

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

**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2013**

	<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 2013 RM'000</b>	<b>31 March 2012 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2012 RM'000</b>
<b>Revenue</b>	<b>37,680</b>	35,301	<b>141,315</b>	149,246
<b>Investment revenue</b>	<b>38</b>	34	<b>153</b>	146
<b>Other gains and losses</b>	<b>(1)</b>	(2,393)	<b>(1,189)</b>	1,617
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>424</b>	(2,277)	<b>(569)</b>	(4,645)
<b>Raw materials and consumables used</b>	<b>(16,310)</b>	(18,041)	<b>(57,706)</b>	(63,454)
<b>Purchase of trading goods</b>	<b>(5,494)</b>	2,501	<b>(19,118)</b>	(16,689)
<b>Employee benefits expense</b>	<b>(8,015)</b>	(8,278)	<b>(32,656)</b>	(32,100)
<b>Depreciation and amortisation of non-current assets</b>	<b>(1,675)</b>	(1,814)	<b>(6,966)</b>	(5,661)
<b>Finance costs</b>	<b>(61)</b>	(71)	<b>(289)</b>	(357)
<b>Other operating expenses</b>	<b>(3,697)</b>	(5,488)	<b>(19,252)</b>	(24,815)
<b>Share of results of jointly controlled entity</b>	<b>(258)</b>	(152)	<b>(763)</b>	(713)
<b>Gain/(Loss) on disposal of investment in subsidiary</b>	<b>-</b>	4,489	<b>-</b>	4,489
<b>Profit/(loss) before tax</b>	<b>2,631</b>	3,811	<b>2,960</b>	7,064
<b>Tax income/(expense)</b>	<b>(1,863)</b>	(1,024)	<b>(2,336)</b>	(779)
<b>Profit/(loss) for the period</b>	<b>768</b>	2,787	<b>624</b>	6,285
Basic earnings/(loss) per ordinary share (sen)	0.90	3.28	0.73	7.39
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 2012 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2013**

	<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 2013 RM'000</b>	31 March 2012 RM'000	<b>31 March 2013 RM'000</b>	31 March 2012 RM'000
<b>Net profit/(loss) for the period</b>	<b>768</b>	2,787	<b>624</b>	6,285
<b>Exchange differences on translating foreign operations</b>	<b>(1,002)</b>	(5,261)	<b>635</b>	(5,624)
<b>Total comprehensive income/(loss) for the period</b>	<b><u>(234)</u></b>	<u>(2,474)</u>	<b><u>1,259</u></b>	<u>661</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to this interim financial report.*

**IQ GROUP HOLDINGS BERHAD**  
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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of current quarter 31 March 2013 Unaudited RM'000	As at preceding financial year ended 31 March 2012 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,906	17,256
Prepaid lease payments on leasehold land	1,754	1,803
Product development costs	9,316	9,203
Interest in a jointly controlled entity	1,179	1,941
Deferred tax assets	392	385
<b>Total non-current assets</b>	<b>28,547</b>	<b>30,588</b>
<b>Current assets</b>		
Inventories	31,178	32,270
Trade and other receivables	42,419	42,984
Other financial assets	-	114
Current tax assets	730	544
Other assets	2,937	1,945
Short-term deposits with licensed banks	-	3,071
Cash and bank balances	11,089	6,850
<b>Total current assets</b>	<b>88,353</b>	<b>87,778</b>
<b>Total assets</b>	<b>116,900</b>	<b>118,366</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,000	85,000
Reserves	1,786	1,123
Retained earnings/(accumulated losses)	(2,455)	(3,051)
<b>Total equity</b>	<b>84,331</b>	<b>83,072</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,103	912
Borrowings	198	-
<b>Total non-current liabilities</b>	<b>1,301</b>	<b>912</b>
<b>Current liabilities</b>		
Trade and other payables	29,183	28,872
Borrowings	376	4,198
Other financial liabilities	15	-
Current tax liabilities	1,694	1,312
<b>Total current liabilities</b>	<b>31,268</b>	<b>34,382</b>
<b>Total liabilities</b>	<b>32,569</b>	<b>35,294</b>
<b>Total equity and liabilities</b>	<b>116,900</b>	<b>118,366</b>
Net assets per share (RM)	0.99	0.98

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS ENDED 31 MARCH 2013**

	Non-Distributable					Distributable	Total RM'000
	Share Capital RM'000	Share Premium RM'000	Translation Reserve RM'000	Share Option Reserve RM'000	Legal Reserve RM'000	Retained Earnings RM'000	
Balance as of 1 April 2012	85,000	7,504	(6,526)	145	-	(3,051)	83,072
Profit for the year						624	624
Other comprehensive income/(loss) for the period			635				635
Total comprehensive income/(loss) for the period			635			624	1,259
Transactions with owners:							
Share-based payment forfeited						-	-
Appropriation to reserve on dividends paid by subsidiary					28	(28)	-
Balance as of 31 March 2013	85,000	7,504	(5,891)	145	28	(2,455)	84,331
Balance as of 1 April 2011	85,000	7,504	(902)	183	-	(9,374)	82,411
Profit for the year						6,285	6,285
Other comprehensive income/(loss) for the period			(5,624)				(5,624)
Total comprehensive income/(loss) for the period			(5,624)			6,285	661
Share-based payment forfeited				(38)		38	-
Balance as of 31 March 2012	85,000	7,504	(6,526)	145	-	(3,051)	83,072

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE TWELVE MONTHS ENDED 31 MARCH 2013**

	Individual Quarter	
	Current year quarter ended 31 March 2013 RM'000	Preceding year corresponding quarter ended 31 March 2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	624	6,285
Adjustments for :		
Depreciation and amortisation of non-current assets	6,966	5,661
Tax expense recognised in profit or loss	2,336	779
Share of results of jointly controlled entity	763	713
Unrealised (gain)/loss on foreign exchange	(151)	468
Finance costs recognised in profit and loss	289	357
(Gain)/Loss on disposal of property, plant and equipment	(44)	287
Bad debts written off	-	187
Allowance for slow moving inventories	-	87
Product development cost written off	6	7
(Gain)/Loss on liquidation of investment in subsidiary	-	(4,489)
Allowance for slow moving inventories no longer required	-	(322)
Net fair value (gain)/loss on other financial asset	129	(114)
Interest revenue recognised in profit and loss	(91)	(29)
Property, plant and equipment written off	(33)	-
Operating profit/(loss) before working capital changes	10,794	9,877
(Increase) / Decrease in:		
Inventories	1,092	6,927
Trade and other receivables	702	(6,198)
Other assets	(991)	120
Increase / (Decrease) in:		
Trade and other payables	344	(5,042)
Cash generated from operations	11,941	5,684
Tax refunded	34	1,940
Tax paid	(2,025)	(1,299)
Restructuring cost paid	-	(1,770)
<b>Net cash (used in)/generated from operating activities</b>	<b>9,950</b>	<b>4,555</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	506	1,801
Proceeds from liquidation of a subsidiary company	-	306
Interest received	91	29
Addition to property, plant and equipment	(2,688)	(4,315)
Addition to capitalised development costs	(3,241)	(2,493)
Investment in a jointly controlled entity	-	(2,000)
Short-term deposits held as security value	3,071	(6)
<b>Net cash (used in)/generated from investing activities</b>	<b>(2,261)</b>	<b>(6,678)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	574	2,873
Short-term borrowing from a corporate shareholder	-	2,000
Repayment of bank borrowings	(4,264)	(2,921)
Interest paid	(289)	(278)
<b>Net cash (used in)/generated from financing activities</b>	<b>(3,979)</b>	<b>1,674</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,710</b>	<b>(449)</b>
Effect of foreign exchange rate changes	529	181
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>6,850</b>	<b>7,118</b>

<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><b>11,089</b></u>	<u>6,850</u>
Cash and cash equivalents included in the consolidated cash flow statement comprise the following amount:		
Short term deposits with licensed banks	-	3,071
Cash and bank balances	<u><b>11,089</b></u>	<u>6,850</u>
	<b>11,089</b>	9,921
Less: Short-term deposits pledged as security value	-	(3,071)
	<u><b>11,089</b></u>	<u>6,850</u>

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2012 and the accompanying explanatory notes attached to this interim financial report.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2013**

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

**1. BASIS OF PREPARATION**

The interim financial report is unaudited and has been prepared in accordance with MFRS 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 2012 except for the accounting policy changes that are expected to be reflected in financial statement for the year ended 31 March 2013.

The preparation of an interim financial report in conformity with MFRS 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.

At the transition date, the Group reviewed its accounting policies and the adoption of MFRS has no significant impact on the financial statements.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 March 2012.

**2. CHANGES IN ACCOUNTING POLICIES**

At the date of authorisation of these interim financial statements, the following MFRSs and Amendments to MFRS were issued but not yet effective and have not been applied by the Group.

MFRS and Amendments to MFRS	Effective for annual period beginning on or after	
MFRS 9	Financial Instruments (IFRS 9 issued by IASB in November 2009 and October 2010)	1 January 2015
MFRS 10	Consolidated Financial Statements	1 January 2013
MFRS 11	Joint Arrangements	1 January 2013
MFRS 12	Disclosure of Interests in Other Entities	1 January 2013
MFRS 13	Fair value Measurement	1 January 2013
MFRS 119	Employee Benefits	1 January 2013
MFRS 127	Separate Financial Statements	1 January 2013
MFRS 128	Investments in Associates and Joint Ventures	1 January 2013
Amendments to MFRS 7	Disclosures - Offsetting Financial Assets and Financial Liabilities	1 January 2013
Amendments to MFRS 101	Presentation of Items of Other Comprehensive Income	1 July 2012
Amendments to MFRS 132	Offsetting Financial Assets and Financial Liabilities	1 January 2014

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

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

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**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 21 September 2012, 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 2013.

**8. DIVIDENDS PAID**

No interim dividend was paid by the Company for the quarter ended 31 March 2013.

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
31 March 2013**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External revenue	-	98,360	42,955		141,315
Inter-segment revenue	13,340	72,394	86,641	(172,375)	-
Total revenue	<u>13,340</u>	<u>170,754</u>	<u>129,596</u>	<u>(172,375)</u>	<u>141,315</u>

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Results</b>					
Profit/(loss) from operations	4,805	13,458	(9,057)	(5,347)	3,859
Investment revenue	117	14	22		153
Finance cost					(289)
Share of results of jointly controlled entity					<u>(763)</u>
Profit/(loss) before tax					2,960
Income tax income/(expense)					<u>(2,336)</u>
Profit/(loss) after tax					<u>624</u>



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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**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 2013 up to the date of this report.

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

There were no changes in the composition of the Group during the current quarter.

**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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**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2013**

**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 RM2.38 million or 6.7% as compared to the fourth quarter ended 31 March 2012, mainly due to new products launched during the quarter.

The Group recorded a profit before taxation of RM2.63 million for the quarter under review, representing a decrease in profit by RM0.99 million as compared to that of the preceding year quarter. Despite the increase in revenue, the profit before tax decreased mainly due to the gain on disposal of subsidiaries amounting to RM 4.49 million in preceding year quarter.

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 2013 RM'000	31 March 2012 RM'000	31 March 2013 RM'000	31 March 2012 RM'000
<u>Revenue</u>				
Investment holding	1,749	1,377	13,340	5,985
Manufacturing	46,489	45,916	170,754	162,852
Trading	38,925	43,354	129,596	153,682
Total	<u>87,163</u>	<u>90,647</u>	<u>313,690</u>	<u>322,519</u>
Eliminations	(49,483)	(55,346)	(172,375)	(173,273)
Revenue after eliminations	<u><u>37,680</u></u>	<u><u>35,301</u></u>	<u><u>141,315</u></u>	<u><u>149,246</u></u>
<u>Profit/(loss) before tax</u>				
Investment holding	(1,375)	(645)	4,844	3,172
Manufacturing	2,828	(340)	13,261	25,387
Trading	94	1,166	(9,035)	(1,236)
Total	<u>1,547</u>	<u>181</u>	<u>9,070</u>	<u>27,323</u>
Eliminations	1,084	3,630	(6,110)	(20,259)
Profit/(loss) before tax after eliminations	<u><u>2,631</u></u>	<u><u>3,811</u></u>	<u><u>2,960</u></u>	<u><u>7,064</u></u>

Investment Holdings

Q4 FY2013 vs. Q4 FY2012

The investment holdings segment profit decreased by RM0.73 million in the current quarter as compared to preceding year quarter. This is mainly due to a provision of doubtful debts of RM1.78 million on debts owing by a subsidiary.

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Q4 YTD FY2013 vs. Q4 YTD FY2012

The investment holdings segment YTD profit increased by RM1.67 million, mainly due to dividends received from wholly owned subsidiaries of RM7.02 million. However, there was waiver of debts owing by a wholly owned subsidiary of RM1.01 million, a provision for doubtful debts of RM1.78 million owing by a subsidiary in current year period and lower foreign exchange gain by RM1.14 million as compared to preceding year period. Moreover, in the preceding year, there was debts waiver received from a wholly owned subsidiary of RM1.53 million upon its liquidation.

Manufacturing

Q4 FY2013 vs. Q4 FY2012

The manufacturing segment profit increased by RM3.17 million, mainly due to increase in revenue and a foreign exchange gain of RM0.04 million in current quarter as compared to foreign exchange loss of RM0.84 million in preceding year quarter.

Q4 YTD FY2013 vs. Q4 YTD FY2012

The manufacturing segment YTD profit decreased by RM12.12 million. Despite increase in revenue, the profit decreased mainly due to debts waiver of RM10.5 million received by a manufacturing subsidiary company in current year period as compared to debts waiver of RM25 million received by a manufacturing subsidiary company in preceding year period. Moreover, there was a foreign exchange loss of RM0.68 million in current year as compared to foreign exchange gain of RM2.31 million in preceding year.

Trading

Q4 FY2013 vs. Q4 FY2012

The trading segment profit decreased by RM1.07 million mainly due to decrease in revenue in current quarter. Moreover, there was a foreign exchange loss of RM0.46 million in the current quarter as compared to foreign exchange loss of RM0.28 million in preceding year quarter.

Q4 YTD FY2013 vs. Q4 YTD FY2012

The trading segment YTD profit decreased by RM7.8 million, mainly due to decrease in revenue and waiver of debts owing by a manufacturing subsidiary company to a trading subsidiary company in current year period.

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

The Group's revenue for the current quarter was RM37.68 million, representing an increase of RM4.17 million or 12.5% as compared to that of the immediate preceding quarter ended 31 December 2012.

The Group recorded a profit before taxation of RM2.63 million for the quarter under review, representing an increase in profit by RM2.94 million as compared to that of the immediate preceding quarter. This was mainly due to increase in gross profit as a result of increase in revenue. Moreover, there was a decrease in foreign exchange loss by RM0.48 million in current quarter as compared to preceding quarter.

**3. COMMENTARY ON PROSPECTS**

Initiatives to grow the business continue. 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 confident that the 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 2013 RM'000	Current year- to-date ended 31 Mar 2013 RM'000
Interest income	(38)	(153)
Other income including investment income	(303)	(149)
Interest expense	61	289
Depreciation and amortisation	1,675	6,966
Provision for and written off of receivables *	-	-
Provision for and written off of inventories *	-	-
(Gain)/loss on disposal of quoted/unquoted investments		
(Gain)/Loss on disposal of properties *	-	-
Impairment of assets *	-	-
Foreign exchange (gain) or loss	304	1,338
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

\* Not applicable during the period

**6. INCOME TAX EXPENSE**

	Quarter ended 31 Mar 2013 RM'000	Current year- to-date ended 31 Mar 2013 RM'000
Estimated income tax expense:		
Current tax expense/(income)	1,728	2,160
Under/(over)-provision in prior quarter/ year	-	7
Deferred tax	135	169
	<u>1,863</u>	<u>2,336</u>

The Group's current quarter and financial year to-date income tax reflects an effective tax rate which is higher than the statutory income tax rate mainly due to losses of certain subsidiaries which cannot be set off against taxable profits made by other subsidiaries.

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

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

	As at 31 Mar 2013 RM'000	As at 31 Dec 2012 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	41,916	43,440
Unrealised	<u>(1,154)</u>	<u>(2,254)</u>
	<u>40,762</u>	<u>41,186</u>
Total share of accumulated losses from jointly controlled entity		
Realised	(2,813)	(2,533)
Unrealised	<u>(8)</u>	<u>(30)</u>
	<u>(2,821)</u>	<u>(2,563)</u>
Add: Consolidation adjustments	(40,396)	(41,848)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>(2,455)</u>	<u>(3,225)</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 borrowings as of 31 March 2013 are as follows:

	Quarter ended 31 Mar 2013
	RM'000
Borrowings:	
Finance lease - current	376
Finance lease - non-current	198
	<u>574</u>

**10. FINANCIAL INSTRUMENTS**

As at 31 March 2013, 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	Notional value	Financial liabilities carried at fair value
	USD'000	RM'000	RM'000
Forward Foreign Currency Contracts			
Less than 1 year	<u>3,450</u>	<u>10,750</u>	<u>15</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 2013.

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

**FOURTH QUARTER REPORT ENDED 31 MARCH 2013**

**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 2013	Current year- to-date ended 31 Mar 2013
Net profit/(loss) for the period (RM'000)	<u>768</u>	<u>624</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>0.90</u>	<u>0.73</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: 29 May 2013