

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

(Incorporated in Malaysia under the Companies Act, 1965)

FOURTH QUARTER REPORT ENDED 31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2023**

	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 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Revenue	32,149	27,876	132,755	127,480
Investment revenue	143	17	351	51
Other gains and losses	61	(3,200)	4,028	(1,185)
Changes in inventories of finished goods and work-in-progress	(2,788)	(211)	(9,154)	5,018
Raw materials and consumables used	(14,347)	(12,236)	(57,771)	(65,412)
Purchase of trading goods	(171)	(985)	(150)	(1,085)
Employee benefits expense	(8,659)	(9,220)	(37,256)	(40,777)
Depreciation and amortisation of non-current assets	(1,427)	(1,551)	(5,558)	(5,596)
Finance costs	(68)	(74)	(233)	(276)
Other operating expenses	(4,550)	(7,244)	(16,569)	(24,940)
Development cost written off	-	(1,452)	(1,534)	(1,452)
Profit/(loss) before tax	343	(8,280)	8,909	(8,174)
Tax income/(expense)	(26)	(35)	(1,763)	(2,019)
Profit/(loss) for the period	317	(8,315)	7,146	(10,193)
Profit/(loss) for the period attributable to:				
Owners of the Company	317	(8,315)	7,146	(10,193)
Non-controlling interests	-	-	-	-
	317	(8,315)	7,146	(10,193)
Earnings/(loss) per ordinary share attributable to owners of the Company (sen):				
Basic	0.36	(9.45)	8.12	(11.58)
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 2022 and the accompanying explanatory notes attached to this interim financial report.

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FOURTH QUARTER REPORT ENDED 31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE MONTHS ENDED 31 MARCH 2023**

	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 2023 RM'000	31 March 2022 RM'000	31 March 2023 RM'000	31 March 2022 RM'000
Net profit/(loss) for the period	317	(8,315)	7,146	(10,193)
Exchange differences on translating foreign operations	624	3,695	(3,106)	4,778
Total comprehensive income/(loss) for the period	941	(4,620)	4,040	(5,415)
Total comprehensive income/(loss) attributable to:				
Owners of the Company	941	(4,620)	4,040	(5,415)
Non-controlling interests	-	-	-	-
	941	(4,620)	4,040	(5,415)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report.

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at end of current quarter 31 March 2023 Unaudited RM'000	As at preceding financial year ended 31 March 2022 Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10,364	11,827
Right-of-use assets	3,468	2,713
Product development costs	7,061	9,205
Deferred tax assets	1,309	765
Total non-current assets	22,202	24,510
Current assets		
Inventories	42,898	61,006
Trade and other receivables	34,184	29,285
Current tax assets	1,646	2,011
Other assets	1,410	2,729
Short-term deposits with licensed banks	20,495	15,600
Cash and bank balances	28,015	13,524
Total current assets	128,648	124,155
Total assets	150,850	148,665
EQUITY AND LIABILITIES		
Capital and reserves		
Issued capital	96,177	96,177
Reserves	6,783	9,889
Retained earnings/(accumulated losses)	21,360	14,214
Total equity attributable to Owners of the Company	124,320	120,280
Non-controlling interest	-	-
Total equity	124,320	120,280
Non-current liabilities		
Deferred tax liabilities	8	8
Lease liabilities	1,180	653
Bank Borrowings	2,483	3,514
Total non-current liabilities	3,671	4,175
Current liabilities		
Trade and other payables	19,216	21,448
Lease liabilities	1,093	826
Bank Borrowings	1,002	1,002
Tax liabilities	1,548	934
Total current liabilities	22,859	24,210
Total liabilities	26,530	28,385
Total equity and liabilities	150,850	148,665
Net assets per share attributable to owners of the Company (RM)	1.41	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 2022 and the accompanying explanatory notes attached to this interim financial report.

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FOURTH QUARTER REPORT ENDED 31 MARCH 2023

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE TWELVE MONTHS ENDED 31 MARCH 2023**

	-----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 2022	96,177	9,764	125	14,214	120,280
Profit/(Loss) for the year	-	-	-	7,146	7,146
Other comprehensive income/(loss) for the period	-	(3,106)	-	-	(3,106)
Total comprehensive income/(loss) for the period	-	(3,106)	-	7,146	4,040
Transfer to legal reserve	-	-	-	-	-
Balance as of 31 March 2023	96,177	6,658	125	21,360	124,320
Balance as of 1 April 2021	96,177	4,986	125	24,407	125,695
Profit/(Loss) for the year	-	-	-	(10,193)	(10,193)
Other comprehensive income/(loss) for the period	-	4,778	-	-	4,778
Total comprehensive income/(loss) for the period	-	4,778	-	(10,193)	(5,415)
Transfer to legal reserve	-	-	-	-	-
Balance as of 31 March 2022	96,177	9,764	125	14,214	120,280

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report.

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FOURTH QUARTER REPORT ENDED 31 MARCH 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE TWELVE MONTHS ENDED 31 MARCH 2023

	Current year ended 31 March 2023 RM'000	Preceding year ended 31 March 2022 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) for the year	7,146	(10,193)
Adjustments for :		
Tax expense/ (income) recognised in profit or loss	1,763	2,019
Depreciation and amortisation of non-current assets	5,558	5,596
Unrealised (gain)/loss on foreign exchange	571	275
(Gain)/Loss on disposal of property, plant and equipment	10	6
(Gain)/Loss arising from striking-off of investment in a subsidiary	(1,923)	3,356
Product development cost written off	1,534	1,452
Inventories written off	669	-
(Reversal)/ Allowance for slow moving stock	196	1,289
(Gain)/Loss on disposal of assets classified as held for sales	-	(454)
Property, plant and equipment written off	37	259
Finance costs	233	276
(Gain)/Loss on ROU reassessment	(34)	-
(Gain)/Loss on disposal of ROU	-	-
Interest income	(351)	(51)
Operating profit/(loss) before working capital changes	<u>15,409</u>	<u>3,830</u>
(Increase) / Decrease in:		
Inventories	15,812	(8,220)
Trade and other receivables	(4,868)	22,586
Other assets	1,252	(863)
Increase / (Decrease) in:		
Trade and other payables	(1,771)	(10,535)
Cash generated from operations	<u>25,834</u>	<u>6,798</u>
Tax refunded	305	-
Tax paid	(1,623)	(1,606)
Net cash (used in)/generated from operating activities	<u>24,516</u>	<u>5,192</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	351	51
Proceeds from disposal of property, plant and equipment	3	17
Proceeds from disposal of assets classified as held for sales	-	2,089
Purchase of property, plant and equipment	(1,145)	(1,680)
Addition to capitalised development costs	(1,430)	(1,774)
Net cash (used in)/generated from investing activities	<u>(2,221)</u>	<u>(1,297)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(1,042)	(1,009)
Interest paid	(234)	(276)
Repayment of borrowings	(992)	(984)
Net cash (used in)/generated from financing activities	<u>(2,268)</u>	<u>(2,269)</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>20,027</u>	<u>1,626</u>
Effect of foreign exchange rate changes	(641)	(194)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>29,124</u>	<u>27,692</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u><u>48,510</u></u>	<u><u>29,124</u></u>

The Condensed Consolidated Statement of Cash Flow should be read in conjunction with the audited financial statements for the year ended 31 March 2022 and the accompanying explanatory notes attached to this interim financial report.

FOURTH QUARTER REPORT ENDED 31 MARCH 2023

NOTES TO THE INTERIM FINANCIAL REPORT FOR THE QUARTER ENDED 31 MARCH 2023

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 2022.

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
Amendments to MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 4 Extension of the Temporary Exemption from Applying MFRS 9	1 January 2023
Amendments to MFRS 101 Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 101 Disclosure of Accounting Policies and MFRS Practice Statements 2	1 January 2023
Amendments to MFRS 108 Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred to a date to be announced by MASB
Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 17 Initial Application of MFRS 9 and MFRS 17 - Comparative information	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 2022.

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 29 August 2022, 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 2023.

7. DIVIDENDS PAID

No dividend has been paid by the Company for the quarter ended 31 March 2023.

8. SEGMENT REPORTING

**Cumulative quarter ended
31 March 2023**

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<u>Revenue</u>					
External revenue	-	100,919	31,836	-	132,755
Inter-segment revenue	5,551	128,197	-	(133,748)	-
Total revenue	<u>5,551</u>	<u>229,116</u>	<u>31,836</u>	<u>(133,748)</u>	<u>132,755</u>

	Investment holding RM'000	Manufacturing RM'000	Trading RM'000	Eliminations RM'000	Total RM'000
<u>Results</u>					
Profit/(loss) from operations	(364)	4,983	1,293	2,646	8,558
Investment revenue	317	34	-	-	351
Profit/(loss) before tax					8,909
Income tax income/(expense)					(1,763)
Profit/(loss) after tax					<u>7,146</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.

FOURTH QUARTER REPORT ENDED 31 MARCH 2023

10. MATERIAL SUBSEQUENT EVENT

There were no material events subsequent to the current financial quarter ended 31 March 2023 up to the date of this report.

11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter.

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 2023

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 2023	31 March 2022		31 March 2023	31 March 2022	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	32,149	27,876	15%	132,755	127,480	4%
Operating Profit/(Loss)	207	(5,023)	-104%	4,763	(6,764)	-170%
Profit/(Loss) Before Interest and Tax	411	(8,206)	-105%	9,142	(7,898)	-216%
Profit/(Loss) Before Tax	343	(8,280)	104%	8,909	(8,174)	-209%
Profit/(Loss) After Tax	317	(8,315)	104%	7,146	(10,193)	-170%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	317	(8,315)	104%	7,146	(10,193)	-170%

For the current quarter under review, the Group's revenue increased by RM4.27 million or 15.3% as compared to the fourth quarter ended 31 March 2022 mainly due to favourable exchange rate on US Dollar against Ringgit Malaysia which translate into higher sales in Ringgit Malaysia for the quarter under review and delay in some sales as a result of China's 'zero-COVID' policy that had caused port congestion and vessel delays in preceding year quarter.

The Group recorded a profit before taxation of RM0.34 million for the quarter under review, representing a increase in profit before tax by RM8.62 million as compared to that of the preceding year quarter. The increase in profit before tax was mainly due to the following:

- a. Higher gross profit margin as a result of favourable exchange rate position in current year quarter as compared to preceding year quarter.
- b. Loss on strike off of a dormant subsidiary amounting RM3.36 million in preceding year quarter.
- c. Product development cost written off of RM1.45 million in preceding year quarter.
- d. Lower Provision for stock obsolescence and inventories written off by RM1.06 million in current year quarter as compared to preceding year quarter.
- e. Some cost of quality incurred during preceding year quarter.

However, the above were offset by higher foreign exchange loss by RM0.43 million in current year quarter as compared to preceding year quarter.

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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	Preceding year corresponding quarter ended	Current year to-date for 12 months ended	Preceding year corresponding period of 12 months ended
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>				
Investment holding	1,284	1,740	5,551	6,591
Manufacturing	51,980	47,948	229,116	224,688
Trading	5,982	7,883	31,836	31,720
Total	59,246	57,571	266,503	262,999
Eliminations	(27,097)	(29,695)	(133,748)	(135,519)
Revenue after eliminations	32,149	27,876	132,755	127,480
<u>Profit/(loss) before tax</u>				
Investment holding	(85)	(4,602)	(47)	(3,943)
Manufacturing	(652)	(5,224)	5,017	(6,112)
Trading	147	(212)	1,293	316
Total	(590)	(10,038)	6,263	(9,739)
Eliminations	933	1,758	2,646	1,565
Profit/(Loss) before tax after eliminations	343	(8,280)	8,909	(8,174)

Investment Holdings

Q4 FY2023 vs. Q4 FY2022

The investment holding segment loss decreased by RM4.52 million in the current quarter as compared to preceding year quarter, mainly due to impairment loss on investment in subsidiary companies by RM5.02 million in preceding year quarter.

Q4 YTD FY2023 vs. Q4 YTD FY2022

The investment holding segment YTD loss decreased by RM3.90 million in the current year as compared to preceding year, mainly due to impairment loss on investment in subsidiary companies by RM5.02 million in preceding year quarter.

However, the positive impact was offset by the following:

- a. Lower revenue by RM1.04 million in current year as compared in preceding year due to dividends received of RM0.71 million in preceding year.
- b. Gain on disposal of an investment property in UK of RM0.45 million in preceding year.

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Manufacturing

Q4 FY2023 vs. Q4 FY2022

The manufacturing segment loss is decreased by RM4.57 million, mainly due to the following:

- a. Higher revenue and higher gross profit margin as a result of favourable exchange rate on US Dollar against Ringgit Malaysia and Renminbi in current year quarter as compared to preceding year quarter.
- b. Product development cost written off of RM1.45 million in preceding year quarter.
- c. Lower Provision for stock obsolescence and inventories written off by RM1.06 million in current year quarter as compared to preceding year quarter.
- d. Foreign exchange loss of RM0.40 million in current year quarter as compared to foreign exchange gain of RM0.09 million in preceding year quarter.
- e. Some cost of quality incurred during preceding year quarter.

Q4 YTD FY2023 vs. Q4 YTD FY2022

The manufacturing segment YTD profit is higher by RM11.13 million in the current year as compared to preceding year, mainly due to the following:

- a. Foreign exchange gain of RM1.07 million in current year as compared to foreign exchange loss of RM0.27 million in preceding year.
- b. Higher revenue and higher gross profit margin as a result of favourable exchange rate on US Dollar against Ringgit Malaysia and Renminbi.
- c. Sales from delayed delivery caused by container shortage in the shipping industry as a result of Covid-19 impact in the fourth quarter of financial year 2022 were shipped in first quarter of financial year 2023.
- d. Lower Provision for stock obsolescence and inventories written off by RM0.42 million in current year as compared to preceding year.
- e. Some cost of quality incurred in preceding year.

Trading

Q4 FY2023 vs. Q4 FY2022

The trading segment profit increased by RM0.36 million in the current year quarter as compared to preceding year quarter. Despite decrease in revenue, the profit increase due to higher gross profit margin as a result of change in sales model mixes.

Q4 YTD FY2023 vs. Q4 YTD FY2022

The trading segment YTD profit increased by RM0.97 million in the current year as compared to preceding year. The profit increased mainly due to the following:

- a. Higher gross profit as a result of higher revenue in current year as compared to preceding year.
- b. Lower operating expenses in current year as compared to preceding year.

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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 2023 RM'000	Immediate Preceding Quarter ended 31 December 2022 RM'000	Changes %
Revenue	32,149	32,460	-1.0%
Operating Profit/(Loss)	207	2,618	-92.1%
Profit/(Loss) Before Interest and Tax	411	(181)	-327.1%
Profit/(Loss) Before Tax	343	(233)	-247.2%
Profit/(Loss) After Tax	317	(1,267)	-125.0%
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent	317	(1,267)	-125.0%

The Group's revenue for the current quarter was RM32.15 million, representing a decrease of RM0.31 million or 1.0% as compared to that of the immediate preceding quarter ended 31 December 2022.

The Group recorded a profit before taxation of RM0.34 million for the quarter under review. The Group's profit before tax increased by RM0.58 million as compared to that of the immediate preceding quarter, mainly due to the following:

- a. Development cost written off of RM1.53 million in immediate preceding quarter.
- b. Lower foreign exchange loss by RM2.05 million in current quarter as compared to immediate preceding quarter.

However, the positive impact was offset by the following:

- a. Provision for stock obsolescence and inventories written off by RM0.23 million in current quarter as compared to immediate preceding quarter.
- b. Lower gross profit margin as a result of change in sales model mixes.

3. COMMENTARY ON PROSPECTS

In a world where energy costs and a global desire to reduce carbon footprints are subjects never far from the headlines... where corporations are actively expected and required to contribute towards 'sustainability'....and with these subjects brought into sharper focus as a result of political instabilities and challenging environmental targets, IQ-group's core competency in sensor related controls (with the obvious energy saving attributes) places both ourselves and our ODM customer base in a space of obvious, developing and continued opportunity.

Parallels can also be drawn in the retail sector, where alerted consumers strive to identify solutions which reduce their dependence on energy hungry products and equipment, where they are prompted to take control of future expenditure.

We are fortunate in that IQ-group has established an enviable reputation of competence and quality within this related industry and it is upon this basis and for this reason that relations with our ODM customers remain strong, with a renewed post-covid vigour in our shared ambition for growth.

IQ-group's competence also supports our continued endeavours in 'own-brand' and retail initiatives where we continue to develop new and exciting solutions, targeting both established and additional customers/channels.

With the above in mind and with a positive financial year behind us, we remain confident with regard to the future, as we best position ourselves to positively respond to this changing world.

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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 2023 RM'000	Current year- to-date ended 31 Mar 2023 RM'000
Interest income	(143)	(351)
Other expense/ (income) including investment income **	(431)	(2,811)
Interest expense	68	233
Depreciation and amortisation	1,427	5,558
Provision for and written off of receivables *	-	-
Provision for and written off of inventories *	231	865
(Gain)/Loss on disposal of quoted/unquoted investments *	-	(1,923)
(Gain)/Loss on disposal of properties *	-	-
Impairment of assets #	-	1,534
Foreign exchange (gain) or loss	369	(1,217)
(Gain) or loss on derivatives *	-	-
Exceptional item charged / (credited) *	-	-

* Not applicable during the period

Product development cost written off

** Exclude interest income

6. INCOME TAX EXPENSE

	Quarter ended 31 Mar 2023 RM'000	Current year- to-date ended 31 Mar 2023 RM'000
Estimated income tax expense:		
Current tax expense/(income)	20	1,673
Under/(over)-provision in prior year	-	89
Deferred tax	6	1
	<u>26</u>	<u>1,763</u>

The Group's current quarter income tax reflects an effective tax rate which is lower than the statutory income tax rate mainly due to over-provision of tax in prior quarter.

The Group's financial year to-date income tax reflects an effective tax rate which is lower than the statutory income tax rate mainly due to gain arising from striking-off of investment in a subsidiary which is not subject to corporate tax.

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.

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

(Incorporated in Malaysia under the Companies Act, 1965)

FOURTH QUARTER REPORT ENDED 31 MARCH 2023

8. GROUP BORROWINGS AND DEBT SECURITIES

Bank borrowings

	As at 31 Mar 2023 RM'000	As at 31 Mar 2022 RM'000
<u>Short term</u>		
Term loan (secured)	1,002	1,002
<u>Long term</u>		
Term loan (secured)	1,493	2,495
Term loan (unsecured)	990	1,019
	3,485	4,516

The currency profile of borrowings are as follows:

	As at 31 Mar 2023 RM'000	As at 31 Mar 2022 RM'000
Ringgit Malaysia	2,495	3,497
Japanese Yen	990	1,019
	3,485	4,516

9. FINANCIAL INSTRUMENTS

As at 31 March 2023, 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 2023.

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 2023	Current year- to-date ended 31 Mar 2023
Profit/(loss) for the period attributable to the owners of the Company (RM'000)	317	7,146
Weighted average number of ordinary shares in issue ('000)	88,028	88,028
Basic earnings/(loss) per share (sen)	0.36	8.12

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 2023