

**PETERLABS HOLDINGS BERHAD (Company No. 909720-W)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 30 June 2013 RM'000	Preceding Period Corresponding Quarter Ended 30 June 2012 RM'000	Current Period To Date Ended 30 June 2013 RM'000	Preceding Period To Date Ended 30 June 2012 RM'000
<b>Revenue</b>	12,289	10,975	23,733	21,606
Cost of sales	(9,669)	(8,212)	(18,499)	(16,038)
<b>Gross profit</b>	2,620	2,763	5,234	5,568
Other income	189	(24)	243	104
Selling and distribution expenses	(510)	(389)	(1,098)	(880)
Administration expenses	(1,387)	(1,433)	(2,695)	(2,631)
Other expenses	(13)	(30)	(171)	(102)
<b>Operating profit</b>	899	887	1,513	2,059
Finance cost	(118)	(55)	(181)	(124)
<b>Profit before tax</b>	781	832	1,332	1,935
Tax expense	(294)	(157)	(517)	(482)
<b>Profit for the period</b>	487	675	815	1,453
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	487	675	815	1,453
Total comprehensive income attributable to the Owners of the Company	498	683	843	1,437
Non-controlling interests	(11)	(8)	(28)	16
	487	675	815	1,453
Weighted average no. of ordinary shares in issue ('000)	188,000	188,000	188,000	188,000
Earnings per share attributable to owners of the Company (sen):				
-Basic	0.26	0.36	0.45	0.76
-Diluted	0.26	0.36	0.45	0.76

## Notes:

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 30 JUNE 2013**

	<b>UNAUDITED</b>	<b>AUDITED</b>
	<b>As at</b>	<b>As at</b>
	<b>30 June 2013</b>	<b>31 December 2012</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	12,160	12,390
Deferred tax assets	577	577
	<u>12,737</u>	<u>12,967</u>
<b>Current assets</b>		
Inventories	5,424	6,560
Trade receivables	17,612	17,058
Other receivables	134	596
Tax recoverable	422	422
Cash and bank balances	1,661	1,658
	<u>25,253</u>	<u>26,294</u>
<b>TOTAL ASSETS</b>	<u><u>37,990</u></u>	<u><u>39,261</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	18,800	18,800
Share premium	2,691	2,691
Unappropriated profit	7,789	8,262
	<u>29,280</u>	<u>29,753</u>
Non-controlling interests	(105)	(77)
<b>Total equity</b>	<u>29,175</u>	<u>29,676</u>
<b>Non-current liabilities</b>		
Finance lease creditors	114	126
Borrowings	2,987	2,815
	<u>3,101</u>	<u>2,941</u>
<b>Current liabilities</b>		
Trade payables	689	1,735
Other payables	2,299	2,321
Finance lease creditors	97	79
Borrowings	2,279	2,319
Tax payables	350	190
	<u>5,714</u>	<u>6,644</u>
<b>Total liabilities</b>	<u>8,815</u>	<u>9,585</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>37,990</u></u>	<u><u>39,261</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	15.52	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 SECOND QUARTER ENDED 30 JUNE 2013**

	Attributable to Equity Holders of the Company					Total equity RM'000
	<u>Non-Distributable</u>		<u>Distributable</u>		Non-controlling interests RM'000	
	Share Capital RM'000	Share Premium RM'000	Unappropriated Profits RM'000	Total 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 period	-	-	3,899	3,899	(138)	3,761
At 31 December 2012 (Audited)	18,800	2,691	8,262	29,753	(77)	29,676
Total comprehensive income for the financial period	-	-	843	843	(28)	815
Dividend of 0.7% per share	-	-	(1,316)	(1,316)	-	(1,316)
At 30 June 2013 (Unaudited)	18,800	2,691	7,789	29,280	(105)	29,175

Notes:

- 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 SECOND QUARTER ENDED 30 JUNE 2013**

	<b>Current Period To Date Ended 30 June 2013 (Unaudited) RM'000</b>	<b>Preceding Period To Date Ended 30 June 2012 (Unaudited) RM'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	1,332	1,935
Adjustments for:-		
- Non cash items	496	485
- Non-operating items	174	124
<b>Operating profit before working capital changes</b>	<b>2,002</b>	<b>2,544</b>
Changes in working capital		
Inventories	1,055	(95)
Receivables	(91)	1,521
Payables	(1,069)	(2,682)
Bill payables	470	(429)
<b>Cash generated from operations</b>	<b>2,367</b>	<b>859</b>
Interest paid	(181)	(124)
Tax expense paid	(357)	(772)
Interest received	8	-
<b>Net cash from / (used in) operating activities</b>	<b>1,837</b>	<b>(37)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(186)	(78)
Proceeds from acquisition of equity interest in a subsidiary company by non-controlling interests	-	23
<b>Net cash used in investing activity</b>	<b>(186)</b>	<b>(55)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of term loan	(338)	(638)
Repayment of finance lease	6	(30)
Dividend paid on ordinary shares	(1,316)	-
<b>Net cash used in financing activities</b>	<b>(1,648)</b>	<b>(668)</b>
<b>Net Changes In Cash And Cash Equivalents</b>	<b>3</b>	<b>(760)</b>
<b>Cash And Cash Equivalents At The Beginning Of The Period</b>	<b>1,658</b>	<b>2,354</b>
<b>Cash And Cash Equivalents At The End Of The Period</b>	<b>1,661</b>	<b>1,594</b>

Notes:

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

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 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. 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 year ended 31 December 2012.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by MASB with effect from 1 January 2012. This MFRS framework was introduced by MASB in order to fully converge Malaysia's existing Financial Reporting Standards ("FRS") framework with the International Financial Reporting Standards ("IFRS") framework issued by the International Accounting Standards Board. There has been no material impact upon the adoption of the MFRS on the financial statements of the Group.

The Group has also adopted all the relevant new and revised MFRSs and IC Interpretations that are relevant and effective for accounting periods beginning on or after 1 January 2013.

The Directors anticipate that the adoption of new and revised MFRSs and IC Interpretations will have no material 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 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.

**PETERLABS HOLDINGS BERHAD (Company No: 909720-W)**

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (CONT'D)**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013 (CONT'D)**

**A7. Profit for the period**

Profit for the current quarter and period-to-date ended 30 June 2013 is arrived at after charging / (crediting), amongst other items, the following :-

	<b>Quarter Ended 30 June 2013 RM'000</b>	<b>Period To Date Ended 30 June 2013 RM'000</b>
Other income including investment income	(18)	(34)
Reversal of inventories written down	(70)	(70)
Interest expense	118	181
Depreciation	211	416
Inventories written down	0	152
Foreign exchange gain	(101)	(139)

**A8. Segmental information**

The Group is organised into the following operating segments:-

- a) Trading
- b) Manufacturing

<b>Quarter ended 30 June 2013</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	11,861	428	-	12,289
Inter-segment revenue	2,439	3,632	(6,071)	-
<b>Total revenue</b>	<u>14,300</u>	<u>4,060</u>	<u>(6,071)</u>	<u>12,289</u>
<b>Profit before tax</b>	1,041	(260)	-	781
Tax expense				(294)
<b>Profit for the period</b>				487

**PETERLABS HOLDINGS BERHAD (Company No: 909720-W)**

**QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (CONT'D)**

**NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2013 (CONT'D)**

**A8. Segmental information (cont'd)**

<b>Period to Date ended 30 June 2013</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	23,000	733	-	23,733
Inter-segment revenue	4,747	7,617	(12,364)	-
<b>Total revenue</b>	<u>27,747</u>	<u>8,350</u>	<u>(12,364)</u>	<u>23,733</u>
<b>Profit before tax</b>	1,795	(463)	-	1,332
Tax expense				(517)
<b>Profit for the period</b>				815

**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.

**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 SECOND QUARTER ENDED 30 JUNE 2013 (CONT'D)**

**B: ADDITIONAL INFORMATION PURSUANT TO THE ACE LR**

**B1. Review of performance**

The Group's revenue for the current quarter of RM12.289 million which represents an increase of RM1.314 million or 11.9% as compared to the revenue of RM10.975 million in the previous period's corresponding quarter. The Group registered profit before tax of RM0.781 million for the quarter under review which represents a decrease of RM0.051 million or 6.1% as compared to the Group's profit before tax of RM0.832 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 higher purchase cost which the cost have not been passed on to customers due to competitive market.

For the current quarter, trading segment registered revenue of RM11.861 million and profit before tax of RM1.041 million as compared to RM11.139 million and RM0.754 million in the previous quarter. The increase in profit before tax for the current quarter was mainly due to higher customer purchase from trading segment and reversal of provision of slow moving stock amounting to RM0.05 million.

The manufacturing segment registered revenue of RM0.428 million from the external customers and RM3.632 million from inter-company transaction while reported loss of RM0.260 million for the quarter under review. In the previous quarter, the Group achieved revenue of RM0.305 million from external customers and RM3.985 million (from inter-company transaction). The loss for manufacturing segment was RM0.203 million. The increase in loss for the current quarter was mainly attributable to lower sales achieved and higher operating expenses incurred during the quarter under review.

For the financial period-to-date

As for the financial period ended 30 June 2013, the Group's recorded revenue of RM23.733 million which represent an increase of RM2.127 million or 9.84% as compared to the revenue of RM 21.606 million in the previous year's corresponding period. The Group registered profit before tax of RM1.332 million which represents a decrease of RM0.603 million or 31.16% as compared to previous period which reported RM1.935 million. The decline was mainly due to lower gross margin arising from higher purchase cost and higher distribution cost to East Malaysia.

**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 an increase in revenue of 7.3% from RM11.444 million to RM12.289 million and increase in profit before tax of 41.7% from RM0.551 million to RM0.781 million as compared to preceding quarter ended 31 March 2013. The increase in profit before tax was mainly attributable to higher sales achieved and a reversal of write-down on inventory amounting to RM0.007 million. Together with the reversal of write-down on inventory, this has resulted in net saving of RM0.222 million as compared to previous quarter where the Group had incurred a provision for inventories written down of RM0.152 million. For the current quarter, trading segment achieved revenue of RM11.861 million and profit before tax of RM1.041 million as compared to revenue of RM11.139 million and profit before tax of RM0.754 million in the previous quarter.

**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.



QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2013 (CONT'D)

**B4. Profit forecast**

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

**B5. Tax expense**

	Current quarter ended 30 June 2013 RM'000	Current year to-date 30 June 2013 RM'000
Current tax	<u>294</u>	<u>517</u>
	294	517

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 30 June 2013 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Short term borrowings:</u></b>			
Finance lease	-	97	97
Bank borrowings	<u>2,279</u>	-	<u>2,279</u>
Total	<u>2,279</u>	<u>97</u>	<u>2,376</u>
	Secured RM'000	Unsecured RM'000	Total RM'000
<b><u>Long term borrowings:</u></b>			
Finance lease	-	114	114
Bank borrowings	<u>2,987</u>	-	<u>2,987</u>
Total	<u>2,987</u>	<u>114</u>	<u>3,101</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 2013 (CONT'D)**

**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**

No interim dividend has been recommended for the financial quarter ended 30 June 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	
	30 June 2013	30 June 2012	30 June 2013	30 June 2012
Comprehensive income attributable to owners of the Company (RM'000)	498	683	843	1,437
Weighted average number of ordinary shares in issue ('000)	188,000	188,000	188,000	188,000
Earnings per share (sen)				
- Basic	0.26	0.36	0.45	0.76
- Diluted	0.26	0.36	0.45	0.76

**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
	30 June 2013	31 December 2012
	RM'000	RM'000
- Realised	7,212	7,685
- Unrealised	<u>577</u>	<u>577</u>
	<u>7,789</u>	<u>8,262</u>

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

Date: 27 August 2013