

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

**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2014**

	<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 2014 RM'000</b>	<b>31 March 2013 RM'000</b>	<b>31 March 2014 RM'000</b>	<b>31 March 2013 RM'000</b>
<b>Revenue</b>	<b>37,102</b>	37,680	<b>171,388</b>	141,315
<b>Investment revenue</b>	<b>8</b>	38	<b>108</b>	153
<b>Other gains and losses</b>	<b>493</b>	(1)	<b>1,041</b>	(1,189)
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>4,405</b>	424	<b>6,032</b>	(569)
<b>Raw materials and consumables used</b>	<b>(11,940)</b>	(16,310)	<b>(63,599)</b>	(57,706)
<b>Purchase of trading goods</b>	<b>(5,489)</b>	(5,494)	<b>(24,514)</b>	(19,118)
<b>Employee benefits expense</b>	<b>(9,002)</b>	(8,016)	<b>(36,199)</b>	(32,657)
<b>Depreciation and amortisation of non-current assets</b>	<b>(1,772)</b>	(1,642)	<b>(6,813)</b>	(6,933)
<b>Finance costs</b>	<b>(5)</b>	(61)	<b>(49)</b>	(289)
<b>Other operating expenses</b>	<b>(13,900)</b>	(3,729)	<b>(34,005)</b>	(19,284)
<b>Share of results of jointly controlled entity</b>	<b>-</b>	(258)	<b>(663)</b>	(763)
<b>Profit/(loss) before tax</b>	<b>(100)</b>	2,631	<b>12,727</b>	2,960
<b>Tax income/(expense)</b>	<b>308</b>	(1,863)	<b>(1,764)</b>	(2,336)
<b>Profit/(loss) for the period</b>	<b>208</b>	768	<b>10,963</b>	624
Profit/(loss) for the period attributable to:				
Owners of the Company	461	768	11,216	624
Non-controlling interests	(253)	-	(253)	-
	<b>208</b>	<b>768</b>	<b>10,963</b>	<b>624</b>
Earnings/(loss) per ordinary share attributable to owners of the Company (sen):				
Basic	0.54	0.90	13.19	0.73
Diluted	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.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2014**

	<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 2014 RM'000</b>	31 March 2013 RM'000	<b>31 March 2014 RM'000</b>	31 March 2013 RM'000
<b>Net profit/(loss) for the period</b>	<b>208</b>	768	<b>10,963</b>	624
<b>Exchange differences on translating foreign operations</b>	<b>(1,081)</b>	(987)	<b>636</b>	650
<b>Total comprehensive income/(loss) for the period</b>	<b>(873)</b>	(219)	<b>11,599</b>	1,274
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(620)	(219)	11,852	1,274
Non-controlling interests	(253)	-	(253)	-
	<b>(873)</b>	(219)	<b>11,599</b>	1,274

*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.*

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at end of current quarter 31 March 2014 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	15,617	15,906
Prepaid lease payments on leasehold land	1,706	1,754
Product development costs	7,380	8,976
Interest in a jointly controlled entity	-	1,179
Deferred tax assets	748	1,078
Goodwill	101	-
<b>Total non-current assets</b>	<b>25,552</b>	<b>28,893</b>
<b>Current assets</b>		
Inventories	39,409	31,178
Trade and other receivables	45,219	42,759
Other financial assets	85	-
Current tax assets	10	730
Other assets	5,956	2,937
Cash and bank balances	20,927	11,089
<b>Total current assets</b>	<b>111,606</b>	<b>88,693</b>
<b>Total assets</b>	<b>137,158</b>	<b>117,586</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	85,030	85,000
Reserves	2,702	1,802
Retained earnings/(accumulated losses)	8,772	(2,455)
<b>Total equity attributable to Owners of the Company</b>	<b>96,504</b>	<b>84,347</b>
Non-controlling interest	611	-
<b>Total equity</b>	<b>97,115</b>	<b>84,347</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,168	1,773
Deferred revenue	132	-
Borrowings	-	198
<b>Total non-current liabilities</b>	<b>1,300</b>	<b>1,971</b>
<b>Current liabilities</b>		
Trade and other payables	36,405	29,183
Borrowings	198	376
Other financial liabilities	-	15
Current tax liabilities	2,008	1,694
Deferred revenue	132	-
<b>Total current liabilities</b>	<b>38,743</b>	<b>31,268</b>
<b>Total liabilities</b>	<b>40,043</b>	<b>33,239</b>
<b>Total equity and liabilities</b>	<b>137,158</b>	<b>117,586</b>
Net assets per share attributable to owners of the Company (RM)	1.13	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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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE TWELVE MONTHS ENDED 31 MARCH 2014**

< -----Attributable to owners of the Company ----->

	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	Non- controlling interest RM'000	
Balance as of 1 April 2013	85,000	7,504	(5,875)	145	28	(2,455)	-	84,347
Profit for the year						11,216	(253)	10,963
Other comprehensive income/(loss) for the period			636					636
Total comprehensive income/(loss) for the period			636			11,216	(253)	11,599
Transactions with owners of the Company:								
Share-based payment forfeited				(7)		7		-
Share-based payment exercised				(4)		4		-
Recognition of share-based payment				275				275
Non-controlling interest arising on the acquisition of subsidiary							864	864
Issue of ordinary shares under employee share option scheme	30							30
Appropriation to reserve on dividends paid by subsidiary						-		-
Balance as of 31 March 2014	85,030	7,504	(5,239)	409	28	8,772	611	97,115
Balance as of 1 April 2012	85,000	7,504	(6,525)	145	-	(3,051)		83,073
Profit for the year						624		624
Other comprehensive income/(loss) for the period			650					650
Total comprehensive income/(loss) for the period			650			624		1,274
Share-based payment forfeited						-		-
Transfer to legal reserve					28	(28)		-
Balance as of 31 March 2013	85,000	7,504	(5,875)	145	28	(2,455)	-	84,347

*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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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE TWELVE MONTHS ENDED 31 MARCH 2014**

	Individual Quarter	
	Current year quarter ended 31 March 2014 RM'000	Preceding year corresponding quarter ended 31 March 2013 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	10,963	624
Adjustments for :		
Depreciation and amortisation of non-current assets	6,813	6,933
Tax expense recognised in profit or loss	1,764	2,336
Share of results of jointly controlled entity	663	763
Unrealised (gain)/loss on foreign exchange	147	577
Finance costs recognised in profit and loss	49	289
(Gain)/Loss on disposal of property, plant and equipment	180	(44)
Product development cost written off	(441)	5
Expenses recognised in respect of equity-settled share-based payment	275	-
Allowance for slow moving inventories no longer required	-	(122)
Net fair value (gain)/loss on other financial asset	(100)	15
Interest revenue recognised in profit and loss	(77)	(36)
Allowance for doubtful debts no longer required	-	(6)
Operating profit/(loss) before working capital changes	20,236	11,334
(Increase) / Decrease in:		
Inventories	(7,470)	1,456
Trade and other receivables	(2,154)	240
Other assets	(2,915)	(129)
Increase / (Decrease) in:		
Trade and other payables	5,951	536
Cash generated from operations	13,648	13,437
Tax refunded	551	34
Tax paid	(1,271)	(2,025)
<b>Net cash (used in)/generated from operating activities</b>	<b>12,928</b>	<b>11,446</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	516	84
Interest received	77	36
Purchase of property, plant and equipment	(2,514)	(2,265)
Addition to capitalised development costs	(1,181)	(2,900)
Net cash on acquisition of subsidiary	79	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(3,023)</b>	<b>(5,045)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	30	-
Short-term deposits released/(held) as security value	-	3,101
Repayment of borrowings	(376)	(4,409)
Repayment of short-term borrowing to a corporate shareholder	-	(500)
Interest paid	(49)	(249)
<b>Net cash (used in)/generated from financing activities</b>	<b>(395)</b>	<b>(2,057)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>9,510</b>	<b>4,344</b>
Effect of foreign exchange rate changes	328	(105)
<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>20,927</b>	<b>11,089</b>

Cash and cash equivalents included in the consolidated cash flow statement comprise the following amount:

Short term deposits with licensed banks		
Cash and bank balances	<u>20,927</u>	<u>11,089</u>
	<b>20,927</b>	11,089
Less: Short-term deposits pledged as security value	<u>-</u>	<u>-</u>
	<b>20,927</b>	<b>11,089</b>

*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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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2014**

**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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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**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 issuance of 29,750 shares related to Employee share option scheme during the quarter. There were no 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 2014.

**8. DIVIDENDS PAID**

No interim dividend was paid by the Company for the quarter ended 31 March 2014.

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
31 March 2014**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External revenue	-	128,010	43,378		171,388
Inter-segment revenue	7,546	76,844	104,703	(189,093)	-
Total revenue	<u>7,546</u>	<u>204,854</u>	<u>148,081</u>	<u>(189,093)</u>	<u>171,388</u>
<b>Results</b>					
Profit/(loss) from operations	2,434	3,533	9,334	(1,970)	13,331
Investment revenue		107	1		108
Finance cost					(49)
Share of results of jointly controlled entity					<u>(663)</u>
Profit/(loss) before tax					12,727
Income tax income/(expense)					<u>(1,764)</u>
Profit/(loss) after tax					<u>10,963</u>



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**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 2014 up to the date of this report.

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

On 2 January 2014, the Company has increased its investment in SILQ (Malaysia) Sdn. Bhd. ("SILQ"), by 502,500 ordinary shares of RM1.00 each. As at to-date, a total amount of RM 4,502,500 had been remitted to SILQ as paid-up capital. This represents 51.46% of the issued and paid up share capital of SILQ.

**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 2014**

**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 decreased by RM0.58 million or 1.5% as compared to the fourth quarter ended 31 March 2013.

The Group recorded a loss before taxation of RM0.10 million for the quarter under review, representing a decrease in profit by RM2.73 million as compared to that of the preceding year quarter. This was mainly due to the inventories written off of RM1.77 million and product development cost written off of RM0.67 million in the current 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 2014	31 March 2013	31 March 2014	31 March 2013
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>				
Investment holding	1,472	1,749	7,546	13,340
Manufacturing	46,294	46,489	204,854	170,754
Trading	31,749	38,925	148,081	129,596
<b>Total</b>	<b>79,515</b>	<b>87,163</b>	<b>360,481</b>	<b>313,690</b>
Eliminations	(42,413)	(49,483)	(189,093)	(172,375)
<b>Revenue after eliminations</b>	<b>37,102</b>	<b>37,680</b>	<b>171,388</b>	<b>141,315</b>
<b>Profit/(loss) before tax</b>				
Investment holding	(62)	(1,375)	2,535	4,844
Manufacturing	(2,016)	(7,512)	3,490	2,921
Trading	2,523	94	9,335	(9,035)
<b>Total</b>	<b>445</b>	<b>(8,793)</b>	<b>15,360</b>	<b>(1,270)</b>
Eliminations	(545)	11,424	(2,633)	4,230
<b>Profit/(loss) before tax after eliminations</b>	<b>(100)</b>	<b>2,631</b>	<b>12,727</b>	<b>2,960</b>

**Investment Holdings**

**Q4 FY2014 vs. Q4 FY2013**

The investment holdings segment loss decreased by RM1.31 million in the current quarter as compared to preceding year quarter, mainly due to a provision of doubtful debts of RM1.78 million on debts owing by a subsidiary in the preceding year quarter.

**Q4 YTD FY2014 vs. Q4 YTD FY2013**

The investment holdings segment YTD profit decreased by RM2.31 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:

- a. In the preceding year period, there was waiver of debts owing by a wholly owned subsidiary of RM1.01 million.

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- b. There was a provision for doubtful debts of RM1.78 million owing by a subsidiary in preceding year period.

Manufacturing

Q4 FY2014 vs. Q4 FY2013

The manufacturing segment loss decreased by RM5.5 million. The loss decreased mainly due to lower in gross profit and operating expenses.

Q4 YTD FY2014 vs. Q4 YTD FY2013

The manufacturing segment YTD profit increased by RM0.57 million. This was mainly due to a foreign exchange gain of RM0.45 million in current year period as compared to foreign exchange loss of RM0.68 million in preceding year period.

Trading

Q4 FY2014 vs. Q4 FY2013

The trading segment profit increased by RM2.43 million in the current quarter as compared to preceding year quarter, mainly due to Increase in gross profit by RM1.67 million in current quarter.

Q4 YTD FY2014 vs. Q4 YTD FY2013

The trading segment YTD profit increased by RM18.37 million, mainly due to the following:

- a. Increase in gross profit as a result of higher revenue by RM18.49 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 RM37.1 million, representing a decrease of RM6.8 million or 15.5% as compared to that of the immediate preceding quarter ended 31 December 2013.

The Group recorded a loss before taxation of RM0.10 million for the quarter under review, representing a decrease in profit by RM3.37 million as compared to that of the immediate preceding quarter. This was mainly due to lower gross profit as a result of decrease in revenue and inventories written off of RM1.77 million and product development cost written off of RM0.67 million in the current year quarter.

**3. COMMENTARY ON PROSPECTS**

Initiatives remain focused on further business growth. Even with the typical foreign exchange fluctuations and associated exposure, the Directors are confident that the group is increasingly well positioned and with good prospects to enjoy a positive business outlook.

**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 2014 RM'000	Current year- to-date ended 31 Mar 2014 RM'000
Interest income	(8)	(108)
Other income including investment income	(592)	(240)
Interest expense	5	49
Depreciation and amortisation	1,772	6,813
Provision for and written off of receivables *	-	-
Provision for and written off of inventories	1,766	2,604
(Gain)/loss on disposal of quoted/unquoted investments		
(Gain)/Loss on disposal of properties *	-	-
Impairment of assets #	669	-
Foreign exchange (gain) or loss	99	(801)
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

\* Not applicable during the period

# Product development cost written off

**6. INCOME TAX EXPENSE**

	Quarter ended 31 Mar 2014 RM'000	Current year- to-date ended 31 Mar 2014 RM'000
Estimated income tax expense:		
Current tax expense/(income)	462	2,192
Under/(over)-provision in prior quarter/ year	(163)	(145)
Deferred tax	(607)	(283)
	<u>(308)</u>	<u>1,764</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 Mar 2014 RM'000	As at 31 Dec 2013 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	46,739	52,812
Unrealised	(1,010)	(736)
	<u>45,729</u>	<u>52,076</u>
Total share of accumulated losses from jointly controlled entity		
Realised	-	(3,452)
Unrealised	-	(32)
	<u>-</u>	<u>(3,484)</u>
Add: Consolidation adjustments	(36,957)	(40,285)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>8,772</u>	<u>8,307</u>

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**FOURTH QUARTER REPORT ENDED 31 MARCH 2014**

**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 2014 are as follows:

	Quarter ended 31 Mar 2014 RM'000
Unsecured:	
Hire-purchase payables - current portion	198
Hire-purchase payables - non-current portion	-
	<u>198</u>

**10. FINANCIAL INSTRUMENTS**

As at 31 March 2014, 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>2,400</u>	<u>7,911</u>	<u>11</u>
	JPY'000	USD'000	RM'000
Less than 1 year	<u>380,923</u>	<u>3,727</u>	<u>74</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 2014.

**IQ GROUP HOLDINGS BERHAD**  
**(Company No. 636944-U)**  
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**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 2014	Current year- to-date ended 31 Mar 2014
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	<u>461</u>	<u>11,216</u>
Weighted average number of ordinary shares in issue ('000)	<u>85,005</u>	<u>85,005</u>
Basic earnings/(loss) per share (sen)	<u>0.54</u>	<u>13.19</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 2014