

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

**THIRD QUARTER REPORT ENDED 31 DECEMBER 2013**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2013**

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended	Preceding year corresponding quarter ended	Current year to-date for 9 months ended	Preceding year corresponding period of 9 months ended
	31 December 2013 RM'000	31 December 2012 RM'000	31 December 2013 RM'000	31 December 2012 RM'000
<b>Revenue</b>	<b>43,931</b>	33,504	<b>134,286</b>	103,635
<b>Investment revenue</b>	<b>33</b>	42	<b>100</b>	115
<b>Other gains and losses</b>	<b>49</b>	(560)	<b>548</b>	(1,188)
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>(434)</b>	(9)	<b>1,627</b>	(993)
<b>Raw materials and consumables used</b>	<b>(17,324)</b>	(13,713)	<b>(51,659)</b>	(41,396)
<b>Purchase of trading goods</b>	<b>(5,408)</b>	(5,197)	<b>(19,025)</b>	(13,624)
<b>Employee benefits expense</b>	<b>(9,000)</b>	(8,380)	<b>(27,197)</b>	(24,641)
<b>Depreciation and amortisation of non-current assets</b>	<b>(1,679)</b>	(1,898)	<b>(5,041)</b>	(5,291)
<b>Finance costs</b>	<b>(7)</b>	(67)	<b>(44)</b>	(228)
<b>Other operating expenses</b>	<b>(6,666)</b>	(3,948)	<b>(20,105)</b>	(15,555)
<b>Share of results of jointly controlled entity</b>	<b>(228)</b>	(78)	<b>(663)</b>	(505)
<b>Profit/(loss) before tax</b>	<b>3,267</b>	(304)	<b>12,827</b>	329
<b>Tax income/(expense)</b>	<b>(791)</b>	(2)	<b>(2,072)</b>	(473)
<b>Profit/(loss) for the period</b>	<b>2,476</b>	(306)	<b>10,755</b>	(144)
Basic earnings/(loss) per ordinary share (sen)	2.91	(0.36)	12.65	(0.17)
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 2013 and the accompanying explanatory notes attached to this interim financial report.*

**IQ GROUP HOLDINGS BERHAD**  
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**THIRD QUARTER REPORT ENDED 31 DECEMBER 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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 9 months ended</b>	Preceding year corresponding period of 9 months ended
	<b>31 December 2013</b>	31 December 2012	<b>31 December 2013</b>	31 December 2012
	<b>RM'000</b>	RM'000	<b>RM'000</b>	RM'000
<b>Net profit/(loss) for the period</b>	<b>2,476</b>	(306)	<b>10,755</b>	(144)
<b>Exchange differences on translating foreign operations</b>	<b>(98)</b>	(137)	<b>1,717</b>	1,637
<b>Total comprehensive income/(loss) for the period</b>	<b><u>2,378</u></b>	<u>(443)</u>	<b><u>12,472</u></b>	<u>1,493</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial report.*

**IQ GROUP HOLDINGS BERHAD****(Company No. 636944-U)**

(Incorporated in Malaysia under the Companies Act, 1965)

**THIRD QUARTER REPORT ENDED 31 DECEMBER 2013****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at end of current quarter 31 December 2013 Unaudited RM'000</b>	<b>As at preceding financial year ended 31 March 2013 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,453	15,906
Prepaid lease payments on leasehold land	1,718	1,754
Product development costs	8,073	8,976
Interest in a jointly controlled entity	516	1,179
Deferred tax assets	769	1,078
<b>Total non-current assets</b>	<b>26,529</b>	<b>28,893</b>
<b>Current assets</b>		
Inventories	36,430	31,178
Trade and other receivables	51,287	42,759
Current tax assets		730
Other assets	5,491	2,937
Cash and bank balances	17,222	11,089
<b>Total current assets</b>	<b>110,430</b>	<b>88,693</b>
<b>Total assets</b>	<b>136,959</b>	<b>117,586</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,000	85,000
Reserves	3,512	1,802
Retained earnings/(accumulated losses)	8,307	(2,455)
<b>Total equity</b>	<b>96,819</b>	<b>84,347</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,791	1,773
Borrowings	198	198
<b>Total non-current liabilities</b>	<b>1,989</b>	<b>1,971</b>
<b>Current liabilities</b>		
Trade and other payables	35,401	29,183
Borrowings	96	376
Other financial liabilities	155	15
Current tax liabilities	2,499	1,694
<b>Total current liabilities</b>	<b>38,151</b>	<b>31,268</b>
<b>Total liabilities</b>	<b>40,140</b>	<b>33,239</b>
<b>Total equity and liabilities</b>	<b>136,959</b>	<b>117,586</b>
Net assets per share (RM)	1.14	0.99

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2013 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 NINE MONTHS ENDED 31 DECEMBER 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 2013	85,000	7,504	(5,875)	145	28	(2,455)	84,347	
Profit for the year						10,755	10,755	
Other comprehensive income/(loss) for the period			1,717				1,717	
Total comprehensive income/(loss) for the period			1,717			10,755	12,472	
Transactions with owners:								
Share-based payment forfeited				(7)		7	-	
Appropriation to reserve on dividends paid by subsidiary						-	-	
Balance as of 31 December 2013	85,000	7,504	(4,158)	138	28	8,307	96,819	
Balance as of 1 April 2012	85,000	7,504	(6,525)	145	-	(3,051)	83,073	
Profit for the year						(144)	(144)	
Other comprehensive income/(loss) for the period			1,637				1,637	
Total comprehensive income/(loss) for the period			1,637			(144)	1,493	
Share-based payment forfeited						-	-	
Transfer to legal reserve					30	(30)	-	
Balance as of 31 December 2012	85,000	7,504	(4,888)	145	30	(3,225)	84,566	

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial report.*

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 2013**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2013**

	Individual Quarter	
	Current year quarter ended 31 December 2013 RM'000	Preceding year corresponding quarter ended 31 December 2012 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	10,755	(144)
Adjustments for :		
Depreciation and amortisation of non-current assets	5,041	5,291
Tax expense recognised in profit or loss	2,072	473
Share of results of jointly controlled entity	663	505
Unrealised (gain)/loss on foreign exchange	(414)	438
Finance costs recognised in profit and loss	44	228
(Gain)/Loss on disposal of property, plant and equipment	248	(44)
Net fair value (gain)/loss on other financial asset	140	82
Interest revenue recognised in profit and loss	(56)	(69)
Operating profit/(loss) before working capital changes	18,493	6,760
(Increase) / Decrease in:		
Inventories	(5,252)	378
Trade and other receivables	(8,035)	3,667
Other assets	(2,554)	(739)
Increase / (Decrease) in:		
Trade and other payables	6,140	2,937
Cash generated from operations	8,792	13,003
Tax refunded	526	-
Tax paid	(859)	(1,173)
<b>Net cash (used in)/generated from operating activities</b>	<b>8,459</b>	<b>11,830</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	274	240
Interest received	56	69
Addition to property, plant and equipment	(2,134)	(2,156)
Addition to capitalised development costs	(1,446)	(2,553)
Short-term deposits held as security value		1,541
<b>Net cash (used in)/generated from investing activities</b>	<b>(3,250)</b>	<b>(2,859)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(279)	(2,823)
Interest paid	(44)	(228)
<b>Net cash (used in)/generated from financing activities</b>	<b>(323)</b>	<b>(3,051)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,886</b>	<b>5,920</b>
Effect of foreign exchange rate changes	1,247	1,618
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>11,089</b>	<b>6,850</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>17,222</b>	<b>14,388</b>
Cash and cash equivalents included in the consolidated cash flow statement comprise the following amount:		
Short term deposits with licensed banks	-	1,529
Cash and bank balances	17,222	14,388
	17,222	15,917
Less: Short-term deposits pledged as security value	-	(1,529)
	17,222	14,388

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2013 and the accompanying explanatory notes attached to this interim financial report.*

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 2013**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 2013 except for the accounting policy changes that are expected to be reflected in financial statement for the year ended 31 March 2014.

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 2013.

**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	Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)	1 January 2014
MFRS 12	Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)	1 January 2014
MFRS 127	Investment Entities (Amendments to MFRS 10, MFRS 12 and MFRS 127)	1 January 2014
MFRS 132	Financial Instruments: Presentation (Amendments relating to 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.

**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.

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**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 27 September 2013, 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 December 2013.

**8. DIVIDENDS PAID**

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

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
31 December 2013**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b><u>Revenue</u></b>					
External revenue	-	99,414	34,872		134,286
Inter-segment revenue	6,073	59,146	81,460	(146,679)	-
Total revenue	<u>6,073</u>	<u>158,560</u>	<u>116,332</u>	<u>(146,679)</u>	<u>134,286</u>

	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	2,526	5,521	6,811	(1,424)	13,434
Investment revenue	88	12			100
Finance cost					(44)
Share of results of jointly controlled entity					<u>(663)</u>
Profit/(loss) before tax					12,827
Income tax income/(expense)					<u>(2,072)</u>
Profit/(loss) after tax					<u><u>10,755</u></u>

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 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 December 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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**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 RM10.43 million or 31.1% as compared to the third quarter ended 31 December 2012.

The Group recorded a profit before taxation of RM3.27 million for the quarter under review, representing an increase in profit by RM3.57 million as compared to that of the preceding year quarter. This was mainly due to increase in gross profit as a result of the increase in revenue and foreign exchange gain of RM0.07 million in the current quarter as compared to foreign exchange loss of RM0.77 million in preceding year quarter.

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended 31 December 2013 RM'000	Preceding year corresponding quarter ended 31 December 2012 RM'000	Current year to-date for 9 months ended 31 December 2013 RM'000	Preceding year corresponding period of 9 months ended 31 December 2012 RM'000
<u>Revenue</u>				
Investment holding	1,290	8,186	6,073	11,591
Manufacturing	52,241	40,479	158,560	124,265
Trading	34,915	32,916	116,332	90,671
Total	<u>88,446</u>	<u>81,581</u>	<u>280,965</u>	<u>226,527</u>
Eliminations	(44,515)	(48,077)	(44,515)	(122,892)
Revenue after eliminations	<u>43,931</u>	<u>33,504</u>	<u>134,286</u>	<u>103,635</u>
<u>Profit/(loss) before tax</u>				
Investment holding	(43)	6,733	2,597	6,219
Manufacturing	1,088	8,499	5,506	10,434
Trading	2,383	(8,861)	6,811	(9,129)
Total	<u>3,428</u>	<u>6,371</u>	<u>14,914</u>	<u>7,524</u>
Eliminations	(161)	(6,675)	(2,087)	(7,195)
Profit/(loss) before tax after eliminations	<u>3,267</u>	<u>(304)</u>	<u>12,827</u>	<u>329</u>

Investment Holdings

Q3 FY2014 vs. Q3 FY2013

The investment holdings segment profit decreased by RM6.78 million in the current quarter as compared to preceding year quarter, mainly due to dividends received from a wholly owned subsidiary of RM6.67 million in the preceding year quarter.

Q3 YTD FY2014 vs. Q3 YTD FY2013

The investment holdings segment YTD profit decreased by RM3.62 million, mainly due to lower dividends received from wholly owned subsidiary by RM5.45 million in current year period as compared to preceding year. However, this negative impact was offset by the following:

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- a. Foreign exchange gain of RM0.46 million in the current period as compared to foreign exchange loss of RM1.26 thousand in preceding year period
- b. In the preceding year period, there was waiver of debts owing by a wholly owned subsidiary of RM1.01 million.

Manufacturing

Q3 FY2014 vs. Q3 FY2013

The manufacturing segment profit decreased by RM7.41 million. Despite increase in revenue, the profit decreased mainly due to debts waiver of RM10.5 million received by a manufacturing subsidiary company in preceding year quarter. However, there was a foreign exchange gain of RM0.04 million in the current quarter as compared to foreign exchange loss of RM0.34 million in preceding year quarter.

Q3 YTD FY2014 vs. Q3 YTD FY2013

The manufacturing segment YTD profit decreased by RM4.93 million. Despite increase in revenue, the profit decreased mainly due to debts waiver of RM10.5 million received by a manufacturing subsidiary company in preceding year period. However, there was a foreign exchange gain of RM0.74 million in current year period as compared to foreign exchange loss of RM0.71 million in preceding year period.

Trading

Q3 FY2014 vs. Q3 FY2013

The trading segment profit increased by RM11.24 million in the current quarter as compared to preceding year quarter, mainly due to the following:

- a. Increase in gross profit as a result of increase in revenue by RM2.0 million in current quarter.
- b. In the preceding year quarter, there was waiver of debts of RM9.1 million owing by a manufacturing subsidiary company to a trading subsidiary company .

Q3 YTD FY2014 vs. Q3 YTD FY2013

The trading segment YTD profit increased by RM15.94 million, mainly due to the following:

- a. Increase in gross profit as a result of higher revenue by RM25.66 million in current year period.
- b. In the preceding year period, there was waiver of debts of RM9.1 million owing by a manufacturing subsidiary company to a trading subsidiary company .

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

The Group's revenue for the current quarter was RM43.93 million, representing a decrease of RM7.6 million or 14.7% as compared to that of the immediate preceding quarter ended 30 September 2013.

The Group recorded a profit before taxation of RM3.27 million for the quarter under review, representing a decrease in profit by RM4.41 million as compared to that of the immediate preceding quarter. This was mainly due to decrease in gross profit as a result of lower revenue.

**3. COMMENTARY ON PROSPECTS**

Initiatives to grow the business continue. The Group continues to be exposed to the impact from foreign currency fluctuations. Barring any unforeseen circumstances, the Directors are confident that 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 Dec 2013 RM'000	Current year- to-date ended 31 Dec 2013 RM'000
Interest income	(33)	(100)
Other income including investment income	21	352
Interest expense	7	44
Depreciation and amortisation	1,679	5,041
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	(70)	(900)
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

\* Not applicable during the period

**6. INCOME TAX EXPENSE**

	Quarter ended 31 Dec 2013 RM'000	Current year- to-date ended 31 Dec 2013 RM'000
Estimated income tax expense:		
Current tax expense/(income)	718	1,730
Under/(over)-provision in prior quarter/ year	5	18
Deferred tax	68	324
	<u>791</u>	<u>2,072</u>

The Group's current quarter and financial year to-date income tax reflects an effective tax rate which is lower than the statutory income tax rate mainly due to unabsorbed losses b/f which off-set against current period's statutory income made by a subsidiary.

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

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

	As at 31 Dec 2013 RM'000	As at 30 Sep 2013 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	52,812	50,227
Unrealised	(736)	(809)
	<u>52,076</u>	<u>49,418</u>
Total share of accumulated losses from jointly controlled entity		
Realised	(3,452)	(3,232)
Unrealised	(32)	(24)
	<u>(3,484)</u>	<u>(3,256)</u>
Add: Consolidation adjustments	(40,285)	(40,336)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>8,307</u>	<u>5,826</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 December 2013 are as follows:

	Quarter ended 31 Dec 2013 RM'000
Unsecured:	
Hire-purchase payables - current portion	96
Hire-purchase payables - non-current portion	198
	<u>294</u>

**10. FINANCIAL INSTRUMENTS**

As at 31 December 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 USD'000	Notional value RM'000	Financial liabilities carried at fair value RM'000
Forward Foreign Currency Contracts			
Less than 1 year	<u>3,800</u>	<u>12,292</u>	<u>155</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 December 2013.

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 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 Dec 2013	Current year- to-date ended 31 Dec 2013
Net profit/(loss) for the period (RM'000)	<u>2,476</u>	<u>10,755</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>2.91</u>	<u>12.65</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: 24 February 2014