

**IQ GROUP HOLDINGS BERHAD**  
**(Company No. 636944-U)**  
(Incorporated in Malaysia under the Companies Act, 1965)

**FOURTH QUARTER REPORT ENDED 31 MARCH 2012**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER ENDED 31 MARCH 2012**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current year quarter ended</b>	<b>Preceding year corresponding quarter ended</b>	<b>Current year to-date for 12 months ended</b>	<b>Preceding year corresponding period of 12 months ended</b>
	<b>31 March 2012 RM'000</b>	<b>31 March 2011 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2011 RM'000</b>
<b>Revenue</b>	<b>35,301</b>	29,175	<b>149,246</b>	134,265
<b>Investment revenue</b>	<b>34</b>	124	<b>146</b>	160
<b>Other gains and losses</b>	<b>(1,571)</b>	(3,237)	<b>2,439</b>	(4,783)
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>(2,277)</b>	718	<b>(4,645)</b>	5,284
<b>Raw materials and consumables used</b>	<b>(18,041)</b>	(15,877)	<b>(63,454)</b>	(76,702)
<b>Purchase of trading goods</b>	<b>2,501</b>	753	<b>(16,689)</b>	(6,031)
<b>Employee benefits expense</b>	<b>(8,278)</b>	(7,359)	<b>(32,100)</b>	(29,951)
<b>Depreciation and amortisation of non-current assets</b>	<b>(1,814)</b>	(1,153)	<b>(5,661)</b>	(5,186)
<b>Impairment loss on property, plant and equipment</b>	<b>-</b>	(346)	<b>-</b>	(844)
<b>Finance costs</b>	<b>(72)</b>	(66)	<b>(358)</b>	(182)
<b>Other operating expenses</b>	<b>(5,674)</b>	(7,925)	<b>(25,001)</b>	(27,939)
<b>Share of results of jointly controlled entity</b>	<b>(156)</b>	(224)	<b>(717)</b>	(988)
<b>Gain/(Loss) on disposal of investment in subsidiary</b>	<b>4,489</b>	-	<b>4,489</b>	-
<b>Profit/(loss) before tax</b>	<b>4,442</b>	(5,417)	<b>7,695</b>	(12,897)
<b>Tax income/(expense)</b>	<b>(1,024)</b>	(564)	<b>(779)</b>	(542)
<b>Net profit/(loss) after tax for the period</b>	<b>3,418</b>	(5,981)	<b>6,916</b>	(13,439)
Basic earnings/(loss) per ordinary share (sen)	4.02	(7.04)	8.14	(15.81)
Diluted earnings/(loss) per ordinary share (sen)	N/A	N/A	N/A	N/A

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED 31 MARCH 2012**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current year quarter ended</b>	Preceding year corresponding quarter ended	<b>Current year to-date for 12 months ended</b>	Preceding year corresponding period of 12 months ended
	<b>31 March 2012 RM'000</b>	31 March 2011 RM'000	<b>31 March 2012 RM'000</b>	31 March 2011 RM'000
<b>Net profit/(loss) for the period</b>	<b>3,418</b>	(5,981)	<b>6,916</b>	(13,439)
<b>Exchange differences on translating foreign operations</b>	<b>(5,897)</b>	(460)	<b>(6,260)</b>	(1,205)
<b>Total comprehensive income/(loss) for the period</b>	<u><u><b>(2,479)</b></u></u>	<u><u>(6,441)</u></u>	<u><u><b>656</b></u></u>	<u><u>(14,644)</u></u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2012**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of current quarter 31 March 2012 Unaudited RM'000	Audited as at preceding financial year ended 31 March 2011 Audited RM'000
<b>Non-current assets</b>		
Property, plant and equipment	17,256	17,885
Prepaid lease payments	1,803	1,851
Product development costs	9,203	9,004
Interest in a jointly controlled entity	1,938	655
Deferred tax assets	385	99
<b>Total non-current assets</b>	<b>30,585</b>	<b>29,494</b>
<b>Current assets</b>		
Inventories	32,270	37,880
Trade and other receivables	42,984	37,938
Other financial assets	114	-
Other assets	1,945	2,030
Income tax recoverable	544	2,082
Short-term deposits with licensed banks	3,070	3,025
Cash and bank balances	6,850	7,118
<b>Total current assets</b>	<b>87,777</b>	<b>90,073</b>
<b>Total assets</b>	<b>118,362</b>	<b>119,567</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,000	85,000
Reserves	488	6,786
Retained earnings/(accumulated losses)	(2,420)	(9,374)
<b>Total equity</b>	<b>83,068</b>	<b>82,412</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	912	72
<b>Total non-current liabilities</b>	<b>912</b>	<b>72</b>
<b>Current liabilities</b>		
Trade and other payables	28,872	29,403
Bank borrowings	4,198	4,098
Other financial liabilities	-	-
Provision for restructuring costs	-	1,707
Current tax liabilities	1,312	1,875
<b>Total current liabilities</b>	<b>34,382</b>	<b>37,083</b>
<b>Total liabilities</b>	<b>35,294</b>	<b>37,155</b>
<b>Total equity and liabilities</b>	<b>118,362</b>	<b>119,567</b>
Net assets per share (RM)	0.98	0.97

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report.*

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED 31 MARCH 2012**

	Non-Distributable			Distributable		Total RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Retained Earnings RM'000	
Balance as of 1 April 2011	85,000	7,504	(901)	183	(9,374)	82,412
Total comprehensive income/(loss) for the period			(6,260)		6,916	656
Transactions with owners:						
Share-based payment forfeited				(38)	38	-
Recognition of share-based payment						-
Balance as of 31 March 2012	85,000	7,504	(7,161)	145	(2,420)	83,068
Balance as of 1 April 2010	85,000	7,504	304	194	4,054	97,056
Total comprehensive income/(loss) for the period			(1,205)		(13,439)	(14,644)
Transactions with owners:						
Share-based payment forfeited				(11)	11	-
Recognition of share-based payment						-
Balance as of 31 March 2011	85,000	7,504	(901)	183	(9,374)	82,412

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2012**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE QUARTER ENDED 31 MARCH 2012**

	Individual Quarter	
	Current year quarter ended 31 March 2012 RM'000	Preceding year corresponding quarter ended 31 March 2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before tax	7,695	(12,897)
Adjustments for :		
Depreciation and amortisation of non-current assets	5,661	5,186
Allowance for slow moving inventories	-	3,657
Impairment loss on property, plant and equipment	-	844
Product development cost written off	194	322
Interest expenses recognised in profit and loss	358	182
Property, plant and equipment written off	-	
Unrealised (gain)/loss on foreign exchange	(364)	(756)
Interest revenue recognised in profit and loss	(47)	(160)
(Gain)/Loss on disposal of property, plant and equipment	32	40
(Gain)/Loss on disposal of investment in subsidiary	(4,489)	
Unrealised (gain)/loss arising from forward contract	(114)	-
Share of results of jointly controlled entity	717	988
Operating profit/(loss) before working capital changes	9,643	(2,594)
(Increase) / Decrease in:		
Inventories	5,611	(5,979)
Trade and other receivables	(4,529)	189
Other assets	84	2,144
Increase / (Decrease) in:		
Trade and other payables	(686)	(2,423)
Cash generated from operations	10,123	(8,663)
Tax refunded	1,940	1,143
Tax paid	(1,279)	(713)
Restructuring cost paid	(1,707)	
<b>Net cash (used in)/generated from operating activities</b>	9,077	(8,233)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	2,180	209
Interest received	47	5
Purchase of property, plant and equipment	(4,450)	(2,647)
Payment of capitalised development costs	(1,874)	(2,762)
Investment in joint venture	(2,000)	-
Short-term deposits held as security value	(3,070)	(3,025)
<b>Net cash (used in)/generated from investing activities</b>	(9,167)	(8,220)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from bank borrowings	100	2,619
Interest paid	(358)	(182)
<b>Net cash (used in)/generated from financing activities</b>	(258)	2,437
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(348)	(14,016)
Effect of foreign exchange rate changes	(2,945)	(830)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	10,143	21,964
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	6,850	7,118
Cash and cash equivalents included in the consolidated cash flow statement comprise the following amount:		
Short term deposits with licensed banks	3,070	3,025
Cash and bank balances	6,850	7,118
	9,920	10,143
Less: Short-term deposits pledged as security value	(3,070)	(3,025)
	6,850	7,118

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report.*

**FOURTH QUARTER REPORT ENDED 31 MARCH 2012**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012**

**PART A : EXPLANATORY NOTES PURSUANT TO FINANCIAL REPORTING STANDARD (FRS) 134 - INTERIM FINANCIAL REPORTING**

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting, Paragraph 9.22 and Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities).

The accounting policies and methods of computation adopted by the Group for the interim financial report are consistent with those adopted in the audited financial statements for the year ended 31 March 2011 except for the accounting policy changes that are expected to be reflected in financial statement for the year ended 31 March 2012. Details of these changes in accounting policies are set out in Note 2.

The preparation of an interim financial report in conformity with FRS 134, Interim Financial Reporting requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2011.

**2. CHANGES IN ACCOUNTING POLICIES**

The MASB has issued a number of new and revised Financial Reporting Standards (FRS) that are effective for financial period beginning on or after 1 January 2011.

FRS 1 :	First-time Adoption of Financial Reporting Standards (revised)
FRS 1 :	First-time Adoption of Financial Reporting Standards (Amendments relating to limited exemption from Comparative FRS 7 Disclosures for First-time Adopters)
FRS 1 :	First-time Adoption of Financial Reporting Standards (Amendments relating to additional exemptions for first-time adopters)
FRS 2 :	Share-based Payment (Amendments relating to group cash-settled share-based payment transactions)
FRS 2 :	Share-based Payment (Amendments relating to scope of FRS 2 and revised FRS 3)
FRS 3 :	Business Combinations (revised)
FRS 5 :	Non-current Assets Held for Sale and Discontinued Operations (Amendments relating to plan to sell controlling interest in a subsidiary)
FRS 7 :	Financial Instruments: Disclosures (Amendments relating to improving disclosures about financial instruments)
FRS 124 :	Related Party Disclosures (revised)
FRS 127 :	Consolidated and Separate Financial Statements (revised)
FRS 128 :	Investments in Associates (revised)
FRS 138 :	Intangible Assets (Amendments relating to additional consequential amendments arising from revised FRS 3)
FRS 139 :	Financial Instruments: Recognition and Measurement (Amendments relating to additional consequential amendments arising from revised FRS 3 and revised FRS 127)

**Improvements to FRSs 2010**

IC Interpretation 4 :	Determining whether an Arrangement contains a Lease
IC Interpretation 9 :	Reassessment of Embedded Derivatives (Amendments relating to additional consequential amendments arising from revised FRS 3)
IC Interpretation 12 :	Service Concession Arrangements
IC Interpretation 14 :	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction (Amendments relating to prepayments of a minimum funding requirement)
IC Interpretation 16 :	Hedges of a Net Investment in a Foreign Operation

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IC Interpretation 17 : Distributions of Non-cash Assets to Owners

IC Interpretation 18 : Transfer of Assets from Customers

The above FRS do not have significant impact on the financial statements of the Group except for the changes arising from the adoption of the following:

- a. FRS 3 Business Combinations (Revised in 2010)
- b. FRS 127 Consolidated and Separate Financial Statements (Revised in 2010)

**3. AUDIT REPORT ON THE PRECEDING ANNUAL FINANCIAL STATEMENTS**

The audit report of the preceding annual financial statements was not subject to any qualification.

**4. SEASONAL OR CYCLICAL FACTORS**

The Group serves a wide customer base in Europe, Japan and USA. The demand for the Group's products in the normal course of events is seasonal with demand peaking during the third and fourth quarter of the financial year.

**5. UNUSUAL ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS**

There was no unusual material event during the reporting quarter.

**6. MATERIAL CHANGES IN ESTIMATES**

There were no changes in estimates that have a material effect in the current quarter results.

**7. CHANGES IN DEBT AND EQUITY SECURITIES**

**Proposed Authority for the Company to purchase its own shares**

At the Annual General Meeting of the Company held on 23 September 2011, the shareholders of the Company had granted a mandate for the Company to purchase its own ordinary shares of RM1.00 each as may be determined by the Directors of the Company up to maximum of 10% of the issued and paid-up capital of the Company. The mandate will expire upon the conclusion of the next Annual General Meeting of the Company.

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities, share buy-back or shares held as treasury shares during the quarter ended 31 March 2012.

**8. DIVIDENDS PAID**

No interim dividend was paid by the Company for the quarter ended 31 March 2012.

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
31 March 2012**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External revenue	-	85,328	63,918		149,246
Inter-segment revenue	5,985	77,524	89,764	(173,273)	-
Total revenue	<u>5,985</u>	<u>162,852</u>	<u>153,682</u>	<u>(173,273)</u>	<u>149,246</u>

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	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b><u>Results</u></b>					
Profit/(loss) from operations	3,154	1,495	193	3,782	8,624
Investment revenue	117	8	21		146
Finance cost					(358)
Share of results of jointly controlled entity					<u>(717)</u>
Profit/(loss) before tax					7,695
Income tax income/(expense)					<u>(779)</u>
Profit/(loss) after tax					<u><u>6,916</u></u>

**10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment are stated at cost less accumulated depreciation. There was no revaluation of property, plant and equipment for the current quarter.

**11. MATERIAL SUBSEQUENT EVENT**

There were no material events subsequent to the current financial quarter ended 31 March 2012 up to the date of this report.

**12. CHANGES IN THE COMPOSITION OF THE GROUP**

On 7 January 2012, the Company's wholly owned subsidiary company, IQ (Europe) Limited was officially dissolved.

On 18 January 2012, the Company's wholly owned subsidiary company, Dong Guan Zhong Jia Electronics Co. Ltd. was officially dissolved.

**13. CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no material contingent liabilities or contingent assets as at date of issue of this interim financial report.



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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2012**

**PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**1. PERFORMANCE REVIEW**

For the current quarter under review, the Group's revenue increased by RM6.13 million or 21.0% as compared to the fourth quarter ended 31 March 2011, mainly due to sales of new products launched during the year.

The Group's profit before tax for the quarter increased by RM9.86 million as compared to the fourth quarter ended 31 March 2011, mainly due to the following:

- (a) increase in gross profit by RM0.8 million as a result of higher revenue.
- (b) reduction in operating expenses by RM2.36 million as a result of the implementation of group's restructuring plan to turnaround the business.
- (c) gain on disposal of investment in subsidiaries, Dong Guan Zhong Jia Electronics Co. Ltd. and IQ (Europe) Limited of RM4.49 million in the current quarter.
- (d) asset realisation loss of RM4.5 million in the preceeding year quarter ended 31 March 2011.

The performance of the respective operating segments are analysed as follows:-

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended	Preceding year corresponding quarter ended	Current year to-date for 12 months ended	Preceding year corresponding period of 12 months ended
	31 March 2012	31 March 2011	31 March 2012	31 March 2011
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Investment holding	1,377	5,476	5,985	10,223
Manufacturing	45,916	34,403	162,852	158,581
Trading	43,354	34,137	153,682	141,755
<b>Profit before tax</b>				
Investment holding	(645)	2,661	3,172	2,543
Manufacturing	(340)	(6,767)	25,387	(15,884)
Trading	1,166	(219)	(1,236)	2,677

**Investment Holdings**

**Q4 FY2012 vs. Q4 FY2011**

The investment holdings segment profit decreased by RM3.31 million in the current quarter as compared to preceeding year quarter, mainly due to dividend income received of RM3.94 million in preceeding year quarter.

**Q4 YTD FY2012 vs. Q4 YTD FY2011**

The investment holdings segment YTD profit increased by RM0.63 million, mainly due to debts waiver from a wholly owned subsidiary of RM1.53 million upon its liquidation, foreign exchange gain of RM1.26 million as compared to foreign exchange loss of RM0.9 million in preceeding year and dividend income received of RM3.94 million in preceeding year.

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Manufacturing

Q4 FY2012 vs. Q4 FY2011

The manufacturing segment profit increased by RM6.4 million mainly due to increase in revenue by RM11.75 million and reduction in operating expenses due to the completion of group's restructuring plan.

Q4 YTD FY2012 vs. Q4 YTD FY2011

The manufacturing segment YTD profit increased by RM41.27 million mainly due to increase in revenue by RM4.51 million, reduction in operating expenses due to completion of group's restructuring plan and debts waiver of RM25 million received by a manufacturing subsidiary company from its related companies within the group upon its liquidation. Moreover, there was a foreign exchange gain of RM2.31 million in current year as compared to foreign exchange gain of RM0.78 million in preceeding year.

Trading

Q4 FY2012 vs. Q4 FY2011

The trading segment profit increased by RM1.38 million mainly due to increase in revenue by RM9.22 million.

Q4 YTD FY2012 vs. Q4 YTD FY2011

Despite increase in revenue by RM11.93 million, the trading segment YTD profit decreased by RM3.9 million mainly due to debts waiver by a trading subsidiary upon the liquidation of a manufacturing subsidiary company.

**2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS**

The Group's revenue for the current quarter was RM35.3 million, representing a decrease of RM1.2 million or 3.3% as compared to that of the immediate preceding quarter ended 31 December 2011.

The Group recorded a profit before taxation of RM4.44 million for the quarter under review, representing an increase in profit by RM6.38 million as compared to that of the immediate preceding quarter. This was mainly due to the gain on disposal of investment in subsidiaries, Dong Guan Zhong Jia Electronics Co. Ltd. and IQ (Europe) Limited of RM4.49 million in the current quarter. Moreover, there is a reduction in group's operating expenses by RM1.19 million due to completion of group's restructuring plan.

**3. COMMENTARY ON PROSPECTS**

The market response for the Group's newly launched LED Products have been good and encouraging. The demand for LED products in Japan was good due to the year 2011 tsunami disaster and the subsequent electric power shortage.

The group's restructuring plan to turnaround the company has been implemented. Initiatives to grow the business are in progress. The Group continues to be exposed to the impact from foreign currency fluctuations. But notwithstanding this exchange rate challenge, barring any unforeseen circumstances, the Directors are optimistic that this business turnaround plan will enhance group's performance in the future and the future outlook of the group will be positive.

**4. VARIANCE OF ACTUAL AND FORECASTED PROFIT AND SHORTFALL IN PROFIT GUARANTEE**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and forecast profit after tax are not applicable.

The Group did not announce any profit guarantee.

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**5. NOTES TO THE STATEMENT OF COMPREHENSIVE INCOME**

	Quarter ended 31 Mar 2012 RM'000	Current year- to-date ended 31 Mar 2012 RM'000
Interest income	(34)	(146)
Other income including investment income	(187)	373
Interest expense	72	358
Depreciation and amortisation	1,814	5,661
Provision for and written off of receivables *	-	-
Provision for and written off of inventories *	-	-
(Gain)/loss on disposal of quoted/unquoted investments	(4,489)	(4,489)
(Gain)/Loss on disposal of properties *	-	-
Impairment of assets *	-	-
Foreign exchange (gain) or loss	(1,384)	2,066
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

\* Not applicable during the period

**6. INCOME TAX EXPENSE**

	Quarter ended 31 Mar 2012 RM'000	Current year- to-date ended 31 Mar 2012 RM'000
Estimated income tax expense:		
Current tax expense/(income)	433	1,402
Under/(over)-provision in prior quarter/ year	549	(1,172)
Deferred tax	42	549
	<u>1,024</u>	<u>779</u>

The Group's year to-date income tax reflects an effective tax rate which is lower than the statutory income tax rate mainly due to the gain on disposal of investment in subsidiary captured at group consolidation level that will not be subjected to corporate tax.

**7. DISCLOSURE ON REALISED AND UNREALISED PROFITS/(LOSSES)**

The breakdown of the retained earnings/(accumulated losses) are as follows:

	As at 31 Mar 2012 RM'000	As at 31 Dec 2011 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	43,296	32,558
Unrealised	(2,333)	(437)
	<u>40,963</u>	<u>32,121</u>
Total share of accumulated losses from jointly controlled entity		
Realised	(2,054)	(1,872)
Unrealised	(8)	(35)
	<u>(2,062)</u>	<u>(1,907)</u>
Add: Consolidation adjustments	(41,321)	(36,073)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>(2,420)</u>	<u>(5,859)</u>

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**8. STATUS OF CORPORATE PROPOSALS ANNOUNCED BUT YET TO BE COMPLETED**

There were no corporate proposals announced but not completed as at the date of issue of this interim financial report.

**9. GROUP BORROWINGS AND DEBT SECURITIES**

Group borrowing as of 31 March 2012 are as follows:

	Included in the total borrowings are amounts denominated in foreign currency RMB	Quarter ended 31 Mar 2012 RM
Bank borrowings:		
Short term - unsecured	5,750,000	2,797,950
Short term - unsecured	-	<u>1,400,000</u>
		<u><u>4,197,950</u></u>

**10. FINANCIAL INSTRUMENTS**

As at 31 March 2012, the foreign currency contracts which have been entered into by the Group to hedge its foreign receivables in US Dollar are as follows:

	Contract value USD'000	Notional value RM'000	Financial assets carried at fair value RM'000
Forward Foreign Currency Contracts			
Less than 1 year	<u>3,000</u>	<u>9,194</u>	<u>114</u>

Financial instruments are classified as Financial assets/liabilities at fair value through profit or loss (FVTPL).

Financial assets/liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the "other gains and losses" line item in the statement of comprehensive income.

**11. MATERIAL LITIGATION**

There was no material litigation pending as at date of issue of this interim financial report.

**12. DIVIDENDS DECLARED OR PAYABLE**

No interim dividend has been declared by the Company for the quarter ended 31 March 2012.

**IQ GROUP HOLDINGS BERHAD**  
**(Company No. 636944-U)**  
(Incorporated in Malaysia under the Companies Act, 1965)

**FOURTH QUARTER REPORT ENDED 31 MARCH 2012**

**13. EARNINGS PER SHARE**

**a. Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter ended 31 Mar 2012	Current year- to-date ended 31 Mar 2012
Net profit/(loss) for the period (RM'000)	<u>3,418</u>	<u>6,916</u>
Weighted average number of ordinary shares in issue ('000)	<u>85,000</u>	<u>85,000</u>
Basic earnings/(loss) per share (sen)	<u>4.02</u>	<u>8.14</u>

**b. Diluted earnings per share**

The average fair value of the shares of the Company is lower than the average exercise price of the share options granted to employees. The effect of this would be anti-dilutive to the earnings per ordinary share.

Date: 28 May 2012