

IQZAN HOLDING BERHAD

Registration No: 200201008458 (576121 - A)

(Incorporated in Malaysia)

**UNAUDITED FINANCIAL REPORT
FOR THE FINANCIAL PERIOD ENDED
31 MARCH 2021**

IQZAN HOLDING BERHAD (200201008458) (576121-A)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 - UNAUDITED

	Unaudited As at 31/03/21 RM'000	Audited As at 31/03/20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	32,689	32,845
Investment property	23,400	-
Right of use assets	1,513	1,801
Development cost	526	563
Goodwill on consolidation	-	1,407
Total non-current assets	<u>58,128</u>	<u>36,616</u>
Current assets		
Inventories	3,078	2,973
Trade receivables	2,278	1,491
Other receivables	1,120	1,399
Tax recoverable	117	55
Fixed deposit with licensed banks	550	537
Cash and bank balances	90	706
Total current assets	<u>7,233</u>	<u>7,161</u>
Asset held for sale	-	20,500
TOTAL ASSETS	<u>65,361</u>	<u>64,277</u>
EQUITY		
Share capital	80,039	80,039
Redeemable Convertible Preference Shares ("RCPS")	4,521	4,521
Reserves	(58,000)	(57,320)
Equity attributable to owners of the parent	<u>26,560</u>	<u>27,240</u>
Non-controlling interests	5,395	5,364
Total equity	<u>31,955</u>	<u>32,604</u>
LIABILITIES		
Non-current liabilities		
Loans and borrowings	1,550	2,234
Lease Liability	-	6
Deferred tax liabilities	634	180
Total non-current liabilities	<u>2,184</u>	<u>2,420</u>
Current liabilities		
Trade payables	1,240	1,088
Other payables	26,985	25,847
Loans and borrowings	2,474	1,721
Lease Liability	12	75
Provision for taxation	191	522
Overdraft	320	-
Total current liabilities	<u>31,222</u>	<u>29,253</u>
Total liabilities	<u>33,406</u>	<u>31,673</u>
TOTAL EQUITY AND LIABILITIES	<u>65,361</u>	<u>64,277</u>
Net assets per share (sen)	0.17	0.18

IQZAN HOLDING BERHAD (200201008458) (576121-A)

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CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 - UNAUDITED

	Individual Quarter		Cumulative Quarter	
	31/03/2021 RM'000 (3 months) (Unaudited)	31/03/2020 RM'000 (3 months) **	31/03/2021 RM'000 (12 months) (Unaudited)	31/03/2020 RM'000 (9 months) **
Revenue	809	N/A	9,659	N/A
Cost of sales	695	N/A	(3,965)	N/A
Gross profit/(loss)	1,504	N/A	5,694	N/A
Other income	2,713	N/A	3,068	N/A
Distribution & admin expenses	(4,993)	N/A	(9,950)	N/A
Profit from operation	(776)	N/A	(1,188)	N/A
Finance income	-	N/A	-	N/A
Finance costs	(34)	N/A	(190)	N/A
Net finance cost	(34)	N/A	(190)	N/A
Loss before tax	(810)	N/A	(1,378)	N/A
Tax expense	(78)	N/A	(67)	N/A
Loss for the period	(888)	N/A	(1,445)	N/A
Other comprehensive (loss)/ income, net of tax				
Item that will be classified subsequently				
to profit and loss				
Revaluation of Property, plant and equipment	-	N/A	-	N/A
Exchange translation differences for foreign operations	870	N/A	796	N/A
Total comprehensive (loss)/income for the period	870	N/A	796	N/A
Total comprehensive (loss)/income for the period	(18)	N/A	(649)	N/A
Gain / (Loss) for the period attributable to:				
Owners of the parent	(888)	N/A	(1,334)	N/A
Non-controlling interests	-	N/A	(111)	N/A
Total comprehensive income / (loss) attributable to:	(888)	N/A	(1,445)	N/A
Owners of the parent	(18)	N/A	(538)	N/A
Non-controlling interests	-	N/A	(111)	N/A
	(18)	N/A	(649)	N/A
Gain per share				
Basic gain per share (sen)	(0.48)	N/A	(0.72)	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 (200201008458) (576121-A)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2021 - 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				
At 1 April 2020	80,039	-	-	3,932	4,521	(111)	(61,141)	27,240	5,364	32,604
Foreign currency translation differences	-	-	-	-	-	139	515	654	142	796
Total other comprehensive income	-	-	-	-	-	139	515	654	142	796
Profit / (Loss) for the financial period	-	-	-	-	-	-	(1,334)	(1,334)	(111)	(1,445)
Total comprehensive income	-	-	-	-	-	-	(1,334)	(1,334)	(111)	(1,445)
Transactions with owners:										
Issuance of Redeemable Convertible Preference Shares ("RCPS")	-	-	-	-	-	-	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-
At 31 March 2021	80,039	-	-	3,932	4,521	28	(61,960)	26,560	5,395	31,955
At 1 July 2019	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)
Total comprehensive loss for the financial period	-	-	-	-	-	(111)	(3,229)	(3,340)	(396)	(3,736)
Transactions with owners:										
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
At 31 March 2020	80,039	-	-	3,932	4,521	(111)	(61,141)	27,240	5,364	32,604

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.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 - UNAUDITED**

	Cumulative Quarter	
	31/03/21 RM'000 (12 months)	31/03/20 RM'000 (9 months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Gain/(Loss) before tax	(1,378)	(3,478)
Adjustments for:		
Depreciation of property, plant and equipment	568	1,398
Loss on disposal of property, plant and equipment	(112)	0
Depreciation of right of use assets	288	52
Allowance for doubtful debts:		
- Trade receivables		495
Debts written off	114	13
Impairment loss on:		
- Development cost	(2,409)	35
- Goodwill	1,407	1,102
Finance cost	190	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	(1,332)	935
Changes in working capital:		
Receivables	(358)	1,363
Inventories	(105)	418
Payables	1,400	(1,363)
Cash generated (used) / from operations	(395)	1,353
Interest paid	(190)	(311)
Tax paid / (refund)	(67)	(127)
Net cash generated (used in) operating activities	(652)	915
CASH FLOWS FROM INVESTING ACTIVITIES		
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	(965)	1,407

	Cumulative Quarter	
	31/03/21 RM'000 (12 months)	31/03/20 RM'000 (9 months)
Balance brought forward	(965)	1,407
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of finance lease liabilities	(162)	(279)
Repayment of term loans	52	(264)
Increase in trust receipt	-	(330)
Net cash used in financing activities	(110)	(873)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,075)	534
EXCHANGE DIFFERENCES	139	(32)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	706	204
CASH AND CASH EQUIVALENTS AT END OF PERIOD	(230)	706
CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial period comprise:		
Cash and bank balances	(230)	706
Fixed deposit with licensed bank	550	537
	320	1,243
Less: Fixed deposit with licensed bank	(550)	(537)
Cash and bank balances	(230)	706

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR QUARTER ENDED 31 MARCH 2021****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****(a) MFRSs that have been issued and effective**

The following new and revised MFRSs issued by MASB, have been adopted, and the adoptions do not have any or significant impact to the financial statements:

Title	Effective Date
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
Amendments to MFRS 4: Insurance Contracts	17 August 2020
Amendments to MFRS 101: Presentation of Financial Statements	17 August 2020

(b) MFRSs that have been issued but will be effective for financial year beginning on 1 April 2021 onwards

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

Title	Effective Date
Amendments to MFRS 4: Insurance Contracts	1 January 2021
Amendments to MFRS 7: Financial Instruments: Disclosures	1 January 2021
Amendments to MFRS 9: Financial Instruments	1 January 2021
Amendments to MFRS 16: Leases	1 January 2021
Amendments to MFRS 139: Financial Instruments: Recognition and Measurement	1 January 2021
Amendments to MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3: Business Combinations	1 January 2022
Amendments to MFRS 9: Financial Instruments	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	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	1 January 2023
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. Further with, MCO 2.0 was declared on 6 January 2021 with extension until 4 March 2021. MCO 3.0 was declared on 6 May 2021 and continuation with FMCO until further notice. The operations of the Group remain slow and very much jeopardize due to the lockdown.

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.

For the current quarter under review, that the foreign subsidiaries are not able to provides the management accounts for the group consolidation purposes due to shut down of factory and operations in Thailand and Indonesia during the pandemic, as such, the investment in subsidiaries will be adjusted accordingly in the Group accounts

6. CHANGES IN ESTIMATES

The Group did not provide any forecast or changes in estimation as it is unable to make any assumption by providing any estimation of the Maxillion Link Enterprises Limited Group of companies' financial statement for the quarter under review, it will be based on the last quarter management accounts available.

There was an Asset held for Sale be reclassified to Investment Properties at the fair value amounted to RM23.4 million.

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 year ended is as follows:

	Manufacturing RM'000	Trading RM'000	Investment Holding RM'000	Others RM'000	Total RM'000
Revenue					
External revenue	5,228	1,134	3,297	-	9,659
Inter-segment revenue					
Segment revenue	<u>5,228</u>	<u>1,134</u>	<u>3,297</u>	<u>-</u>	<u>9,659</u>
Results					
Operating (loss)/profit	(664)	(2,097)	1,692	(119)	(1,188)
Net finance cost	(117)	(6)	(51)	(15)	(190)
Income tax expense	-	(26)	(78)	37	(67)
(Loss)/Profit after tax	<u>(782)</u>	<u>(2,129)</u>	<u>1,563</u>	<u>(97)</u>	<u>(1,445)</u>

10. CHANGES IN COMPOSITION OF THE COMPANY

During the quarter under review, the Group had on 30 April 2021 acquired 51% each of Asiawood Lumbers Sdn Bhd and RV Woods Sdn Bhd via its wholly owned subsidiary Cal-Test Laboratory Sdn Bhd for the total consideration of RM6.8 million, in accordance to the Shares Sales Agreement it will need to fulfil the conditions precedents.

11. CHANGES IN CONTINGENT LIABILITIES

The contingent liabilities as at 31 March 2021 are as follows:

	RM'000
<u>Corporate Guarantee</u>	
Corporate guarantee given to the financial institution for banking facilities granted to the subsidiaries	1,050
Corporate guarantee given to creditor (Axis Real Estate Investment Trust)	500
	<u>1,550</u>

12. CHANGES IN MATERIAL LITIGATION

The Company has received the following legal issues, which act as Corporate Guarantor

- a) A notice on winding up petition will be held at High Court of Malaya Kuala Lumpur on 25 May 2021 duly filed by Eco Paperboard Sdn. Bhd. (“Petitioner”) to claim for the outstanding sum of RM787,118.64 from the Company (“Respondent”) being the Corporate Guarantor of its former subsidiary namely Ire-Tex (Malaysia) Sdn. Bhd. (in liquidation). It is noted that the Company had disposed Ire-Tex (Malaysia) Sdn Bhd since May 2019. The said petition was withdrawn.
- b) The Company also has received the letter of demand from Messrs. SF Chan & Co who acting for RHB Trustees Berhad as trustee for Axis Real Estate Investment Trust (“Axis”) to claim on the deposit of RM500,000 pertaining to disposal of Bayan Lepas Factory by the Zoomic Technology (M) Sdn. Bhd. (“Vendor”), the wholly owned subsidiary of the Company due to the aborted of Sales and Purchase Agreement. Axis hereby claim from the Company being the Corporate Guarantor of the Vendor. The Company has made the settlement as per arrangement.

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 21 April 2021, that the Group had announced aborted of Sale and Purchase Agreement dated 17 July 2019 and its conditional extended period between Zoomic Technology (M) Sdn. Bhd. (“the Vendor”), the wholly-owned subsidiary of the Company, 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. The Vendor hereby required to refund the sum of RM500,000 being the total deposit received to the Purchaser.

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 March 2021 recorded being final quarter results for the financial year end 31 March 2021, in compared to proceeding year quarter of 31 March 2020 being 4th quarter for the financial period ended 31 March 2020.

The Group’s revenue for the current quarter recorded at RM0.809 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 RM1.378 million. The Group registered loss after tax of RM1.445 million for the current quarter.

a) Comparison with preceding quarter

	31/3/21	31/12/20	Variance	
	RM'000	RM'000	RM'000	%
Revenue				
- Manufacturing	97	2,109	(2,012)	-95%
- Trading	1	581	(580)	-100%
- Investment holding	711	711	0	0%
- Others	-	-	-	0%
	<u>809</u>	<u>3,401</u>	(2,592)	-76%
Loss Before Tax				
- Manufacturing	(543)	40	(181)	-1457%
- Trading	(1,495)	65	(99)	-3277%
- Investment holding	1,198	(32)	(578)	-5448%
- Others	29	(127)	213	-126%
Total	<u>(810)</u>	<u>(54)</u>	(645)	1195%

The Group's revenue for the current quarter has decreased by RM2.592 million from the immediate preceding quarter to RM0.809 million in this quarter, this was due the non-record of overseas subsidiaries revenues available as it has temporary shut-down of operations due to Covid-19 pandemic, whereby the status of the revenue mostly from investment holding on the rental collection.

The Group has recorded loss before tax of RM0.810 million for the quarter under review as compared to loss before tax of RM54,000 in the preceding quarter. The changes were due to the adjustment on provision of contingency liabilities, impairment of receivable and revaluation of investment properties.

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 1st half of 2021.

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

	Current Quarter RM'000	Current Year-to-date Quarter RM'000
Current tax expense		
Current year	(78)	(67)
	<u>(78)</u>	<u>(67)</u>

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
Secured				
Term Loan	2,128	1,010	3,138	6.40%
Hire-Purchase	346	540	886	7.25%
Overdraft	320	-	320	
Total	<u>2,794</u>	<u>1,550</u>	<u>4,344</u>	

6. STATUS OF CORPORATE PROPOSAL

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.

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. CAPITAL COMMITMENTS

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

9. GAIN/(LOSS) PER SHARE

(a) Basic

	Individual Quarter		Cumulative Quarter	
	31/3/21 (3 months)	31/3/20 (3 months)	31/3/21 (12 months)	31/3/20 (9 months)
Loss attributable to owners of the parent (RM'000)	(888)	N/A	(1,334)	N/A
Weighted average number of ordinary shares in issue ('000)	184,876	N/A	184,876	N/A
Loss per share (RM)	(0.48)	N/A	(0.72)	N/A

(b) Diluted

The Group has no dilution in ordinary share.