

QUARTERLY REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2011

NOTES TO THE INTERIM REPORT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2011

(a) **NOTES PURSUANT TO THE FINANCIAL REPORTING STANDARDS 134 (FRS 134):  
INTERIM FINANCIAL REPORTING**

**A1. Basis of reporting preparation**

The interim financial statements are unaudited and have been prepared in accordance with FRS 134: Interim Financial Reporting and Appendix 9B of the Listing Requirements.

The interim financial statements should be read in conjunction with the Audited Financial Statements of the Company for the FYE 31 December 2010 and the accompanying explanatory notes attached to the interim financial report.

**A2. Adoption of New and Revised Accounting Policies**

The accounting policies and methods of computation adopted by the Group in the quarterly financial report are consistent with those adopted in the Proforma Consolidated Financial Information and the Accountants' Report for the financial year ended 31 December 2010 as disclosed in the Prospectus of the Company dated 30 June 2011.

**FRSs, Interpretations and amendments effective for financial periods beginning on or after 1 March 2010**

Amendments to FRS 132 Classification of Rights Issues

**FRSs, Interpretations and amendments effective for financial periods beginning on or after 1 July 2010**

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendments to FRS 2	Share-based Payment
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners

**FRSs, Interpretations and amendments effective for financial periods beginning on or after 1 January 2011**

Amendments to FRS 1	Limited Exemption from Comparative FRS 7
	Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
IC Interpretation 4	Determining whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
Amendments to FRSs	'Improvements to FRSs (2010)'

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**Standards issued but not yet effective**

The following standards and IC Interpretations are not yet effective and have not been early adopted by the Group and the Company:-

**FRSs, Interpretations and amendments effective for financial periods beginning on or after 1 July 2011**

Amendments to IC Interpretation 14	Prepayments of a Minimum Funding Requirement
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments

**FRSs, Interpretations and amendments effective for financial periods beginning on or after 1 January 2012**

FRS 124	Related Party Disclosures (revised)
IC Interpretation 15	Agreements for the Construction of Real Estate

The abovementioned standards which are applicable will be adopted by the Company on their respective effective dates.

The management do not anticipate that the application of the above new FRSs and IC Interpretations, when they are effective, will have a material impact on the results and the financial position of the Group.

**A3. Auditors' report**

There was no qualification on the audited financial statements of the Groups for the FYE 31 December 2010.

**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. Issuance, cancellations, repurchase, resale and repayment of debt and equity securities**

There were no issuance, cancellation, repurchase, resale and repayment of debts and equity securities for the current quarter under review.

**A8. Dividend paid**

There were no dividends paid in the current quarter under review.

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

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**A9. Segmental information**

The Group is organised into the followings operating segments:-

- a) Trading
- b) Manufacturing

Segmental Reporting

Quarter ended 30 June 2011	Trading RM'000	Manufacturing RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from External customers	11,824	-	-	11,824
Inter-segment revenue	1,722	4,917	(6,639)	-
<b>Total revenue</b>	<b>13,546</b>	<b>4,917</b>	<b>(6,639)</b>	<b>11,824</b>
<b>Profit before tax</b>	<b>864</b>	<b>135</b>		<b>999</b>
Tax expense				(305)
<b>Profit for the period</b>				<b>694</b>

**A10. Valuation of property, plant and equipment**

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

**A11. Capital commitments**

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

**A12. Material subsequent event**

On 30 June 2011, the Company issued its prospectus for its initial public offering in conjunction with its listing on the ACE Market of Bursa Securities involving the following:

**a) Public issue**

Public issue of 15,000,000 new ordinary shares of RM0.10 each in PeterLabs Holdings (“PeterLabs Holdings Shares”) at an issue price of RM0.30 per PeterLabs Holdings Share.

15,000,000 of PeterLabs Holdings Shares representing 7.98% of the enlarged issued and paid-up share capital after the public issue will be made available for application by the public.

**b) Offer for sale**

The offerors will implement an offer for sale of 35,903,000 PeterLabs Holdings Shares at an issue price of RM0.30 per PeterLabs Holdings Share to identified investors, subject to terms and conditions contained in the Prospectus.

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**c) Listing and quotation on the ACE Market of Bursa Malaysia Securities Berhad**

In conjunction with the flotation exercise, PeterLabs Holdings seeks the listing of and quotation for the entire enlarged issued and paid-up share capital of PeterLabs Holdings comprising 188,000,000 PeterLabs Holdings Shares on the Official List of the ACE Market of Bursa Malaysia Securities Berhad.

**A13. Changes in composition of the Group**

There was no change in composition of the Group for the current quarter under review.

**A14. 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 under review.

**A15. Significant related party transactions**

Saved as disclosed in the Audited Financial Statements for the FYE 31 December 2010, there were no other significant related party transactions for the current quarter under review.

<b>Transactions</b>	<b>RM'000</b>
Rental paid to Directors	53

All the above transactions were carried out on terms and conditions not materially different from those obtainable in transactions with unrelated parties and in the ordinary course of business of the Company.

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**B ADDITIONAL INFORMATION REQUIRED UNDER THE LISTING REQUIREMENTS**

**B1. Review of performance**

The Group achieved revenue of RM11.824 million and profit before tax of RM0.999 million for the current quarter ended 30 June 2011.

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

The Group's revenue for the current quarter of RM11.824 million which represents an increase of RM0.674 million or 6.04% as compared to the revenue of RM11.150 million for the preceding quarter. The Group registered profit before tax of RM0.999 million for the quarter under review which represents a decrease of RM0.810 million or 44.78% as compared to the Group's profit before tax of RM1.809 million reported in the preceding quarter. The decrease is due to higher operating costs.

**B3. Prospects**

The Malaysian animal feed additives market is expected to have a positive outlook despite the challenging operating environment. 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.

**B5. Tax expense**

	<b>Current quarter ended 30 June 2011 RM'000</b>	<b>Current period to-date 30 June 2011 RM'000</b>
Current tax	305	785
Deferred tax	<u>-</u>	<u>-</u>
	<u>305</u>	<u>785</u>

The Group's effective tax rate for the current quarter was 30.5%, which was higher than the statutory rate due to no tax expense for loss making from the holdings and dormant subsidiary companies.

**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. (a) Status of corporate proposals**

**Initial public offering**

In conjunction with the initial public offering and pursuant to the Prospectus dated 30 June 2011, the Company carried a public issue and offer for sale, the details of which are described in Note A12 of the Notes to the Quarterly Report.

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**(b) Status of utilisation of proceeds of public issue**

Subsequent to the listing on the ACE Market of Bursa Securities, the gross proceeds from the public issue amounting to RM4.5 million will be utilised in the following manner:

	<b>Purposes</b>	<b>RM'000</b>
(i)	Repayment of borrowings	3,000
(ii)	Estimated listing expenses	<u>1,500</u>
	Total	<u>4,500</u>

**B9. Group borrowings and debts securities**

The Group's borrowings as at 30 June 2011 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>			
Hire Purchase	-	76	76
Bank Overdraft	2,223	-	2,223
Bank Borrowings	<u>2,667</u>	-	<u>2,667</u>
Total	<u>4,890</u>	<u>76</u>	<u>4,966</u>
	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
<b><u>Long term borrowings:</u></b>			
Hire Purchase	-	144	144
Term Loan	<u>4,149</u>	-	<u>4,149</u>
Total	<u>4,149</u>	<u>144</u>	<u>4,293</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.

**B11. Material litigation**

There was no material litigations during the current quarter under review.

**B12. Dividends**

No interim dividend has been recommended for the financial quarter ended 30 June 2011.

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

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**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:

	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
	<u>Current Quarter Ended</u> <u>30-June-11</u> <u>RM'000</u>	<u>Preceding Year Corresponding Quarter Ended</u> <u>30-June-10</u> <u>RM'000</u>	<u>Current Year to Date Ended</u> <u>30-June-11</u> <u>RM'000</u>	<u>Preceding Year to Date Ended</u> <u>30-June-10</u> <u>RM'000</u>
Comprehensive income ordinary attributable to equity holders of Company (RM)	694	N/A	2,023	N/A
Weighted average number of Ordinary shares in issue ('000)	173,000	N/A	173,000	N/A
Earnings per share (sen)				
- Basic	0.40	N/A	1.17	N/A
- Diluted	0.40	N/A	1.17	N/A

**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</b> <b>30.06.2011</b> <b>RM'000</b>	<b>Audited as at</b> <b>31.12.2010</b> <b>RM'000</b>
- Realised	4,695	2,672
- Unrealised	-	-
	<u>4,695</u>	<u>2,672</u>

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

Date: 26<sup>th</sup> August 2011