

IQZAN

IQZAN HOLDING BERHAD

[Registration No.: 200201008458 (576121-A)]

Unaudited Interim Financial Report **For First Quarter ended 30 June 2023**

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[Registration No.: 200201008458 (576121-A)]

(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER**ENDED 30 JUNE 2023****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	The Group	
	Unaudited	Audited
	As at	As at
	30/06/2023	31/03/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	41,053	41,583
Investment property	-	25,500
Right of use assets	864	888
Goodwill on consolidation	6,585	6,585
Total non-current assets	<u>48,502</u>	<u>74,556</u>
Current assets		
Inventories	2,243	2,607
Trade receivables	4,027	3,699
Other receivables	1,580	1,599
Fixed deposit with licensed banks	709	709
Cash and bank balances	275	427
Asset held for sales	25,500	-
Total current assets	<u>34,334</u>	<u>9,041</u>
TOTAL ASSETS	<u>82,836</u>	<u>83,597</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER**ENDED 30 JUNE 2023****CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

	The Group	
	Unaudited	Audited
	As at	As at
	30/06/2023	31/03/2023
	RM'000	RM'000
EQUITY		
Share capital	82,535	82,535
Redeemable Convertible Preference Shares ("RCPS")	11,321	11,321
Reserves	(63,956)	(63,575)
Equity attributable to owners of the parent	29,900	30,281
Non-controlling interests	4,379	4,481
Total equity	34,279	34,762
LIABILITIES		
Non-current liabilities		
Loans and borrowings	1,558	1,914
Lease Liability	763	826
Deferred tax liabilities	1,421	1,454
Total non-current liabilities	3,742	4,194
Current liabilities		
Trade payables	2,447	2,630
Other payables	38,370	36,951
Loans and borrowings	2,093	2,093
Lease Liability	418	418
Amount due to a Director	750	1,890
Provision for taxation	737	659
Total current liabilities	44,815	44,641
Total liabilities	48,557	48,835
TOTAL EQUITY AND LIABILITIES	82,836	83,597
Net assets per share attributable to owners of the Company, based on number of outstanding shares (sen)	15.45	15.67

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

	CURRENT AND CUMULATIVE QUARTER 3 months ended	
	30/06/2023 (Unaudited) RM'000	30/06/2022 (Unaudited) RM'000
<u>Continuing Operations</u>		
Revenue	2,722	5,416
Cost of sales	(1,645)	(1,477)
Gross profit	1,077	3,939
Other income	432	274
Distribution & administrative expenses	(1,850)	(2,347)
(Loss) / Profit from operation	(341)	1,866
Finance income	-	-
Finance costs	(40)	(98)
Net finance cost	(40)	(98)
(Loss) / Profit before tax	(381)	1,768
Tax expense	(102)	(21)
(Loss) / Profit for the period	(483)	1,747
Other comprehensive (loss) / income, net of tax Item that will be classified subsequently to profit and loss:		
Exchange translation differences for foreign operations	-	-
Total comprehensive (loss) / income for the year	(483)	1,747

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (continued)**

	INDIVIDUAL QUARTER	
	3 months ended	
	30/06/2023	30/06/2022
	(Unaudited)	(Unaudited)
	RM'000	RM'000
(Loss) / Profit for the period		
attributable to:		
Owners of the parent	(381)	341
Non-controlling interests	(102)	1,406
	<u>(483)</u>	<u>1,747</u>
Total comprehensive (loss) / income		
attributable to:		
Owners of the parent	(381)	341
Non-controlling interests	(102)	1,406
	<u>(483)</u>	<u>1,747</u>
(Loss) / Earnings per share		
Basic / Diluted (loss) / earnings per share (sen)	<u>(0.22)</u>	<u>0.79</u>

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY**

	Attributable to owners of the parent					Non-		
	<i>Non-distributable</i>					controlling		
	Share capital RM'000	Revaluation reserve RM'000	Equity components of RCPS RM'000	translation reserve RM'000	Accumulated losses RM'000	Total RM'000	interests RM'000	Total equity RM'000
At 1 April 2023	82,535	3,932	11,321	-	(67,507)	30,281	4,481	34,762
Net loss for the financial year, representing total comprehensive income for the financial year	-	-	-	-	(381)	(381)	(102)	(483)
Total comprehensive income	-	-	-	-	(381)	(381)	(102)	(483)
At 30 June 2023	82,535	3,932	11,321	-	(67,888)	29,900	4,379	34,279

UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF CHANGES OF EQUITY

	Attributable to owners of the parent		Equity components of RCPS		translation reserve		Accumulated losses		Total		Non-controlling interests		Total equity	
	<i>Non-distributable</i>													
	Share capital	Revaluation reserve												
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 April 2022	82,535	3,932	11,321	-	-	(68,283)	29,505	2,688	32,193					
Net profit for the financial year, representing total comprehensive income for the financial year	-	-	-	-	-	776	776	1,793	2,569					
Total comprehensive income	-	-	-	-	-	776	776	1,793	2,569					
At 31 March 2023	82,535	3,932	11,321	-	-	(67,507)	30,281	4,481	34,762					

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**UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 2023
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	CUMULATIVE QUARTERS	
	3 months ended	
	RM'000	RM'000
	30/06/2023	30/06/2022
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit before taxation:	(381)	1,768
Adjustments for:		
Depreciation of property, plant and equipment	530	662
Depreciation of right-of-use assets	24	167
Finance cost	40	98
Operating profit before changes in working capital	<u>213</u>	<u>2,695</u>
Changes in working capital:		
Receivables	(309)	(3,339)
Inventories	364	(251)
Payables	96	816
Cash generated from / (used in) operations	<u>364</u>	<u>(79)</u>
Interest paid	(40)	(98)
Tax refund	(57)	7
Net cash generated from / (used in) operating activities	<u>267</u>	<u>(170)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Effect of disposal on subsidiaries	-	425
Net cash generated from investing activities	<u>-</u>	<u>425</u>
Balance carried forward	<u>267</u>	<u>255</u>

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UNAUDITED INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 JUNE 2023**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)****CUMULATIVE QUARTERS****CURRENT AND CUMULATIVE QUARTER**

	RM'000	RM'000
	30/06/2023	30/06/2022
Balance brought forward	267	255

CASH FLOWS FROM FINANCING ACTIVITIES

Payment of finance lease liabilities	-	-
Repayment of term loans	(356)	(94)
Drawdown of lease liabilities, net of repayment	(63)	(191)
Net cash used in financing activities	(419)	(285)

NET DECREASE IN CASH AND CASH EQUIVALENTS	(152)	(30)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	(366)	(449)

CASH AND CASH EQUIVALENTS AT END OF PERIOD	(518)	(479)
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CASH AND CASH EQUIVALENTS

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

Cash and bank balances	275	579
Fixed deposit with licensed bank	709	697
	984	1,276
Less: Fixed deposit with licensed bank	(709)	(697)
	275	579
Less: Bank overdraft	(793)	(1,058)
Cash and cash equivalents	(518)	(479)

NOTES TO THE INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant to MFRS 134

A1. BASIS OF PREPARATION

The interim financial report (“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 Group for the year ended 31 March 2023.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2023, except for the adoption of the following new published standard and amendments to published standards that are effective for the Group's financial year beginning on or after 1 April 2023.

Effective for annual periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts and Amendments to MFRS 17
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

NOTES TO THE INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant to MFRS 134 (continued)

A2. SIGNIFICANT ACCOUNTING POLICIES (continued)

The following Standards and Amendment to Standards have been issued by the MASB but are not yet effective by the Group.

Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16 Lease Liability in a Sales and Leaseback
- Amendments to MFRS 101 Non-current Liabilities with Convenants
- Amendments to MFRS 107 and MFRS 7, Supplier Finance Arrangements

Issued but not yet effective

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The adoption of the above new MFRSs and amendments/improvements to MFRSs are not expected to have any material financial impact on the financial statements of the Group.

A3. SEASONAL OR CYCLICAL FACTORS

There were no seasonal or cyclical factors affecting the results of the Group for the current interim period.

A4. 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 during the financial period under review.

A5. CHANGES IN ESTIMATES

There were no changes in estimates of amounts reported in prior financial year that have had a material effect in the current financial period.

A6. DEBTS AND EQUITY SECURITIES

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

A7. DIVIDEND PAID

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

NOTES TO THE INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant to MFRS 134 (continued)

A8. SEGMENTAL INFORMATION

The segmental information for the year ended is as follows:

	Manufacturing	Trading	Investment	Others	Total
	RM'000	RM'000	 Holding	 RM'000	 RM'000
			RM'000		
<u>Continuing operations</u>					
Revenue					
External revenue	839	1,123	1,216	411	3,589
Inter-segment revenue	(456)	-	-	-	(456)
Segment revenue	<u>383</u>	<u>1,123</u>	<u>1,216</u>	<u>-</u>	<u>3,133</u>
Results					
Operating (loss)/profit	(336)	(202)	216	(19)	(341)
Net finance cost	(19)	(17)	-	(4)	(40)
Income tax expense	-	-	(100)	(2)	(102)
(Loss)/Profit after tax	<u>(355)</u>	<u>(219)</u>	<u>116</u>	<u>(25)</u>	<u>(483)</u>

A9. CHANGES IN CONTINGENT LIABILITIES

The changes in contingent liabilities since end of the last annual reporting period are as follows:
RM'000

Corporate Guarantee

Corporate guarantee in relevant to the additional interests charged by the
financial institution for banking facilities granted to the former subsidiary 230

NOTES TO THE INTERIM FINANCIAL REPORT

Part A - Explanatory Notes Pursuant to MFRS 134 (continued)

A10. CONTINGENT LIABILITIES

Changes in material litigation since the date of the last audited annual statement of financial position up to 26 July 2022 are as follows:

Case No. WA-22NCVC-384-07/2022

On 19th May 2023, the Company been informed by our legal counsel that the High Court gave judgement in favour of Harta Packaging Industries (Perak) Sdn Bhd for the sum of RM1,637,981.77 plus interest and cost of RM5,000. After deliberation, the Company is best to appeal because the Company was not corporate guarantor.

The proceedings still in progress.

A11. SIGNIFICANT EVENT DURING THE CURRENT QUARTER

Proposed disposal of property by Zoomic Technology (M) Sdn. Bhd.

The Company's wholly-owned subsidiary, Zoomic Technology (M) Sdn. Bhd. ("Zoomic"), has on 2 December 2022 entered into a Sale and Purchase Agreement with FoundPac Technologies Sdn. Bhd. ("Purchaser") to dispose of two (2) adjoining lots of leasehold industrial land with a double-storey detached factory-cum- at a disposal consideration of Ringgit Malaysia Twenty-Five Million and Five Hundred Thousand only.

Zoomic and the Purchaser have mutually agreed to the extension of the Conditional Period of the SPA for ninety (90) days from 2 June 2023 for the Vendor to fulfill the Condition Precedent pursuant to Clause 4.2 of the SPA. Therefore, the Extended Conditional Period for SPA shall expire on 30 August 2023 and the proceedings still in the progress.

A12. MATERIAL EVENT SUBSEQUENT TO THE END OF INTERIM PERIOD

Disposal of Total 51.39% Equity Interest in Zoomic Technology (M) Sdn. Bhd.

The Company had on 4 August 2023 and 7 August 2023 respectively agreed to settle the amount owing to Digital Miracles Sdn. Bhd. and Million Saint Consultancy Sdn. Bhd. via the disposal of 2,106,990 ordinary shares and 4,213,980 ordinary shares respectively representing 17.13% and 34.26% equity interest in its wholly-owned subsidiary, namely Zoomic Technology (M) Sdn. Bhd. for a total sale consideration of RM1,200,000.00 and RM2,400,000.00 respectively.

Subsequent to the Disposal, Zoomic Technology (M) Sdn. Bhd. shall cease to be the subsidiary of the Company.

NOTES TO THE INTERIM FINANCIAL REPORT

Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF GROUP PERFORMANCE

Performance of current quarter against the corresponding quarter

	Individual quarter ended		Variance	
	30 June		RM'000	%
	2023	2022		
	RM'000	RM'000	RM'000	
Revenue				
- Manufacturing	383	3,055	(2,672)	-87%
- Trading	1,123	1,567	(444)	-28%
- Investment Holding	1,216	794	422	53%
- Others	411	-	411	N/A
Total	3,133	5,416	(2,283)	-42%
(Loss)/Profit After Tax				
- Manufacturing	(355)	1,594	(1,949)	-122%
- Trading	(219)	368	(587)	-160%
- Investment Holding	116	(179)	295	-165%
- Others	(25)	(36)	11	-31%
Total	(483)	1,747	(2,230)	-128%

a) Manufacturing

There was significant decreased in revenue by 87% to RM0.383 million and increased in loss after tax by 122% to RM0.355 in the current quarter as compared to 1st quarter of previous financial year, mainly due to there has one-off contract during 1st quarter of previous financial year.

b) Trading

For trading segment, there were decreased significantly to the contribution in revenue to RM1.123 million and increase in loss after tax by 160% to RM0.219 million in the current quarter as compared to 1st quarter of previous financial year, mainly due to decrease of individual cash customer during current quarter.

c) Investment holding

The segment of investment holding has recognised an increase in revenue by 53% to RM1.216 million and increase in profit after tax by 165% to RM0.116 million due to increase of new tenants, Alphaess Malaysia Sdn Bhd and Transocean Logistics Sdn Bhd with better tenancy rate after 1st quarter of previous financial year.

NOTES TO THE INTERIM FINANCIAL REPORT

Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF GROUP PERFORMANCE (continued)

Performance of current quarter against the corresponding quarter (continued)

d) Others

The segment derived from asset held for sales which increase in other income of RM0.411 million. There is no change in the position of the subsidiaries nor intention to switch its status from dormant to active.

Comparison with preceding quarter

	Individual quarter ended			
	30 June	31 March	Variance	
	2023	2023	RM'000	%
	RM'000	RM'000	RM'000	%
<u>Continuing operations</u>				
Revenue				
- Manufacturing	383	158	225	142%
- Trading	1,123	2,197	(1,074)	0%
- Investment holding	1,216	983	233	24%
- Others	411	-	411	N/A
	<u>3,133</u>	<u>3,338</u>	(205)	-6%
Profit/(Loss) After Tax				
- Manufacturing	(355)	(330)	(25)	8%
- Trading	(219)	569	(788)	-138%
- Investment holding	226	(494)	720	-146%
- Others	(25)	(54)	29	-54%
Total	<u>(373)</u>	<u>(309)</u>	(64)	21%

The Group's revenue for the current quarter has decreased by RM0.205 million from the preceding quarter to RM3.133 million in this quarter, as there is reduction in sales generated from trading segment. For manufacturing segment, there has increase mainly due to the main subsidiary in the midst of transfer to new factory during last preceding quarter.

Correspondingly, the Group has recorded decrease in profit after tax of RM0.064 million for the quarter under review.

NOTES TO THE INTERIM FINANCIAL REPORT

Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)

B2. PROSPECT FOR THE FINANCIAL YEAR

The Group's future prospects will depend on the performance of the main subsidiaries which are Asiawood Lumbers Sdn Bhd and RV Woods Sdn Bhd, as well as the existing manufacturing business of manufacturing of automated press pallet and related products and services.

The Group will endeavour to identify and evaluate new business opportunities and/or assets to be acquired which can contribute to improve Group's financial performance.

The Group will continue its effort to drive its performance improvements along with the recovery of the economic environment.

B3. PROFIT FORECAST OR PROFIT GUARANTEE

The Group did not disclose or announce any profit forecast or profit guarantee in any public document in the financial quarter under review.

B4. (LOSS)/PROFIT BEFORE TAXATION

	Individual quarter ended	
	30 June	
	2023	2022
	RM'000	RM'000
(Loss)/Profit from operations is arrived at after charging/(crediting):		
Depreciation of property, plant and equipment	530	662
Depreciation of right-of-use assets	24	167
Finance cost	40	98
	<u>40</u>	<u>98</u>

B5. TAXATION

	Individual quarter ended	
	30 June	
	2023	2022
	RM'000	RM'000
Current tax expense		
Current year	(102)	(21)
	<u>(102)</u>	<u>(21)</u>

NOTES TO THE INTERIM FINANCIAL REPORT

Part B - Explanatory Notes Pursuant to Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (continued)

B6. LOANS AND BORROWINGS

The Group's 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				
Banker's acceptance	262	-	262	6.50 - 6.82
Term Loan	1,038	1,558	2,596	6.75 - 7.00
Overdraft	793	-	793	6.75 - 7.00
Total	<u>2,093</u>	<u>1,558</u>	<u>3,651</u>	

B7. STATUS OF CORPORATE PROPOSAL

There are no outstanding corporate proposals or new announcements made in the current quarter.

B8. PURCHASE OR DISPOSAL OF QUOTED SECURITIES

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

B9. CAPITAL COMMITMENTS

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

B10. (LOSS)/EARNINGS PER SHARE

	Cumulative quarter ended 30 June	
	2023 (3 months)	2022 (3 months)
Total comprehensive (loss) / income for the year (RM'000)	<u>(483)</u>	<u>1,747</u>
Weighted average number of ordinary shares in issue ('000)	<u>221,840</u>	<u>221,840</u>
Basic/diluted (loss)/earnings per ordinary share (sen)	<u>(0.22)</u>	<u>0.79</u>

The Company does not have any dilutive potential ordinary shares in issue for the current quarter to date.