595
	<u>57,915</u>	<u>55,131</u>
<b>TOTAL ASSETS</b>	<u><u>75,151</u></u>	<u><u>72,809</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	27,459	27,459
Unappropriated profits	21,807	20,804
<b>Total equity</b>	<u>49,266</u>	<u>48,263</u>
<b>Non-current liabilities</b>		
Finance lease liabilities	815	917
Borrowings	435	3,444
Deferred tax liabilities	445	440
	<u>1,695</u>	<u>4,801</u>
<b>Current liabilities</b>		
Trade payables	8,166	7,787
Other payables	5,190	5,991
Finance lease liabilities	408	404
Borrowings	9,794	4,965
Tax payable	632	598
	<u>24,190</u>	<u>19,745</u>
<b>Total liabilities</b>	<u>25,885</u>	<u>24,546</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>75,151</u></u>	<u><u>72,809</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	22.94	22.48

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2018.

**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 2019**

	<b>Attributable to Equity Holders of the Company</b>		
	<b>Non-Distributable</b>	<b>Distributable</b>	
	<b>Share Capital RM'000</b>	<b>Unappropriated Profit RM'000</b>	<b>Total equity RM'000</b>
At 1 January 2019	27,459	20,804	48,263
Total comprehensive income for the financial period	-	1,003	1,003
At 31 March 2019 (Unaudited)	<u>27,459</u>	<u>21,807</u>	<u>49,266</u>
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)	<u>27,459</u>	<u>17,996</u>	<u>45,455</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 2018.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

	<b>Current Period To Date Ended 31 March 2019 (Unaudited) RM'000</b>	<b>Preceding Year Corresponding Period Ended 31 March 2018 (Unaudited) RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	1,543	1,353
Adjustments for:-		
- Non cash items	531	397
- Non-operating items	134	195
<b>Operating profit before working capital changes</b>	<b>2,208</b>	<b>1,945</b>
Changes in working capital		
Inventories	580	(9,504)
Receivables	(1,299)	2,995
Payables	(436)	4,826
Revolving credit	3,348	-
Bill payables	1,922	5,434
<b>Cash generated from operations</b>	<b>6,323</b>	<b>5,696</b>
Tax expense paid	(514)	(251)
Interest received	24	32
Interest paid	(79)	(145)
<b>Net cash from operating activities</b>	<b>5,754</b>	<b>5,332</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(9)	(144)
<b>Net cash used in investing activities</b>	<b>(9)</b>	<b>(144)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid on ordinary shares	-	(1,288)
Interest paid	(79)	(82)
Repayment of term loan	(3,450)	(208)
Repayment of finance lease liabilities	(98)	(70)
<b>Net cash (used in)/ from financing activities</b>	<b>(3,627)</b>	<b>(1,648)</b>
<b>Net Changes In Cash And Cash Equivalents</b>	<b>2,116</b>	<b>3,540</b>
<b>Effect of exchange rate changes</b>	<b>2</b>	<b>-</b>
<b>Cash And Cash Equivalents At The Beginning Of The Period</b>	<b>5,595</b>	<b>7,033</b>
<b>Cash And Cash Equivalents At The End Of The Period</b>	<b>7,713</b>	<b>10,573</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 2018.

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019**

**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 2018 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 2018.

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 2019.

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 2018.

**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 2019 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019 (CONT'D)

**A7. Profit for the period**

Profit for the current quarter and period-to-date ended 31 March 2019 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	31.03.2019 RM'000	31.03.2019 RM'000
Other income including investment income	(444)	(444)
Unrealised foreign exchange loss	14	14
Net Realised foreign exchange gain	(9)	(9)
Interest expense	158	158
Interest income	(24)	(24)
Depreciation	451	451
Provision for expected credit losses	57	57
Inventories written down	10	10
Reversal of inventories written down	(1)	(1)

**A8. Segmental information**

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

<b>Quarter ended 31 March 2019</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	22,031	1,118	-	23,149
Inter-segment revenue	2,768	8,353	(11,121)	-
<b>Total revenue</b>	24,799	9,471	(11,121)	23,149
<b>Profit/ (Loss) before tax</b>	1,796	(253)	-	1,543
Tax expense				(540)
<b>Profit for the period</b>				1,003

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019 (CONT'D)

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

Period to Date ended 31 March 2019	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	22,031	1,118	-	23,149
Inter-segment revenue	2,768	8,353	(11,121)	-
<b>Total revenue</b>	24,799	9,471	(11,121)	23,149
<b>Profit/ (Loss) before tax</b>	1,796	(253)	-	1,543
Tax expense				(540)
<b>Profit for the period</b>				1,003

**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 31/03/2019</b>	<b>As at 31/12/2018</b>
	RM'000	RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to Subsidiaries		
- Utilised	10,229	8,409
- Limit	33,450	33,450

**A14. Significant related party transactions**

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2018, 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 2019 (CONT'D)

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

**B1. Review of performance**

	1QFY19	1QFY18	Variance	FY 2019	FY 2018	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	23,149	21,540	7.5%	23,149	21,540	7.5%
Operating Profit	1,701	1,580	7.7%	1,701	1,580	7.7%
Profit Before Interest And Tax	1,701	1,580	7.7%	1,701	1,580	7.7%
Profit Before Tax	1,543	1,353	14.0%	1,543	1,353	14.0%
Profit After Tax	1,003	1,002	0.1%	1,003	1,002	0.1%
Profit Attributable to Ordinary Equity Holders Of The Parent	1,003	1,002	0.1%	1,003	1,002	0.1%

The Group registered RM23.149 million revenue for the current quarter which represents increase of RM1.609 million or 7.5% as compared to the revenue of RM21.540 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.543 million for the quarter under review which represents increase of RM0.19 million or 14.0% as compared to the Group's profit before tax of RM1.353 million reported in the previous period's corresponding quarter. Profit before tax increase due to higher revenue achieved couple with lower operating expenses incurred.

For the current quarter, trading segment registered revenue of RM22.031 million from the external customers and RM2.768 million from inter-company transactions and reported profit before tax of RM1.796 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM20.739 million from the external customers and RM0.89 million from inter-company transactions and reported profit before tax of RM1.307 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.

The manufacturing segment registered revenue of RM1.118 million from the external customers and RM8.353 million from inter-company transactions and reported loss before tax of RM0.253 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM0.801 million from external customers and RM7.564 million from inter-company transactions and reported profit before tax of RM0.046 million for the manufacturing segment. The increase in loss before tax for the manufacturing segment for the current quarter was mainly attributable to higher operation cost incurred.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (CONT'D)

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

	1QFY19	4QFY18	Variance
	RM'000	RM'000	%
Revenue	23,149	23,697	-2.3%
Operating Profit	1,701	1,695	0.4%
Profit Before Interest And Tax	1,701	1,695	0.4%
Profit Before Tax	1,543	1,515	1.8%
Profit After Tax	1,003	1,087	-7.7%
Equity Holders Of The Parent	1,003	1,087	-7.7%

For the quarter under review, the Group registered decrease in revenue of 2.3% from RM23.697 million to RM23.149 million and slight increase in profit before tax of 1.8% from RM1.515 million to RM1.543 million as compared to preceding quarter ended 31 December 2018. The increase in profit before tax was mainly attributable to lower operating cost incurred. For the current quarter, trading segment achieved revenue of RM22.031 million and profit before tax of RM1.796 million as compared to revenue of RM22.679 million and profit before tax of RM1.946 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM1.118 million and reported loss before tax of RM0.253 million as compared to revenue of RM1.018 million and loss before tax of RM0.431 million in the previous quarter.

**B3. Prospects**

We are at challenging business environment that are influenced by factors such as implementation of sales & service tax, increase of minimal wages couple with 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 has successfully ventured into China market and acquired a new major customer, Henan Chia Tai Biochemistry Co. Ltd during August 2018 as the demand for products such as OsmoFAT has grow ever stronger in China.

Barring any unforeseen circumstances, the Board of Directors is optimistic about the Group's prospect in this financial year ending 31 December 2019 remains positive with challenges ahead and target to achieve a better result than the previous financial year of 31 December 2018.

**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 2019 (CONT'D)

**B5. Tax expense**

	<b>Current quarter ended 31.03.2019 RM'000</b>	<b>Current period-to-date 31.03.2019 RM'000</b>
Income tax		
-Current period	535	535
-Deferred taxation	5	5
	<u>540</u>	<u>540</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 2019 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Short term borrowings:</u></b>			
Finance lease liabilities	-	408	408
Bank borrowings	<u>9,794</u>	-	<u>9,794</u>
Total	<u>9,794</u>	<u>408</u>	<u>10,202</u>
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Long term borrowings:</u></b>			
Finance lease liabilities	-	815	815
Bank borrowings	<u>435</u>	-	<u>435</u>
Total	<u>435</u>	<u>815</u>	<u>1,250</u>

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

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019 (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 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 31 March 2019.
- b) 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.

**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	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Comprehensive income attributable to owners of the Company (RM'000)	1,003	1,002	1,003	1,002
Weighted average number of ordinary shares in issue ('000)	214,740	214,740	214,740	214,740
Earnings per share (sen)				
- Basic	0.47	0.47	0.47	0.47

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

Date: 30 May 2019