

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 March 2013 RM'000	Preceding Year Corresponding Quarter Ended 31 March 2012 RM'000	Current Period To Date Ended 31 March 2013 RM'000	Preceding Period To Date Ended 31 March 2012 RM'000
Revenue	11,444	10,631	11,444	10,631
Cost of sales	(8,830)	(7,826)	(8,830)	(7,826)
Gross profit	2,614	2,805	2,614	2,805
Other income	54	128	54	128
Selling and distribution expenses	(588)	(491)	(588)	(491)
Administration expenses	(1,308)	(1,198)	(1,308)	(1,198)
Other expenses	(158)	(72)	(158)	(72)
Operating profit	614	1,172	614	1,172
Finance cost	(63)	(69)	(63)	(69)
Profit before tax	551	1,103	551	1,103
Tax expense	(223)	(325)	(223)	(325)
Profit for the period	328	778	328	778
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	328	778	328	778
Total comprehensive income attributable to :				
Owners of the Company	345	754	345	754
Non-controlling interests	(17)	24	(17)	24
	328	778	328	778
Weighted average no. of ordinary shares in issue ('000)	188,000	188,000	188,000	188,000
Earnings per share (sen):				
-Basic	0.18	0.40	0.18	0.40
-Diluted	0.18	0.40	0.18	0.40

Note:

The Unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended ("FYE") 31 December 2012 and the accompanying explanatory notes attached to the interim financial statements.

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2013**

	UNAUDITED	AUDITED
	As at	As at
	31 March 2013	31 December 2012
	RM'000	RM'000
ASSETS		
Non-current asset		
Property, plant and equipment	12,355	12,390
Deferred tax assets	577	577
	<u>12,932</u>	<u>12,967</u>
Current assets		
Inventories	5,698	6,560
Trade receivables	17,401	17,058
Other receivables	57	596
Tax recoverable	422	422
Cash and bank balances	1,845	1,658
	<u>25,423</u>	<u>26,294</u>
TOTAL ASSETS	<u><u>38,355</u></u>	<u><u>39,261</u></u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	18,800	18,800
Share premium	2,691	2,691
Unappropriated profit	7,291	8,262
	<u>28,782</u>	<u>29,753</u>
Non-controlling interests	(94)	(77)
Total equity	<u>28,688</u>	<u>29,676</u>
Non-current liabilities		
Finance lease creditors	136	126
Borrowings	2,927	2,815
	<u>3,063</u>	<u>2,941</u>
Current liabilities		
Trade payables	982	1,735
Other payables	2,458	2,321
Finance lease creditors	97	79
Borrowings	2,771	2,319
Tax payables	296	190
	<u>6,604</u>	<u>6,644</u>
Total liabilities	<u>9,667</u>	<u>9,585</u>
TOTAL EQUITY AND LIABILITIES	<u><u>38,355</u></u>	<u><u>39,261</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	15.26	15.79

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2012.

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 2013**

	Attributable to Equity Holders of the Company					Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Unappropriated Profits RM'000	Total RM'000	Non-controlling Interests RM'000	
At 1 January 2012	18,800	2,691	4,363	25,854	38	25,892
Acquisition of equity interest in a subsidiary company by non-controlling interests	-	-	-	-	23	23
Total comprehensive income for the financial year	-	-	3,899	3,899	(138)	3,761
At 31 December 2012 (Audited)	18,800	2,691	8,262	29,753	(77)	29,676
Additional acquisition of equity interest in a subsidiary company by non-controlling interests	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	345	345	(17)	328
Dividend of 0.7% per share	-	-	(1,316)	(1,316)	-	(1,316)
At 31 March 2013 (Unaudited)	18,800	2,691	7,291	28,782	(94)	28,688

Note:

- 1) The Unaudited Condensed Consolidated Statement of Changes In Equity should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2012.

PETERLABS HOLDINGS BERHAD (Company No. 909720-W)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FIRST QUARTER ENDED 31 MARCH 2013**

	Current Period To Date Ended 31 March 2013 RM'000	Preceding Period To Date Ended 31 March 2012 RM'000
OPERATING ACTIVITIES		
Profit before tax	551	1,103
Adjustments for:-		
- Non cash items	356	242
- Non-operating items	59	69
Operating profit before working capital changes	966	1,414
Changes in working capital		
Inventories	711	(408)
Receivables	194	2,326
Payables	(616)	(2,299)
Bill payables	962	(217)
Cash generated from operations	2,217	816
Interest paid	(63)	(69)
Tax expense paid	(118)	(391)
Interest received	5	-
Net cash generated from operations	2,041	356
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(169)	(8)
Proceeds from acquisition of equity interest in a subsidiary company by non-controlling interests	-	23
Net cash used in investing activities	(169)	15
FINANCING ACTIVITIES		
Repayment of term loan	(398)	-
Drawdown of term loan	-	23
Repayment of finance lease	29	(15)
Dividend paid on ordinary shares	(1,316)	-
Net cash used in financing activities	(1,685)	8
Net Changes In Cash And Cash Equivalents	187	379
Cash And Cash Equivalents At The Beginning Of The Period	1,658	2,355
Cash And Cash Equivalents At The End Of The Period	1,845	2,734

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2012.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2013

A: EXPLANATORY NOTES PURSUANT TO THE MALAYSIAN FINANCIAL REPORTING STANDARDS 134 (MFRS 134): INTERIM FINANCIAL REPORTING

A1. Basis of reporting 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 (“ACE LR”).

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Group for the FYE 31 December 2012 and the accompanying explanatory notes attached to the interim financial report.

A2. Basis of preparation

2.1 Adoption of New and Revised Malaysian Financial Reporting Standards (“MFRS”)

The accounting policies adopted by the Group and the Company are consistent with those of the previous financial year except for the Group and the Company have adopted new and revised MFRSs and IC Interpretations.

Initial application of the new and revised MFRSs and interpretations is not expected to have any material impact on the financial statements of the Group and of the Company, except for the following :-

MFRS 13 Fair Value Measurement

MFRS 13 does not affect which items are required to be fair-valued, but clarifies the definition of fair value and provides related guidance and enhanced the disclosures about fair value measurements. The enhanced disclosure requirements are similar to those in MFRS 7 Financial Instruments: Disclosures, but apply to all assets and liabilities measured at fair value, not just financial ones.

2.2 Standards issued but not yet effective

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the MASB but are not yet effective, and have not been adopted by the Group and the Company.

Management anticipates that all relevant pronouncements will be adopted in the Group’s and the Company’s accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group’s and the Company’s financial statements is provided below. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Group’s and the Company’s financial statements.

MFRS 9 Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)

MFRS 9 replaces the parts of FRS 139 that relate to the classification and measurement of financial instruments. It addresses the classification, measurement and recognition of financial assets and financial liabilities with only two classification categories: fair value and amortised cost.

The Group and the Company expect changes to arise from the adoption of MFRS in terms of the classification and measurement of the financial assets. However, the extent of the impact has not been determined.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A3. Auditors' report

There was no qualification on the Audited Financial Statements of the Group for the FYE 31 December 2012.

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.

A5. Items of unusual nature and amount

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

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 2013 is arrived at after charging / (crediting):

	Quarter Ended 31 Mar 2013 RM'000	Period To Date Ended 31 Mar 2013 RM'000
Other income including investment income	(16)	(16)
Interest expense	63	63
Depreciation	205	205
Inventories written down	152	152
Foreign exchange gain	(38)	(38)

PETERLABS HOLDINGS BERHAD (Company No: 909720-W)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A8. Segmental information

The Group is organised into the following operating segments:-

- a) Trading
- b) Manufacturing

Quarter ended 31 March 2013	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	11,139	305	-	11,444
Inter-segment revenue	2,308	3,985	(6,293)	-
Total revenue	<u>13,447</u>	<u>4,290</u>	<u>(6,293)</u>	<u>11,444</u>
Profit before tax	754	(203)	-	551
Tax expense				(223)
Profit for the period				328

Period to Date ended 31 March 2013	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	11,139	305	-	11,444
Inter-segment revenue	2,308	3,985	(6,293)	-
Total revenue	<u>13,447</u>	<u>4,290</u>	<u>(6,293)</u>	<u>11,444</u>
Profit before tax	754	(203)	-	551
Tax expense				(223)
Profit for the period				328

A9. Valuation of property, plant and equipment

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

A10. Capital commitments

As at the reporting date, there were no outstanding capital commitments not provided for in the interim financial report.

PETERLABS HOLDINGS BERHAD (Company No: 909720-W)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

A11. Material subsequent event

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected.

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

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 year to date.

A14. Significant related party transactions

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2012, there were no other significant related party transactions for the current quarter under review.

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B: ADDITIONAL INFORMATION REQUIRED UNDER THE ACE LR

B1. Review of performance

The Group's revenue for the current quarter of RM11.444 million which represents an increase of RM0.813 million or 7.6% as compared to the revenue of RM10.631 million in the previous period's corresponding quarter. The Group registered profit before tax of RM0.551 million for the quarter under review which represents a decrease of RM0.552 million or 50.0% as compared to the Group's profit before tax of RM1.103 million reported in the previous period's corresponding quarter. The decrease in profit before tax for the current quarter was due to lower gross margin mainly due to purchase inflation in which the cost have not been passed on to customers due to competitive market. The decrease in other income was due to gain on disposal of fixed assets recognized in the previous period's corresponding quarter.

For the current quarter, trading segment registered revenue of RM11.139 million and profit before tax of RM0.754 million as compared to RM12.610 million and RM1.087 million in the previous quarter. The decrease in profit before tax for the current quarter was mainly due to lower sales and additional provision of slow moving stock of RM0.244 million.

The manufacturing segment registered revenue of RM0.305 million from the external customers and RM3.985 million from inter-company transaction while reported loss of RM0.203 million for the quarter under review. In the previous quarter, the Group achieved revenue of RM0.325 million from external customers and RM4.402 million (from inter-company transaction). The loss for manufacturing segment was RM0.258 million. The decrease in loss for the current quarter was due to lower provision of slow moving stock of RM0.052 million was made during the quarter under review.

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

For the quarter under review, the Group registered a decrease in revenue of 11.5% from RM12.935 million to RM11.444 million and decrease in profit before tax of 38.1% from RM0.890 million to RM0.551 million as compared to preceding quarter ended 31 December 2012. The decline in profit before tax was mainly due lower sales achieved as compared to previous quarter. For the current quarter, trading segment achieved revenue of RM11.139 million and profit before tax of RM0.754 million as compared to revenue of RM12.610 million and profit before tax of RM1.087 million in the previous quarter. The decrease in revenue was mainly due to lower customer purchase both from trading and manufacturing segments in the quarter under review.

B3. Prospects

The Group will continue to focus on its manufacturing, distribution and trading of animal health and nutrition products which include animal feed additives, environment maintenance products, veterinary pharmaceuticals and biological products. The Group has recently embarked on animal feed additives to exports market countries such as Indonesia, Brunei, Taiwan and Cambodia. The Group expects the prospect of the Malaysian animal health and nutrition products to be positive. Barring any unforeseen circumstances, the Board of Directors is optimistic about the Group's prospect in the future.

B4. Profit forecast

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

PETERLABS HOLDINGS BERHAD (Company No: 909720-W)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B5. Tax expense

	Current quarter ended 31 March 2013 RM'000	Current year to-date 31 March 2013 RM'000
Current tax	<u>223</u>	<u>223</u>
	<u>223</u>	<u>223</u>

The Group's effective tax rate for the current quarter was higher than the statutory rate due to loss making of Holdings Company and subsidiary from manufacturing segment.

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 was no corporate proposal announced but not completed as at the date of this quarterly report.

B9. Group borrowings and debts securities

The Group's borrowings as at 31 March 2013 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Short term borrowings:</u>			
Finance lease	-	97	97
Bank borrowings	<u>2,771</u>	-	<u>2,771</u>
Total	<u>2,771</u>	<u>97</u>	<u>2,868</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<u>Long term borrowings:</u>			
Finance lease	-	136	136
Bank borrowings	<u>2,927</u>	-	<u>2,927</u>
Total	<u>2,927</u>	<u>136</u>	<u>3,063</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.

PETERLABS HOLDINGS BERHAD (Company No: 909720-W)

QUARTERLY REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2013

B11. Material litigation

As at the date of this announcement, neither the Company nor any of its subsidiary 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 subsidiaries 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 subsidiaries.

B12. Dividends

An interim single tier tax exempt dividend of 0.7 sen per share amounting to RM1.316 million was declared in respect of FYE 31 December 2012 and was paid on 29 March 2013.

B13. Earnings per share

The basic and diluted 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	
	31 Mar 2013	31 Mar 2012	31 Mar 2013	31 Mar 2012
Comprehensive income attributable to owners of the Company (RM'000)	345	754	345	754
Weighted average number of ordinary shares in issue ('000)	188,000	188,000	188,000	188,000
Earnings per share (sen)				
- Basic	0.18	0.40	0.18	0.40
- Diluted	0.18	0.40	0.18	0.40

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

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

	Unaudited as at	Audited as at
	31 March 2013	31 December 2012
	RM'000	RM'000
- Realised	6,714	7,685
- Unrealised	<u>577</u>	<u>577</u>
	<u>7,291</u>	<u>8,262</u>

By Order of the Board
PeterLabs Holdings Berhad
Wong Keo Rou (MAICSA 7021435)
Company Secretary
Kuala Lumpur

Date: 28 May 2013