

**IQZAN HOLDING BERHAD**

**Registration No: 200201008458 (576121 - A)**

(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT  
FOR THE FINANCIAL PERIOD ENDED  
31 DECEMBER 2020**

**IQZAN HOLDING BERHAD (f.k.a IRE-TEX CORPORATION BERHAD)(200201008458) (576121-A)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020 - UNAUDITED**

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>31/12/20</b>	<b>31/03/20</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	32,047	32,845
Right of use assets	1,750	1,801
Development cost	526	563
Goodwill on consolidation	1,407	1,407
<b>Total non-current assets</b>	<u>35,730</u>	<u>36,616</u>
<b>Current assets</b>		
Inventories	3,078	2,973
Trade receivables	2,857	1,491
Other receivables	1,983	1,399
Tax recoverable	112	55
Fixed deposit with licensed banks	550	537
Cash and bank balances	100	706
<b>Total current assets</b>	<u>8,680</u>	<u>7,161</u>
Asset held for sale	20,500	20,500
<b>TOTAL ASSETS</b>	<u>64,910</u>	<u>64,277</u>
<b>EQUITY</b>		
Share capital	80,039	80,039
Redeemable Convertible Preference Shares ("RCPS")	4,521	4,521
Reserves	(57,840)	(57,320)
Equity attributable to owners of the parent	<u>26,720</u>	<u>27,240</u>
Non-controlling interests	5,332	5,364
<b>Total equity</b>	<u>32,052</u>	<u>32,604</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	1,550	2,234
Lease Liability	6	6
Deferred tax liabilities	226	180
<b>Total non-current liabilities</b>	<u>1,782</u>	<u>2,420</u>
<b>Current liabilities</b>		
Trade payables	1,607	1,088
Other payables	25,791	25,847
Loans and borrowings	2,556	1,721
Lease Liability	24	75
Provision for taxation	753	522
Overdraft	345	-
<b>Total current liabilities</b>	<u>31,076</u>	<u>29,253</u>
<b>Total liabilities</b>	<u>32,858</u>	<u>31,673</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>64,910</u>	<u>64,277</u>
Net assets per share (sen)	0.17	0.18

**IQZAN HOLDING BERHAD (f.k.a IRE-TEX CORPORATION BERHAD)(200201008458) (576121-A)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 - UNAUDITED**

	Individual Quarter		Cumulative Quarter	
	31/12/2020 RM'000 (3 months) (Unaudited)	31/12/2019 RM'000 (3 months) **	31/12/2020 RM'000 (9 months) (Unaudited)	31/12/2019 RM'000 (6 months) **
<b>Revenue</b>	3,401	N/A	8,850	N/A
Cost of sales	(2,021)	N/A	(4,660)	N/A
<b>Gross profit/(loss)</b>	1,380	N/A	4,190	N/A
Other income	194	N/A	355	N/A
Distribution & admin expenses	(1,596)	N/A	(4,957)	N/A
<b>Profit from operation</b>	(22)	N/A	(412)	N/A
Finance income	-	N/A	-	N/A
Finance costs	(32)	N/A	(156)	N/A
Net finance cost	(32)	N/A	(156)	N/A
<b>Profit before tax</b>	(54)	N/A	(568)	N/A
Tax expense	25	N/A	11	N/A
<b>Profit for the period</b>	(29)	N/A	(557)	N/A
<b>Other comprehensive (loss)/ income, net of tax</b>				
<b>Item that will be classified subsequently</b>				
<b>to profit and loss</b>				
Revaluation of Property, plant and equipment	-	N/A	-	N/A
Exchange translation differences for foreign operations	24	N/A	(74)	N/A
<b>Total comprehensive (loss)/income for the period</b>	24	N/A	(74)	N/A
<b>Total comprehensive (loss)/income for the period</b>	(5)	N/A	(631)	N/A
<b>Gain / (Loss) for the period attributable to:</b>				
Owners of the parent	(29)	N/A	(446)	N/A
Non-controlling interests	-	N/A	(111)	N/A
<b>Total comprehensive income / (loss) attributable to:</b>	(29)	N/A	(557)	N/A
Owners of the parent	(5)	N/A	(520)	N/A
Non-controlling interests	-	N/A	(111)	N/A
	(5)	N/A	(631)	N/A
<b>Gain per share</b>				
Basic gain per share (sen)	(0.02)	N/A	(0.24)	N/A
Diluted loss per share (sen)	-	-	-	-

**Notes:**

\*\* There are no comparative figures disclosed for the current quarter and the cumulative period-to-date results following the change in the financial year end from 30 June to 31 March.

The Condensed Consolidation Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audit financial statements for the financial year ended 31 March 2020 and the accompanying explanatory notes.

IQZAN HOLDING BERHAD (f.k.a IRE-TEX CORPORATION BERHAD)(200201008458) (576121-A)  
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
AS AT 31 DECEMBER 2020 - UNAUDITED

	Attributable to owners of the parent						Accumulated losses RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Equity components of ICULS RM'000	Warrant reserve RM'000	Revaluation reserve RM'000	Equity components RCPS RM'000	Foreign currency translation reserve RM'000				
<b>At 1 April 2020</b>	80,039	-	-	3,932	4,521	(111)	(61,141)	27,240	5,364	32,604
Foreign currency translation differences	-	-	-	-	-	(74)	-	(74)	79	5
<b>Total other comprehensive income</b>	-	-	-	-	-	(74)	-	(74)	79	5
Profit / (Loss) for the financial period	-	-	-	-	-	-	(446)	(446)	(111)	(557)
<b>Total comprehensive income</b>	-	-	-	-	-	-	(446)	(446)	(111)	(557)
<b>Transactions with owners:</b>										
Issuance of Redeemable Convertible Preference Shares ("RCPS")	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
<b>At 31 December 2020</b>	<b>80,039</b>	-	-	<b>3,932</b>	<b>4,521</b>	<b>(185)</b>	<b>(61,587)</b>	<b>26,720</b>	<b>5,332</b>	<b>32,052</b>
<b>At 1 July 2019</b>	80,039	-	-	3,932	-	-	(39,234)	44,737	1,646	46,383
Prior year adjustments	-	-	-	-	-	-	(18,678)	(18,678)	2,055	(16,623)
At 1 July 2019 as restated	80,039	-	-	3,932	-	-	(57,912)	26,059	3,701	29,760
Loss for the financial period	-	-	-	-	-	-	(3,229)	(3,229)	(291)	(3,520)
Other comprehensive loss for the financial period:	-	-	-	-	-	-	-	-	-	-
Effect of movement in exchange rates	-	-	-	-	-	(111)	-	(111)	(105)	(216)
<b>Total comprehensive loss for the financial period</b>	-	-	-	-	-	<b>(111)</b>	<b>(3,229)</b>	<b>(3,340)</b>	<b>(396)</b>	<b>(3,736)</b>
<b>Transactions with owners:</b>										
Issuance of Redeemable Convertible Preference Shares ("RCPS")	-	-	-	-	4,521	-	-	4,521	-	4,521
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	2,059	2,059
	-	-	-	-	4,521	-	-	4,521	2,059	6,580
<b>At 31 March 2020</b>	<b>80,039</b>	-	-	<b>3,932</b>	<b>4,521</b>	<b>(111)</b>	<b>(61,141)</b>	<b>27,240</b>	<b>5,364</b>	<b>32,604</b>

Notes:

- (a) The financial year end of the Group has been changed from 30 June to 31 March. As such, the comparative figures for the cumulative quarter for the statements of change of equity is not comparable.
- (b) The condensed consolidated statement of comprehensive income should be read in conjunction with the Audited Financial Statements of the Group for the period ended 31 March 2020.

**IQZAN HOLDING BERHAD (f.k.a IRE-TEX CORPORATION BERHAD)(200201008458) (576121-A)**  
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2020 - UNAUDITED**

	Cumulative Quarter	
	31/12/20 RM'000 (9 months)	31/03/20 RM'000 (9 months)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Gain/(Loss) before tax	(568)	(3,478)
Adjustments for:		
Depreciation of property, plant and equipment	1,464	1,398
Loss on disposal of property, plant and equipment	(113)	0
Depreciation of right of use assets	51	52
Allowance for doubtful debts:		
- Trade receivables		495
Debts written off	114	13
Impairment loss on:		
- Development cost	83	35
- Goodwill	-	1,102
Finance cost	156	311
Property plant and equipment written off	-	2
Provision of contingent liabilities	-	1,010
Reversal of allowance for doubtful debt	-	(5)
Operating gain / (loss) before changes in working capital	1,187	935
Changes in working capital:		
Receivables	(2,064)	1,363
Inventories	(105)	418
Payables	753	(1,363)
Cash generated (used) / from operations	(229)	1,353
Interest paid	(156)	(311)
Tax paid / (refund)	11	(127)
Net cash generated (used in) operating activities	(374)	915
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Withdrawal / (Deposit) of pledged fixed deposits	-	(537)
Interest received	(13)	
Proceeds from disposal of property, plant and equipment	(125)	28
Acquisition of property, plant and equipment	(175)	(19)
Acquisition of subsidiaries companies	-	1,020
Net cash generated from investing activities	(313)	492
Net assets per share (sen)		
Balance carried forward	(687)	1,407

	<b>Cumulative Quarter</b>	
	<b>31/12/20</b>	<b>31/03/20</b>
	<b>RM'000</b>	<b>RM'000</b>
	<b>(9 months)</b>	<b>(9 months)</b>

Balance brought forward	(687)	1,407
-------------------------	-------	-------

**CASH FLOWS FROM FINANCING ACTIVITIES**

Payment of finance lease liabilities	(162)	(279)
Repayment of term loans	(28)	(264)
Increase in trust receipt	-	(330)
Net cash used in financing activities	(190)	(873)

<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	(877)	534
--	-------	-----

<b>EXCHANGE DIFFERENCES</b>	(74)	(32)
-----------------------------	------	------

<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	706	204
---	-----	-----

<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>(245)</u>	<u>706</u>
---	--------------	------------

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents at the end of the financial period comprise:

Cash and bank balances	(245)	706
Fixed deposit with licensed bank	550	537
	<u>305</u>	<u>1,243</u>

Less: Fixed deposit with licensed bank	(550)	(537)
--	-------	-------

Cash and bank balances	<u>(245)</u>	<u>706</u>
------------------------	--------------	------------

**IQZAN HOLDING BERHAD**

(Incorporated in Malaysia)

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS  
FOR QUARTER ENDED 31 DECEMBER 2020****Part A - Explanatory Notes Pursuant to MFRS 134****1. BASIS OF PREPARATION**

The condensed consolidated interim financial statements (“Report”) is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”). This Report should be read in conjunction with the audited financial statements of the Company for the period ended 31 March 2020.

**2. CHANGE IN FINANCIAL YEAR END**

The Company changed its financial year end from 30 June 2019 to 31 March 2020, as such there was no comparative figure for the statements of comprehensive income, and the related notes are not comparable until the financial year ended 31 March 2021.

**3. ACCOUNTING POLICIES****Adoption of new and revised Malaysian Financial Reporting Standards and interpretations****MFRSs that have been issued will be effective.**

The following new and revised MFRSs issued by MASB adopted and not yet effective, and the adoptions are not expected to have any or significant impact to the financial statements:

<b>Adopted</b>		<b>Effective Date</b>
Amendments to MFRS 3:	Business Combinations	1 January 2020
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2020
Amendments to MFRS 9:	Financial Instruments	1 January 2020
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020
Amendments to MFRS 139:	Financial Instruments: Recognition and Measurement	1 January 2020
Amendments to MFRS 16:	Leases	1 June 2020
MFRS 17:	Insurance Contracts	1 January 2021
<b>Not Yet Effective</b>		
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 9:	Financial Instruments – Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 16:	Leases – Annual Improvements to MFRS Standards 2018-2020	1 January 2022

Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2022
Amendments to MFRS 116:	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137:	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141:	Agriculture – Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 10:	Consolidated Financial Statement	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

#### **4. SEASONAL OR CYCLICAL FACTORS**

In view of the Covid-19 pandemic begun since end of 2019, the Malaysian Government had declared Movement Control Order (MCO) on 18 March 2020, and subsequent restricted movement control order. Furthermore, MCO 2.0 was declared on 6 January 2021 with extension until 4 March 2021. The operations of the Group remain slow and very much jeopardize due to MCO.

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

There were no unusual item affecting assets, liabilities, equity, net income or cash flows of the Group for the current financial period-to-date except the Company had made an announcement in Sales Contract to purchase of machinery from Zhengzhou Thoyu Import & Export Trading Co for the sum of USD541,810.00 on 26 November 2020.

#### **6. CHANGES IN ESTIMATES**

There were not changes in estimation during the quarter under review.

#### **7. DEBTS AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resales and repayments of debts and equity securities for the period under review.

#### **8. DIVIDEND PAID**

There was no dividend paid during the financial period under review.



## 9. SEGMENTAL INFORMATION

The segmental information for the 9 months ended is as follows:

	<b>Manufacturing RM'000</b>	<b>Trading RM'000</b>	<b>Investment Holding RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>Revenue</b>					
External revenue	5,131	1,133	2,586	-	8,850
Inter-segment revenue					
Segment revenue	<u>5,131</u>	<u>1,133</u>	<u>2,586</u>	<u>-</u>	<u>8,850</u>
<b>Results</b>					
Operating (loss)/profit	(145)	(29)	(90)	(148)	(412)
Net finance cost	(117)	(9)	(15)	(15)	(156)
Income tax expense	-	-	(26)	37	11
(Loss)/Profit after tax	<u>(263)</u>	<u>(38)</u>	<u>(131)</u>	<u>(126)</u>	<u>(557)</u>

The revenue manufacturing and trading derived mostly from the operations of Maxillion Link Enterprises Limited group of companies ("Maxillion Group"). The principal activities of the Group comprise of manufacturing of stainless equipment, trading of steel, stainless, fittings of machinery and sales of component sanitary for food and beverage industry.

The revenue of investment holding solely derived from the rental income of the factories. Whereas sales on the pallet heat treatment services remain slow.

## 10. CHANGES IN COMPOSITION OF THE COMPANY

There were no changes in the composition of the Group for the financial period under review.

## 11. CHANGES IN CONTINGENT LIABILITIES

The contingent liabilities as at 31 December 2020 are as follows:

	RM'000
<u>Corporate Guarantee</u>	
Corporate guarantee given to the financial institution for banking facilities granted to the subsidiaries	1,372
	<u>1,372</u>

## 12. CHANGES IN MATERIAL LITIGATION

There is no material litigation for the financial period under review.

### 13. SIGNIFICANT EVENTS DURING THE CURRENT QUARTER

There is no significant event occurring during the current quarter under review that has a materially affect to the results and financial position of the Group.

### 14. MATERIAL EVENTS SUBSEQUENT TO THE END OF INTERIM PERIOD

On 2 February 2021, the Company has made a Propose Private Placement up to 20% of the ordinary shares, hence the application had been submitted to Bursa Securities approval on 10 February 2021 and Bursa Securities has approved on 25 February 2021.

## Part B - Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements

### 1. REVIEW OF GROUP PERFORMANCE

The Company changed its financial year / period from 30 June 2019 to 31 March 2020, which presenting 9 months accounts as reported in the Financial Statements for the period ended 31 March 2020. However, as per Bursa Malaysia's Listing Requirement, since the results of the quarterly comparative will be different, therefore, there was no comparative figure on the cumulative quarter as at 31 December 2020 recorded being 3rd quarter results for the financial year end 31 March 2021, in compared to proceeding year quarter of 31 December 2019 being 2nd quarter for the financial period ended 31 March 2020.

The Group's revenue for the current quarter recorded at RM3.401 million. There is no proceeding year corresponding period comparison due to change in the financial year / period.

The Group's recorded the loss before tax for the current quarter at RM54,000. The Group registered loss after tax of RM29,000 for the current quarter.

#### a) Comparison with preceding quarter

	31/12/20	30/09/20	Variance	
	RM'000	RM'000	RM'000	%
<b>Revenue</b>				
- Manufacturing	2,109	1,353	757	56%
- Trading	581	259	322	124%
- Investment Holding	711	911	(200)	-22%
- Others	-	-	-	0%
<b>Total</b>	<u>3,401</u>	<u>2,927</u>	879	30%
<b>Profit/(Loss) Before Tax</b>				
- Manufacturing	40	(285)	325	-114%
- Trading	65	(46)	110	-242%
- Investment Holding	(32)	(224)	192	-86%
- Others	(127)	(10)	(117)	1177%
<b>Total</b>	<u>(54)</u>	<u>(564)</u>	511	-90%

The Group's revenue for the current quarter has increased by RM0.879 million from the immediate preceding quarter to RM3.401 million in this quarter, the increased was contributed by oversea trading arm.

The Group has recorded loss before tax of RM0.03 million as compared to loss before tax of RM0.564 million in the preceding quarter. The increased were due to provision of contingency liabilities of RM0.542 million and write off of uncollectible doubtful debts of RM0.114 million of the overseas subsidiaries in preceding quarter.

## 2. PROSPECT FOR THE FINANCIAL YEAR

On 7 January 2020, a wholly owned subsidiary namely Jumbo Universe Sdn Bhd ("JUSB") had entered into the Machinery & Parts Distributorship Strategic Cooperation Framework Agreement ("SCFA") with Zhengzhou Thoyu Import & Export Trading Co, Limited ("Thoyu Group" or "Thoyu"), for distributorship and joint venture in automatic press pallet manufacturing machinery products and services in South East Asia being the exclusive deal with Thoyu. As on 26 November 2020, JUSB and Thoyu has entered into a Sales Contract to purchase of machinery. The estimation time of delivery will estimate to complete by 1<sup>st</sup> half of 2021.

On 21 December 2020, a wholly owned subsidiary namely Cal-Test Laboratory Sdn Bhd had entered into the Memorandum of Understanding to acquire 65% of issued and paid up capital of Asiawood Lumbers Sdn Bhd and RV Woods Sdn Bhd, which pending for due diligent to be finalised.

Despite the current Covid-19 pandemic, the Group remain positive in the continuation of business. As the Group also continue to look into several opportunities in the integration of business in order to enjoy economic of scale. The Group will continue looking into various business opportunity.

## 3. PROFIT FORECAST OR PROFIT GUARANTEE

This is not applicable to the Group as the group did not publish any profit forecast and no profit guarantee issued.

## 4. TAXATION

	<b>Current Quarter RM'000</b>	<b>Current Year-to-date Quarter RM'000</b>
<b>Current tax expense</b>		
Current year	25	11
Over provision in prior year	-	
	25	11
<b>Deferred tax expense</b>		
Current year	-	-
	25	11

## 5. LOANS AND BORROWINGS

The Group loans and borrowings, all of which are denominated in RM, as at the end of the reporting period are as follows:

	Short Term RM'000	Long Term RM'000	Total RM'000	Average effective interest rate
<b>Secured</b>				
Term Loan	2,208	1,010	3,218	6.40%
Hire-Purchase	348	540	888	7.25%
Overdraft	345	-	345	
<b>Total</b>	2,901	1,550	4,451	

## 6. STATUS OF CORPORATE PROPOSAL

On 30 December 2020, the Group had announced that Zoomic Technology (M) Sdn. Bhd. (“the Vendor”), the wholly-owned subsidiary of the Company, and with reference to the Sale and Purchase Agreement (“SPA”) dated 17 July 2019 between the Vendor and RHB Trustees Berhad as trustee for Axis Real Estate Investment Trust (“the Purchaser” or “Axis-REIT”) on the Proposed Disposal of Bayan Lepas Factory expiring on 31 December 2020, both the Vendor and the Purchaser hereby agreed to extend the expiry date of the SPA until 31 March 2021 to fulfill the Conditional Precedent as requested (“Extended Conditional Period”), with all terms and conditions remain unchanged as per the SPA. The Company is required to seek the approval on the terms of the extension of the tenancy/ lease proposed to Pentax Medical (Penang) Sdn. Bhd. (“Pentax”).

It be noted that the Group yet to submit on the regularization plan under PN17 of the Listing Requirement.

## 7. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

There were no purchases or disposal of quoted securities by the Group in the current period under review.

## 8. DIVIDEND PAYABLE

No dividend has been proposed for the current quarter and financial period under review.

## 9. CAPITAL COMMITMENTS

There were no capital commitments as at the end of the current reporting period.

**10. GAIN/(LOSS) PER SHARE****(a) Basic**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	31/12/2020 (3 months)	31/12/2019 (3 months)	31/12/2020 (6 months)	31/12/2019 (6 months)
Gain attributable to owners of the parent (RM'000)	(29)	N/A	(446)	N/A
Weighted average number of ordinary shares in issue ('000)	184,876	N/A	184,876	N/A
Gain per share (RM)	(0.02)	N/A	(0.24)	N/A

**(b) Diluted**

The Group has no dilution in ordinary share.