

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

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2016**

	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 2016 RM'000	30 September 2015 RM'000	30 September 2016 RM'000	30 September 2015 RM'000
Revenue	49,575	44,465	103,481	94,498
Investment revenue	195	223	410	378
Other gains and losses	247	3,755	879	4,930
Changes in inventories of finished goods and work-in-progress	2,294	(1,962)	2,045	(4,029)
Raw materials and consumables used	(19,740)	(15,798)	(39,425)	(34,167)
Purchase of trading goods	(5,106)	(4,021)	(11,686)	(8,915)
Employee benefits expense	(10,669)	(9,980)	(22,521)	(19,778)
Depreciation and amortisation of non-current assets	(1,340)	(1,637)	(2,714)	(3,232)
Finance costs	-	(1)	-	(1)
Other operating expenses	(6,307)	(6,836)	(13,407)	(13,041)
Profit/(loss) before tax	<u>9,149</u>	8,208	<u>17,062</u>	16,643
Tax income/(expense)	(1,957)	(2,024)	(3,442)	(4,184)
Profit/(loss) for the period	<u><u>7,192</u></u>	<u><u>6,184</u></u>	<u><u>13,620</u></u>	<u><u>12,459</u></u>
Profit/(loss) for the period attributable to:				
Owners of the Company	7,194	6,209	13,865	12,640
Non-controlling interests	(2)	(25)	(245)	(181)
	<u><u>7,192</u></u>	<u><u>6,184</u></u>	<u><u>13,620</u></u>	<u><u>12,459</u></u>
Earnings/(loss) per ordinary share attributable to owners of the Company (sen):				
Basic	8.17	7.09	15.75	14.44
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 2016 and the accompanying explanatory notes attached to this interim financial report.*

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2016**

	<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 2016 RM'000</b>	<b>30 September 2015 RM'000</b>	<b>30 September 2016 RM'000</b>	<b>30 September 2015 RM'000</b>
<b>Net profit/(loss) for the period</b>	<b>7,192</b>	6,184	<b>13,620</b>	12,459
<b>Exchange differences on translating foreign operations</b>	<b>1,252</b>	6,116	<b>3,096</b>	7,810
<b>Total comprehensive income/(loss) for the period</b>	<b>8,444</b>	12,300	<b>16,716</b>	20,269
Total comprehensive income/(loss) attributable to:				
Owners of the Company	8,446	12,325	16,961	20,450
Non-controlling interests	(2)	(25)	(245)	(181)
	<b>8,444</b>	12,300	<b>16,716</b>	20,269

*The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.*

**IQ GROUP HOLDINGS BERHAD**  
**(Company No. 636944-U)**  
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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of current quarter 30 September 2016 Unaudited RM'000	As at preceding financial year ended 31 March 2016 Audited RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	14,967	15,441
Prepaid lease payments on leasehold land	1,585	1,609
Product development costs	11,366	10,011
Deferred tax assets	177	1,008
Goodwill on consolidation	101	101
<b>Total non-current assets</b>	<b>28,196</b>	<b>28,170</b>
<b>Current assets</b>		
Inventories	41,972	37,904
Trade and other receivables	56,543	53,151
Other financial assets	-	92
Current tax assets	1,039	193
Other assets	5,915	4,599
Short-term deposits with licensed banks	29,728	27,542
Cash and bank balances	23,848	20,027
<b>Total current assets</b>	<b>159,045</b>	<b>143,508</b>
<b>Total assets</b>	<b>187,241</b>	<b>171,678</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	88,028	88,028
Reserves	11,462	8,366
Retained earnings/(accumulated losses)	48,856	40,273
<b>Total equity attributable to Owners of the Company</b>	<b>148,346</b>	<b>136,667</b>
Non-controlling interest	211	456
<b>Total equity</b>	<b>148,557</b>	<b>137,123</b>
<b>Non-current liabilities</b>		
Deferred tax liabilities	1,434	1,593
Deferred revenue	-	126
<b>Total non-current liabilities</b>	<b>1,434</b>	<b>1,719</b>
<b>Current liabilities</b>		
Trade and other payables	35,332	31,147
Other financial liabilities	812	-
Tax liabilities	1,106	1,580
Deferred revenue	-	109
<b>Total current liabilities</b>	<b>37,250</b>	<b>32,836</b>
<b>Total liabilities</b>	<b>38,684</b>	<b>34,555</b>
<b>Total equity and liabilities</b>	<b>187,241</b>	<b>171,678</b>
Net assets per share attributable to owners of the Company (RM)	1.69	1.55

*The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.*

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

< -----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 2016	88,028	8,149	92	-	125	40,273	456	137,123
Profit/(Loss) for the year						13,865	(245)	13,620
Other comprehensive income/(loss) for the period			3,096					3,096
Total comprehensive income/(loss) for the period			<u>3,096</u>			<u>13,865</u>	<u>(245)</u>	<u>16,716</u>
Transactions with owners of the Company:								
Share-based payment forfeited						-		-
Share-based payment exercised						-		-
Recognition of share-based payment								-
Issue of ordinary shares under employee share option scheme								-
Dividends paid						(5,282)		(5,282)
Appropriation to reserve on dividends paid by subsidiary								-
Balance as of 30 September 2016	<u>88,028</u>	<u>8,149</u>	<u>3,188</u>	<u>-</u>	<u>125</u>	<u>48,856</u>	<u>211</u>	<u>148,557</u>
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								-
Dilution arising on the purchase of shares in a subsidiary company								-
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>

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.*

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016**

	<b>Individual Quarter</b>	
	<b>Current year quarter ended 30 September 2016 RM'000</b>	<b>Preceding year corresponding quarter ended 30 September 2015 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) for the year	13,620	12,459
Adjustments for :		
Depreciation and amortisation of non-current assets	2,714	3,232
Tax expense recognised in profit or loss	3,442	4,184
Unrealised (gain)/loss on foreign exchange	(3,248)	263
Finance costs recognised in profit and loss	-	1
(Gain)/Loss on disposal of property, plant and equipment	140	(1)
Net fair value (gain)/loss on other financial asset	905	1,175
Interest revenue recognised in profit and loss	(382)	(318)
Amortisation of government grant	(236)	(107)
Operating profit/(loss) before working capital changes	16,955	20,888
(Increase) / Decrease in:		
Inventories	(4,068)	3,466
Trade and other receivables	270	(13,224)
Other assets	(1,316)	(354)
Increase / (Decrease) in:		
Trade and other payables	3,673	2,684
Cash generated from operations	15,514	13,460
Tax refunded	-	-
Tax paid	(4,007)	(2,912)
<b>Net cash (used in)/generated from operating activities</b>	<b>11,507</b>	<b>10,548</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property, plant and equipment	327	89
Interest received	382	318
Purchase of property, plant and equipment	(1,327)	(2,372)
Addition to capitalised development costs	(2,540)	(1,991)
<b>Net cash (used in)/generated from investing activities</b>	<b>(3,158)</b>	<b>(3,956)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	959
Dividend paid	(5,282)	(3,508)
Interest paid	-	(1)
<b>Net cash (used in)/generated from financing activities</b>	<b>(5,282)</b>	<b>(2,550)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,067</b>	<b>4,042</b>
Effect of foreign exchange rate changes	2,940	6,776
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>47,569</b>	<b>43,160</b>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>53,576</b>	<b>53,978</b>

*The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2016 and the accompanying explanatory notes attached to this interim financial report.*

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

**NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2016**

**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 2016 except for the accounting policy changes that are expected to be reflected in financial statement for the year ended 31 March 2017.

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 2016.

**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	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
MFRS 16 Leases	1 January 2019
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Amendments to MFRS 107 Disclosure Initiative	1 January 2017
Amendments to MFRS 112 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	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 2016**

**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 30 August 2016, 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 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 2016.

**8. DIVIDENDS PAID**

An interim single-tier dividend of RM0.06 per share in respect of the financial year ended 31 March 2016 has been paid on 29 July 2016 to shareholders registered in the Record of Depositors at the close of business on 30 June 2016.

**9. SEGMENT REPORTING**

**Cumulative quarter ended  
30 September 2016**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<b>Revenue</b>					
External revenue	-	77,771	25,710		103,481
Inter-segment revenue	3,053	54,230	64,078	(121,361)	-
Total revenue	<u>3,053</u>	<u>132,001</u>	<u>89,788</u>	<u>(121,361)</u>	<u>103,481</u>
<b>Results</b>					
	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
Profit/(loss) from operations	683	10,452	6,138	(621)	16,652
Investment revenue	98	312			410
Finance cost					-
Profit/(loss) before tax					17,062
Income tax income/(expense)					(3,442)
Profit/(loss) after tax					<u>13,620</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 2016 up to the date of this report.

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

On 1 November 2016, the Company has acquired the remaining 3,300,000 ordinary shares of RM1.00 each representing 33% of the total issued and paid up capital of SILQ (Malaysia) Sdn. Bhd. ("SILQ"). Subsequent to the acquisition, SILQ is a wholly-owned subsidiary of the Company.

**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 30 SEPTEMBER 2016**

**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 RM5.11 million or 11.5% as compared to the second quarter ended 30 September 2015.

The Group recorded a profit before taxation of RM9.15 million for the quarter under review, representing an increase in profit by RM0.94 million as compared to that of the preceding year quarter. The profit before tax increased mainly due to increase in revenue in the current year quarter but was offset by lower foreign exchange gain of RM3.30 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 6 months ended	Preceding year corresponding period of 6 months ended
	30 September 2016	30 September 2015	30 September 2016	30 September 2015
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Investment holding	1,573	1,547	3,053	3,459
Manufacturing	63,143	55,753	132,001	119,981
Trading	40,763	32,958	89,788	72,657
Total	105,479	90,258	224,842	196,097
Eliminations	(55,904)	(45,793)	(121,361)	(101,599)
Revenue after eliminations	<u>49,575</u>	<u>44,465</u>	<u>103,481</u>	<u>94,498</u>
<u>Profit/(loss) before tax</u>				
Investment holding	497	1,575	781	2,586
Manufacturing	6,213	6,153	10,763	12,263
Trading	3,053	397	6,138	2,106
Total	9,763	8,125	17,682	16,955
Eliminations	(614)	83	(620)	(312)
Profit/(loss) before tax after eliminations	<u>9,149</u>	<u>8,208</u>	<u>17,062</u>	<u>16,643</u>

Investment Holdings

Q2 FY2017 vs. Q2 FY2016

The investment holding segment profit decreased by RM1.08 million in the current quarter as compared to preceding year quarter, mainly due to lower foreign exchange gain by RM1.15 million.

Q2 YTD FY2017 vs. Q2 YTD FY2016

The investment holding segment YTD profit decreased by RM1.8 million in the current year as compared to preceding year, mainly due to lower foreign exchange gain by RM1.05 million and lower revenue.

Manufacturing

Q2 FY2017 vs. Q2 FY2016

The manufacturing segment profit increased by RM0.06 million, mainly due to higher revenue but was offset by lower foreign exchange gain by RM1.96 million in the current year quarter as compared to preceding year quarter.

**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

Q2 YTD FY2017 vs. Q2 YTD FY2016

Despite the increase in revenue, the manufacturing segment YTD profit decreased by RM1.5 million, mainly due to lower foreign exchange gain by RM2.29 million in the current year as compared to preceding year but was offset by lower operating expenses.

Trading

Q2 FY2017 vs. Q2 FY2016

The trading profit increased by RM2.66 million in the current quarter as compared to preceding year quarter, mainly due to higher gross profit as a result of increase in revenue but was offset by foreign exchange loss of RM0.15 million in current year quarter as compared to foreign exchange gain of RM0.05 million in preceding year quarter.

Q2 YTD FY2017 vs. Q2 YTD FY2016

The trading segment YTD profit increased by RM4.03 million in the current quarter as compared to preceding year, mainly due to increase in gross profit as a result of higher revenue.

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

The Group's revenue for the current quarter was RM49.57 million, representing a decrease of RM4.33 million or 8.0% as compared to that of the immediate preceding quarter ended 30 June 2016.

The Group recorded a profit before taxation of RM9.15 million for the quarter under review, representing an increase in profit by RM1.24 million as compared to that of the immediate preceding quarter. Despite the decrease in revenue, the profit before tax increased mainly due to higher gross margin as a result of change in sales model mixes and favourable exchange rate on US Dollar against Ringgit Malaysia and Renminbi in current quarter and reduction in operating expenses as a result of the cessation of operations of a non-wholly owned subsidiary company.

**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 2016 RM'000	Current year- to-date ended 30 Sep 2016 RM'000
Interest income	(195)	(410)
Other income including investment income	117	(152)
Interest expense	-	-
Depreciation and amortisation	1,340	2,714
Provision for and written off of receivables *	-	-
Provision for and written off of inventories	-	499
(Gain)/loss on disposal of quoted/unquoted investments *	-	-
(Gain)/Loss on disposal of properties *	-	-
Impairment of assets #	-	-
Foreign exchange (gain) or loss	(364)	(727)
(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 2016 RM'000	Current year- to-date ended 30 Sep 2016 RM'000
Estimated income tax expense:		
Current tax expense/(income)	1,777	2,748
Under/(over)-provision in prior quarter/ year		
Deferred tax	180	694
	<u>1,957</u>	<u>3,442</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 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 30 Sep 2016 RM'000	As at 30 Jun 2016 RM'000
Total retained earnings/(accumulated losses) of the Company and its subsidiaries		
Realised	85,452	83,597
Unrealised	<u>(1,551)</u>	<u>(2,211)</u>
	83,901	81,386
Add: Consolidation adjustments	(35,045)	(34,442)
Total Group retained earnings/(accumulated losses) as per statement of financial position	<u>48,856</u>	<u>46,944</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 2016, the foreign currency contracts which have been entered into by the Group to hedge its foreign receivables in US Dollar and Japanese Yen 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>5,000</u>	<u>20,514</u>	<u>163</u>
	Contract value JPY'000	Notional value USD'000	Financial liabilities carried at fair value RM'000
Forward Foreign Currency Contracts			
Less than 1 year	<u>343,492</u>	<u>3,240</u>	<u>649</u>

Financial instruments are classified as Financial assets/liabilities at fair value through profit or loss (FVTPL).

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**SECOND QUARTER REPORT ENDED 30 SEPTEMBER 2016**

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**

As of the date of this announcement, the Board of Directors approved and declared an interim single-tier dividend of RM0.05 per share in respect of the financial year ending 31 March 2017. The dividend will be paid on 25 January 2017 to shareholders whose names appear in the Record of Depositors on 30 December 2016.

**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 2016	Current year- to-date ended 30 Sep 2016
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	<u>7,194</u>	<u>13,865</u>
Weighted average number of ordinary shares in issue ('000)	<u>88,028</u>	<u>88,028</u>
Basic earnings/(loss) per share (sen)	<u>8.17</u>	<u>15.75</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: 17 November 2016