

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

**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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 9 months ended</b>	<b>Preceding year corresponding period of 9 months ended</b>
	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	<b>45,864</b>	43,931	<b>155,061</b>	134,286
<b>Investment revenue</b>	<b>61</b>	33	<b>121</b>	100
<b>Other gains and losses</b>	<b>2,544</b>	49	<b>3,060</b>	548
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>(1,773)</b>	(434)	<b>(2,184)</b>	1,627
<b>Raw materials and consumables used</b>	<b>(16,904)</b>	(17,324)	<b>(57,306)</b>	(51,659)
<b>Purchase of trading goods</b>	<b>(5,117)</b>	(5,408)	<b>(20,571)</b>	(19,025)
<b>Employee benefits expense</b>	<b>(9,928)</b>	(9,000)	<b>(29,832)</b>	(27,197)
<b>Depreciation and amortisation of non-current assets</b>	<b>(1,469)</b>	(1,679)	<b>(4,439)</b>	(5,041)
<b>Finance costs</b>	<b>(1)</b>	(7)	<b>(7)</b>	(44)
<b>Other operating expenses</b>	<b>(6,001)</b>	(6,666)	<b>(19,955)</b>	(20,105)
<b>Share of results of jointly controlled entity</b>	<b>-</b>	(228)	<b>-</b>	(663)
<b>Profit/(loss) before tax</b>	<b>7,276</b>	3,267	<b>23,948</b>	12,827
<b>Tax income/(expense)</b>	<b>(2,296)</b>	(791)	<b>(5,374)</b>	(2,072)
<b>Profit/(loss) for the period</b>	<b>4,980</b>	2,476	<b>18,574</b>	10,755
Profit/(loss) for the period attributable to:				
Owners of the Company	5,053	2,476	18,868	10,755
Non-controlling interests	(73)	-	(294)	-
	<b>4,980</b>	<b>2,476</b>	<b>18,574</b>	<b>10,755</b>
Earnings/(loss) per ordinary share attributable to owners of the Company (sen):				
Basic	5.87	2.91	22.08	12.65
Diluted	5.86	N/A	22.04	N/A

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial report.*

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 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 9 months ended</b>	<b>Preceding year corresponding period of 9 months ended</b>
	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>	<b>31 December 2014 RM'000</b>	<b>31 December 2013 RM'000</b>
<b>Net profit/(loss) for the period</b>	<b>4,980</b>	2,476	<b>18,574</b>	10,755
<b>Exchange differences on translating foreign operations</b>	<b>1,455</b>	(98)	<b>2,323</b>	1,717
<b>Total comprehensive income/(loss) for the period</b>	<b><u>6,435</u></b>	<u>2,378</u>	<b><u>20,897</u></b>	<u>12,472</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	6,508	2,378	21,191	12,472
Non-controlling interests	(73)	-	(294)	-
	<b><u>6,435</u></b>	<u>2,378</u>	<b><u>20,897</u></b>	<u>12,472</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial report.*

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of current quarter 31 December 2014 Unaudited RM'000	As at preceding financial year ended 31 March 2014 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	15,099	15,617
Prepaid lease payments on leasehold land	1,669	1,706
Product development costs	8,333	7,380
Deferred tax assets	787	1,040
Goodwill on consolidation	279	101
<b>Total non-current assets</b>	<u>26,167</u>	<u>25,844</u>
<b>Current assets</b>		
Inventories	41,490	39,409
Trade and other receivables	55,128	45,219
Other financial assets	694	85
Current tax assets	-	10
Other assets	6,999	5,956
Short-term deposits with licensed banks	2,500	-
Cash and bank balances	31,519	20,927
<b>Total current assets</b>	<u>138,330</u>	<u>111,606</u>
<b>Total assets</b>	<u>164,497</u>	<u>137,450</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	86,443	85,030
Reserves	4,970	2,710
Retained earnings/(accumulated losses)	27,807	8,772
<b>Total equity attributable to Owners of the Company</b>	<u>119,220</u>	<u>96,512</u>
Non-controlling interest	534	611
<b>Total equity</b>	<u>119,754</u>	<u>97,123</u>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,731	1,452
Deferred revenue	133	132
<b>Total non-current liabilities</b>	<u>1,864</u>	<u>1,584</u>
<b>Current liabilities</b>		
Trade and other payables	35,637	36,405
Borrowings	-	198
Other financial liabilities	1,676	-
Tax liabilities	4,514	2,008
Deferred revenue	1,052	132
<b>Total current liabilities</b>	<u>42,879</u>	<u>38,743</u>
<b>Total liabilities</b>	<u>44,743</u>	<u>40,327</u>
<b>Total equity and liabilities</b>	<u>164,497</u>	<u>137,450</u>
Net assets per share attributable to owners of the Company (RM)	1.38	1.14

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2014 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 2014**

	< -----Attributable to owners of the Company ----->							
	Non-Distributable					Distributable		
	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	Total RM'000
Balance as of 1 April 2014	85,030	7,504	(5,231)	409	28	8,772	611	97,123
Profit for the year						18,868	(294)	18,574
Other comprehensive income/(loss) for the period			2,323					2,323
Total comprehensive income/(loss) for the period			<u>2,323</u>			<u>18,868</u>	<u>(294)</u>	<u>20,897</u>
Transactions with owners of the Company:								
Share-based payment forfeited				(1)		1		-
Share-based payment exercised				(206)		206		-
Recognition of share-based payment								-
Non-controlling interest arising on the acquisition of subsidiary							217	217
Issue of ordinary shares under employee share option scheme	1,413	104						1,517
Appropriation to reserve on dividends paid by subsidiary					40	(40)		-
Balance as of 31 December 2014	<u>86,443</u>	<u>7,608</u>	<u>(2,908)</u>	<u>202</u>	<u>68</u>	<u>27,807</u>	<u>534</u>	<u>119,754</u>
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			<u>1,717</u>			<u>10,755</u>		<u>12,472</u>
Share-based payment forfeited				(7)		7		-
Transfer to legal reserve						-		-
Balance as of 31 December 2013	<u>85,000</u>	<u>7,504</u>	<u>(4,158)</u>	<u>138</u>	<u>28</u>	<u>8,307</u>	<u>-</u>	<u>96,819</u>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial report.*

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE NINE MONTHS ENDED 31 DECEMBER 2014**

	<b>Individual Quarter</b>	
	<b>Current year quarter ended 31 December 2014 RM'000</b>	<b>Preceding year corresponding quarter ended 31 December 2013 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	18,574	10,755
Adjustments for :		
Depreciation and amortisation of non-current assets	4,439	5,041
Tax expense recognised in profit or loss	5,374	2,072
Share of results of jointly controlled entity	-	663
Unrealised (gain)/loss on foreign exchange	(1,605)	(414)
Finance costs recognised in profit and loss	7	44
(Gain)/Loss on disposal of property, plant and equipment	(12)	248
Product development cost written off	(1,253)	-
Net fair value (gain)/loss on other financial asset	1,068	140
Interest revenue recognised in profit and loss	(71)	(56)
Operating profit/(loss) before working capital changes	26,521	18,493
(Increase) / Decrease in:		
Inventories	(2,081)	(5,252)
Trade and other receivables	(8,088)	(8,035)
Other assets	(1,043)	(2,554)
Increase / (Decrease) in:		
Trade and other payables	(983)	6,140
Deferred revenue	921	-
Cash generated from operations	15,247	8,792
Tax refunded	195	526
Tax paid	(2,514)	(859)
<b>Net cash (used in)/generated from operating activities</b>	12,928	8,459
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	118	274
Interest received	71	56
Purchase of property, plant and equipment	(1,934)	(2,134)
Addition to capitalised development costs	(1,343)	(1,446)
Net cash on acquisition of subsidiary	216	-
<b>Net cash (used in)/generated from investing activities</b>	(2,872)	(3,250)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	1,518	-
Repayment of borrowings	(198)	(279)
Interest paid	(7)	(44)
<b>Net cash (used in)/generated from financing activities</b>	1,313	(323)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	11,369	4,886
Effect of foreign exchange rate changes	1,723	1,247
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	20,927	11,089
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	34,019	17,222

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2014 and the accompanying explanatory notes attached to this interim financial report.*

**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 DECEMBER 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 2014 except for the accounting policy changes that are expected to be reflected in financial statement for the year ended 31 March 2015.

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 2014.

**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	To be announced by the Board
Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)	
IC Int. 21	1 January 2014
Amendments to MFRS 9 and MFRS 7	Mandatory Effective Date of MFRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010 respectively) and Transition Disclosures
Amendments to MFRS 10, MFRS 12 and MFRS 127	
Investment Entities	1 January 2014
Amendments to MFRS 119	1 July 2014
Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)	1 January 2014
Amendments to MFRS 132	
Financial Instruments: Presentation (Amendments relating to Offsetting Financial Assets and Financial Liabilities)	1 January 2014
Amendments to MFRS 136	
Impairment of Assets (Amendments relating to Recoverable Amount Disclosures for Non-Financial Assets)	1 January 2014
Amendments to MFRS 139	
Financial Instruments: Recognition and Measurement (Amendments relating to Novation of Derivatives and Continuation of Hedge Accounting)	1 July 2014
Amendments to MFRS contained in the document entitled Annual Improvements to MFRSs 2010-2012 Cycle	
Amendments to MFRS contained in the document entitled Annual Improvements to MFRSs 2011-2013 Cycle	1 July 2014

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**THIRD QUARTER REPORT ENDED 31 DECEMBER 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, Australasia and USA with localised seasonal and model mix requirements. Hence fluctuations in demand during the year are normal and expected.

**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 26 September 2014, 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 970,000 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 December 2014.

**8. DIVIDENDS PAID**

An interim dividend of RM0.04 per share, exempt from income tax in respect of the financial year ending 31 March 2015 has been paid on 29 January 2015 to shareholders registered in the Record of Depositors at the close of business on 30 December 2014.

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
31 December 2014**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b><u>Revenue</u></b>					
External revenue	-	106,453	48,608		155,061
Inter-segment revenue	7,094	83,941	89,233	(180,268)	-
Total revenue	<u>7,094</u>	<u>190,394</u>	<u>137,841</u>	<u>(180,268)</u>	<u>155,061</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	3,819	15,447	7,159	(2,591)	23,834
Investment revenue	95	26			121
Finance cost					(7)
Profit/(loss) before tax					23,948
Income tax income/(expense)					(5,374)
Profit/(loss) after tax					<u>18,574</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.

**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

**11. MATERIAL SUBSEQUENT EVENT**

There were no material events subsequent to the current financial quarter ended 31 December 2014 up to the date of this report.

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

On 3 November 2014, the Company's wholly owned subsidiary company, IQ Group Limited was struck off.

**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 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 increased by RM1.93 million or 4.4% as compared to the third quarter ended 31 December 2013. The Group recorded a profit before taxation of RM7.28 million for the quarter under review, representing an increase in profit by RM4.01 million as compared to that of the preceding year quarter. This was due to improved sales performance, lower operating expenses and higher foreign exchange gain of RM2.19 million in the current year quarter as compared to 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 9 months ended	Preceding year corresponding period of 9 months ended
	31 December 2014 RM'000	31 December 2013 RM'000	31 December 2014 RM'000	31 December 2013 RM'000
<u>Revenue</u>				
Investment holding	3,790	1,290	7,094	6,073
Manufacturing	56,061	52,241	190,394	158,560
Trading	40,040	34,915	137,841	116,332
Total	<u>99,891</u>	<u>88,446</u>	<u>335,329</u>	<u>280,965</u>
Eliminations	(54,027)	(44,515)	(180,268)	(146,679)
Revenue after eliminations	<u>45,864</u>	<u>43,931</u>	<u>155,061</u>	<u>134,286</u>
<u>Profit/(loss) before tax</u>				
Investment holding	2,937	(43)	3,914	2,597
Manufacturing	4,448	1,088	15,467	5,506
Trading	1,917	2,383	7,159	6,811
Total	<u>9,302</u>	<u>3,428</u>	<u>26,540</u>	<u>14,914</u>
Eliminations	(2,026)	(161)	(2,592)	(2,087)
Profit/(loss) before tax after eliminations	<u>7,276</u>	<u>3,267</u>	<u>23,948</u>	<u>12,827</u>

Investment Holdings

Q3 FY2015 vs. Q3 FY2014

The investment holdings segment profit increased by RM2.98 million in the current quarter as compared to preceding year quarter, mainly due to the following:

- a. Dividends received from a wholly owned subsidiary of RM2.4 million in the current year quarter.
- b. Higher foreign exchange gain by RM0.5 million in the current year quarter as compared to preceding year quarter.

Q3 YTD FY2015 vs. Q3 YTD FY2014

The investment holdings segment YTD profit increased by RM1.32 million, mainly due to the higher dividends received from wholly owned subsidiaries by RM1.46 million in the current year period as compared to preceding year period.

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Manufacturing

Q3 FY2015 vs. Q3 FY2014

The manufacturing segment profit increased by RM3.36 million. The profit increased mainly due to the following:

- a. Higher gross profit as a result of higher revenue by RM3.81 million in current quarter
- b. Higher foreign exchange gain by RM1.29 million in the current year quarter as compared to preceding year quarter.

Q3 YTD FY2015 vs. Q3 YTD FY2014

The manufacturing segment YTD profit increased by RM9.96 million, mainly due to the following:

- a. Higher gross profit as a result of increase in revenue by RM31.8 million in current year period.
- b. Higher foreign exchange gain by RM0.69 million in the current year period as compared to preceding year period.

Trading

Q3 FY2015 vs. Q3 FY2014

Despite increase in revenue, the profit decreased by RM0.47 million in the current quarter as compared to preceding year quarter, mainly due to the decrease in gross margin as a result of change in sales model mixes.

Q3 YTD FY2015 vs. Q3 YTD FY2014

The trading segment YTD profit increased by RM0.35 million, mainly due to higher foreign exchange gain by RM0.74 million as compared to preceding year period.

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

The Group's revenue for the current quarter was RM45.86 million, representing a decrease of RM6.59 million or 12.6% as compared to that of the immediate preceding quarter ended 30 September 2014 due to expected global and seasonal variations.

The Group recorded a profit before taxation of RM7.28 million for the quarter under review, representing a decrease in profit by RM0.66 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 in current quarter. However, this was offset by higher foreign exchange gain by RM1.48 million in the current quarter as compared to immediate preceding quarter.

**3. COMMENTARY ON PROSPECTS**

As evident from the recent results, initiatives remain focused on driving business growth. Such current and emerging initiatives remain central to our considerations and as such the Directors are confident that the Group is well positioned 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.

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

	Quarter ended 31 Dec 2014 RM'000	Current year- to-date ended 31 Dec 2014 RM'000
Interest income	(61)	(121)
Other income including investment income	53	22
Interest expense	1	7
Depreciation and amortisation	1,469	4,439
Provision for and written off of receivables *	-	-
Provision for and written off of inventories	543	543
(Gain)/loss on disposal of quoted/unquoted investments	-	-
(Gain)/Loss on disposal of properties *	-	-
Impairment of assets #	-	-
Foreign exchange (gain) or loss	(2,597)	(3,082)
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

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\* Not applicable during the period  
# Product development cost written off

**6. INCOME TAX EXPENSE**

	Quarter ended 31 Dec 2014 RM'000	Current year- to-date ended 31 Dec 2014 RM'000
Estimated income tax expense:		
Current tax expense/(income)	1,996	4,812
Under/(over)-provision in prior quarter/ year		
Deferred tax	300	562
	<u>2,296</u>	<u>5,374</u>

The Group's current quarter income tax reflects an effective tax rate which is higher than the statutory income tax rate mainly due to higher deferred tax liability and higher corporate tax rate for a subsidiary in Japan. The financial year to-date income tax reflects an effective tax rate which is lower than the statutory income tax rate mainly due to profit of a subsidiary which is not subject 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 Dec 2014 RM'000	As at 30 Sep 2014 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	62,030	59,048
Unrealised	2,075	261
	<u>64,105</u>	<u>59,309</u>
Add: Consolidation adjustments	(36,298)	(36,698)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>27,807</u>	<u>22,611</u>

**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**

There were no group borrowings and debt securities as at the end of the reporting quarter.

**10. FINANCIAL INSTRUMENTS**

As at 31 December 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 liabilities carried at fair value RM'000
Forward Foreign Currency Contracts Less than 1 year	<u>9,000</u>	<u>29,792</u>	<u>1,676</u>
	Contract value JPY'000	Notional value USD'000	Financial assets carried at fair value RM'000
Forward Foreign Currency Contracts Less than 1 year	<u>333,637</u>	<u>2,970</u>	<u>694</u>

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

**THIRD QUARTER REPORT ENDED 31 DECEMBER 2014**

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 2014.

**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 2014	Current year- to-date ended 31 Dec 2014
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	<u>5,053</u>	<u>18,868</u>
Weighted average number of ordinary shares in issue ('000)	<u>86,101</u>	<u>85,438</u>
Basic earnings/(loss) per share (sen)	<u>5.87</u>	<u>22.08</u>

**b. Diluted earnings per share**

	Current Quarter ended 31 Dec 2014	Current year- to-date ended 31 Dec 2014
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	<u>5,053</u>	<u>18,868</u>
Weighted average number of ordinary shares in issue ('000)	<u>86,190</u>	<u>85,597</u>
Basic earnings/(loss) per share (sen)	<u>5.86</u>	<u>22.04</u>

Date: 25 February 2015