

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Individual Quarter		Cumulative Quarter	
	Current Quarter Ended 31 December 2014 RM'000	Preceding Period Corresponding Quarter Ended 31 December 2013 RM'000	Current Period To Date Ended 31 December 2014 RM'000	Preceding Period To Date Ended 31 December 2013 RM'000
<b>Revenue</b>	15,972	13,399	54,943	50,312
Cost of sales	(12,438)	(10,604)	(42,622)	(39,691)
<b>Gross profit</b>	3,534	2,795	12,321	10,621
Other income	294	169	627	445
Selling and distribution expenses	(579)	(401)	(2,443)	(2,096)
Administration expenses	(1,464)	(1,250)	(5,932)	(5,267)
Other expenses	297	(130)	(179)	(279)
<b>Operating profit</b>	2,082	1,183	4,394	3,424
Finance cost	(77)	(5)	(272)	(267)
<b>Profit before tax</b>	2,005	1,178	4,122	3,157
Tax expense	(404)	(346)	(1,117)	(1,149)
<b>Profit for the period</b>	1,601	832	3,005	2,008
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the period</b>	1,601	832	3,005	2,008
Total comprehensive income attributable to the Owners of the Company	1,552	818	3,048	2,027
Non-controlling interests	49	14	(43)	(19)
	1,601	832	3,005	2,008
Weighted average no. of ordinary shares in issue ('000)	188,000	188,000	188,000	188,000
Earnings per share (sen):				
-Basic	0.83	0.44	1.62	1.08
-Diluted	0.83	0.44	1.62	1.08

## Note:

The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statement for the financial year ended ("FYE") 31 December 2013 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 DECEMBER 2014**

	Unaudited As at 31 December 2014	Audited As at 31 December 2013
	RM'000	RM'000
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	11,306	11,766
Deferred tax assets	428	515
	<u>11,734</u>	<u>12,281</u>
<b>Current assets</b>		
Inventories	7,635	5,660
Trade receivables	18,854	16,878
Other receivables	1,430	1,956
Tax recoverable	-	-
Cash and bank balances	4,214	3,119
	<u>32,133</u>	<u>27,613</u>
<b>TOTAL ASSETS</b>	<u><u>43,867</u></u>	<u><u>39,894</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	11,457	8,973
	<u>32,948</u>	<u>30,464</u>
Non-controlling interests	(138)	(96)
<b>Total equity</b>	<u><u>32,810</u></u>	<u><u>30,368</u></u>
<b>Non-current liabilities</b>		
Finance lease liabilities	184	81
Borrowings	2,746	2,971
Deferred tax liabilities	18	9
	<u>2,948</u>	<u>3,061</u>
<b>Current liabilities</b>		
Trade payables	3,234	2,161
Other payables	1,355	1,491
Finance lease liabilities	111	81
Borrowings	3,180	2,699
Tax payables	229	33
	<u>8,109</u>	<u>6,465</u>
<b>Total liabilities</b>	<u><u>11,057</u></u>	<u><u>9,526</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>43,867</u></u>	<u><u>39,894</u></u>
Net assets per share attributable to ordinary equity holders of the Company (sen)	17.53	16.20

Note:

The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2013.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

	Attributable to Equity Holders of the Company					
	<u>Non-Distributable</u>		<u>Distributable</u>		<u>Non-controlling interests</u>	<u>Total equity</u>
	<u>Share Capital</u>	<u>Share Premium</u>	<u>Unappropriated Profit</u>	<u>Total</u>		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2014	18,800	2,691	8,973	30,464	(96)	30,368
Total comprehensive income for the financial period	-	-	3,048	3,048	(43)	3,005
Rounding adjustment	-	-	-	-	1	1
Dividend of 0.3% per share	-	-	(564)	(564)	-	(564)
At 31 December 2014 (Unaudited)	18,800	2,691	11,457	32,948	(138)	32,810
At 1 January 2013	18,800	2,691	8,262	29,753	(77)	29,676
Total comprehensive income for the financial period	-	-	2,027	2,027	(19)	2,008
Dividend of 0.7% per share	-	-	(1,316)	(1,316)	-	(1,316)
At 31 December 2013 (Audited)	18,800	2,691	8,973	30,464	(96)	30,368

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 2013.

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014**

	<b>Current Period To Date Ended 31 December 2014 (Unaudited) RM'000</b>	<b>Preceding Period To Date Ended 31 December 2013 (Audited) RM'000</b>
<b>OPERATING ACTIVITIES</b>		
<b>Profit before tax</b>	4,122	3,157
Adjustments for:-		
- Non cash items	1,015	1,009
- Non-operating items	204	248
<b>Operating profit before working capital changes</b>	<b>5,341</b>	<b>4,414</b>
Changes in working capital		
Inventories	(1,944)	714
Receivables	(1,632)	(1,183)
Payables	921	(384)
Bill payables	657	553
<b>Cash generated from operations</b>	<b>3,343</b>	<b>4,114</b>
Tax expense paid	(824)	(813)
Interest paid	(271)	(267)
<b>Net cash from operating activities</b>	<b>2,248</b>	<b>3,034</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(387)	(167)
Interest received	67	19
<b>Net cash used in investing activities</b>	<b>(320)</b>	<b>(148)</b>
<b>FINANCING ACTIVITIES</b>		
Dividend paid on ordinary shares	(564)	(1,316)
Drawdown of term loan	-	3,497
Repayment of term loan	(401)	(3,514)
Repayment of finance lease liabilities	132	(92)
<b>Net cash used in financing activities</b>	<b>(833)</b>	<b>(1,425)</b>
<b>Net Changes In Cash And Cash Equivalents</b>	<b>1,095</b>	<b>1,461</b>
<b>Cash And Cash Equivalents At The Beginning Of The Period</b>	<b>3,119</b>	<b>1,658</b>
<b>Cash And Cash Equivalents At The End Of The Period</b>	<b>4,214</b>	<b>3,119</b>

Note:

The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the FYE 31 December 2013.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014

**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 2013 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 2013.

The Group has adopted the Malaysian Financial Reporting Standards ("MFRS") framework issued by Malaysian Accounting Standards Board ("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 2014.

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 2013.

**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 year-to-date.

**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 and current year-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.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (CONT'D)

**A7. Profit for the period**

Profit for the current quarter and period-to-date ended 31 December 2014 is arrived at after charging / (crediting), amongst other items, the following:

	<i>Quarter Ended</i>	<i>Period To Date Ended</i>
	<b>31 Dec 2014 RM'000</b>	<b>31 Dec 2014 RM'000</b>
Other income including investment income	(193)	(388)
Reversal of inventories written down	(48)	(112)
Interest expense	77	272
Depreciation	218	847
Inventories written down	(183)	81
Foreign exchange gain	(95)	(234)

**A8. Segmental information**

The Group is organised into the following operating segments:

- a) Trading
- b) Manufacturing

<b>Quarter ended 31 Dec 2014</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	15,002	970	-	15,972
Inter-segment revenue	2,286	4,630	(6,916)	-
<b>Total revenue</b>	<b>17,288</b>	<b>5,600</b>	<b>(6,916)</b>	<b>15,972</b>
<b>Profit before tax</b>	<b>1,775</b>	<b>230</b>	<b>-</b>	<b>2,005</b>
Tax expense				(404)
<b>Profit for the period</b>				<b>1,601</b>

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (CONT'D)

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2014 (CONT'D)

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

Period to Date ended 31 Dec 2014	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue from</b>				
External customers	51,895	3,048	-	54,943
Inter-segment revenue	10,431	16,893	(27,324)	-
<b>Total revenue</b>	62,326	19,941	(27,324)	54,943
<b>Profit before tax</b>	3,399	723	-	4,122
Tax expense				(1,117)
<b>Profit for the period</b>				3,005

**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 quarter and current year-to-date under review.

**A14. Significant related party transactions**

Save as disclosed in the Audited Financial Statements for the FYE 31 December 2013, 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, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and current year-to-date under review.

**QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (CONT'D)**

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

**B1. Review of performance**

The Group registered RM15.972 million revenue for the current quarter which represents an increase of RM2.573 million or 19.20% as compared to the revenue of RM13.399 million in the previous period's corresponding quarter. The Group registered profit before tax of RM2.005 million for the quarter under review which represents an increase of RM0.827 million or 70.20% as compared to the Group's profit before tax of RM1.178 million reported in the previous period's corresponding quarter. Profit before tax improved due to higher revenue recorded coupled with higher gross margin achieved.

For the current quarter, trading segment registered revenue of RM15.002 million from the external customers and RM2.286 million from inter-company transaction and reported profit before tax of RM1.775 million for the quarter under review. In the previous quarter, the group achieved revenue of RM13.864 million from the external customers and RM2.539 million from inter-company transaction and reported profit before tax of RM0.923 million for the trading segment. The significant increase in profit before tax for the trading segment for the current quarter was mainly due to higher revenue generated coupled with higher gross margin achieved in the trading segment.

The manufacturing segment registered revenue of RM0.970 million from the external customers and RM4.630 million from inter-company transaction and reported profit before tax of RM0.230 million for the quarter under review. In the previous quarter, the Group achieved revenue of RM0.201 million from external customers and RM4.338 million from inter-company transaction and reported profit before tax of RM0.123 million for the manufacturing segment. The increase in profit before tax for the manufacturing segment for the current quarter was mainly attributable to higher revenue achieved in the manufacturing segment.

**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 13.55% from RM14.065 million to RM15.972 million and significant increase in profit before tax of 91.68% from RM1.046 million to RM2.005 million as compared to preceding quarter ended 30 September 2014. The increase in profit before tax was mainly attributable to higher revenue achieved coupled with improved gross profit margin as compared with previous quarter. For the current quarter, trading segment achieved revenue of RM15.002 million and profit before tax of RM1.775 million as compared to revenue of RM13.864 million and profit before tax of RM0.923 million in the previous quarter, whilst the manufacturing segment achieved revenue of RM0.970 million and reported profit before tax of RM0.230 million as compared to revenue of RM0.201 million and profit before tax of RM0.123 million in the previous quarter.

**B3. Prospects**

The Group has aligned its goals to focus on the manufacturing, distribution and trading of animal health and nutrition products with the aim to further develop in the current market and pursue increased market share in the export market. The Group's next step is to develop the business segment into the aquaculture and ruminant sector and will continue to obtain GMP compliance to achieve higher quality standards for all products. Despite the current challenging business environment, barring any unforeseen circumstances, the Board of Directors expects the performance of the Group to remain satisfactory in the future.



QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (CONT'D)

**B4. Profit forecast**

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

**B5. Tax expense**

	<b>Current quarter ended 31 Dec 2014 RM'000</b>	<b>Current year to-date 31 Dec 2014 RM'000</b>
Income tax		
- Current year	436	1,021
Deferred Tax	<u>(32)</u>	<u>96</u>
	<u>404</u>	<u>1,117</u>

The Group's effective tax rate for the current quarter and current year-to-date were higher than the statutory rate due to losses incurred by the investment holding company and subsidiaries.

**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 December 2014 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Short term borrowings:</u></b>			
Finance lease liabilities	-	111	111
Bank borrowings	<u>3,180</u>	-	<u>3,180</u>
Total	<u>3,180</u>	<u>111</u>	<u>3,291</u>
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Long term borrowings:</u></b>			
Finance lease liabilities	-	184	184
Bank borrowings	<u>2,746</u>	-	<u>2,746</u>
Total	<u>2,746</u>	<u>184</u>	<u>2,930</u>

All the Group's borrowings are denominated in Ringgit Malaysia.

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (CONT'D)

**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.

**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**

- a) The Board of Directors has declared an interim single-tier tax exempt dividend of 0.5 sen per ordinary share amounting to RM0.940 million, in respect of the financial year ended 31 December 2014 (previous financial year ended 31 December 2013: declared a single-tier tax exempt dividend of 0.3 sen per ordinary share amounting to RM0.564 million which was paid on 14 February 2014). The interim dividend will be paid on 25 February 2015.
- b) There was no dividend paid during the financial quarter ended 31 December 2014 and previous year's corresponding period ended 31 December 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 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013
Comprehensive income attributable to owners of the Company (RM'000)	1,552	761	3,048	2,027
Weighted average number of ordinary shares in issue ('000)	188,000	188,000	188,000	188,000
Earnings per share (sen)				
- Basic	0.83	0.40	1.62	1.08
- Diluted	0.83	0.40	1.62	1.08

QUARTERLY REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2014 (CONT'D)

**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:

	<b>Unaudited as at 31 December 2014 RM'000</b>	<b>Audited as at 31 December 2013 RM'000</b>
- Realised	11,047	8,467
- Unrealised	<u>410</u>	<u>506</u>
	<u>11,457</u>	<u>8,973</u>

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

Date: 27 February 2015