

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 December 2021 RM'000	Preceding Period Corresponding Quarter Ended 31 December 2020 RM'000	Current Period To Date Ended 31 December 2021 RM'000	Preceding Period To Date Ended 31 December 2020 RM'000
Revenue	41,253	18,972	183,185	80,026
Cost of sales	(34,739)	(15,199)	(157,959)	(64,817)
Gross profit	6,514	3,773	25,226	15,209
Other income	411	519	1,921	2,418
Selling and distribution expenses	(729)	(802)	(3,436)	(2,607)
Administration expenses	(3,234)	(2,251)	(13,827)	(9,018)
Other expenses	32	(52)	(614)	(296)
Operating profit	2,994	1,187	9,270	5,706
Finance cost	(141)	(44)	(852)	(269)
Profit before tax	2,853	1,143	8,418	5,437
Tax expense	(975)	(158)	(2,411)	(1,549)
Profit for the period	1,878	985	6,007	3,888
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,878	985	6,007	3,888
Total comprehensive income attributable to the Owners of the Company	1,702	985	5,481	3,888
Non-controlling interests	176	-	526	-
	1,878	985	6,007	3,888
Weighted average no. of ordinary shares in issue ('000)	275,214	236,214	275,214	236,214
Earnings per share (sen):				
-Basic	0.62	0.42	1.99	1.65

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 2020 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 2021

	Unaudited As at 31 December 2021 RM'000	Audited As at 31 December 2020 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	18,736	15,345
Goodwill on consolidation	9,957	-
	<u>28,693</u>	<u>15,345</u>
Current assets		
Inventories	22,023	10,032
Trade receivables	42,011	21,669
Other receivables	5,749	2,033
Tax recoverable	30	36
Cash and bank balances	14,150	24,313
	<u>83,963</u>	<u>58,083</u>
TOTAL ASSETS	<u><u>112,656</u></u>	<u><u>73,428</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,401	31,821
Unappropriated profits	32,018	26,537
	<u>72,419</u>	<u>58,358</u>
Non-controlling interests	1,608	-
Total equity	<u>74,027</u>	<u>58,358</u>
Non-current liabilities		
Lease liabilities	2,946	990
Borrowings	1,272	-
Deferred tax liabilities	1,049	640
	<u>5,267</u>	<u>1,630</u>
Current liabilities		
Trade payables	10,318	3,423
Other payables	7,632	5,751
Lease liabilities	942	496
Borrowings	14,249	3,769
Tax payable	221	1
	<u>33,362</u>	<u>13,440</u>
Total liabilities	<u>38,629</u>	<u>15,070</u>
TOTAL EQUITY AND LIABILITIES	<u><u>112,656</u></u>	<u><u>73,428</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	26.31	24.71

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

	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 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	-	-	-	1,082	1,082
Total comprehensive income for the financial period	-	5,481	5,481	526	6,007
At 31 December 2021 (Unaudited)	<u>40,401</u>	<u>32,018</u>	<u>72,419</u>	<u>1,608</u>	<u>74,027</u>
At 1 January 2020	27,459	25,011	52,470	-	52,470
Total comprehensive income for the financial period	-	3,888	3,888	-	3,888
Proceeds from private placement (Net)	4,362	-	4,362	-	4,362
Dividend of RM 0.01 per share in respect of financial year ended 31 December 2020 payable on 9 October 2020	-	(2,362)	(2,362)	-	(2,362)
At 31 December 2020 (Audited)	<u>31,821</u>	<u>26,537</u>	<u>58,358</u>	<u>-</u>	<u>58,358</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 2020.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

	Current Period To Date Ended 31 December 2021 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 31 December 2020 (Audited) RM'000
OPERATING ACTIVITIES		
Profit before tax	8,418	5,437
Adjustments for:-		
- Non cash items	2,679	1,366
- Non-operating items	508	(91)
Operating profit before working capital changes	11,605	6,712
Changes in working capital		
Inventories	(907)	5,007
Receivables	(4,963)	3,058
Payables	2,660	(1,896)
Bill payables	(11,713)	(1,788)
Cash generated from operations	(3,318)	11,093
Tax expense paid	(2,006)	(1,589)
Tax refunded	32	-
Interest received	343	359
Interest paid	(111)	(79)
Net cash (used in)/ from operating activities	(5,060)	9,784
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(561)	(310)
Acquisition of equity interest in a subsidiary co	(1,335)	-
Proceed from disposal of property, plant and equipment	145	214
Net cash used in investing activities	(1,751)	(96)
FINANCING ACTIVITIES		
Dividend paid	-	(2,362)
Proceeds from private placement (Net)	-	4,362
Repayment of revolving credit	(2,000)	(700)
Interest paid	(851)	(190)
Repayment of term loans	(256)	(550)
Repayment of lease liabilities	(331)	(687)
Net cash used in financing activities	(3,438)	(127)
Net changes in cash and cash equivalents	(10,249)	9,561
Effect of exchange rate changes	86	(23)
Cash and cash equivalents at the beginning of the period	24,313	14,775
Cash and cash equivalents at the end of the period	14,150	24,313

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2020.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021

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 2020 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 2020 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 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
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 MFRS 128	Sale or Contribution of Assets between on Investor and its Associate or Joint Venture	Yet to be confirmed

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONT'D)

A2. Significant accounting policies (Cont'd)

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 2020.

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 2021 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	31.12.2021 RM'000	31.12.2021 RM'000
Other income including investment income	(305)	(1,398)
Interest income	(37)	(343)
Expected credit losses on trade receivables (net)	(84)	70
Gain on disposal of property, plant and equipment	(61)	(77)
Reversal of inventories written down	-	(3)
Interest expense	141	852
Depreciation	494	2,200
Net realised foreign exchange loss	9	246
Net unrealised foreign exchange gain	(8)	(100)

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONT'D)

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 31 December 2021	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	40,196	1,057	-	41,253
Inter-segment revenue	1,300	6,473	(7,773)	-
Total revenue	41,496	7,530	(7,773)	41,253
Profit before tax	2,329	524	-	2,853
Tax expense				(975)
Profit for the period				1,878

Period to Date ended 31 December 2021	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	178,482	4,703	-	183,185
Inter-segment revenue	4,496	25,754	(30,250)	-
Total revenue	182,978	30,457	(30,250)	183,185
Profit before tax	6,461	1,957	-	8,418
Tax expense				(2,411)
Profit for the period				6,007

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.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021 (CONT'D)

A12. Changes in composition of the Group

1 January 2021, our Group has acquired 60% equity interest in Thye On Tong Trading Sdn bhd (“TOT”), TOT was incorporated on 31 December 1979 in Malaysia as a private limited company under the Companies Act, 1965.

A13. Contingent liabilities or contingent assets

	Company	
	As at 31/12/2021	As at 31/12/2020
	RM'000	RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to Subsidiaries		
- Utilised	15,521	3,769
- Limit	44,253	21,897

A14. Significant related party transactions

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2020, 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 2021 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE ACE LR

B1. Review of performance

	4QFY21	4QFY20	Variance	FY2021	FY2020	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	41,253	18,972	117.44%	183,185	80,026	128.91%
Operating Profit	2,994	1,187	152.23%	9,270	5,706	62.46%
Profit Before Interest And Tax	2,994	1,187	152.23%	9,270	5,706	62.46%
Profit Before Tax	2,853	1,143	149.61%	8,418	5,437	54.83%
Profit After Tax	1,878	985	90.66%	6,007	3,888	54.50%
Profit Attributable to Ordinary Equity Holders Of The Parent	1,702	985	72.79%	5,481	3,888	40.97%

The Group registered RM41.253 million revenue for the current quarter which represents increase of RM22.281 million or 117.44% as compared to the revenue of RM18.972 million in the previous period's corresponding quarter. The Group registered profit before tax of RM2.853 million for the quarter under review which represents increase of RM1.710 million or 149.61% as compared to the Group's profit before tax of RM1.143 million reported in the previous period's corresponding quarter. Profit before tax increased due to increase in revenue from the subsidiary but also the revenue generated from new entered subsidiary.

For the current quarter, trading segment registered revenue of RM40.196 million from the external customers and RM1.300 million from inter-company transactions and reported profit before tax of RM2.329 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM18.714 million from the external customers and RM1.104 million from inter-company transactions and reported profit before tax of RM0.860 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 RM1.057 million from the external customers and RM6.473 million from inter-company transactions and reported profit before tax of RM0.524 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM0.258 million from external customers and RM6.738 million from inter-company transactions and reported profit before tax of RM0.327 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 2021 (CONT'D)

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

	4QFY21	3QFY21	Variance
	RM'000	RM'000	%
Revenue	41,253	46,608	-11.49%
Operating Profit	2,994	2,445	22.45%
Profit Before Interest And Tax	2,994	2,445	22.45%
Profit Before Tax	2,853	2,254	26.57%
Profit After Tax	1,878	1,628	15.36%
Profit Attributable to Ordinary Equity Holders Of The Parent	1,702	1,547	10.02%

For the quarter under review, the Group registered decrease of 11.49% from RM46.608 million to RM41.253 million and increase in profit before tax of 26.57% from RM2.254 million to RM2.853 million as compared to preceding quarter ended 30 September 2021. The increase in profit before tax was mainly attributable to lower operation expenses incurred coupled with higher gross profit margin achieved. For the current quarter, trading segment achieved revenue of RM40.196 million and profit before tax of RM2.329 million as compared to revenue of RM45.441 million and profit before tax of RM1.701 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM1.057 million and reported profit before tax of RM0.524 million as compared to revenue of RM1.167 million and profit before tax of RM0.553 million in the previous quarter.

B3. Prospects

Recoverability of Malaysia's overall economy in 2022 is anticipated, riding on the positive momentum of the country's high vaccination coverage and the on-going effort in booster shot rollout. Whilst the Board foresee that the market will still be influenced by the Covid-19 development, the Board opine that the Group's effort in maintaining the business performance would continue to be challenging.

The Group will continue to focus on the health and safety of its employees and customers alike while ensuring the sustainability of its operations in the short-term as well as the long-term.

The established business and positive historical financial performance of new subsidiary, Thye On Tong Trading Sdn Bhd (TOT), the Board expects that TOT will be continuous to contribute positively to the future earnings of the PLABS Group.

B4. Profit forecast

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

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2021 (CONT'D)

B5. Tax expense

	Current quarter ended 31.12.2021 RM'000	Current period-to-date 31.12.2021 RM'000
Income tax		
-Current period	732	2,051
-Under provision in previous period	-15	-15
-Deferred taxation	258	375
	<u>975</u>	<u>2,411</u>

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 31 December 2021 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:</u>			
Lease liabilities - (Finance)	-	281	281
Bank borrowings	<u>14,249</u>	-	<u>14,249</u>
Total	<u>14,249</u>	<u>281</u>	<u>14,530</u>
<u>Long term borrowings:</u>			
Lease liabilities - (Finance)	-	381	381
Bank borrowings	<u>1,272</u>	-	<u>1,272</u>
Total	<u>1,272</u>	<u>381</u>	<u>1,653</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 FOURTH QUARTER ENDED 31 DECEMBER 2021 (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) No interim dividend has been recommended for the financial quarter ended 31 December 2021.
- b) 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 ended 31 December 2020.

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>31.12.2021</u>	<u>31.12.2020</u>	<u>31.12.2021</u>	<u>31.12.2021</u>
Comprehensive income attributable to owners of the Company (RM'000)	1,702	985	5,481	3,888
Weighted average number of ordinary shares in issue ('000)	275,214	236,214	275,214	236,214
Earnings per share (sen)				
- Basic	0.62	0.42	1.99	1.65

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

Date: 28 February 2022