

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 September 2023 RM'000	Preceding Period Corresponding Quarter Ended 30 September 2022 RM'000	Current Period To Date Ended 30 September 2023 RM'000	Preceding Period To Date Ended 30 September 2022 RM'000
Revenue	46,314	38,570	139,921	120,970
Cost of sales	(40,673)	(33,561)	(122,784)	(104,561)
Gross profit	5,641	5,009	17,137	16,409
Other income	1,434	256	1,780	847
Selling and distribution expenses	(2,036)	(1,289)	(5,173)	(3,751)
Administration expenses	(3,161)	(2,583)	(8,581)	(7,916)
Other expenses	(12)	(117)	(541)	(857)
Operating profit	1,866	1,276	4,622	4,732
Finance cost	(215)	(96)	(561)	(339)
Profit before tax	1,651	1,180	4,061	4,393
Tax expense	(293)	(305)	(998)	(1,214)
Profit for the period	1,358	875	3,063	3,179
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	1,358	875	3,063	3,179
Total comprehensive income attributable to the Owners of the Company	1,266	815	2,708	2,897
Non-controlling interests	92	60	355	282
	1,358	875	3,063	3,179
Weighted average no. of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen):				
-Basic	0.46	0.30	0.98	1.05

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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023**

	UNAUDITED As at 30 SEPTEMBER 2023	AUDITED As at 31 DECEMBER 2022
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,250	16,971
Investment properties	979	987
Deferred tax asset	364	441
Goodwill	9,957	9,957
	<u>27,550</u>	<u>28,356</u>
Current assets		
Inventories	24,976	23,207
Trade receivables	33,693	34,712
Other receivables, deposits & prepayment	13,957	8,959
Tax recoverable	788	693
Cash and bank balances	13,386	10,298
	<u>86,800</u>	<u>77,869</u>
TOTAL ASSETS	<u>114,350</u>	<u>106,225</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	40,401	40,401
Unappropriated profit	36,678	33,970
	<u>77,079</u>	<u>74,371</u>
Non-controlling interests	2,388	2,033
Total equity	<u>79,467</u>	<u>76,404</u>
Non-current liabilities		
Lease liabilities	2,270	2,824
Borrowings	287	1,009
Deferred tax liabilities	1,019	1,043
	<u>3,576</u>	<u>4,876</u>
Current liabilities		
Trade payables	9,554	11,036
Others payables & accruals	5,542	5,368
Lease liabilities	1,094	1,063
Borrowings	15,099	7,476
Tax payable	18	2
	<u>31,307</u>	<u>24,945</u>
Total liabilities	<u>34,883</u>	<u>29,821</u>
TOTAL EQUITY AND LIABILITIES	<u>114,350</u>	<u>106,225</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	28.01	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 THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Attributable to Equity Holders of the Company				
	<u>Non-Distributable</u>	<u>Distributable</u>	Total	Non-controlling	Total
	Share	Unappropriated	RM'000	Interest	Equity
	Capital	Profits	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	40,401	33,970	74,371	2,033	76,404
Total comprehensive income for the financial period	-	2,708	2,708	355	3,063
At 30 September 2023 (Unaudited)	40,401	36,678	77,079	2,388	79,467
At 1 January 2022	40,401	32,018	72,419	1,608	74,027
Dividend of RM 0.006 per share in respect of FYE 31 December 2022 and paid on 22 July 2022	-	(1,651)	(1,651)	-	(1,651)
Total comprehensive income for the financial period	-	2,897	2,897	282	3,179
At 30 September 2022 (Unaudited)	40,401	33,264	73,665	1,890	75,555

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

	Current Period To Date Ended 30 September 2023 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 30 September 2022 (Unaudited) RM'000
OPERATING ACTIVITIES		
Profit before tax	4,061	4,393
Adjustments for:-		
- Non cash items	1,825	2,145
- Non-operating items	331	114
Operating profit before working capital changes	6,217	6,652
Changes in working capital		
Inventories	(1,845)	(449)
Receivables	(4,257)	2,936
Payables	(1,331)	(2,444)
Bill payables	-	(3,731)
Cash generated from operations	(1,216)	2,964
Tax paid	(1,025)	(1,499)
Tax refunded	-	1
Net cash from operating activities	(2,241)	1,466
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(562)	(94)
Interest received	185	123
Proceed from disposal of property, plant and equipment	53	143
Net cash (used in) / from investing activities	(324)	172
FINANCING ACTIVITIES		
Repayment of bankers' acceptance	(34,549)	-
Drawdown of bankers' acceptance	42,233	-
Repayment of revolving credit	-	(649)
Dividend paid	-	(1,651)
Interest paid	(561)	(339)
Repayment of term loans	(783)	(194)
Repayment of lease liabilities	(769)	(775)
Net cash from / (used in) financing activities	5,571	(3,608)
Net changes in cash and cash equivalents	3,006	(1,970)
Effect of exchange rate changes	82	33
Cash and cash equivalents at the beginning of the period	10,298	14,150
Cash and cash equivalents at the end of the period	13,386	12,213

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 108 Definition of Accounting Estimates
- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules

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:

MFRSs and amendments to MFRSs beginning on or after		Effective for annual periods
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 107 and MFRS 7	Supplier Finance Arrangements	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 THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 30 September 2023 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	30.09.2023 RM'000	30.09.2023 RM'000
Other income including investment income	(1,330)	(1,492)
Interest income	(68)	(185)
Expected credit losses on trade receivables (net)	98	399
Inventory written down	-	77
Reversal of inventory written down	(8)	(1)
Gain on disposal of property, plant and equipment	-	(45)
Interest expense	215	561
Depreciation	510	1,599
Net realised foreign exchange loss	44	152
Net unrealised foreign exchange gain	(36)	(57)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 30 September 2023	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	45,178	1,136	-	46,314
Inter-segment revenue	831	4,150	(5,309)	-
Total revenue	46,009	5,286	(5,309)	46,314
Profit before tax	1,438	213	-	1,651
Tax expense				(293)
Profit for the period				1,358

Period to Date ended 30 September 2023	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	135,945	3,976	-	139,921
Inter-segment revenue	2,410	13,728	(16,138)	-
Total revenue	138,355	17,704	(16,138)	139,921
Profit before tax	3,407	654	-	4,061
Tax expense				(998)
Profit for the period				3,063

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (CONT'D)

A10. Capital commitments

There were no material events subsequent to the reporting date up to the date of this report.

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 30/09/2023	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	15,386	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 THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE AMLR

B1. Review of performance

	3QFY23	3QFY22	Variance	FY2023	FY2022	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	46,314	38,570	20.08%	139,921	120,970	15.67%
Operating Profit	1,866	1,276	46.24%	4,622	4,732	-2.32%
Profit Before Interest And Tax	1,866	1,276	46.24%	4,622	4,732	-2.32%
Profit Before Tax	1,651	1,180	39.92%	4,061	4,393	-7.56%
Profit After Tax	1,358	875	55.20%	3,063	3,179	-3.65%
Profit Attributable to Ordinary Equity Holders Of The Parent	1,266	815	55.34%	2,708	2,897	-6.52%

The Group registered RM46.314 million revenue for the current quarter which represents increase of RM7.744 million or 20.08% as compared to the revenue of RM38.570 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.651 million for the quarter under review which represents increase of RM0.471 million or 39.92% as compared to the Group's profit before tax of RM1.180 million reported in the previous period's corresponding quarter. Profit before tax increased due to increase in revenue achieved by the Group.

For the current quarter, trading segment registered revenue of RM45.178 million from the external customers and RM0.831 million from inter-company transactions and reported profit before tax of RM1.438 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM37.601 million from the external customers and RM0.652 million from intercompany transactions and reported profit before tax of RM1.038 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 RM1.136 million from the external customers and RM4.150 million from inter-company transactions and reported profit before tax of RM0.213 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM0.969 million from external customers and RM5.614 million from inter-company transactions and reported profit before tax of RM0.142 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 despite with lower revenue achieved.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D)

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

	3QFY23	2QFY23	Variance
	RM'000	RM'000	%
Revenue	46,314	45,740	1.25%
Operating Profit	1,866	1,162	60.59%
Profit Before Interest And Tax	1,866	1,162	60.59%
Profit Before Tax	1,651	985	67.61%
Profit After Tax	1,358	703	93.17%
Profit Attributable to Ordinary Equity Holders Of The Parent	1,266	610	107.54%

For the quarter under review, the Group registered increase in revenue of 1.25% from RM45.740 million to RM46.314 million and significant increase in profit before tax of 60.59% from RM1.162 million to RM1.866 million as compared to preceding quarter ended 30 June 2023. The significant increase in profit before tax was mainly attributable to one off sundry income achieved by the Group. For the current quarter, trading segment achieved revenue of RM45.178 million and profit before tax of RM1.438 million as compared to revenue of RM44.052 million and profit before tax of RM0.656 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM1.136 million and reported profit before tax of RM0.213 million as compared to revenue of RM1.688 million and profit before tax of RM0.329 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 Board observes a cautious outlook as the anticipated higher inflationary pressures coupled with rising interest rates may have an impact on consumer spending and households purchasing power.

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 THIRD QUARTER ENDED 30 SEPTEMBER 2023 (CONT'D)

B5. Tax expense

	Current quarter ended 30.09.2023 RM'000	Current period-to-date 30.09.2023 RM'000
Income tax		
-Current period	158	844
-Under/(Over) provision in previous period	102	102
-Deferred taxation	33	52
	293	998

The Group's effective tax rate for the current quarter is lower than the statutory rate mainly due to certain income not subject 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 30 September 2023 were as follows:

	Total RM'000
<u>Short-term borrowings:</u>	
Lease liabilities	1,094
Bank borrowings	<u>15,099</u>
Total	<u>16,193</u>
	Total RM'000
<u>Long-term borrowings:</u>	
Lease liabilities	2,270
Bank borrowings	<u>287</u>
Total	<u>2,557</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 THIRD QUARTER ENDED 30 SEPTEMBER 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 30 September 2023 and previous year's corresponding period ended 30 September 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>30.09.2023</u>	<u>30.09.2022</u>	<u>30.09.2023</u>	<u>30.09.2022</u>
Comprehensive income attributable to owners of the Company (RM'000)	1,266	815	2,708	2,897
Weighted average number of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen)				
- Basic	0.46	0.30	0.98	1.05

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

Date: 30 November 2023