

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

	Quarter Ended		Year-To-Date Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Revenue	41,579	46,314	130,662	139,921
Cost of sales	(36,004)	(40,673)	(113,591)	(122,784)
Gross profit	5,575	5,641	17,071	17,137
Other income	473	1,434	859	1,780
Selling and distribution expenses	(1,531)	(2,036)	(4,782)	(5,173)
Administration expenses	(2,836)	(3,161)	(8,298)	(8,581)
Other expenses	(262)	(12)	(752)	(541)
Operating profit	1,419	1,866	4,098	4,622
Finance cost	(191)	(215)	(591)	(561)
Profit before tax	1,228	1,651	3,507	4,061
Tax expense	(359)	(293)	(1,001)	(998)
Profit for the period	869	1,358	2,506	3,063
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	869	1,358	2,506	3,063
Total comprehensive income attributable to the Owners of the Company	767	1,266	2,176	2,708
Non-controlling interests	102	92	330	355
	869	1,358	2,506	3,063
Weighted average no. of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen):				
-Basic	0.28	0.46	0.79	0.98

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 SEPTEMBER 2024

	Unaudited As at 30 September 2024 RM'000	Audited As at 31 December 2023 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,480	23,321
Investment properties	968	976
Deferred tax assets	365	458
Goodwill on consolidation	9,957	9,957
	<u>39,770</u>	<u>34,712</u>
Current assets		
Inventories	28,682	22,356
Trade receivables	28,525	32,538
Other receivables	7,239	11,955
Tax recoverable	350	732
Cash and bank balances	10,552	16,101
	<u>75,348</u>	<u>83,682</u>
TOTAL ASSETS	<u>115,118</u>	<u>118,394</u>
EQUITY AND LIABILITIES		
Equity		
Equity attributable to owners of the Company		
Share capital	40,401	40,401
Retained earnings	38,490	37,415
	<u>78,891</u>	<u>77,816</u>
Non-controlling interests	2,917	2,587
Total equity	<u>81,808</u>	<u>80,403</u>
Non-current liabilities		
Lease liabilities	1,116	2,040
Borrowings	287	234
Deferred tax liabilities	1,028	1,070
	<u>2,431</u>	<u>3,344</u>
Current liabilities		
Trade payables	8,465	10,412
Other payables	3,877	4,746
Lease liabilities	441	1,098
Borrowings	17,928	18,331
Tax payables	168	60
	<u>30,879</u>	<u>34,647</u>
Total liabilities	<u>33,310</u>	<u>37,991</u>
TOTAL EQUITY AND LIABILITIES	<u>115,118</u>	<u>118,394</u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	28.67	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.

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024**

	Attributable to Equity Holders of the Company				
	<u>Non-Distributable</u> Share Capital RM'000	<u>Distributable</u> Unappropriated Profits RM'000	<u>Total</u> RM'000	<u>Non-controlling</u> Interest RM'000	<u>Total</u> 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	-	2,176	2,176	330	2,506
At 30 September 2024 (Unaudited)	40,401	38,490	78,891	2,917	81,808
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

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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

	Year-To-Date Ended	
	30 September 2024 (Unaudited) RM'000	30 September 2023 (Unaudited) RM'000
OPERATING ACTIVITIES		
Profit before tax	3,507	4,061
Adjustments for:-		
- Non cash items	2,060	1,825
- Non-operating items	368	331
Operating profit before working capital changes	5,935	6,217
Changes in working capital		
Inventories	(6,324)	(1,845)
Receivables	8,093	(4,257)
Payables	(2,681)	(1,331)
Cash generated from / (used in) operations	5,023	(1,216)
Tax paid	(460)	(1,025)
Net cash from / (used in) operating activities	4,563	(2,241)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,441)	(562)
Interest received	223	185
Proceed from disposal of property, plant and equipment	49	53
Net cash used in investing activities	(7,169)	(324)
FINANCING ACTIVITIES		
Dividend paid	(1,101)	-
Repayment of bankers' acceptance	(45,526)	(34,549)
Drawdown of bankers' acceptance	45,333	42,233
Interest paid	(591)	(561)
Repayment of term loans	(157)	(783)
Repayment of lease liabilities	(848)	(769)
Net cash (used in) / generated from financing activities	(2,890)	5,571
Net changes in cash and cash equivalents	(5,496)	3,006
Effect of exchange rate changes	(53)	82
Cash and cash equivalents at the beginning of the period	16,101	10,298
Cash and cash equivalents at the end of the period	10,552	13,386

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 THIRD QUARTER ENDED 30 SEPTEMBER 2024

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 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 1, MFRS 7, MFRS 9, MFRS 10 and MFRS 107	Annual Improvements-Volume11	1 January 2026
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

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)

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

A2. Change in 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 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 September 2024 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Year-To-Date Ended</i>
	30.09.2024 RM'000	30.09.2024 RM'000
Other income including investment income	(118)	(260)
Interest income	(69)	(223)
Expected credit losses on trade receivables (net)	249	614
Gain on disposal of property, plant & equipment	-	(27)
Inventory written down	-	155
Reversal of inventory written down	(23)	(157)
Interest expense	191	591
Depreciation	545	1,612
Net realised foreign exchange gain	(150)	(132)
Net unrealised foreign exchange gain	(29)	(60)

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)

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

A8. Segmental information

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

Quarter ended 30 September 2024	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	40,669	910	-	41,579
Inter-segment revenue	553	4,227	(4,780)	-
Total revenue	41,222	5,137	(4,780)	41,579
Profit before tax	898	330	-	1,228
Tax expense				(359)
Profit for the period				869

Year-To-Date Ended 30 September 2024	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	127,458	3,204	-	130,662
Inter-segment revenue	2,668	12,598	(15,266)	-
Total revenue	130,126	5,802	(15,266)	130,662
Profit before tax	2,432	1,075	-	3,507
Tax expense				(1,001)
Profit for the period				2,506

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 2024 (CONT'D)

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

A10. Capital commitments

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

	RM'000
Additions of Industrial Land	7,039
Construction of Factory Building	<u>311</u>
Total	<u>7,350</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 30/09/2024	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	18,215	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:

	Quarter Ended		Year-To-Date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Transactions with companies In which Directors have interest				
- Professional fee charged	-	-	2	33
- Lease rental paid	75	75	225	225

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 2024 (CONT'D)

B: ADDITIONAL INFORMATION PURSUANT TO THE AMLR

B1. Review of performance

	Quarter ended			For 9 months period ended		
	30.9.2024	30.09.2023	Variance	30.09.2024	30.09.2023	Variance
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	41,579	46,314	-10.22%	130,662	139,921	-6.62%
Operating Profit	1,419	1,866	-23.95%	4,098	4,622	-11.34%
Profit Before Interest And Tax	1,419	1,866	-23.95%	4,098	4,622	-11.34%
Profit Before Tax	1,228	1,651	-25.62%	3,507	4,061	-13.64%
Profit After Tax	869	1,358	-36.01%	2,506	3,063	-18.18%
Profit Attributable to Ordinary Equity Holders Of The Parent	767	1,266	-39.42%	2,176	2,708	-19.65%

The Group registered RM41.579 million revenue for the current quarter which represents decrease of RM4.735 million or 10.22% as compared to the revenue of RM46.314 million in the previous period's corresponding quarter. The Group registered profit before tax of RM1.228 million for the quarter under review which represents decrease of RM0.423 million or 25.62% as compared to the Group's profit before tax of RM1.651 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 RM40.669 million from the external customers and RM0.553 million from inter-company transactions and reported profit before tax of RM0.898 million for the quarter under review. In the previous period's corresponding quarter, the group achieved revenue of RM45.178 million from the external customers and RM0.831 million from intercompany transactions and reported profit before tax of RM1.438 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 RM0.910 million from the external customers and RM4.227 million from inter-company transactions and reported profit before tax of RM0.330 million for the quarter under review. In the previous period's corresponding quarter, the Group achieved revenue of RM1.136 million from external customers and RM4.150 million from inter-company transactions and reported profit before tax of RM0.213 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 of lower revenue achieved.

QUARTERLY REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2024 (CONT'D)

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

	3QFY24	2QFY24	Variance
	RM'000	RM'000	%
Revenue	41,579	42,775	-2.80%
Operating Profit	1,419	1,195	18.74%
Profit Before Interest And Tax	1,419	1,195	18.74%
Profit Before Tax	1,228	976	25.82%
Profit After Tax	869	695	25.04%
Profit Attributable to Ordinary Equity Holders Of The Parent	767	583	31.56%

For the quarter under review, the Group registered decrease in revenue of 2.80% from RM42.775 million to RM41.579 million and significant increase in profit before tax of 25.82% from RM0.976 million to RM1.228 million as compared to preceding quarter ended 30 June 2024. The increase in profit before tax was mainly attributable higher gross margin achieved by the Group despite of lower revenue achieved. For the current quarter, trading segment achieved revenue of RM40.669 million and profit before tax of RM0.898 million as compared to revenue of RM41.595 million and profit before tax of RM0.563 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM0.910 million and reported profit before tax of RM0.330 million as compared to revenue of RM1.180 million and profit before tax of RM0.413 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.

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 2024 (CONT'D)

B5. Tax expense

	Quarter ended 30.09.2024 RM'000	Year-To-Date Ended 30.09.2024 RM'000
Income tax		
- Current period	321	950
- Deferred taxation	38	51
	<u>359</u>	<u>1,001</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 30 September 2024 were as follows:

	Total RM'000
<u>Short-term borrowings (secured):</u>	
Lease liabilities	441
Bank borrowings	<u>17,928</u>
Total	<u>18,369</u>
	Total RM'000
<u>Long-term borrowings(secured):</u>	
Lease liabilities	1,116
Bank borrowings	<u>287</u>
Total	<u>1,403</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 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 September 2024 and previous year's corresponding period ended 30 September 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:

	Quarter Ended		Year-To-Date Ended	
	30.09.2024	30.09.2023	30.09.2024	30.09.2023
Comprehensive income attributable to owners of the Company (RM'000)	767	1,266	2,176	2,708
Weighted average number of ordinary shares in issue ('000)	275,214	275,214	275,214	275,214
Earnings per share (sen)				
- Basic	0.28	0.46	0.79	0.98

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

Date: 29 November 2024