

IQ GROUP HOLDINGS BERHAD
(200301034523)(636944-U)
(Incorporated in Malaysia under the Companies Act, 1965)

FOURTH QUARTER REPORT ENDED 31 MARCH 2022

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2022**

	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 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Revenue	27,876	32,594	127,480	133,067
Investment revenue	17	76	51	292
Other gains and losses	(3,200)	2,792	(1,187)	(1,885)
Changes in inventories of finished goods and work-in-progress	(211)	(1,787)	5,018	(2,463)
Raw materials and consumables used	(12,236)	(4,293)	(60,463)	(48,813)
Purchase of trading goods	(985)	831	(1,085)	(1,802)
Employee benefits expense	(9,220)	(8,673)	(40,780)	(37,938)
Depreciation and amortisation of non-current assets	(1,551)	(1,455)	(5,597)	(6,033)
Finance costs	(74)	(66)	(274)	(299)
Other operating expenses	(7,244)	(19,925)	(29,886)	(30,202)
Development cost written off	(1,452)	(558)	(1,452)	(558)
Profit/(loss) before tax	(8,280)	(464)	(8,175)	3,366
Tax income/(expense)	(35)	132	(2,019)	(373)
Profit/(loss) for the period	(8,315)	(332)	(10,194)	2,993
Profit/(loss) for the period attributable to:				
Owners of the Company	(8,315)	(332)	(10,194)	2,993
Non-controlling interests	-	-	-	-
	(8,315)	(332)	(10,194)	2,993
Earnings/(loss) per ordinary share attributable to owners of the Company (sen):				
Basic	(9.45)	(0.38)	(11.58)	3.40
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 2021 and the accompanying explanatory notes attached to this interim financial report.

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FOURTH QUARTER REPORT ENDED 31 MARCH 2022

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2022**

	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 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Net profit/(loss) for the period	(8,315)	(332)	(10,194)	2,993
Exchange differences on translating foreign operations	3,695	473	4,778	562
Total comprehensive income/(loss) for the period	<u>(4,620)</u>	<u>141</u>	<u>(5,416)</u>	<u>3,555</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(4,620)	141	(5,416)	3,555
Non-controlling interests	-	-	-	-
	<u>(4,620)</u>	<u>141</u>	<u>(5,416)</u>	<u>3,555</u>

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

IQ GROUP HOLDINGS BERHAD**(200301034523)(636944-U)**

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FOURTH QUARTER REPORT ENDED 31 MARCH 2022**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at end of current quarter 31 March 2022 Unaudited RM'000	As at preceding financial year ended 31 March 2021 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	11,827	12,709
Right-of-use assets	2,713	3,683
Product development costs	9,205	10,776
Deferred tax assets	765	851
Total non-current assets	24,510	28,019
Current assets		
Inventories	61,006	52,510
Trade and other receivables	29,284	51,616
Current tax assets	2,011	2,428
Other assets	2,729	1,998
Short-term deposits with licensed banks	15,600	5,505
Cash and bank balances	13,524	22,187
Assets classified as held for sale	-	1,635
Total current assets	124,154	137,879
Total assets	148,664	165,898
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	96,177	96,177
Reserves	9,889	5,111
Retained earnings/(accumulated losses)	14,213	24,407
Total equity attributable to Owners of the Company	120,279	125,695
Non-controlling interest	-	-
Total equity	120,279	125,695
Non-current liabilities		
Deferred tax liabilities	8	8
Lease liabilities	653	1,419
Bank Borrowings	3,514	4,589
Total non-current liabilities	4,175	6,016
Current liabilities		
Trade and other payables	21,448	31,179
Lease liabilities	826	976
Bank Borrowings	1,002	1,002
Tax liabilities	934	1,030
Total current liabilities	24,210	34,187
Total liabilities	28,385	40,203
Total equity and liabilities	148,664	165,898
Net assets per share attributable to owners of the Company (RM)	1.37	1.43

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the year ended 31 March 2021 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 TWELVE MONTHS ENDED 31 MARCH 2022**

	-----Attributable to owners of the Company -----				
	Non-Distributable			Distributable	
	Issued Capital RM'000	Translation Reserve RM'000	Legal Reserve RM'000	Retained Earnings RM'000	Total RM'000
Balance as of 1 April 2021	96,177	4,986	125	24,407	125,695
Profit/(Loss) for the year	-	-	-	(10,194)	(10,194)
Other comprehensive income/(loss) for the period	-	4,778	-	-	4,778
Total comprehensive income/(loss) for the period	-	4,778	-	(10,194)	(5,416)
Transfer to legal reserve	-	-	-	-	-
Balance as of 31 March 2022	96,177	9,764	125	14,213	120,279
Balance as of 1 April 2020	96,177	4,424	125	21,414	122,140
Profit/(Loss) for the year	-	-	-	2,993	2,993
Other comprehensive income/(loss) for the period	-	562	-	-	562
Total comprehensive income/(loss) for the period	-	562	-	2,993	3,555
Dividends paid	-	-	-	-	-
Balance as of 31 March 2021	96,177	4,986	125	24,407	125,695

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 MARCH 2022**

	Current year ended 31 March 2022 RM'000	Preceding year ended 31 March 2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	(10,194)	2,993
Adjustments for :		
Tax expense/ (income) recognised in profit or loss	2,019	373
Depreciation and amortisation of non-current assets	5,597	6,033
Unrealised (gain)/loss on foreign exchange	287	574
(Gain)/Loss on disposal of property, plant and equipment	6	(2,505)
Loss on disposal of investment	3,356	-
Product development cost written off	1,452	558
Inventories written off	-	915
Reversal/ (Allowance) for slow moving stock	1,633	344
(Gain)/Loss on disposal of assets classified as held for sales	(454)	-
Property, plant and equipment written off	259	6
Interest expenses recognised in P/L	274	299
Loss on modification of lease	-	252
Loss on termination of lease	-	6
Net gain arising on financial liabilities designated as at fair value through profit or loss	-	(8)
Interest income	(51)	(161)
Operating profit/(loss) before working capital changes	4,184	9,679
(Increase) / Decrease in:		
Inventories	(8,563)	(3,637)
Trade and other receivables	22,588	(2,685)
Other assets	(704)	(837)
Increase / (Decrease) in:		
Trade and other payables	(10,547)	1,767
Cash generated from operations	6,958	4,287
Tax refunded	193	-
Tax paid	(1,799)	(1,522)
Net cash (used in)/generated from operating activities	5,352	2,765
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	51	161
Proceeds from disposal of property, plant and equipment	17	2,768
Proceeds from disposal of assets classified as held for sales	2,089	-
Decrease/(Increase) in short-term deposits with licensed banks with maturity period of more than 3 months	-	5
Purchase of property, plant and equipment	(1,839)	(754)
Addition of Right-of-use assets	112	-
Addition to capitalised development costs	(1,774)	(2,998)
Net cash (used in)/generated from investing activities	(1,344)	(818)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,122)	(1,449)
Interest on lease liabilities	(276)	(299)
Proceeds from bank borrowings	-	5,679
Repayment of borrowing	(984)	-
Net cash (used in)/generated from financing activities	(2,382)	3,931
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	1,626	5,878
Effect of foreign exchange rate changes	(194)	(252)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	27,692	22,066
CASH AND CASH EQUIVALENTS AT END OF PERIOD	29,124	27,692

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2021 and the accompanying explanatory notes attached to this interim financial report.

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FOURTH QUARTER REPORT ENDED 31 MARCH 2022

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2022

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 2021.

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 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
Annual improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3	1 January 2022
Amendments to MFRS 116	1 January 2022
Amendments to MFRS 137	1 January 2022
Amendments to MFRS 17	1 January 2023
Amendments to MFRS 4	1 January 2023
Amendments to MFRS 101	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statements 2	1 January 2023
Amendments to MFRS 108	1 January 2023
Amendments to MFRS 10 and MFRS 128	Deferred to a date to be announced by MASB
Amendments to MFRS 112	1 January 2023
Amendments to MFRS 17	1 January 2023

During the current financial year, the Group has adopted all the new and revised MFRSs that are relevant and effective for the current financial year. The adoption of the new and revised MFRSs 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 2021.

2. AUDIT REPORT ON THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the preceding annual financial statements was not subject to any qualification.

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3. 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.

4. UNUSUAL MATERIAL EVENTS

There was no unusual material event during the reporting quarter.

5. MATERIAL CHANGES IN ESTIMATES

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

6. 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 20 August 2021, the shareholders of the Company had granted a mandate for the Company to purchase its own ordinary shares 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 31 March 2022.

7. DIVIDENDS PAID

No dividend has been paid by the Company for the quarter ended 31 March 2022.

8. SEGMENT REPORTING

**Cumulative quarter ended
31 March 2022**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<u>Revenue</u>					
External revenue	-	95,760	31,720	-	127,480
Inter-segment revenue	6,591	128,928	-	(135,519)	-
Total revenue	<u>6,591</u>	<u>224,688</u>	<u>31,720</u>	<u>(135,519)</u>	<u>127,480</u>

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<u>Results</u>					
Profit/(loss) from operations	1,055	(6,139)	316	(3,458)	(8,226)
Investment revenue	24	27	-	-	51
Profit/(loss) before tax					(8,175)
Income tax income/(expense)					(2,019)
Profit/(loss) after tax					<u>(10,194)</u>

9. 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.

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10. MATERIAL SUBSEQUENT EVENT

There were no material events subsequent to the current financial quarter ended 31 March 2022 up to the date of this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

The Company's wholly owned subsidiary company, IQ Group Limited was officially struck off during the quarter.

On 1 May 2022, the Company's wholly owned subsidiary company, IQ Industries Limited was officially struck off.

12. 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 2022

PART B : EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

1. PERFORMANCE REVIEW

Financial review for current quarter and financial year to date

	Individual Quarter		Changes	Cumulative Quarter		Changes
	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 2022	31 March 2021		31 March 2022	31 March 2021	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	27,876	32,594	-14%	127,480	133,067	-4%
Operating Profit/(Loss)	(5,023)	(3,266)	54%	(6,765)	5,258	-229%
Profit/(Loss) Before Interest and Tax	(8,206)	(398)	1962%	(7,901)	3,665	-316%
Profit/(Loss) Before Tax	(8,280)	(464)	-1684%	(8,175)	3,366	-343%
Profit/(Loss) After Tax	(8,315)	(332)	-2405%	(10,194)	2,993	-441%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(8,315)	(332)	-2405%	(10,194)	2,993	-441%

For the current quarter under review, the Group's revenue decreased by RM4.72 million or 14.5% as compared to the fourth quarter ended 31 March 2021. This is mainly due to delay in some sales as a result of China's 'zero-COVID' policy that had caused port congestion and vessel delays.

The Group recorded a loss before taxation of RM8.28 million for the quarter under review, representing an increase in loss before tax by RM7.82 million as compared to that of the preceding year quarter. The increase in loss before tax was mainly due to the following:

- a. Higher Product development cost written off by RM0.90 million in current year quarter as compared to preceding year quarter.
- b. Higher Provision for stock obsolescence and inventories written off by RM0.37 million in current year quarter as compared to preceding year quarter.
- c. Loss on strike off of a dormant subsidiary amounting RM3.36 million in current year quarter.
- d. Lower foreign exchange gain by RM1.08 million in current year quarter as compared to preceding year quarter.
- e. Some cost of quality incurred in current year quarter.

Should we exclude the one off loss on strike off of a dormant subsidiary amounting RM3.36 million, the current year quarter's loss before tax reduced to RM4.92 million.

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Segmental Analysis

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

	Individual Quarter		Cumulative Quarter	
	Current year quarter ended 31 March 2022 RM'000	Preceding year corresponding quarter ended 31 March 2021 RM'000	Current year to-date for 12 months ended 31 March 2022 RM'000	Preceding year corresponding period of 12 months ended 31 March 2021 RM'000
<u>Revenue</u>				
Investment holding	1,740	12,888	6,591	26,031
Manufacturing	47,948	56,772	224,688	240,763
Trading	7,883	9,474	31,720	71,384
Total	57,571	79,134	262,999	338,178
Eliminations	(29,695)	(46,540)	(135,519)	(205,111)
Revenue after eliminations	27,876	32,594	127,480	133,067
<u>Profit/(loss) before tax</u>				
Investment holding	421	11,776	1,079	20,233
Manufacturing	(5,224)	(2,052)	(6,112)	(2,557)
Trading	(212)	556	316	5,536
Total	(5,015)	10,280	(4,717)	23,212
Eliminations	(3,265)	(10,744)	(3,458)	(19,846)
Profit/(Loss) before tax after eliminations	(8,280)	(464)	(8,175)	3,366

Investment Holdings

Q4 FY2022 vs. Q4 FY2021

The investment holding segment profit decreased by RM11.36 million in the current quarter mainly due to lower dividends received in current year quarter by RM11.69 million as compared to preceding year quarter.

Q4 YTD FY2022 vs. Q4 YTD FY2021

The investment holding segment YTD profit decreased by RM19.15 million in the current year mainly due to lower dividends received in current year to date by RM20.31 million as compared to preceding year.

However, the negative impact was offset by the following:

- a. Gain on disposal of an investment property in UK of RM0.45 million in current year as compared to preceding year.
- b. Foreign exchange gain of RM0.17 million in current year as compared to foreign exchange loss of RM0.42 million in preceding year.

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Manufacturing

Q4 FY2022 vs. Q4 FY2021

The manufacturing segment loss is higher by RM3.17 million in the current year quarter as compared to preceding year quarter, mainly due to the following:

- a. Lower gross profit as a result of lower revenue by RM8.82 million in current year quarter as compared to preceding year quarter.
- b. Higher Product development cost written off by RM0.90 million in current year quarter as compared to preceding year quarter.
- c. Higher Provision for stock obsolescence and inventories written off by RM0.37 million in current year quarter as compared to preceding year quarter.
- d. Lower foreign exchange gain by RM0.76 million in current year quarter as compared to preceding year quarter.
- e. Some cost of quality incurred in current year quarter.

Q4 YTD FY2022 vs. Q4 YTD FY2021

The manufacturing segment YTD loss is higher by RM3.56 million in the current year as compared to preceding year, mainly due to the following:

- a. Lower gross profit due to lower revenue in current year as compared to preceding year.
- b. Higher Product development cost written off by RM0.89 million in current year as compared to preceding year.
- c. Higher Provision for stock obsolescence and inventories written off by RM0.37 million in current year as compared to preceding year.
- d. Some cost of quality incurred in current year.

However, the negative impact was offset by lower foreign exchange loss by RM2.86 million in current year as compared to preceding year.

Trading

Q4 FY2022 vs. Q4 FY2021

The trading segment profit decreased by RM0.77 million in the current year quarter as compared to preceding year quarter due to change in sales model mixes.

Q4 YTD FY2022 vs. Q4 YTD FY2021

The trading segment YTD profit decreased by RM5.22 million in the current year as compared to preceding year. The profit decreased as a result of lower revenue mainly due to the cessation of a trading subsidiary's operation.

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2. COMPARISON WITH THE IMMEDIATE PRECEDING QUARTER'S RESULTS

Financial review for current quarter compared to immediate preceding quarter

	Current Year Quarter ended 31 March 2022 RM'000	Immediate Preceding Quarter ended 31 December 2021 RM'000	Changes %
Revenue	27,876	31,819	-12.4%
Operating Profit/(Loss)	(5,023)	(2,358)	113.0%
Profit/(Loss) Before Interest and Tax	(8,206)	(1,879)	336.7%
Profit/(Loss) Before Tax	(8,280)	(1,939)	327.0%
Profit/(Loss) After Tax	(8,315)	(2,243)	270.7%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	(8,315)	(2,243)	270.7%

The Group's revenue for the current quarter was RM27.88 million, representing a decrease of RM3.94 million or 12.4% as compared to that of the immediate preceding quarter ended 31 December 2021. Lower revenue is due to delay in some sales as a result of China's 'zero-COVID' policy that had caused port congestion and vessel delays.

The Group recorded a loss before taxation of RM8.28 million for the quarter under review. The Group's loss before tax increased by RM6.34 million as compared to that of the immediate preceding quarter, mainly due to the following:

- a. Loss on strike off of a dormant subsidiary amounting RM3.36 million during the quarter.
- b. Development cost written off of RM1.45 million during the quarter.
- c. Provision for stock obsolescence of RM1.29 million during the quarter.
- d. Some cost of quality incurred during the quarter.

However, the negative impact was offset by foreign exchange gain of RM0.06 million in current year quarter as compared to foreign exchange loss of RM0.43 million in immediate preceding quarter.

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3. COMMENTARY ON PROSPECTS

FY 21/22 sales closely tracked those of the prior year (which was profitable), though we did ultimately close with a lower number. Orders did however remain strong and had it not been for the unprecedented material supply challenges, as well as port congestion and the related vessel delays (a result of China's 'zero-COVID' policy) our sales performance would have been higher.

Unfortunately the considerable current global challenges of material cost increases, reduced availability of key materials and inflated logistical costs....combined with cost of quality implications have resulted in a negative profit/loss position.

As stated in the prior quarterly report, the good news is that none of these issues represent negative development with regard to opportunity or our customer relationships. It is simply a challenging set of circumstances through which we (and others) must navigate.

Moving forward we are actively identifying the prospect of more positive performance scenarios ahead of us. When these are combined with the recent relaxation of covid related travel restrictions, re-enabling face-to-face collaboration with our key partners, the prospect of more positive times becomes increasingly realistic and this is the primary focus of our current activities.

With the above perspectives in mind...and whilst creatively managing our way through the turbulent conditions of today, we remain positive with regard to the future ahead of us.

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 Mar 2022 RM'000	Current year- to-date ended 31 Mar 2022 RM'000
Interest income	(17)	(51)
Other expense/ (income) including investment income **	3,258	1,047
Interest expense	74	274
Depreciation and amortisation	1,551	5,597
Provision for and written off of receivables *	-	-
Provision for and written off of inventories	1,633	1,633
(Gain)/Loss on disposal of quoted/unquoted investments	3,356	3,356
(Gain)/Loss on disposal of properties	-	(454)
Impairment of assets #	1,452	1,452
Foreign exchange (gain) or loss	(58)	140
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

* Not applicable during the period

Product development cost written off

** Exclude interest income

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6. INCOME TAX EXPENSE

	Quarter ended 31 Mar 2022 RM'000	Current year- to-date ended 31 Mar 2022 RM'000
Estimated income tax expense:		
Current tax expense/(income)	123	1,893
Under/(over)-provision in prior year	2	2
Deferred tax	(90)	124
	35	2,019

The Group's current quarter income tax reflects an effective tax rate which is higher than the statutory income tax rate mainly due to losses of certain subsidiaries which cannot be offset against taxable profits made by other subsidiaries.

The Group's financial year to-date income tax reflects an effective tax rate which is higher than the statutory income tax rate mainly due to losses of certain subsidiaries which cannot be offset against taxable profits made by other subsidiaries and withholding tax paid of RM1.24 million in current year to-date on the dividend received from a manufacturing subsidiary in China.

7. 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.

8. GROUP BORROWINGS AND DEBT SECURITIES

Bank borrowings

	As at 31 Mar 2022 RM'000	As at 31 Mar 2021 RM'000
<u>Short term</u>		
Term loan (secured)	1,002	1,002
<u>Long term</u>		
Term loan (secured)	2,495	3,497
Term loan (unsecured)	1,019	1,092
	4,516	5,591

The currency profile of borrowings are as follows:

	As at 31 Mar 2022 RM'000	As at 31 Mar 2021 RM'000
Ringgit Malaysia	3,497	4,499
Japanese Yen	1,019	1,092
	4,516	5,591

IQ GROUP HOLDINGS BERHAD
(200301034523)(636944-U)
(Incorporated in Malaysia under the Companies Act, 1965)

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9. FINANCIAL INSTRUMENTS

As at 31 March 2022, there is no foreign currency contract which have been entered into by the Group to hedge its foreign receivables.

10. MATERIAL LITIGATION

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

11. DIVIDENDS DECLARED OR PAYABLE

No interim dividend has been declared by the Company for the quarter ended 31 March 2022.

12. EARNINGS PER SHARE

a. Basic earnings per share

Basic earnings/(loss) per share is calculated by dividing the net profit/(loss) for the period by the weighted average number of ordinary shares in issue during the period.

	Current Quarter ended 31 Mar 2022	Current year- to-date ended 31 Mar 2022
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	<u>(8,315)</u>	<u>(10,194)</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>(9.45)</u>	<u>(11.58)</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: 30 May 2022