

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2023 RM'000	Preceding Period Corresponding Quarter Ended 31 March 2022 RM'000	Current Period To Date Ended 31 March 2023 RM'000	Preceding Period To Date Ended 31 March 2022 RM'000
<b>Revenue</b>	47,867	40,993	47,867	40,993
Cost of sales	(42,143)	(35,372)	(42,143)	(35,372)
<b>Gross profit</b>	5,724	5,621	5,724	5,621
Other income	217	281	217	281
Selling and distribution expenses	(1,477)	(1,088)	(1,477)	(1,088)
Administration expenses	(2,756)	(2,637)	(2,756)	(2,637)
Other expenses	(114)	(109)	(114)	(109)
<b>Operating profit</b>	1,594	2,068	1,594	2,068
Finance cost	(169)	(108)	(169)	(108)
<b>Profit before tax</b>	1,425	1,960	1,425	1,960
Tax expense	(423)	(575)	(423)	(575)
<b>Profit for the period</b>	1,002	1,385	1,002	1,385
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,002	1,385	1,002	1,385
Total comprehensive income attributable to the Owners of the Company	832	1,234	832	1,234
Non-controlling interests	170	151	170	151
	1,002	1,385	1,002	1,385
Weighted average no. of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen):				
-Basic	0.30	0.45	0.30	0.45

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 2022 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 MARCH 2023**

	<b>Unaudited As at 31 March 2023 RM'000</b>	<b>Audited As at 31 December 2022 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	16,824	16,971
Investment properties	984	987
Deferred tax assets	435	441
Goodwill on consolidation	9,957	9,957
	<u>28,200</u>	<u>28,356</u>
<b>Current assets</b>		
Inventories	23,454	23,207
Trade receivables	37,621	34,712
Other receivables	10,824	8,959
Tax recoverable	601	693
Cash and bank balances	12,976	10,298
	<u>85,476</u>	<u>77,869</u>
<b>TOTAL ASSETS</b>	<u>113,676</u>	<u>106,225</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	40,401	40,401
Unappropriated profits	34,802	33,970
	<u>75,203</u>	<u>74,371</u>
Non-controlling interests	2,203	2,033
<b>Total equity</b>	<u>77,406</u>	<u>76,404</u>
<b>Non-current liabilities</b>		
Lease liabilities	2,771	2,824
Borrowings	939	1,009
Deferred tax liabilities	1,032	1,043
	<u>4,742</u>	<u>4,876</u>
<b>Current liabilities</b>		
Trade payables	12,828	11,036
Other payables	4,939	5,368
Lease liabilities	1,135	1,063
Borrowings	12,626	7,476
Tax payable	-	2
	<u>31,528</u>	<u>24,945</u>
<b>Total liabilities</b>	<u>36,270</u>	<u>29,821</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>113,676</u>	<u>106,225</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	27.33	27.02

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	Attributable to Equity Holders of the Company				Total Equity RM'000
	<u>Non-Distributable</u> Share Capital RM'000	<u>Distributable</u> Unappropriated Profits RM'000	Total RM'000	Non-controlling Interest RM'000	
At 1 January 2023	40,401	33,970	74,371	2,033	76,404
Total comprehensive income for the financial period	-	832	832	170	1,002
At 31 March 2023 (Unaudited)	40,401	34,802	75,203	2,203	77,406
At 1 January 2022	40,401	32,018	72,419	1,608	74,027
Total comprehensive income for the financial period	-	1,234	1,234	151	1,385
At 31 March 2022 (Unaudited)	40,401	33,252	73,653	1,759	75,412

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 2022.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FIRST QUARTER ENDED 31 MARCH 2023**

	<b>Current Period To Date Ended 31 March 2023 (Unaudited) RM'000</b>	<b>Preceding Year Corresponding Period Ended 31 March 2022 (Unaudited) RM'000</b>
<b>OPERATING ACTIVITIES</b>		
Profit before tax	1,425	1,960
Adjustments for:-		
- Non cash items	676	582
- Non-operating items	119	(22)
<b>Operating profit before working capital changes</b>	<b>2,220</b>	<b>2,520</b>
Changes in working capital		
Inventories	(273)	1,052
Receivables	(4,828)	2,601
Payables	1,378	(1,634)
Bill payables	-	(2,270)
<b>Cash (used in) / generated from operations</b>	<b>(1,503)</b>	<b>2,269</b>
Tax paid	(338)	(667)
Tax refunded	-	1
<b>Net cash (used in) / from operating activities</b>	<b>(1,841)</b>	<b>1,603</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(191)	(104)
Interest received	50	119
Proceed from disposal of property, plant and equipment	49	95
<b>Net cash (used in) / from investing activities</b>	<b>(92)</b>	<b>110</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of bankers' acceptance	(6,696)	-
Drawdown of bankers' acceptance	11,843	-
Interest paid	(169)	(108)
Repayment of term loans	(68)	(48)
Repayment of lease liabilities	(288)	(242)
<b>Net cash from / (used in) financing activities</b>	<b>4,622</b>	<b>(398)</b>
<b>Net changes in cash and cash equivalents</b>	<b>2,689</b>	<b>1,260</b>
<b>Effect of exchange rate changes</b>	<b>(10)</b>	<b>(10)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>10,297</b>	<b>14,150</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12,976</b>	<b>15,400</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 2022.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023

**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 (“AMLR”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2022 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 2022 except for the adoption of the following Amendments to Malaysian Financial Reporting Standards (“MFRSs”) during the current financial period:

- MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 17 Insurance Contracts Initial Application of MFRS 17 and MFRS 9- Comparative Information
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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:

<b>MFRSs and amendments to MFRSs beginning on or after</b>		<b>Effective for annual periods</b>
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between on Investor and its Associate or Joint Venture	Deferred until further notice

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.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONT'D)

**A3. Auditors' report**

There was no qualification on the Audited Financial Statements of the Group for the FYE 31 December 2022.

**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 March 2023 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	31.03.2023 RM'000	31.03.2023 RM'000
Other income including investment income	(111)	(111)
Interest income	(50)	(50)
Expected credit losses on trade receivables (net)	55	55
Inventory written down	27	27
Reversal of inventory written down	(1)	(1)
Interest expense	169	169
Depreciation	642	642
Net realised foreign exchange loss	12	12
Net unrealised foreign exchange gain	(3)	(3)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONT'D)

**A8. Segmental information**

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

<b>Quarter ended 31 March 2023</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	46,715	1,152	-	47,867
Inter-segment revenue	789	5,059	(5,848)	-
<b>Total revenue</b>	47,504	6,211	(5,848)	47,867
<b>Profit before tax</b>	1,313	112	-	1,425
Tax expense				(423)
<b>Profit for the period</b>				1,002

<b>Period to Date ended 31 March 2023</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	46,715	1,152	-	47,867
Inter-segment revenue	789	5,059	(5,848)	-
<b>Total revenue</b>	47,504	6,211	(5,848)	47,867
<b>Profit before tax</b>	1,313	112	-	1,425
Tax expense				(423)
<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.

**QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2023 (CONT'D)**

**A10. Capital commitments**

The material capital commitments of the Group as at 31 March 2023 are as follow:

	RM'000
Additions of Industrial Land	6,750

**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 31/03/2023	As at 31/12/2022
	RM'000	RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to Subsidiaries		
- Utilised	13,565	8,485
- Limit	44,239	44,239

**A14. Significant related party transactions**

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2022, 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 FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)

**B: ADDITIONAL INFORMATION PURSUANT TO THE AMLR**

**B1. Review of performance**

	1QFY23	1QFY22	Variance	FY2023	FY2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	47,867	40,993	16.77%	47,867	40,993	16.77%
Operating Profit	1,594	2,068	-22.92%	1,594	2,068	-22.92%
Profit Before Interest And Tax	1,594	2,068	-22.92%	1,594	2,068	-22.92%
Profit Before Tax	1,425	1,960	-27.30%	1,425	1,960	-27.30%
Profit After Tax	1,002	1,385	-27.65%	1,002	1,385	-27.65%
Profit Attributable to Ordinary Equity Holders Of The Parent	832	1,234	-32.58%	832	1,234	-32.58%

The Group registered RM47.867 million revenue for the current quarter which represents increase of RM6.874 million or 16.77% as compared to the revenue of RM40.993 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.425 million for the quarter under review which represents decrease of RM0.535 million or 27.30% as compared to the Group's profit before tax of RM1.960 million reported in the previous period's corresponding quarter. Profit before tax decreased due to decrease in gross profit margin despite of increase in revenue achieved by the Group couple with increase in selling & distribution expenses.

For the current quarter, trading segment registered revenue of RM46.715 million from the external customers and RM0.789 million from inter-company transactions and reported profit before tax of RM1.313 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM40.861 million from the external customers and RM0.676 million from intercompany transactions and reported profit before tax of RM1.938 million for the trading segment. The decrease in profit before tax for the trading segment for the current quarter was mainly due to lower gross profit margin achieved despite of higher revenue achieved.

The manufacturing segment registered revenue of RM1.152 million from the external customers and RM5.059 million from inter-company transactions and reported profit before tax of RM0.112 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM0.132 million from external customers and RM5.178 million from inter-company transactions and reported profit before tax of RM0.022 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 higher revenue achieved.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2023 (CONT'D)

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

	1QFY23	4QFY22	Variance
	RM'000	RM'000	%
Revenue	47,867	40,663	17.72%
Operating Profit	1,594	244	553.28%
Profit Before Interest And Tax	1,594	244	553.28%
Profit Before Tax	1,425	136	947.79%
Profit After Tax	1,002	849	18.02%
Equity Holders Of The Parent	832	705	18.01%

For the quarter under review, the Group registered increase in revenue of 17.72% from RM40.663 million to RM47.867 million and significant increase in profit before tax of 947.79% from RM0.136 million to RM1.425 million as compared to preceding quarter ended 31 December 2022. The increase in profit before tax was mainly attributable to higher gross profit achieved in tandem with higher revenue achieved. For the current quarter, trading segment achieved revenue of RM46.715 million and profit before tax of RM1.313 million as compared to revenue of RM40.352 million and profit before tax of RM0.383 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM1.152 million and reported profit before tax of RM0.112 million as compared to revenue of RM0.311 million and loss before tax of RM0.247 million in the previous quarter.

**B3. Prospects**

The Group is adopting a cautious approach while remaining flexible in executing strategic plan in expanding our existing business and identifying new business opportunities to ensure adequate funding and sustainable profitability throughout the unprecedented time. The Group will continue strengthen its core business segments and maintain healthy cash flow position in facing the various economic challenges.

The recent surprise hike by Bank Negara Malaysia in Overnight Policy Rate by 25 basis points has added burden to the local businesses. Additionally, elevated operating cost, coupled with the adoption of the new Employment (Amendment) Act 2022 and among others, may have an adverse impact to the Group's financial performance this year.

Despite the uncertain market condition, the Group is optimistic to deliver a reasonable performance for the financial year ending 31 December 2023.

Barring any unforeseen circumstances, the Group is committed to the fulfillment of its obligations to steer through these tough times.

**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 2023 (CONT'D)

**B5. Tax expense**

	<b>Current quarter ended 31.03.2023 RM'000</b>	<b>Current period-to-date 31.03.2023 RM'000</b>
Income tax		
-Current period	428	428
-Deferred taxation	(5)	(5)
	423	423

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 March 2023 were as follows:

	<b>Total RM'000</b>
<b><u>Short-term borrowings (secured):</u></b>	
Lease liabilities-finance lease	269
Bank borrowings	<u>12,626</u>
Total	<u>12,895</u>
	<b>Total RM'000</b>
<b><u>Long-term borrowings(secured):</u></b>	
Lease liabilities-finance lease	333
Bank borrowings	<u>939</u>
Total	<u>1,272</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 2023 (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**

No interim dividend has been recommended for the financial quarter ended 31 March 2023 and previous year's corresponding period ended 31 March 2022.

**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>31.03.2023</u>	<u>31.03.2022</u>	<u>31.03.2023</u>	<u>31.03.2022</u>
Comprehensive income attributable to owners of the Company (RM'000)	832	1,234	832	1,234
Weighted average number of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen)				
- Basic	0.30	0.45	0.30	0.45

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

Date: 31 May 2023