

PETERLABS HOLDINGS BERHAD

Company No: 909720-W
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATION STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

| | Individual Quarter | | Cumulative Quarter | |
|--|-----------------------|--|----------------------------|------------------------------|
| | Current Quarter Ended | Preceding Year Corresponding Quarter Ended | Current Year To Date Ended | Preceding Year To Date Ended |
| | 31 March 2011 RM | 31 March 2010 RM | 31 March 2011 RM | 31 March 2010 RM |
| Revenue | 11,149,576 | N/A | 11,149,576 | N/A |
| Cost of sales | (7,715,896) | N/A | (7,715,896) | N/A |
| Gross profit | 3,433,680 | N/A | 3,433,680 | N/A |
| Other income | 85,982 | N/A | 85,982 | N/A |
| Selling and distribution expenses | (417,938) | N/A | (417,938) | N/A |
| Administration expenses | (1,154,875) | N/A | (1,154,875) | N/A |
| Other expenses | (58,004) | N/A | (58,004) | N/A |
| Finance cost | (80,009) | N/A | (80,009) | N/A |
| Profit before taxation | 1,808,836 | N/A | 1,808,836 | N/A |
| Taxation | (480,298) | N/A | (480,298) | N/A |
| Profit for the financial period | 1,328,538 | N/A | 1,328,538 | N/A |
| Other comprehensive income | - | N/A | - | N/A |
| Total comprehensive income | 1,328,538 | N/A | 1,328,538 | N/A |
| Profit attributable to: | | | | |
| Equity holders of the company | 1,328,538 | N/A | 1,328,538 | N/A |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the company | 1,328,538 | N/A | 1,328,538 | N/A |
| Weighted average no. of ordinary shares in issue | 173,000,000 | N/A | 173,000,000 | N/A |
| Earnings per share (sen): | | | | |
| -Basic | 0.77 | N/A | 0.77 | N/A |
| -Diluted | 0.77 | N/A | 0.77 | N/A |

Notes:

N/A Not applicable

- (i) Basic earnings per share for the quarter and financial period is calculated based on the net profit divided by the weighted average number of ordinary shares for the quarter and financial period respectively.
- (ii) The Unaudited Condensed Consolidation Statements of Comprehensive Income should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 30 June 2011 and the accompanying notes attached to this interim financial report.
- (iii) No comparative figures are available for the preceding year's individual and cumulative correspondence quarter as this is the first interim financial report being announced by the Company in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") ACE Market Requirements ("Listing Requirements")

PETERLABS HOLDINGS BERHAD

Company No: 909720-W

(Incorporated in Malaysia)

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2011

| | UNAUDITED As at 31 March 2011 | AUDITED As at 31 December 2010 |
|--|---|--|
| | RM | RM |
| ASSETS | | |
| Non-current asset | | |
| Property, plant and equipment | 12,855,885 | 12,716,620 |
| Total non-current asset | 12,855,885 | 12,716,620 |
| Current assets | | |
| Inventories | 3,486,635 | 3,015,516 |
| Trade receivables | 16,008,869 | 15,036,549 |
| Other receivables | 652,892 | 1,154,201 |
| Cash and bank balances | 2,154,544 | 1,449,308 |
| Total current assets | 22,302,940 | 20,655,574 |
| TOTAL ASSETS | 35,158,825 | 33,372,194 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to owners of the Company | | |
| Share capital | 17,300,000 | 17,300,000 |
| Unappropriated profit | 4,001,090 | 2,672,552 |
| | 21,301,090 | 19,972,552 |
| Non-controlling interests | 2 | 2 |
| Total equity | 21,301,092 | 19,972,554 |
| Non-current liabilities | | |
| Hire purchase creditors | 158,305 | 176,589 |
| Borrowings | 4,200,000 | 3,050,316 |
| Deferred tax liabilities | 58,900 | 58,900 |
| Total non-current liabilities | 4,417,205 | 3,285,805 |
| Current liabilities | | |
| Trade payables | 2,242,942 | 3,087,975 |
| Other payables | 1,894,502 | 2,662,970 |
| Hire purchase creditors | 88,996 | 97,603 |
| Borrowings | 3,076,000 | 1,733,878 |
| Bank overdraft | 1,666,505 | 1,991,367 |
| Tax payables | 471,583 | 540,042 |
| Total current liabilities | 9,440,528 | 10,113,835 |
| TOTAL LIABILITIES | 13,857,733 | 13,399,640 |
| TOTAL EQUITY AND LIABILITIES | 35,158,825 | 33,372,194 |
| Net assets per share attributable to ordinary equity holders of the Company (RM) | 0.12 | 0.12 |

Note :-

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 30 June 2011 and the accompanying notes attached to this interim financial report.

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 2011**

| | Share <u>capital</u> RM | Unappropriated <u>profit</u> RM | <u>Total</u> RM | Non-controlling <u>interests</u> RM | Total <u>equity</u> RM |
|---------------------------------|-------------------------------|---------------------------------------|--------------------|---|------------------------------|
| Group | | | | | |
| Balance at 1 January 2011 | 17,300,000 | 2,672,552 | 19,972,552 | 2 | 19,972,554 |
| Profit for the financial period | - | 1,328,538 | 1,328,538 | - | 1,328,538 |
| Balance at 31 March 2011 | <u>17,300,000</u> | <u>4,001,090</u> | <u>21,301,090</u> | <u>2</u> | <u>21,301,092</u> |

Note :-

- (i) The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 30 June 2011 and the accompanying notes attached to this interim financial report.
- (ii) No comparative figures are available for the preceding year's individual and cumulative corresponding quarter as this is the first interim financial report being announced by the Company in compliance with Bursa Securities Listing Requirements.

PETERLABS HOLDINGS BERHAD

Company No: 909720-W

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2011**

| | UNAUDITED Current Year to Date Ended 31 March 2011 RM | UNAUDITED Preceding Year To Date Ended 31 March 2010 RM |
|---|--|--|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 1,808,836 | N/A |
| Adjustments for non-cash flows:- | | |
| Depreciation | 76,394 | N/A |
| Allowance for slow moving inventories | (13,193) | N/A |
| Provision for doubtful debts | 54,359 | N/A |
| Interest expense | 80,009 | N/A |
| Operating profit before working capital changes | <u>2,006,405</u> | N/A |
| Changes in working capital :- | | |
| Inventories | (457,926) | N/A |
| Receivables | (525,370) | N/A |
| Payables | (1,613,502) | N/A |
| Bills payable | <u>2,491,806</u> | N/A |
| Net cash inflow from operations | 1,901,413 | N/A |
| Tax paid | (548,757) | N/A |
| Interest paid | <u>(76,217)</u> | N/A |
| Net cash inflow from operating activities | <u>1,276,439</u> | N/A |
| CASH FLOW FROM INVESTING ACTIVITY | | |
| Purchase of property, plant and equipment | (215,658) | N/A |
| Net cash outflow from investing activity | <u>(215,658)</u> | N/A |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest paid | (3,792) | |
| Repayment of hire purchase creditors | (26,891) | N/A |
| Net cash outflow in financing activities | <u>(30,683)</u> | N/A |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | | |
| Net changes | 1,030,098 | N/A |
| Brought forward | (542,059) | N/A |
| Carried forward | <u><u>488,039</u></u> | <u><u>N/A</u></u> |

NOTE TO THE STATEMENTS OF CASH FLOWS**A. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents in the statements of cash flows comprise the following statement of financial position amounts:-

| | Current Year to Date Ended 31 March 2011 | Preceding Year Corresponding Period Ended 31 March 2010 |
|------------------------|---|---|
| Cash and bank balances | 2,154,544 | N/A |
| Bank overdraft | <u>(1,666,505)</u> | N/A |
| | <u><u>488,039</u></u> | <u><u>N/A</u></u> |

Notes:-

- (i) The Unaudited Condensed Consolidated Cash Flow Statements should be read in conjunction with the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 30 June 2011 and the accompanying notes attached to this interim financial report.
- (ii) No comparative figures are available for the preceding year's individual and cumulative corresponding quarter as the first interim financial report being announced by the Company in compliance with Bursa Securities Listing Requirement.

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

NOTES TO THE QUARTERLY REPORT

PART A – EXPLANATORY NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS (“FRS”) 134: INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

a) Statement of Compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Companies Act, 1965 in Malaysia and Financial Reporting Standards issued by Malaysian Accounting Standards Board (“MASB”).

b) Basis of Measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, unless otherwise indicated in summary of significant accounting policies.

c) Functional and Presentation Currency

The financial statements are presented in Ringgit Malaysia (RM) which is the Company’s functional currency and all values are rounded to the nearest RM except when otherwise stated.

A2. Adoption of New or Revised Financial Reporting Standards (FRSs)

The significant accounting policies adopted by the Group are consistent with those of the audited financial statements for the financial year ended 31 December 2010, except for the adoption of the following Financial Reporting Standards (“FRS”), amendments to FRSs and IC Interpretations that are effective for financial statements effective from 1 January 2011:

| | |
|----------------------|--|
| FRS 124 | Related Party Disclosures (Revised) |
| Amendment to FRS 1 | First-time Adoption of Financial Reporting Standards (amended) |
| Amendment to FRS 3 | Business Combinations (revised) |
| Amendments to FRS 7 | Financial Instruments: Disclosures |
| Amendment to FRS 101 | Presentation of Financial Statements (revised) |
| Amendment to FRS 121 | The Effect of Change in Foreign Exchange Rates |
| Amendment to FRS 132 | Financial Instruments : Presentation |
| Amendment to FRS 134 | Interim Financial Reporting |
| Amendment to FRS 139 | Financial Instruments : Recognition and Measurement |

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

The initial application of the above standards, amendments and interpretation did not have any material impact on the financial statements of the Group except for the adoption of the following standards:

a) FRS 101 – Presentation of Financial Statements (revised)

The revised FRS 101 requires changes in the format of the financial statements including the amounts directly attributable to shareholders in the primary statements, but does not effect the measurement of reported profit or equity. The Group has elected to show other comprehensive income in one statement of comprehensive income and hence, all owner changes in equity are presented in the consolidated statement of changes in equity are shown in the consolidated statement of comprehensive income.

b) FRS 7 – Financial Instruments : Disclosures

This standard requires additional disclosures regarding fair value measurements and liquidity risk in the full year financial statements, and has no effect on reported profit or equity. However, FRS 7 disclosures are not required in the interim financial statements, and hence, no further disclosures has been made in these interim financial statements.

c) FRS 139 – Financial Instruments : Recognition and Measurement

A financial instrument is recognized in the financial statements when, and only when, the Group becomes a party to the contractual provision of the instruments. It is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

The Group categories its financial instruments as follows:

Financial assets

The Group's financial assets which comprise of trade and other receivables and cash and cash equivalents are categorized under loans and receivables.

These financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method and are subject to impairment review.

Financial liabilities

The Group's financial liabilities which comprise of trade and other payables and borrowings are subsequently measured at amortised cost using the effective interest method.

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

A3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the preceding audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2010 were not subject to any qualification.

A4. Seasonal or Cyclical Factors

The Group was not materially affected by any seasonal or cyclical factors in the current financial quarter under review.

A5. Items of unusual nature and amount

There were no unusual items affecting the assets, liabilities, equity, net income or cash flow of the Group in the current financial quarter under review.

A6. Material changes in Estimates

There are no changes in the estimates of amounts reported in prior interim periods/ financial years that have had a material effect in the current financial quarter under review as this is the first interim report being announced by the Company.

A7. Changes in Debt and Equity Securities

There were no issuance and repayments of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the current financial quarter under review.

A8. Dividend Paid

There were no dividends paid in the current financial quarter under review.

A9. Segmental Information

The Group is organised into the followings reporting segments:-

- a) Trading
- b) Manufacturing

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

Segmental Reporting

| Quarter ended 31 March 2011 | Trading RM | Manufacturing RM | Eliminations RM | Consolidated RM |
|--------------------------------|-------------------|---------------------|--------------------|--------------------|
| Revenue from | | | | |
| External customers | 11,142,000 | 7,576 | - | 11,149,576 |
| Inter-segment revenue | 787,042 | 4,493,788 | (5,280,830) | - |
| Total revenue | 11,929,042 | 4,501,364 | (5,280,830) | 11,149,576 |
| Profit before taxation | 1,405,944 | 402,892 | | 1,808,836 |
| Taxation | | | | (480,298) |
| Profit after taxation | | | | 1,328,538 |

A10. Valuation of Property, Plant and Equipment

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

A11. Capital Commitments

There are no material capital commitments as at 31 March 2011.

A12. Material Events Subsequent To The End of The Current Financial Quarter

On 30 June 2011, the Company issued its prospectus for its Initial Public Offering in conjunction with its listing on the ACE Market of Bursa Securities involving the following:

a) Public Issue

Public Issue of 15,000,000 new PeterLabs Holdings Shares at an issue price of RM0.30 per PeterLabs Holdings Share.

15,000,000 of PeterLabs Holdings Shares representing 7.98% of the enlarged issued and paid-up share capital after the Public Issue will be made available for application by the public.

b) Offer for sale

The offerors will implement an offer for sale of 35,903,000 PeterLabs Holdings Shares at an issue price of RM0.30 per PeterLabs Holdings Share to identified investors, subject to terms and conditions contained in Prospectus.

c) Listing and Quotation on the ACE Market of Bursa Malaysia Securities Berhad

In conjunction with the flotation exercise, PeterLabs Holdings seeks the listing of and quotation for the entire enlarged issued and paid-up share capital of PeterLabs Holdings comprising 188,000,000 PeterLabs Holdings Shares on the Official List of the ACE Market of Bursa Malaysia Securities Berhad.

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

A13. Changes in Composition of the Group

There were no changes in composition of the Group for the current financial quarter under review.

A14. 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 under review.

A15. Significant Related Party Transactions

Save as disclosed below, there were no other significant related party transactions for the current quarter under review.

| Transactions | RM |
|---------------------------------------|-----------|
| Rental paid to Director | 52,800 |
| Provision of GMP consultancy services | 15,412 |

All the above transactions were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties and in the ordinary course of business of the Company.

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

PART B – EXPLANATORY NOTES PURSUANT TO THE ACE MARKET LISTING REQUIREMENTS OF BURSA SECURITIES

B1. Review of Performance

The Group achieved revenue of RM 11.15 million and profit before taxation of RM 1.81million for the current financial quarter ended 31 March 2011.

B2. Comparison to the Results of the Preceding Quarter

No comparative figures are presented for the immediate preceding quarter as this is the first interim financial report being announced by the Company.

B3. Current Year Prospects

Barring any unforeseen circumstances, the Board of Directors is optimistic about the Group's ability to continue to achieve satisfactory performance for the financial year ending 31 December 2011.

B4. Profit Forecast and Profit Estimate

The Group has not issued any profit forecast or profit estimate for the current financial quarter under review or in any public documents.

B5. Taxation

| | Current quarter ended | Current year to date |
|--------------|-----------------------|----------------------|
| | 31 March 2011 | 31 March 2011 |
| | RM | RM |
| Current tax | 480,298 | N/A |
| Deferred tax | <u>-</u> | <u>N/A</u> |
| | <u>480,298</u> | <u>N/A</u> |

B6. Profit On Sale of Unquoted Investments and/or properties

There were no sales of unquoted investments and/or properties for the current financial quarter under review.

B7. Purchase or Disposal of Quoted Securities

There were no purchases or disposals of quoted securities for the current financial quarter under review.

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B8. (a) Status of Corporate Proposals

Initial Public Offering (“IPO”)

In conjunction with the IPO and pursuant to the Prospectus dated 30 June 2011, the Company carried out a Public Issue and Offer for Sale, the details of which are described in Note A12 of the Notes to the Quarterly Report.

(b) Status of Utilization of Proceeds of Public Issue

Subsequent to the listing on the ACE Market of Bursa Securities, the gross proceeds from the public issue amounting to RM4.5 million will be utilised in the following manner:

| | Purposes | RM'000 |
|------|----------------------------|---------------|
| (i) | Repayment of borrowings | 3,000 |
| (ii) | Estimated listing expenses | <u>1,500</u> |
| | Total | <u>4,500</u> |

B9. Group Borrowings and Debts Securities

The Group's borrowings and debts securities as at 31 March 2011 are as follows:

| | Short Term (Secured) RM'000 | Long Term (Secured) RM'000 |
|----------------|--|---|
| Hire Purchase | 89 | 158 |
| Bank Overdraft | 1,667 | - |
| Borrowings | 3,076 | 4,200 |
| Total | <u>4,832</u> | <u>4,358</u> |

B10. Off Balance Sheet Financial Instruments

The Group does not have any financial instrument with off-balance sheet risk as at the date of this quarterly report.

B11. Material Litigation

There are no material litigations during the current quarter under review.

B12. Dividends

No interim dividend has been recommended for the financial quarter ended 31 March 2011.

PETERLABS HOLDINGS BERHAD (909720-W)
QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2011

B13. Earnings Per Share

| | Individual Quarter | | Cumulative Quarter | |
|--|--|--|---|---|
| | Current Quarter Ended 31-Mar-11 RM | Preceding Year Corresponding Quarter Ended 31-Mar-2010 RM | Current Year to Date Ended 31-Mar-11 RM | Preceding Year Corresponding Period Ended 31-Mar-2010 RM |
| Basic Earnings Per Share | | | | |
| Profit for the period attributable to ordinary equity holders of the Company | 1,328,538 | N/A | 1,328,538 | N/A |
| Weighted average number of Ordinary shares in issue ('000) | 173,000 | N/A | 173,000 | N/A |
| Earnings per share (sen) | | | | |
| - Basic | 0.77 | N/A | 0.77 | N/A |
| - Diluted* | 0.77 | N/A | 0.77 | N/A |

Note:

* The company has no outstanding convertible or options

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

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

| | Unaudited as at 31 March 2011 (RM'000) | Audited as at 31 December 2010 (RM'000) |
|--------------|---|--|
| - Realised | 4,001 | 2,673 |
| - Unrealised | - | - |

By Order of the Board
PeterLabs Holdings Berhad

Wong Keo Rou (MAICSA 7021435)
Company Secretary
Kuala Lumpur

Date: 25 July 2011