

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

(Incorporated in Malaysia under the Companies Act, 1965)

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015**

	<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 6 months ended</b>	<b>Preceding year corresponding period of 6 months ended</b>
	<b>30 September 2015</b>	<b>30 September 2014</b>	<b>30 September 2015</b>	<b>30 September 2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	<b>44,465</b>	52,457	<b>94,498</b>	109,197
<b>Investment revenue</b>	<b>223</b>	37	<b>378</b>	60
<b>Other gains and losses</b>	<b>3,755</b>	1,145	<b>4,930</b>	516
<b>Changes in inventories of finished goods and work-in-progress</b>	<b>(1,962)</b>	88	<b>(4,029)</b>	(411)
<b>Raw materials and consumables used</b>	<b>(15,798)</b>	(20,093)	<b>(34,167)</b>	(40,402)
<b>Purchase of trading goods</b>	<b>(4,021)</b>	(7,820)	<b>(8,915)</b>	(15,454)
<b>Employee benefits expense</b>	<b>(9,980)</b>	(9,896)	<b>(19,778)</b>	(19,904)
<b>Depreciation and amortisation of non-current assets</b>	<b>(1,637)</b>	(1,461)	<b>(3,232)</b>	(2,970)
<b>Finance costs</b>	<b>(1)</b>	(2)	<b>(1)</b>	(6)
<b>Other operating expenses</b>	<b>(6,836)</b>	(6,519)	<b>(13,041)</b>	(13,954)
<b>Profit/(loss) before tax</b>	<b>8,208</b>	7,936	<b>16,643</b>	16,672
<b>Tax income/(expense)</b>	<b>(2,024)</b>	(1,706)	<b>(4,184)</b>	(3,078)
<b>Profit/(loss) for the period</b>	<b>6,184</b>	6,230	<b>12,459</b>	13,594
Profit/(loss) for the period attributable to:				
Owners of the Company	6,209	6,349	12,640	13,815
Non-controlling interests	(25)	(119)	(181)	(221)
	<b>6,184</b>	<b>6,230</b>	<b>12,459</b>	<b>13,594</b>
Earnings/(loss) per ordinary share attributable to owners of the Company (sen):				
Basic	7.09	7.45	14.44	16.16
Diluted	N/A	7.44	N/A	16.12

*The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.*

**IQ GROUP HOLDINGS BERHAD**  
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(Incorporated in Malaysia under the Companies Act, 1965)

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2015**

	<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 6 months ended</b>	<b>Preceding year corresponding period of 6 months ended</b>
	<b>30 September 2015</b>	<b>30 September 2014</b>	<b>30 September 2015</b>	<b>30 September 2014</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Net profit/(loss) for the period</b>	<b>6,184</b>	6,230	<b>12,459</b>	13,594
<b>Exchange differences on translating foreign operations</b>	<b>6,116</b>	568	<b>7,810</b>	868
<b>Total comprehensive income/(loss) for the period</b>	<b><u>12,300</u></b>	<u>6,798</u>	<b><u>20,269</u></b>	<u>14,462</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	12,325	6,917	20,450	14,683
Non-controlling interests	(25)	(119)	(181)	(221)
	<b><u>12,300</u></b>	<u>6,798</u>	<b><u>20,269</u></b>	<u>14,462</u>

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.*

**IQ GROUP HOLDINGS BERHAD**  
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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>As at end of current quarter 30 September 2015 Unaudited RM'000</b>	<b>As at preceding financial year ended 31 March 2015 Audited RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	17,217	16,069
Prepaid lease payments on leasehold land	1,633	1,657
Product development costs	9,403	8,466
Deferred tax assets	1,107	974
Goodwill on consolidation	101	101
<b>Total non-current assets</b>	<b>29,461</b>	<b>27,267</b>
<b>Current assets</b>		
Inventories	37,387	40,854
Trade and other receivables	54,682	41,703
Other financial assets	9	-
Current tax assets	-	20
Other assets	3,246	2,893
Short-term deposits with licensed banks	26,597	17,625
Cash and bank balances	27,381	25,535
<b>Total current assets</b>	<b>149,302</b>	<b>128,630</b>
<b>Total assets</b>	<b>178,763</b>	<b>155,897</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	88,029	87,364
Reserves	14,202	6,120
Retained earnings/(accumulated losses)	35,575	26,421
<b>Total equity attributable to Owners of the Company</b>	<b>137,806</b>	<b>119,905</b>
Non-controlling interest	502	683
<b>Total equity</b>	<b>138,308</b>	<b>120,588</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,842	1,596
Deferred revenue	236	236
<b>Total non-current liabilities</b>	<b>2,078</b>	<b>1,832</b>
<b>Current liabilities</b>		
Trade and other payables	30,246	27,347
Other financial liabilities	3,397	2,214
Tax liabilities	4,645	3,720
Deferred revenue	89	196
<b>Total current liabilities</b>	<b>38,377</b>	<b>33,477</b>
<b>Total liabilities</b>	<b>40,455</b>	<b>35,309</b>
<b>Total equity and liabilities</b>	<b>178,763</b>	<b>155,897</b>
Net assets per share attributable to owners of the Company (RM)	1.57	1.37

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.*

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	< -----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 2015	87,364	7,854	(1,885)	81	70	26,421	683	120,588
Profit/(Loss) for the year						12,640	(181)	12,459
Other comprehensive income/(loss) for the period			7,810					7,810
Total comprehensive income/(loss) for the period			<u>7,810</u>			<u>12,640</u>	<u>(181)</u>	<u>20,269</u>
Transactions with owners of the Company:								
Share-based payment forfeited				(5)		5		-
Share-based payment exercised				(76)		76		-
Recognition of share-based payment								-
Non-controlling interest arising on the acquisition of subsidiary							-	-
Issue of ordinary shares under employee share option scheme	665	294						959
Dividends paid						(3,508)		(3,508)
Appropriation to reserve on dividends paid by subsidiary					59	(59)		-
Balance as of 30 September 2015	<u>88,029</u>	<u>8,148</u>	<u>5,925</u>	<u>-</u>	<u>129</u>	<u>35,575</u>	<u>502</u>	<u>138,308</u>
Balance as of 1 April 2014	85,030	7,504	(5,231)	409	28	8,772	611	97,123
Profit/(Loss) for the year						13,815	(221)	13,594
Other comprehensive income/(loss) for the period			868					868
Total comprehensive income/(loss) for the period			<u>868</u>			<u>13,815</u>	<u>(221)</u>	<u>14,462</u>
Transactions with owners of the Company:								
Share-based payment forfeited						-		-
Share-based payment exercised				(1)		1		-
Recognition of share-based payment				(64)		64		-
Non-controlling interest arising on the acquisition of subsidiary							217	217
Issue of ordinary shares under employee share option scheme	443	9						452
Appropriation to reserve on dividends paid by subsidiary					41	(41)		-
Balance as of 30 September 2014	<u>85,473</u>	<u>7,513</u>	<u>(4,363)</u>	<u>344</u>	<u>69</u>	<u>22,611</u>	<u>386</u>	<u>112,254</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 2015 and the accompanying explanatory notes attached to this interim financial report.*

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2015**

	Individual Quarter	
	Current year quarter ended 30 September 2015 RM'000	Preceding year corresponding quarter ended 30 September 2014 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	12,459	13,594
Adjustments for :		
Depreciation and amortisation of non-current assets	3,232	2,970
Tax expense recognised in profit or loss	4,184	3,078
Unrealised (gain)/loss on foreign exchange	263	(777)
Finance costs recognised in profit and loss	1	6
(Gain)/Loss on disposal of property, plant and equipment	(1)	1
Net fair value (gain)/loss on other financial asset	1,175	(78)
Interest revenue recognised in profit and loss	(318)	(45)
Operating profit/(loss) before working capital changes	20,995	18,749
(Increase) / Decrease in:		
Inventories	3,466	(2,114)
Trade and other receivables	(13,224)	(18,128)
Other assets	(354)	(110)
Increase / (Decrease) in:		
Trade and other payables	2,684	1,454
Deferred revenue	(107)	(65)
Cash generated from operations	13,460	(214)
Tax refunded	-	195
Tax paid	(2,912)	(1,394)
<b>Net cash (used in)/generated from operating activities</b>	<b>10,548</b>	<b>(1,413)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	89	81
Interest received	318	45
Purchase of property, plant and equipment	(2,372)	(1,325)
Addition to capitalised development costs	(1,991)	(1,782)
Net cash on acquisition of subsidiary	-	216
<b>Net cash (used in)/generated from investing activities</b>	<b>(3,956)</b>	<b>(2,765)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	959	452
Repayment of borrowings	-	(198)
Dividend paid	(3,508)	-
Interest paid	(1)	(6)
<b>Net cash (used in)/generated from financing activities</b>	<b>(2,550)</b>	<b>248</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>4,042</b>	<b>(3,930)</b>
Effect of foreign exchange rate changes	6,776	595
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>43,160</b>	<b>20,927</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>53,978</b>	<b>17,592</b>

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2015 and the accompanying explanatory notes attached to this interim financial report.*

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**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 2015 except for the accounting policy changes that are expected to be reflected in financial statement for the year ended 31 March 2016.

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 2015.

**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 July 2014)	1 January 2018
MFRS 15	Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128	Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 11	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 101	Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141	Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127	Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRSs	Annual Improvements to MFRSs 2012-2014 Cycle	1 January 2016

**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.

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

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

There was no unusual material event during the reporting quarter.

**6. MATERIAL CHANGES IN ESTIMATES**

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

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

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

At the Annual General Meeting of the Company held on 23 September 2015, 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 317,750 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 30 September 2015.

**8. DIVIDENDS PAID**

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

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
30 September 2015**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External revenue	-	72,288	22,210		94,498
Inter-segment revenue	3,459	47,693	50,447	(101,599)	-
Total revenue	<u>3,459</u>	<u>119,981</u>	<u>72,657</u>	<u>(101,599)</u>	<u>94,498</u>

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Results</b>					
Profit/(loss) from operations	2,480	11,993	2,105	(312)	16,266
Investment revenue	106	271	1		378
Finance cost					<u>(1)</u>
Profit/(loss) before tax					16,643
Income tax income/(expense)					<u>(4,184)</u>
Profit/(loss) after tax					<u>12,459</u>

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

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

**11. MATERIAL SUBSEQUENT EVENT**

There were no material events subsequent to the current financial quarter ended 30 September 2015 up to the date of this report.

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**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.



**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2015**

**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 RM7.99 million or 15.2% as compared to the second quarter ended 30 September 2014. The decline in revenue was mainly due to lower sales to a customer in UK by RM6.98 million in the current year quarter as compared to preceding year quarter where sales to the customer in UK was higher due to some sales promotional activities.

The Group recorded a profit before taxation of RM8.21 million for the quarter under review, representing an increase in profit by RM0.27 million as compared to that of the preceding year quarter. This was mainly due to higher foreign exchange gain by RM4.55 million in the current year quarter as compared to preceding year quarter but was off-set by loss of profit as a result of lower revenue.

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 6 months ended	Preceding year corresponding period of 6 months ended
	30 September 2015	30 September 2014	30 September 2015	30 September 2014
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Investment holding	1,547	1,501	3,459	3,304
Manufacturing	55,753	64,832	119,981	134,333
Trading	32,958	46,602	72,657	97,801
Total	90,258	112,935	196,097	235,438
Eliminations	(45,793)	(60,478)	(101,599)	(126,241)
Revenue after eliminations	44,465	52,457	94,498	109,197
<u>Profit/(loss) before tax</u>				
Investment holding	1,575	447	2,586	977
Manufacturing	6,153	6,041	12,263	11,019
Trading	397	1,532	2,106	5,242
Total	8,125	8,020	16,955	17,238
Eliminations	83	(84)	(312)	(566)
Profit/(loss) before tax after eliminations	8,208	7,936	16,643	16,672

Investment Holdings  
Q2 FY2016 vs. Q2 FY2015

The investment holdings segment profit increased by RM1.13 million in the current quarter as compared to preceding year quarter, mainly due to higher foreign exchange gain by RM1.12 million in the current year quarter as compared to preceding year quarter.

Q2 YTD FY2016 vs. Q2 YTD FY2015

The investment holdings segment YTD profit increased by RM1.61 million in the current year as compared to preceding year, mainly due to higher foreign exchange gain by RM1.37 million in the current year as compared to preceding year.

Manufacturing  
Q2 FY2016 vs. Q2 FY2015

The manufacturing segment profit increased by RM0.11 million. The profit increased mainly due to the higher foreign exchange gain by RM1.79 million in the current year quarter as compared to preceding year quarter but was off-set by loss of profit due to lower revenue.

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

Q2 YTD FY2016 vs. Q2 YTD FY2015

The manufacturing segment YTD profit increased by RM1.24 million, mainly due to higher foreign exchange gain by RM3.33 million in the current year as compared to preceding year but was off-set by loss of profit due to lower revenue.

Trading

Q2 FY2016 vs. Q2 FY2015

The trading profit decreased by RM1.1 million in the current quarter as compared to preceding year quarter, mainly due to decrease in gross profit as a result of lower revenue and unfavourable exchange rate on Japanese Yen against US Dollar in current quarter as compared to preceding year quarter.

Q2 YTD FY2016 vs. Q2 YTD FY2015

The trading segment YTD profit decreased by RM3.14 million in the current quarter as compared to preceding year, mainly due to decrease in gross profit as a result of lower revenue.

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

The Group's revenue for the current quarter was RM44.46 million, representing a decrease of RM5.57 million or 11.1% as compared to that of the immediate preceding quarter ended 30 June 2015.

The Group recorded a profit before taxation of RM8.21 million for the quarter under review, representing a decrease in profit by RM0.23 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 but was off-set by higher foreign exchange gain by RM2.34 million in the current quarter as compared to immediate preceding quarter.

**3. COMMENTARY ON PROSPECTS**

As evident from the last financial year and 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 30 Sep 2015 RM'000	Current year- to-date ended 30 Sep 2015 RM'000
Interest income	(223)	(378)
Other income including investment income	(44)	110
Interest expense	1	1
Depreciation and amortisation	1,637	3,232
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	(3,711)	(5,040)
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

\* Not applicable during the period

# Product development cost written off

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**6. INCOME TAX EXPENSE**

	Quarter ended 30 Sep 2015 RM'000	Current year- to-date ended 30 Sep 2015 RM'000
Estimated income tax expense:		
Current tax expense/(income)	1,851	3,389
Under/(over)-provision in prior quarter/ year	-	477
Deferred tax	173	318
	<u>2,024</u>	<u>4,184</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 higher corporate tax rate for a subsidiary in Japan.

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

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

	As at 30 Sep 2015 RM'000	As at 30 Jun 2015 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	64,789	67,834
Unrealised	7,868	2,153
	<u>72,657</u>	<u>69,987</u>
Add: Consolidation adjustments	(37,082)	(37,147)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>35,575</u>	<u>32,840</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 30 September 2015, 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	4,800	17,701	3,397
	<u>4,800</u>	<u>17,701</u>	<u>3,397</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	422,878	3,527	9
	<u>422,878</u>	<u>3,527</u>	<u>9</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.

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2015**

**11. MATERIAL LITIGATION**

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

**12. DIVIDENDS DECLARED OR PAYABLE**

As of the date of this announcement, the Board of Directors approved and declared an interim single-tier dividend of RM0.04 per share in respect of the financial year ending 31 March 2016. The dividend will be paid on 29 January 2016 to shareholders whose names appear in the Record of Depositors on 30 December 2015.

**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 30 Sep 2015	Current year- to-date ended 30 Sep 2015
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	<u>6,209</u>	<u>12,640</u>
Weighted average number of ordinary shares in issue ('000)	<u>87,544</u>	<u>87,544</u>
Basic earnings/(loss) per share (sen)	<u>7.09</u>	<u>14.44</u>

**b. Diluted earnings per share**

The Group has no dilution in its earnings per ordinary share for the current quarter and year to-date under review as the Group has no potential ordinary shares in issue.

Date: 26 November 2015