

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 June 2024 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2023 RM'000	Current Period To Date Ended 30 June 2024 RM'000	Preceding Period To Date Ended 30 June 2023 RM'000
Revenue	42,775	45,740	89,083	93,607
Cost of sales	(37,087)	(39,968)	(77,587)	(82,111)
Gross profit	5,688	5,772	11,496	11,496
Other income	80	129	386	346
Selling and distribution expenses	(1,720)	(1,660)	(3,251)	(3,137)
Administration expenses	(2,726)	(2,664)	(5,462)	(5,420)
Other expenses	(127)	(415)	(490)	(529)
Operating profit	1,195	1,162	2,679	2,756
Finance cost	(219)	(177)	(400)	(346)
Profit before tax	976	985	2,279	2,410
Tax expense	(281)	(282)	(642)	(705)
Profit for the period	695	703	1,637	1,705
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	695	703	1,637	1,705
Total comprehensive income attributable to the				
Owners of the Company	583	610	1,409	1,442
Non-controlling interests	112	93	228	263
	695	703	1,637	1,705
Weighted average no. of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen):				
-Basic	0.21	0.22	0.51	0.52

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 2023 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 30 JUNE 2024**

	Unaudited As at 30 June 2024 RM'000	Audited As at 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	25,105	23,321
Investment properties	971	976
Deferred tax assets	420	458
Goodwill on consolidation	9,957	9,957
	<u>36,453</u>	<u>34,712</u>
Current assets		
Inventories	27,448	22,356
Trade receivables	31,575	32,538
Other receivables	7,304	11,955
Tax recoverable	431	732
Cash and bank balances	17,513	16,101
	<u>84,271</u>	<u>83,682</u>
TOTAL ASSETS	<u>120,724</u>	<u>118,394</u>
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the Company		
Share capital	40,401	40,401
Retained earnings	37,723	37,415
	<u>78,124</u>	<u>77,816</u>
Non-controlling interests	2,815	2,587
Total equity	<u>80,939</u>	<u>80,403</u>
Non-current liabilities		
Lease liabilities	1,966	2,040
Borrowings	287	234
Deferred tax liabilities	1,045	1,070
	<u>3,298</u>	<u>3,344</u>
Current liabilities		
Trade payables	11,691	10,412
Other payables	5,378	4,746
Lease liabilities	1,136	1,098
Borrowings	18,122	18,331
Tax payables	160	60
	<u>36,487</u>	<u>34,647</u>
Total liabilities	<u>39,785</u>	<u>37,991</u>
TOTAL EQUITY AND LIABILITIES	<u>120,724</u>	<u>118,394</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	28.39	28.27

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2023.

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SECOND QUARTER ENDED 30 JUNE 2024**

	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 2024	40,401	37,415	77,816	2,587	80,403
Dividend of RM 0.004 per share in respect of FYE 31 December 2023 and paid on 29 March 2024	-	(1,101)	(1,101)	-	(1,101)
Total comprehensive income for the financial period	-	1,409	1,409	228	1,637
At 30 June 2024 (Unaudited)	40,401	37,723	78,124	2,815	80,939
At 1 January 2023	40,401	33,970	74,371	2,033	76,404
Total comprehensive income for the financial period	-	1,442	1,442	263	1,705
At 30 June 2023 (Unaudited)	40,401	35,412	75,813	2,296	78,109

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 2023.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND QUARTER ENDED 30 JUNE 2024

	Current Period To Date Ended 30 June 2024 (Unaudited) RM'000	Preceding Year Corresponding Period Ended 30 June 2023 (Unaudited) RM'000
OPERATING ACTIVITIES		
Profit before tax	2,279	2,410
Adjustments for:-		
- Non cash items	1,362	1,393
- Non-operating items	247	229
Operating profit before working capital changes	3,888	4,032
Changes in working capital		
Inventories	(5,113)	(1,137)
Receivables	5,249	2,017
Payables	1,930	(4,079)
Cash generated from operations	5,954	833
Tax paid	(226)	(679)
Net cash from operating activities	5,728	154
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(2,340)	(204)
Interest received	154	117
Proceed from disposal of property, plant and equipment	27	53
Net cash used in investing activities	(2,159)	(34)
FINANCING ACTIVITIES		
Dividend paid	(1,101)	-
Repayment of bankers' acceptance	(29,136)	(20,098)
Drawdown of bankers' acceptance	29,085	26,081
Interest paid	(400)	(346)
Repayment of term loans	(105)	(434)
Repayment of lease liabilities	(509)	(571)
Net cash (used in) / from financing activities	(2,166)	4,632
Net changes in cash and cash equivalents	1,403	4,752
Effect of exchange rate changes	9	35
Cash and cash equivalents at the beginning of the period	16,101	10,297
Cash and cash equivalents at the end of the period	17,513	15,084

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2023.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

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 2023 and the accompanying explanatory notes attached to the interim financial report.

A2. Change in accounting policies

The 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 2023 except for the adoption of the following Amendments to Malaysian Financial Reporting Standards (“MFRSs”) during the current financial period:

- Amendments to MFRS 16 Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Non-current Liabilities with Covenants
- Amendments to MFRS 107 Supplier Finance Arrangements and MFRS 7

The adoption of these Amendments to MFRSs did not result in significant finance impact to 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 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountabilities: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an 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 SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)

A3. Auditors' report

There was no qualification on the Audited Financial Statements of the Group for the FYE 31 December 2023.

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 June 2024 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	30.06.2024 RM'000	30.06.2024 RM'000
Other income including investment income	(58)	(142)
Interest income	(73)	(154)
Expected credit losses on trade receivables (net)	41	365
Gain on disposal of property, plant & equipment	(27)	(27)
Inventory written down	153	155
Reversal of inventory written down	(134)	(134)
Interest expense	219	400
Depreciation	466	1,067
Net realised foreign exchange loss	5	18
Net unrealised foreign exchange gain	(24)	(31)

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 30 June 2024	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from				
External customers	41,595	1,180	-	42,775
Inter-segment revenue	774	4,708	(5,482)	-
Total revenue	42,369	5,888	(5,482)	42,775
Profit before tax	563	413	-	976
Tax expense				(281)
Profit for the period				695

Period to Date ended 30 June 2024	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from				
External customers	86,789	2,294	-	89,083
Inter-segment revenue	2,115	8,371	(10,486)	-
Total revenue	88,904	10,665	(10,486)	89,083
Profit before tax	1,535	744	-	2,279
Tax expense				(642)
Profit for the period				1,637

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 SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (CONT'D)

A10. Capital commitments

The material capital commitments of the Group as at 30 June 2024 are as follow:

	RM'000
Additions of Industrial Land	3,894
Construction of Factory Building	<u>681</u>
Total	<u>4,575</u>

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 30/06/2024	As at 31/12/2023
	RM'000	RM'000
Corporate guarantee given by the Company to financial institutions for credit facilities granted to Subsidiaries		
- Utilised	18,409	18,564
- Limit	44,239	44,239

A14. Significant related party transactions

The related party transactions described below were carried out on term and conditions negotiated amongst the parties. The significant related party transactions are as follows:

	Current Quarter Ended		Cumulative Year To Date	
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	Unaudited	Audited	Unaudited	Audited
In which Directors have interest	RM'000	RM'000	RM'000	RM'000
-Professional fee charged	-	-	2	33
-Lease rental paid	75	75	150	150

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 SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE AMLR

B1. Review of performance

	Quarter ended			For 6 months period ended		
	30.6.2024	30.06.2023	Variance	30.06.2024	30.06.2023	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	42,775	45,740	-6.48%	89,083	93,607	-4.83%
Operating Profit	1,195	1,162	2.84%	2,679	2,756	-2.79%
Profit Before Interest And Tax	1,195	1,162	2.84%	2,679	2,756	-2.79%
Profit Before Tax	976	985	-0.91%	2,279	2,410	-5.44%
Profit After Tax	695	703	-1.14%	1,637	1,705	-3.99%
Profit Attributable to Ordinary Equity Holders Of The Parent	583	610	-4.43%	1,409	1,442	-2.29%

The Group registered RM42.775 million revenue for the current quarter which represents decrease of RM2.965 million or 6.48% as compared to the revenue of RM45.740 million in the previous period's corresponding quarter. The Group registered profit before tax of RM0.976 million for the quarter under review which represents decrease of RM0.009 million or 0.91% as compared to the Group's profit before tax of RM0.985 million reported in the previous period's corresponding quarter. Profit before tax decreased due to lower revenue achieved by the Group.

For the current quarter, trading segment registered revenue of RM41.595 million from the external customers and RM0.774 million from inter-company transactions and reported profit before tax of RM0.563 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM44.052 million from the external customers and RM0.790 million from intercompany transactions and reported profit before tax of RM0.656 million for the trading segment. The decrease in profit before tax for the trading segment for the current quarter was mainly due to lower revenue achieved.

The manufacturing segment registered revenue of RM1.180 million from the external customers and RM4.708 million from inter-company transactions and reported profit before tax of RM0.413 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM1.688 million from external customers and RM4.519 million from inter-company transactions and reported profit before tax of RM0.329 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 despite of lower revenue achieved.

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

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

	2QFY24	1QFY24	Variance
	RM'000	RM'000	%
Revenue	42,775	46,308	-7.63%
Operating Profit	1,195	1,484	-19.47%
Profit Before Interest And Tax	1,195	1,484	-19.47%
Profit Before Tax	976	1,303	-25.10%
Profit After Tax	695	942	-26.22%
Profit Attributable to Ordinary Equity Holders Of The Parent	583	826	-29.42%

For the quarter under review, the Group registered decrease in revenue of 7.63% from RM46.308 million to RM42.775 million and significant decrease in profit before tax of 25.10% from RM1.303 million to RM0.976 million as compared to preceding quarter ended 31 March 2024. The decrease in profit before tax was mainly attributable to lower revenue achieved despite of higher gross margin achieved by the Group. For the current quarter, trading segment achieved revenue of RM41.595 million and profit before tax of RM0.563 million as compared to revenue of RM45.194 million and profit before tax of RM0.972 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM1.180 million and reported profit before tax of RM0.413 million as compared to revenue of RM1.114 million and profit before tax of RM0.331 million in the previous quarter.

B3. Prospects

In 2024, the global economy is expected to grow at a steady pace with the hope of easing interest rate and gradual decline in inflation although international geopolitical tensions continue to pose uncertainties. The outlook on Malaysia remains optimistic benefiting from steady key interest rate maintained by Bank Negara Malaysia which is supportive to the economy.

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.

Despite the uncertain market condition, the Group is optimistic to deliver a reasonable performance for the financial year ending 31 December 2024.

B4. Profit forecast

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

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2024 (CONT'D)

B5. Tax expense

	Current quarter ended 30.06.2024 RM'000	Current period-to-date 30.06.2024 RM'000
Income tax		
-Current period	271	629
-Deferred taxation	10	13
	281	642

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 30 June 2024 were as follows:

	Total RM'000
<u>Short-term borrowings (secured):</u>	
Lease liabilities	1,136
Bank borrowings	<u>18,122</u>
Total	<u>19,258</u>
	Total RM'000
<u>Long-term borrowings(secured):</u>	
Lease liabilities	1,966
Bank borrowings	<u>287</u>
Total	<u>2,253</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 SECOND QUARTER ENDED 30 JUNE 2024 (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 June 2024 and previous year's corresponding period ended 30 June 2023.

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>30.06.2024</u>	<u>30.06.2023</u>	<u>30.06.2024</u>	<u>30.06.2023</u>
Comprehensive income attributable to owners of the Company (RM'000)	583	610	1,409	1,442
Weighted average number of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen)				
- Basic	0.21	0.22	0.51	0.52

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

Date: 30 August 2024