

IQ-group



IQ GROUP HOLDINGS BERHAD

(200301034523)(636944-U)

annual report **2024**

IQ-group

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

Chen, Wen-Chin
also known as **Kent Chen**

Managing Director / Chief Executive Officer

Daniel John Beasley

Executive Director

Chen, Yi-Chung

Non-Independent Non-Executive Director

Dato' Yoon Chon Leong

Senior Independent Non-Executive Director

Tan Boon Hoe

Independent Non-Executive Director

Teresa Tan Siew Kuan

AUDIT COMMITTEE

Chairman

Tan Boon Hoe

Members

Dato' Yoon Chon Leong
Teresa Tan Siew Kuan

REMUNERATION COMMITTEE

Chairman

Tan Boon Hoe

Members

Dato' Yoon Chon Leong
Teresa Tan Siew Kuan

NOMINATION COMMITTEE

Chairman

Teresa Tan Siew Kuan

Members

Dato' Yoon Chon Leong
Tan Boon Hoe

COMPANY SECRETARIES

Chew Siew Cheng (MAICSA 7019191)

(SSM PC No. 202008001179)

Lim Choo Tan (LS 0008888)

(SSM PC No. 202008000713)

REGISTERED OFFICE

Suite A, Level 9

Wawasan Open University

54 Jalan Sultan Ahmad Shah

10050 Georgetown, Penang.

Telephone : 604-229 6318

Facsimile : 604-228 2118

Email : tricor.penang@

my.tricorglobal.com

HEAD/MANAGEMENT OFFICE

Plot 149, Jalan Sultan Azlan Shah

Taman Perindustrian Bayan Lepas

Fasa 1 (FTZ), Bayan Lepas

11900 Penang

Telephone : 604-644 6677

Facsimile : 604-644 9677

Email : headoffice@iq-group.com

Website : www.iq-group.com

PRINCIPAL BANKERS

HSBC Bank Malaysia Berhad

1, Downing Street

10300 Penang

Telephone : 604-262 9441

Public Bank Berhad

5,7,9 & 11, Lorong Kampung Jawa

Bandar Bayan Baru

11900 Bayan Lepas, Penang

Telephone : 604-643 8200

EXTERNAL AUDITOR

Deloitte PLT (LLP0010145-LCA & AF 0080)

Level 12A, Hunza Tower

163E Jalan Kelawei

10250 Penang

Telephone : 604-294 5500

INTERNAL AUDITOR

KPMG Management & Risk Consulting Sdn. Bhd.

Level 18, Hunza Tower

163E, Jalan Kelawei

10250 Penang

Telephone : 604-238 2288

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32

Tower A, Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Telephone : 603-2783 9299

Facsimile : 603-2783 9222

Email : is.enquiry@my.tricorglobal.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

(Listed on 10 October 2005)

Stock Name : IQGROUP

Stock Code : 5107

Sector : Consumer Products &

Services

Shariah-Compliant



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF GROUP'S BUSINESS & OPERATIONS

IQ Group Holdings Berhad ("IQ-group" or "the Group") is an established global leader in the design and manufacture of lighting, security and convenience products. Working with some of the world's major retail and professional brands, we provide the technologies that ***detect, illuminate & announce*** your arrival.

Throughout our 35 years history, we have built up an enviable reputation for design, innovation and quality within our core technologies, encompassing motion sensors, sensor lighting and wireless door entry products where the application of intelligence and connectivity are increasingly the norm.

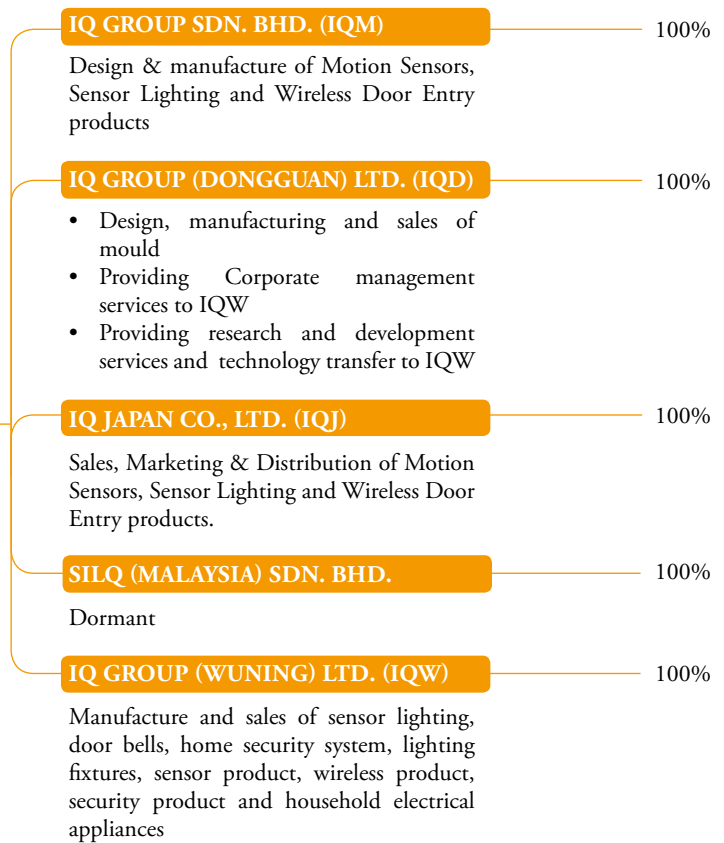
We employ approximately 600 people globally. We boast manufacturing operations in Malaysia and China, plus offices in Taiwan, Japan and the United Kingdom.

IQ-group's corporate structure is as follow:-

IQ-group

IQ Group Holdings Berhad (IQGHB)

Investment holdings & provider of management services to subsidiaries



IQ-group's portfolio of products includes:

- Stand-alone PIR Sensors
- Sensor Controlled Security Lighting
- Sensor Controlled Industrial Lighting
- General Lighting (Uncontrolled)
- Wireless Door Entry Products

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

The breakdown of the Group's revenue by product category for the financial year ended 31 March 2024 is as follow:

Product Category	% of Total Gross Sales
Sensor Lighting	36
Standalone Motion Sensor	59
Wireless Door Entry products	5

The principal markets for the Group's products for the year ended 31 March 2024 are as follow:-

Country	% of Total Gross Sales
Continental Europe	48
United Kingdom	9
Japan	23
United States of America	16
Rest of the World	4

FINANCIAL OVERVIEW

Highlights of the Group Financial Information for the past five (5) years

Financial Year Ended 31 March	2020 RM	2021 RM	2022 RM	2023 RM	2024 RM
Financial					
Revenue	119,575,485	133,066,859	127,480,488	132,755,497	125,733,972
Profit / (loss) before tax	(17,263,138)	3,365,479	(8,173,613)	8,908,663	8,089,118
Net profit/ (loss) after tax	(18,940,800)	2,992,756	(10,192,782)	7,146,045	6,422,055
Profit/ (loss) attributable to Owners of the Company	(18,940,800)	2,992,756	(10,192,782)	7,146,045	6,422,055
Shareholders' equity	122,140,229	125,695,348	120,280,158	124,319,747	131,210,280
Total assets	156,637,866	165,898,560	148,665,634	150,849,832	156,404,387
Return on Equity	-16%	2%	-8%	6%	5%
Basic Earnings / (Loss) per share (sen)	(21.52)	3.40	(11.58)	8.12	7.30
Net assets per share	1.39	1.43	1.37	1.41	1.49
Dividend per share	-	-	-	-	-

Income Statement

For the financial year ended 31 March 2024, the Group recorded the revenue of RM125.73 million, a decrease of 5.3% over the revenue of RM132.76 million in the preceding year.

The Group registered a profit attributable to the Owners of the Company of RM6.42 million for FY23/24 as compared to RM7.15 million in FY22/23. This decrease in profit is mainly due to the decrease in revenue.

With research and development being a key pillar to the success of IQ's business, we continue to invest heavily in this area with an estimated investment of RM6.67 million or equivalent to 5% of our Revenue.

As the Group operates its business internationally with exposure to foreign currency exchange risk, there is no assurance that significant changes in the exchange rate will not have material impact on future financial performance of the Group. To mitigate against the foreign currency exchange risk, the Group places a proportion of its export proceeds in foreign currency bank accounts to facilitate payments in the corresponding foreign currency. The Group will enter into foreign currency forward contracts to hedge against some foreign currency exposure when necessary.



MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

Statement of Financial Position

The Group always strives to maintain a prudent financial structure in ensuring adequate capital is made available to meet its short and mid-term business plan.

The Group continues to maintain a healthy statement of financial position. As at 31 March 2024, the net assets of the Group stood at RM131.21 million with a net cash and bank balance of RM53.04 million or RM0.60 per share.

The Group's capital expenditure for the financial year ended 31 March 2024 was RM1.49 million as disclosed in note 13 (page 114) of the financial statements in this Annual Report. The investment was fully financed by internally generated funds.

OBJECTIVE AND STRATEGIES

Growth is the key objective, both via the successful development and expansion of relations with IQ-group's highly respected ODM customer base, as well as upon the parallel strategy of success via IQ-group's own-brand/own-destiny initiatives. This combination provides the necessary certainty and stability, with the ever present prospect and targeted expectation of accelerated growth.

Via this duality of approaches, IQ-group delivers market leading bespoke product ranges to our ODM customer base, maintaining our highly regarded position in the industry and creating a business basis from which to venture out, a scenario which poses great promise.

CORPORATE DEVELOPMENT AND OPERATING REVIEW

Given the obvious importance of growth, we are embarking on a restructuring exercise which we are confident will accelerate our focus, progress and accomplishment with this regard. More will be shared as details and definition fall into place, but the expectation is to embark in a manner which dramatically elevates the expectation and the prospect of accelerated growth, both in terms of turnover and profitability.

As regards IQ-group's manufacturing locations, our prior initiatives in ensuring a low-cost manufacturing base from our operation in China whilst offering non-China based manufacturing via our Malaysian presence, has served our interests well.

The global political situation undoubtedly remains volatile and this is particularly so from IQ-group's perspective regarding US-China relations, thus the need to ensure non-China manufacturing options is imperative at this time, especially given the growing importance of the US market to IQ-group's business.

Business Simplification also remains an important target, not for simplicity's sake but rather to achieve an increasingly higher volume – lower mix business. Related breakthroughs permit enhanced management, scale of economies and the optimisation of fixed costs, where the eventual results are also supportive of IQ-group's own brand ambitions. With the mentioned planned restructuring, our ambition is to achieve this higher volume - lower mix business, where progressive breakthroughs will increasingly permit the targeted business simplification and associated benefits.

FORWARD-LOOKING STATEMENT

Having concluded FY23/24 with a positive Profit Before Tax position, we are focusing on achieving much more.

As stated in the recent quarterly report, the German Economic institute (IW) recently reported that Germany's economy will stagnate throughout this year, despite a stronger than expected start to the year and will continue to lag behind European peers, with the manufacturing and construction sector in particular remaining stuck in recession. IW has forecast 0% growth for Germany this year, lagging again as France, Britain and the United States are all expected to expand. Given Germany's considerable importance to IQ-group's ODM business, this economic outlook undoubtedly dampens IQ-group's performance in this key market. That being said, the underlying factors remain positive, i.e. related customer relations are very strong with on-going collaborative developments in progress, targeting more positive business prospects in this territory and others as we move forward.

In addition to IQ-group's collaborative ODM relationships, IQ-group's own-brand ambitions under 'Lumiqs' (intelligent commercial lighting) and DIY retail (particularly in the USA) remain our key areas of focus and on-going opportunity. When combined with the above mentioned restructuring intentions and with the positive FY23/24 Profit Before Tax result bolstering our existing position, we remain confident regarding the future as we best position ourselves for exciting times ahead!

MANAGEMENT DISCUSSION AND ANALYSIS (Cont'd)

DIVIDENDS

The Group did not declare any dividend for the financial year ended 31 March 2024 and 31 March 2023.

No final dividend has been recommended for consideration at the forthcoming Annual General Meeting.

The company does not have a dividend policy. The dividend payment will depend on a number of factors, including amongst others, the earnings, capital commitment, general financial condition, distributable reserves and other factors to be considered by the Board.

APPRECIATION

The Board of Directors wish to thank each and every member of IQ-group team for their hard work and dedication during the past year.

We would also like to express our sincere appreciation to our shareholders, customers, business associates and suppliers for their valuable support.



DIRECTORS' PROFILE

CHEN, WEN-CHIN
ALSO KNOWN AS KENT CHEN
Executive Chairman

Chen, Wen-Chin also known as Kent Chen, aged 71, Taiwanese, male, is the Executive Chairman of IQ Group Holdings Berhad (IQGHB) and was appointed to the Board of Directors of IQGHB on 12 April 2005. He graduated with a degree in Business Administration from Soo-Chow University in Taiwan. He is the founder of IQ Group Sdn. Bhd (IQM) and is presently the Chairman of IQM. Prior to founding IQM, he was the Director/General Manager of Sun Radar Co. Ltd and Peyco Electronics (Taiwan) Ltd. which are also involved in the design and manufacture of PIR motion sensor devices. He is now regarded as one of the pioneers in the PIR motion and sensor devices business in Malaysia. He has more than 30 years of experience in the PIR motion sensors business, thus making him the driving force behind the Group's product design and development activities.

DANIEL JOHN BEASLEY
*Managing Director /
Chief Executive Officer*

Daniel John Beasley, aged 54, British, male, is the Managing Director/ Chief Executive Officer of IQ Group Holdings Berhad (IQGHB) and was appointed to the Board of Directors of IQGHB on 12 April 2005. Prior to his promotion to the Managing Director on 1 December 2006, he was the Executive Director of IQGHB. He joined IQ Group Sdn. Bhd. (IQM) in 1996 as Industrial Design Manager. During the period with the company, he has held a number of positions including Group R&D Manager, Director of Product Management and Group Business Development Director. He was appointed as a Director of IQM in April 2004 until taking up his current role. He graduated in 1991 from the University of Central England with a Bachelor of Arts (Honours) Degree in Industrial Design/Engineering. Prior to joining IQM, he worked as an Industrial Design Consultant for various companies including Friedland Limited, UK. He is now responsible for the IQGHB Group's overall operations, business development and strategic planning.

CHEN, YI-CHUNG
Executive Director

Chen, Yi-Chung, aged 45, Taiwanese, male, is the Executive Director of IQ Group Holdings Berhad (IQGHB) and was appointed to the Board of Directors of IQGHB on 1 March 2023. He holds a master's degree in Computer Science from National Tsing-Hua University in Taiwan. He started his career in ZyXEL Communication Corp. in Taiwan from 2003 to 2015 before joining IQ Group Sdn. Bhd. Representative Office in Taiwan in 2015 as an Application Software Manager. He has more than 16 years experiences in embedded system programming, software & hardware integration, product feature development, and project/team management experiences in network security, mobile wireless, and IoT industry. Currently, he holds the position of Director-Connectivity and responsible for evaluating, designing and implementing our connectivity strategies and solutions for all customers and products.

DATO' YOON CHON LEONG
*Non-Independent
Non-Executive Director*

Dato' Yoon Chon Leong, aged 75, Malaysian, male, is the Non-Independent Non-Executive Director of IQ Group Holdings Berhad (IQGHB) and was appointed to the Board of Directors of IQGHB as Non-Independent Non-Executive Director on 29 May 2007. He was re-designated to Independent Non-Executive Director on 17 July 2012. He was re-designated from Senior Independent Non-Executive Director to Non-Independent Non-Executive Director on 16 July 2024. He is the member of the Remuneration Committee, Nomination Committee and Audit Committee. He obtained his degree in Electrical Engineering from Monash University, Melbourne in 1973. He then spent 30 years working with Hewlett-Packard and Agilent Technologies in various capacities, of which 20 years were in Research & Development. Over the years, he acquired a wide spectrum of experience including high technology manufacturing, R&D and Information Technology. He retired from Agilent Technologies in January 2006 and started a management consulting practice focusing on strategic business development, R&D management and entrepreneur incubation, with clients including major multinational companies. He is currently working with MIDA and Crest to create a business environment for the development of more local technology based small and medium sized companies. He is also a key member of the Penang Science Cluster to develop young engineering talent. Dato' Yoon currently serves as director and coach for a few entrepreneurial start-up companies.

DIRECTORS' PROFILE (Cont'd)

TAN BOON HOE

Senior Independent Non-Executive Director

Tan Boon Hoe, aged 68, Malaysian, male, is the Senior Independent Non-Executive Director of IQ Group Holdings Berhad (IQGHB) and was appointed to the Board of Directors of IQGHB on 2 Nov 2020. He is the Chairman of the Audit Committee and Remuneration Committee and a member of Nomination Committee. He holds a professional degree from the Malaysian Institute of Certified Public Accountants. He is a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He was a former partner of Deloitte Malaysia and has more than 35 years of experience in assurance and advisory engagement. He holds directorship in Uchi Technologies Berhad, MI Technovation Berhad and a private limited company.

TERESA TAN SIEW KUAN

Independent Non-Executive Director

Teresa Tan Siew Kuan, aged 55, Malaysian, female, is the Independent Non-Executive Director of IQ Group Holdings Berhad (IQGHB) and was appointed to the Board of Directors of IQGHB on 1 March 2023. She is a Chairman of Nomination Committee and a member of Audit Committee and Remuneration Committee. She obtained her Bachelor of Economics degree from the University of Adelaide, Australia in 1992 and is a member of the Malaysian Institute of Accountants and the Australian Society of Certified Practising Accountants. She started her career in 1992 as Audit Assistant in Kassim Chan (now known as Deloitte PLT). Over the span of more than 30 years, she had served in various roles and departments in audit & accounting firms, merchant/investment banks, a University College, a fund management company and a manufacturing company. Currently, she is a free-lance adviser providing business, management and finance related consultancy. She currently sits on the Board of Directors of PLB Engineering Berhad, BWYS Group Berhad and 3REN Berhad.

Further Information

(i) Family Relationship

Mr. Chen, Yi-Chung is the son of Mr. Chen, Wen-Chin also known as Kent Chen. Saved as above, none of the Directors have any family relationship with any director and/or major shareholder of IQ Group Holdings Berhad.

(ii) Conflict of Interest

None of the Directors have any conflict of interest with IQ Group Holdings Berhad and its subsidiaries.

(iii) Convictions for Offences

None of the Directors have had any convictions for Offences within the past 5 years other than traffic offences.

(iv) Details of Attendance at Board Meetings

There were five (5) Board of Directors' Meeting held during the financial year ended 31 March 2024. Details of attendance of the Directors are as follows:-

Directors	Number of Board Meetings	
	Attended	Held
Chen, Wen-Chin also known as Kent Chen	5	5
Daniel John Beasley	5	5
Dato' Yoon Chon Leong	5	5
Tan Boon Hoe	5	5
Chen, Yi-Chung	5	5
Teresa Tan Siew Kuan	5	5

- (v)** The Board currently comprises six (6) Directors, including a woman director, of which two (2) are Independent Non-Executive Directors.



KEY SENIOR MANAGEMENT'S PROFILE

LOO WENG KEONG

Group Director

Nationality: Malaysian, Gender: Male, Age: 57

.....
Date of appointment to present position

: 21 June 2023

Working experience

: 1991 – 1994 – Senior Process Engineer, Penang Seagate Industries (M) Sdn. Bhd.
1995 – 1996 – Senior Engineer, Hewlett-Packard (M) Sdn. Bhd.
1996 – 1996 – Plant Manager, Local SMI - Manufacturing
1996 – 1998 – Manufacturing Manager, IQ Group Sdn. Bhd.
1998 – 2002 – Operations Manager, IQ Group Sdn. Bhd.
2002 – 2004 – General Manager, IQ Group Sdn. Bhd.
2004 – 2005 – Operations Director, IQ Group Sdn. Bhd.
2005 – 2016 – Group General Manager, IQ Group Holdings Berhad.
2016 – 2023 – Group Director Business Finance, HR & MIS, IQ Group Holdings Berhad.
2023 – Present – Group Director, IQ Group Holdings Berhad.

Qualification

: 1990 – Diploma in Technology (Materials Engineering), Tunku Abdul Rahman College
1991 – Master of Science (MSc) in Manufacturing Engineering, Queen's University of Belfast

CHEN, KUN LI

Group R&D Director

Nationality: Taiwan R.O.C., Gender: Male, Age: 58

.....
Date of appointment to present position

: 1 January 2015

Working experience

: 1990 – 1993 – Electronic Engineer, Interquartz Taiwan Limited
1993 – 1997 – Assistant Electronic Section Head, Interquartz Taiwan Limited
1998 – 2000 – Assistant Electronic Section Head, IQ Group Sdn. Bhd. (Taiwan Representative Office)
2000 – 2008 – Assistant Electronic Manager, IQ Group Sdn. Bhd. (Taiwan Representative Office)
2008 – 2012 – R&D Manager, IQ Group Sdn. Bhd. (Taiwan Representative Office)
2012 – 2014 – Group R&D Director, IQ Group Sdn. Bhd. (Taiwan Representative Office)
2015 – Present – Group R&D Director, IQ Group Holdings Berhad.

Qualification

: 1986 – Associate Degree of Electronic Engineering, Lunghwa University of Science and Technology (Taiwan).

CHEE TING TING

Group Financial Controller

Nationality: Malaysian, Gender: Female, Age: 54

.....
Date of appointment to present position

: 1 August 2005

Working experience

: 1993 – 1994 – Auditor, Arthur Anderson & Co.
1995 – 1996 – Accountant, Bensonlaunch Sdn. Bhd.
1996 – 2003 – Finance Manager, IQ Group Sdn. Bhd.
2003 – 2005 – Group Finance Manager, IQ Group Holdings Berhad.
2005 – Present – Group Financial Controller, IQ Group Holdings Berhad.

Qualification

: 1992 – Bachelor of Commerce (Accounting), The Flinders University of South Australia.
1999 – Certified Practising Accountant, CPA Australia.
2001 – Chartered Accountant, Malaysian Institute of Accountants.

KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)

ALBERT LIM ENG KEAT

Group Factory Operations Director

Nationality: Malaysian, Gender: Male, Age: 54

Date of appointment to present position

: 8 June 2016

Working experience

: 1990 – 1992 – QC Engineer, Sanyo Electric Penang
1992 – 1993 – Process Engineer, Philip Audio Sdn Bhd
1993 – 1995 – PQA Engineer, FMS Audio Sdn Bhd
1995 – 1999 – Sr. QA Engineer, Jabil Circuit Sdn Bhd
1999 – 2000 – Workcell Manager, Jabil Circuit Sdn Bhd
2000 – 2001 – QA Manager, LKT Automation Sdn Bhd
2001 – 2002 – Production Manager, Siemens VDO Components Sdn Bhd
2002 – 2003 – Manufacturing Manager, Siemens VDO Components Sdn Bhd
2003 – 2006 – Sr. Plant Manager, Siemens VDO Components Sdn Bhd
2006 – 2007 – Manufacturing Director, PLEXUS Mfg Sdn Bhd
2007 – 2009 – Operation Business Applications Director, PLEXUS Manufacturing Sdn Bhd
2009 – 2012 – General Manager, Amphenol MY Sdn Bhd
2012 – 2013 – Principal Consultant, BOS Management Consultancy – Sole Proprietorship
2013 – 2014 – Global Quality Director, FCI Connectors MY Sdn Bhd
2015 – 2016 – Principal Consultant, BOS Management Consultancy – Sole Proprietorship
2016 – Present – Group Factory Operations Director, IQ Group Sdn. Bhd.

Qualification

: 1990 – Diploma in Electronics Engineering, Federal Institute of Technology
2000 – Master in Business Administration, Honolulu University

CARSTEN STEPHAN EBERHARD SEDEMUND

Group New Product Introduction Director

Nationality: German, Gender: Male, Age: 62

Date of appointment to present position

: 17 September 2015

Working experience

: 1987 – 2015 – Various positions in the Peter Kremser Group organisation for 28 years, Germany, like as Head of the sales back office, Head of Product Management and R&D, Head of Strategic Purchasing and within this whole period 16 years as a company officer with special statutory authority (Prokurist)
2015 – Present – Group New Product Introduction Director, IQ Group Sdn. Bhd.

Qualification

: 1983 – Apprenticeship Diploma in Electronic Technician for Energy and Buildings Services
1986 – Diploma in Warehouse Management
1992 – Diploma in Business Administration

CHOONG BEE GNOH

Customer/Business Development Director

Nationality: Malaysian, Gender: Female, Age: 64

Date of appointment to present position

: 22 November 2011

Working experience

: 1984 – 1986 – Secretary to the Managing Director, Texchem Malaysia Sdn. Bhd.
1986 – 1988 – Secretary, Petro-Pipe Sdn Bhd
1990 – 1992 – R&D Secretary, IQ Group Sdn. Bhd.
1992 – 1995 – Customer Service Officer, IQ Group Sdn. Bhd.
1995 – 2005 – Customer Service Manager, IQ Group Sdn. Bhd.
2005 – 2011 – Business Development Director, IQ Group Sdn. Bhd.
2011 – Present – Customer / Business Development Director, IQ Group Sdn. Bhd.

Qualification

: 1982 – Private Secretary Certificate
1985 – Advanced Diploma in Business Administration (ABE)



KEY SENIOR MANAGEMENT'S PROFILE (Cont'd)

WONG KWOK HON (TONY)

Managing Director of IQ Group (Dongguan) Ltd. and IQ Group (Wuning) Ltd.

Nationality: Chinese, Gender: Male, Age: 59

.....
Date of appointment to present position

: 15 September 2006 – IQ Group (Dongguan) Ltd.
30 January 2019 – IQ Group (Wuning) Ltd.

Working experience

: 1985 – 1987 – QC Technician, Dragoco (Far East) Ltd.
1987 – 1988 – Project Engineer, Truly Electronics Manufacturing Ltd.
1990 – 1994 – R&D Supervisor, Karrie Industrial Holding Co. Ltd.
1994 – 1997 – Project Manager, Product Group Manager, VTech Computer Ltd.
1997 – 1998 – Factory Manager, Hung Sam Industrial Manufactory Company Limited.
1998 – 2002 – Development Manager, Assistant General Manager, Saitek Ltd.
2002 – 2005 – General Manager, Panint Enterprise Ltd.
2005 – 2006 – General Manager, Bonso Electronic Ltd.
2006 – Present – Managing Director, IQ Group (Dongguan) Ltd.
2019 – Present – Managing Director, IQ Group (Wuning) Ltd.

Qualification

: 1985 – Diploma in Mechanical Engineering (Production), Kwai Chung Technical Institute.
1988 – Higher certificate in Production and Industrial Engineering, Hong Kong Polytechnics.
1990 – Bachelor in Mechanical Engineering, University of Glasgow.

HISAYUKI TOMINAGA

Managing Director of IQ Japan Co., Ltd.

Nationality: Japanese, Gender: Male, Age: 62

.....
Date of appointment to present position

: 16 June 2005

Working experience

: 1986 – 1990 – Sales, Domestic market, Optex Co., Ltd.
1991 – 1995 – Sales Assistant Manager, Overseas market, Optex Co., Ltd.
1996 – 1997 – Sales Manager, Overseas market, Optex Co., Ltd.
1998 – 1999 – Deputy Sales Director, Overseas market, Optex Co., Ltd.
2000 – 2003 – Sales Manager, Maxxam Co., Ltd.
2004 – 2005 – Sales Manager, IQ Japan Co., Ltd.
2005 – Present – Managing Director, IQ Japan Co., Ltd.

Qualification

: 1986 - Bachelor of Sociology, Ritsumeikan University, Kyoto Japan

None of the Senior Management staff above have:

- Directorship in public listed companies
- Directorship in public companies
- Family relationship with any director and/ or major shareholder of the Company
- Conflict of interests with the Company
- Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online> on Thursday, 29 August 2024 at 2.30 p.m.

AGENDA

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 March 2024 together with the Reports of the Directors and Auditors thereon. **Please refer to Note 2**

As Ordinary Business

2. To re-elect Mr Daniel John Beasley who retires in accordance with Clause 76(3) of the Constitution of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 1**
3. To re-elect Mr Tan Boon Hoe who retires in accordance with Clause 76(3) of the Constitution of the Company, and who, being eligible, has offered himself for re-election. **Ordinary Resolution 2**
4. To approve the payment of Directors' fees of up to an amount of RM490,000.00 for the financial year ending 31 March 2025. **Ordinary Resolution 3**
5. To approve the payment of Directors' benefits in accordance with Section 230(1) of the Companies Act 2016 of up to an amount of RM320,000.00 from 29 August 2024 until the next AGM of the Company. **Ordinary Resolution 4**
6. To re-appoint Deloitte PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and if thought fit, to pass with or without modifications the following resolutions:-

7. Proposed Renewal of Share Buy-Back Authority

"THAT subject to the provisions under the Companies Act, 2016 ("the Act"), rules and regulation and orders made pursuant to the Act, the Constitution of the Company, Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements and the approvals of all relevant authorities (if any), the Company be and is hereby authorised to purchase such number of ordinary shares in the Company ("IQGHB Shares") as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as at the point of purchase ("Proposed Renewal of Share Buy-Back Authority").

THAT the maximum amount of funds to be utilised for the purpose of the Proposed Renewal of Share Buy-Back Authority shall not exceed the Company's retained profits.

THAT authority be and is hereby given to the Directors of the Company to decide at their discretion as may be permitted and prescribed by the Act and/or any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities for the time being in force to deal with any IQGHB Shares so purchased by the Company in the following manner:-

- (i) the IQGHB Shares so purchased could be cancelled; or
- (ii) the IQGHB Shares so purchased could be retained as treasury shares for distribution as share dividends to the shareholders of the Company and/or resold through Bursa Securities in accordance with the relevant rules of Bursa Securities and/or be cancelled subsequently; or
- (iii) combination of (i) and (ii) above; or
- (iv) in accordance with the relevant prevailing statutory provisions and guidelines.

THAT the authority conferred by this resolution will be effective immediately from the passing of this ordinary resolution until:-

- (i) the conclusion of the next annual general meeting of the Company following the general meeting at which such resolution was passed, at which time the authority would lapse unless renewed by ordinary resolution, either unconditionally or conditionally; or
- (ii) the passing of the date on which the next annual general meeting of the Company is required by law to be held; or
- (iii) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;



NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

7. Proposed Renewal of Share Buy-Back Authority (Cont'd)

whichever occurs first.

And THAT the Directors of the Company be and are authorised to take such steps to give full effect to the Proposed Renewal of Share Buy-Back Authority with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and/or to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

**Ordinary
Resolution 6**

8. Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

“THAT subject always to the provisions of the Companies Act 2016 (“the Act”), the Constitution of the Company, Bursa Malaysia Securities Berhad Main Market Listing Requirements or other regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions with the following corporations as set out in Section 2.4 of the Circular to Shareholders dated 26 July 2024 (“the Circular”), which are necessary for the day to day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders as set out in the Circular (“Mandate”):-

- (a) Sensorlite Inc. (formerly known as Interquartz Taiwan Ltd.)
- (b) IQ (America) Inc.

THAT the Directors be empowered to do all such acts and things considered necessary or expedient to give full effect to the Mandate with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments as may be imposed by the relevant authorities.

THAT such Mandate shall commence upon passing this ordinary resolution and to be in force until:-

- (a) the conclusion of the next Annual General Meeting (“AGM”) of the Company at which time the authority shall lapse unless the authority is renewed by a resolution passed at the meeting;
- (b) the expiration of the period within which the next AGM after that date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by ordinary resolution of the shareholders of the Company at a general meeting;

whichever is earlier.

And THAT the Directors of the Company be and are hereby authorised to complete and to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this ordinary resolution.”

**Ordinary
Resolution 7**

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016.

By Order of the Board

LIM CHOO TAN (LS 0008888) (SSM PC No. 202008000713)
CHEW SIEW CHENG (MAICSA 7019191) (SSM PC No. 202008001179)
Secretaries

Date: 26 July 2024

Penang

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes:

1. Proxy

- 1.1 The AGM will be conducted fully virtual through live streaming and online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”) in Malaysia via its TIIH Online website at <https://tjih.online>. Members are to attend, speak (including posing questions to the Board of Directors of IQGROUP via real time submission of typed texts) and vote (collectively, “**Participate**”) remotely at this AGM via Remote Participation and Voting (“**RPV**”) facilities provided by Tricor. Members are advised to follow the procedures of RPV as stated in the Administrative Guide.
- 1.2 According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.
- 1.3 For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 23 August 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/its behalf.
- 1.4 A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- 1.5 A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- 1.6 If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the listing requirements of the stock exchange.
- 1.7 Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- 1.8 Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”) which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- 1.9 Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- 1.10 The appointment of a proxy may be made in hard copy form or by electronic means. In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at <https://tjih.online>. Please refer to the Administrative Guide for further information on electronic submission. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
- 1.11 Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- 1.12 Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- 1.13 Last date and time for lodging this proxy form is 2.30 p.m., 27 August 2024 (Tuesday).



NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes: (Cont'd)

2. Audited Financial Statements for the financial year ended 31 March 2024

This Agenda item is meant for discussion only as the provision of Sections 248(2) and 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders and hence is not put forward for voting.

3. Re-election of Directors

The details and profiles of the Directors, Mr Daniel John Beasley and Mr Tan Boon Hoe who are standing for re-election at the 21st AGM are set out in the Directors' profile of the Annual Report 2024.

The Board through the Nomination Committee ("NC") had conducted an annual assessment on the performance and contribution of the individual Directors for the financial year ended 31 March 2024 based on a set of prescribed criteria. The abovementioned Directors have also met the relevant requirements under the fit and proper assessment. Based on the results of the assessments, the performance of each individual Director was found to be satisfactory and the NC had assessed that each individual Director was fit and proper to continue to hold the position as a Director of the Company.

Premised on the satisfactory outcome of the assessments, the Board endorsed the recommendation of the NC to seek members' approval for the re-election of Mr Daniel John Beasley and Mr Tan Boon Hoe as Directors of the Company.

4. Directors' Fees for the financial year ending 31 March 2025

This proposed Ordinary Resolution 3, if passed, will authorise the payment of Directors' fees of up to an amount of RM490,000.00 for the financial year ending 31 March 2025.

5. Directors' Benefits

This proposed Ordinary Resolution 4, if passed, will authorise the payment of Directors' benefits of up to an amount of RM320,000.00 from 29 August 2024 until the next AGM of the Company.

Explanatory Notes on Special Business

Proposed Renewal of Share Buy-Back Authority

This proposed Ordinary Resolution 6, if passed, will give the Directors of the Company the authority to purchase its own shares up to 10% of the total number of issued shares of the Company. In order to avoid any delay and costs involved in convening a general meeting, it is thus appropriate to seek shareholders' approval. This Authority will, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This proposed Ordinary Resolution 7, if passed, will authorise the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature. This Authority will, unless revoked or varied by the shareholders of the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company. Please refer to the Circular to Shareholders dated 26 July 2024 for more information.

ADMINISTRATIVE GUIDE FOR THE ONLINE MEETING PLATFORM OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (“21ST AGM”)

Date : Thursday, 29 August 2024
 Time : 2.30 p.m
 Meeting Platform : Online Meeting Platform via TIIH Online website at <https://tiih.online> provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia

MODE OF MEETING

The 21st AGM of IQ Group Holdings Berhad (“the Company”) will be conducted virtually in accordance with the revised ‘Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers’ issued by the Securities Commission Malaysia (“SC’s Guidance”) on 7 April 2022.

In accordance with the SC Guidance, all meeting participants including the Chairperson of the meeting, board members, senior management and shareholders are required to participate in the meeting online. An online meeting platform can be recognised as the meeting venue or place under Section 327(2) of Companies Act 2016 provided that the online platform is located in Malaysia.

We strongly encourage you to attend the 21st AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 21st AGM.

REMOTE PARTICIPATION AND VOTING (“RPV”) FACILITIES

- The RPV facilities are available on Tricor’s TIIH Online website at <https://tiih.online>.
- Shareholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 21st AGM using RPV facilities from Tricor.
- Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 21st AGM using the RPV facilities:

Before the 21st AGM Day

Procedure	Action
i. Register as a user with TIIH Online	<ul style="list-style-type: none"> • Using your computer, access to website at https://tiih.online. Register as a user under the “e-Services” select “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
ii. Submit your request to attend the 21 st AGM remotely	<ul style="list-style-type: none"> • Registration is open from 26 July 2024 until the day of 21st AGM on 29 August 2024. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 21st AGM to ascertain their eligibility to participate the 21st AGM using the RPV. • Login with your user ID (i.e. e-mail address) and password and select the corporate event: “(REGISTRATION) IQGROUP 21ST AGM” • Read and agree to the Terms & Conditions and confirm the Declaration. • Select “Register for Remote Participation and Voting”. • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at 23 August 2024, the system will send you an e-mail on or after 27 August 2024 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV)</i></p>



ADMINISTRATIVE GUIDE FOR THE ONLINE MEETING PLATFORM OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (“21ST AGM”) (Cont’d)

PROCEDURES TO REMOTE PARTICIPATION AND VOTING VIA RPV FACILITIES (Cont’d)

On the 21st AGM Day

Procedure	Action
i. Login to TIIH Online	<ul style="list-style-type: none"> ● Login with your user ID and password for remote participation at the 21st AGM at any time from 1.30 p.m. i.e. 1 hour before the commencement of meeting at 2.30 p.m. on 29 August 2024.
ii. Participate through Live Streaming	<ul style="list-style-type: none"> ● Select the corporate event: “(LIVE STREAM MEETING) IQGROUP 21ST AGM” to engage in the proceedings of the 21st AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question when the Chairman open the floor for any questions. The Chairman/Board will try to respond to questions submitted by remote participants during the 21st AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
iii. Online remote voting	<ul style="list-style-type: none"> ● Voting session commences from 2.30 p.m. on 29 August 2024 until a time when the Chairman announces the end of the session. ● Select the corporate event: “(REMOTE VOTING) IQGROUP 21ST AGM” or if ● you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. ● Read and agree to the Terms & Conditions and confirm the Declaration. ● Select the CDS account that represents your shareholdings. ● Indicate your votes for the resolutions that are tabled for voting. ● Confirm and submit your votes.
iv. End of remote participation	<ul style="list-style-type: none"> ● Upon the announcement by the Chairman on the conclusion of the 21st AGM, the Live Streaming will end.

Note to users of the RPV facilities:

- (i) Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
- (ii) The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
- (iii) In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih_online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 23 August 2024 shall be eligible to attend, speak and vote at the 21st AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the 21st AGM will be conducted on a fully virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.
- If you wish to participate in the 21st AGM yourself, please do not submit any Form of Proxy for the 21st AGM. You will not be allowed to participate in the 21st AGM together with a proxy appointed by you.

ADMINISTRATIVE GUIDE FOR THE ONLINE MEETING PLATFORM OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (“21ST AGM”) (Cont’d)

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY (Cont’d)

- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 21st AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **27 August 2024 at 2.30 p.m.:**
 - (i) In Hard copy:
In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang.
 - (ii) By electronic means
In the case of an appointment made via online, the proxy form must be deposited via TIIH Online at <https://tiih.online> and the steps to submit are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> ● Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. ● If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of proxy form	<ul style="list-style-type: none"> ● After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. ● Select the corporate event: “IQGROUP 21ST AGM - SUBMISSION OF PROXY FORM”. ● Read and agree to the Terms and Conditions and confirm the Declaration. ● Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. ● Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. ● Review and confirm your proxy(s) appointment. ● Print the form of proxy for your record.
ii. Steps for corporation or institutional shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> ● Access TIIH Online at https://tiih.online ● Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects “Create Account by Representative of Corporate Holder”. ● Complete the registration form and upload the required documents. ● Registration will be verified, and you will be notified by email within one (1) to two (2) working days. ● Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</p>
Proceed with submission of proxy form	<ul style="list-style-type: none"> ● Login to TIIH Online at https://tiih.online ● Select the corporate exercise name: “IQGROUP 21ST AGM – SUBMISSION OF PROXY FORM” ● Agree to the Terms & Conditions and Declaration. ● Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. ● Prepare the file for the appointment of proxies by inserting the required data. ● Login to TIIH Online, select corporate event name: “IQGROUP 21ST AGM - SUBMISSION OF PROXY FORM” ● Proceed to upload the duly completed proxy appointment file. ● Select “Submit” to complete your submission. ● Print the confirmation report of your submission for your record



ADMINISTRATIVE GUIDE FOR THE ONLINE MEETING PLATFORM OF THE TWENTY-FIRST ANNUAL GENERAL MEETING (“21ST AGM”) (Cont’d)

POLL VOTING

- The voting at the 21st AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting).
- Members/proxies/corporate representatives/attorneys can proceed to vote on the resolutions at any time from 2.30 p.m. on 29 August 2024 but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to “Procedures to Remote Participation and Voting via RPV Facilities” provided above for guidance on how to vote remotely via TIIH Online.
- Upon completion of the voting session for the 21st AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

NO RECORDING OR PHOTOGRAPHY

Unauthorised recording and photography are strictly prohibited at the 21st AGM.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Shareholders may submit questions for the Board in advance of the AGM via Tricor’s TIIH Online website at <https://tjih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than 27 August 2024 at 2.30 p.m.. The Board will endeavor to answer the questions received at the AGM.

NO DOOR GIFTS/FOOD VOUCHERS

- There will be no distribution of door gifts or food vouchers for the 21st AGM as the meeting will be conducted on a fully virtual basis.
- The Company would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

ENQUIRIES

- If you need any assistance, kindly contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Fax Number : +603-2783 9222

Email : is.enquiry@my.tricorglobal.com

PERSONAL DATA PRIVACY

By lodging and subscribe for a user account with **Tricor’s TIIH Online** Portal to participate and vote remotely at the 21st AGM using the RPV Facilities, the shareholder/proxy holder/representative(s) accepts and agrees to the personal data privacy terms.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Statement Accompanying Notice of Annual General Meeting pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements

There are no individuals who are standing for election as Directors (excluding Directors standing for re-election) at this forthcoming Annual General Meeting.



STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY IQ GROUP HOLDINGS BERHAD (“THE COMPANY” OR “IQGHB”) OF ITS OWN SHARES

This Statement is important and requires your immediate attention. If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

Bursa Malaysia Securities Berhad (“Bursa Securities”) takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Statement. This Statement has not been perused by Bursa Securities before its issuance.

1. INTRODUCTION

On 28 June 2024, Tricor Corporate Services Sdn Bhd had, on behalf of IQGHB, announced to Bursa Malaysia Securities Berhad (“Bursa Securities”) that IQGHB is proposing to seek its shareholders’ approval at its Twenty-First Annual General Meeting (“AGM”) of IQGHB (“IQGHB Twenty-First AGM”) to be convened in 2024 for the renewal of the authority for the purchase by IQGHB of its own shares of up to ten percentage (10%) of the total number of issued shares of IQGHB (“the Proposed Renewal of Share Buy-Back Authority”).

The purpose of this Statement is to provide you with information on the Proposed Renewal of Share Buy-Back Authority together with your Directors’ recommendation on the Proposed Renewal of Share Buy-Back Authority, and to seek your approval of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority to be tabled at the forthcoming IQGHB Twenty-First AGM to be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd’s TIIH Online website at <https://tiih.online> on Thursday, 29 August 2024 at 2.30 p.m.

The notice of IQGHB Twenty-First AGM and the Form of Proxy are enclosed with IQGHB 2024 Annual Report.

2. Details of the Proposed Renewal of Share Buy-Back Authority

At the Twentieth Annual General Meeting of IQGHB held on 29 August 2023, shareholders had, inter alia, approved the existing authority for the purchase by IQGHB of its own shares of up to ten percent (10%) of the total number of issued shares of the Company (“Share Buy-Back Authority”). In compliance with Bursa Securities Main Market Listing Requirements (“Listing Requirements”) and the resolution passed by the shareholders on 29 August 2023, Share Buy-Back Authority will expire at the conclusion of IQGHB Twenty-First AGM to be held on 29 August 2024, unless renewed by an ordinary resolution passed by the shareholders.

The maximum number of shares that may be bought back of up to ten percent (10%) of the total number of issued shares of the Company would include all shares which have been previously bought back and cancelled or retained as treasury shares. The renewal of the authority from the shareholders for the purchase by IQGHB of its own shares will be effective immediately upon the passing of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority at IQGHB Twenty-First AGM, to be held on 29 August 2024 until:-

- (i) the conclusion of the next AGM of the Company at which time it will lapse unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next AGM after that date is required by law to be held; or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company in a general meeting;

whichever occurs first.

The Shares purchased by the Company may be dealt with by the Board in accordance with Section 127 of the Act, in the following manner:-

- (a) to cancel the Shares so purchased; or
- (b) to retain the Shares so purchased as treasury shares for distribution as share dividends to the shareholders of the Company and/or resell on the Bursa Securities in accordance with the relevant rules of the Bursa Securities and/or cancellation subsequently; or
- (c) to retain part of the Shares so purchased as treasury shares and cancel the remainder.

While the purchased Shares are held as treasury shares, the rights attached to them in relation to voting, dividends and participation in any other distributions or otherwise will be suspended. The treasury shares shall not be taken into account in calculating the number or percentage of Shares or of a class of Shares in the Company for any purposes including substantial shareholding, take-over, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on the resolution at a meeting.

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY IQ GROUP HOLDINGS BERHAD (“THE COMPANY” OR “IQGHB”) OF ITS OWN SHARES (Cont’d)

3. SOURCE OF FUNDS

The Listing Requirements stipulates that the proposed purchase by a listed company of its own shares must be made wholly out of retained profits of the listed company. IQGHB therefore proposes to allocate an amount not exceeding the audited retained profits of IQGHB for the purpose of the Proposed Renewal of Share Buy-Back Authority. Based on the latest audited financial statements of IQGHB as at 31 March 2024, the retained profits of IQGHB was amounted to RM31,245,049. The funding for the purchase by IQGHB of its own shares is expected to be internally generated.

The actual number of ordinary shares in IQGHB (“IQGHB Shares”) to be purchased, the total amount of funds involved for each purchase and timing of the purchase would depend on market conditions and the amount of retained profits, if any, of IQGHB.

4. RATIONALE FOR THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Proposed Renewal of Share Buy-Back Authority will provide IQGHB with another option to utilise its financial resources more efficiently. The Proposed Renewal of Share Buy-Back Authority is expected to stabilise the supply and demand of IQGHB Shares as well as the price of IQGHB Shares. All things being equal, the Proposed Renewal of Share Buy-Back Authority, irrespective of whether IQGHB Shares that have been previously bought-back pursuant to previous or the existing Share Buy-Back Authority (“Purchased IQGHB Shares”) are held as treasury shares or cancelled, will result in a lower number of IQGHB Shares being taken into account for the purpose of computing the earnings per share (“EPS”) of IQGHB Shares. The cost of the Purchased IQGHB Shares, whether held as treasury shares or cancelled, will be excluded from the shareholders’ funds of IQGHB and its subsidiaries (“IQGHB Group”) in the computation of return on equity (“ROE”) of IQGHB, which in turn is expected to have a positive impact on the price of IQGHB Shares.

5. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The Proposed Renewal of Share Buy-Back Authority, if exercised, is expected to potentially benefit IQGHB and its shareholders as follows:-

- (i) the EPS of IQGHB Shares and the ROE of IQGHB (all other things being equal) would be enhanced. This is expected to have a positive impact on the market price of IQGHB Shares which will benefit shareholders of IQGHB; and
- (ii) if the Purchased IQGHB Shares are retained as treasury shares, it will provide the Directors with the option to sell the Purchased IQGHB Shares at a higher price and generate profits for IQGHB. Alternatively, the Purchased IQGHB Shares retained as treasury shares may be distributed as share dividend to shareholders.

The potential disadvantages of the Proposed Renewal of Share Buy-Back Authority, if exercised, will be the reduction in the financial resources of IQGHB or loss generated in the event that the price of IQGHB Shares is below the purchase price. This may result in IQGHB foregoing other investment opportunities that may emerge in the future. However, the financial resources of IQGHB will increase upon the resale of the Purchased IQGHB Shares which are held as treasury shares in the open market.

6. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

The effects of the Proposed Renewal of Share Buy-Back Authority on the share capital, net assets and working capital and earnings of IQGHB, shareholdings of the Directors and substantial shareholders of IQGHB, assuming IQGHB purchases IQGHB Shares up to the maximum ten percent (10%) of the issued and paid-up share capital of IQGHB, are set out as follows:-

6.1 Share Capital

In the event that all the Purchased IQGHB Shares are cancelled and on the assumption that the Proposed Renewal of Share Buy-Back Authority is exercised in full, the proforma effects of the Proposed Renewal of Share Buy-Back Authority on the total number of issued shares of IQGHB as at 30 June 2024, are as follows:-

	Number of IQGHB Shares
As at 30 June 2024	88,028,550
Cancellation of Purchased IQGHB Shares	8,802,855
After the Proposed Renewal of Share Buy-Back Authority	79,225,695

However, in the event that all IQGHB Shares bought-back are retained as treasury shares, the Proposed Renewal of Share Buy-Back Authority will not have any effect on the total number of issued shares of IQGHB.



STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY IQ GROUP HOLDINGS BERHAD (“THE COMPANY” OR “IQGHB”) OF ITS OWN SHARES (Cont’d)

6. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Cont’d)

6.2 Net Assets (“NA”)

The Proposed Renewal of Share Buy-Back Authority may increase or decrease the NA per IQGHB Share depending on the purchase price(s) of IQGHB Shares bought-back pursuant to the Proposed Renewal of Share Buy-Back Authority. The NA per IQGHB Share will increase if the purchase price is less than the NA per IQGHB Share and will decrease if the purchase price exceeds the NA per IQGHB Share at the time when IQGHB Shares are purchased.

In the event the Purchased IQGHB Shares which are retained as treasury shares are resold, the NA of IQGHB Shares will increase or decrease depending on whether a gain or a loss is realised upon the resale. The quantum of the increase or decrease in NA will depend on the actual disposal price and the number of the Purchased IQGHB Shares, retained as treasury shares, which are resold.

6.3 Working Capital

The Proposed Renewal of Share Buy-Back Authority will reduce the working capital of IQGHB Group, the quantum of which will depend on the number of IQGHB Shares purchased and the purchase price(s) of IQGHB Shares.

6.4 Earnings

The effect of the Proposed Renewal Share Buy-Back Authority on the earnings of IQGHB will depend on, inter alia, the number of IQGHB Shares purchased and the purchase price(s) of IQGHB Shares.

6.5 Shareholding of the Directors and Substantial Shareholders

(i) Shareholding of Directors

The proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholding of the Directors of IQGHB based on the Record of Depositors as at 30 June 2024 are as follows:-

Directors	As at 30 June 2024				Assuming 10% of the Share Capital is Purchased and Cancelled			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	16,895,701	19.19	41,171,451*	46.77	16,895,701	21.33	41,171,451*	51.97
Daniel John Beasley	40,000	0.05	-	-	40,000	0.05	-	-
Dato’ Yoon Chon Leong	-	-	-	-	-	-	-	-
Tan Boon Hoe	-	-	-	-	-	-	-	-
Chen, Yi-Chung	-	-	-	-	-	-	-	-
Teresa Tan Siew Kuan	-	-	-	-	-	-	-	-

* By virtue of his substantial interest in Sensorlite Limited and Sensorlite Investments Limited and interest of spouse by virtue of Section 59(11)(c) of the Companies Act 2016

STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY IQ GROUP HOLDINGS BERHAD (“THE COMPANY” OR “IQGHB”) OF ITS OWN SHARES (Cont’d)

6. EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (Cont’d)

6.5 Shareholding of the Directors and Substantial Shareholders

(ii) Shareholding of Substantial Shareholders

The proforma effects of the Proposed Renewal of Share Buy-Back Authority on the shareholding of the Substantial Shareholders of IQGHB based on the Register of Substantial Shareholders as at 30 June 2024 are as follows:-

Shareholder	As at 30 June 2024				Assuming 10% of the Share Capital is Purchased and Cancelled			
	Direct		Indirect		Direct		Indirect	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	16,895,701	19.19	39,638,867**	45.03	16,895,701	21.33	39,638,867**	50.03
Sensorlite Limited	35,659,240	40.51	-	-	35,659,240	45.01	-	-

** By virtue of his substantial interest in Sensorlite Limited and Sensorlite Investments Limited

7. HISTORICAL SHARE PRICE OF THE COMPANY

The monthly highest and lowest closing price of shares as traded on Bursa Securities for the past twelve (12) months are as follows::

Year 2023/2024	High (RM)	Low (RM)
2023		
July	0.875	0.795
August	0.940	0.800
September	0.905	0.855
October	0.895	0.815
November	0.905	0.790
December	0.805	0.735
2024		
January	0.840	0.745
February	0.825	0.735
March	0.800	0.735
April	0.810	0.730
May	0.875	0.740
June	0.855	0.790

(Source : *klse.i3investor*)

The last transacted price of shares on 28 June 2024 being the latest practicable date prior to the printing of this Statement was RM0.785

8. PUBLIC SHAREHOLDING SPREAD

The Proposed Renewal of Share Buy-Back Authority shall be in compliance with Section 127 of the Companies Act 2016 and any prevailing laws, orders, requirements, guidelines, rules and regulations issued by the relevant authorities at the time of purchase including compliance with the twenty five percent (25%) public shareholding as required by Bursa Securities. Based on the public shareholding spread of IQGHB as at 28 June 2024 of 33.99%, assuming that the Proposed Renewal of Share Buy-Back Authority is implemented up to ten percent (10%) of the total number of issued shares of IQGHB and that the number of IQGHB Shares held directly and indirectly by the substantial shareholders and the Directors of IQGHB remain unchanged, the public shareholding spread of IQGHB is expected to be reduced to 26.65%.



STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF AUTHORITY FOR THE PURCHASE BY IQ GROUP HOLDINGS BERHAD (“THE COMPANY” OR “IQGHB”) OF ITS OWN SHARES (Cont’d)

9. IMPLICATIONS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY IN RELATION TO THE MALAYSIAN CODE ON TAKE-OVERS AND MERGERS, 2016 (“THE CODE”)

The Proposed Renewal of Share Buy-Back, if carried out in full (whether shares are cancelled or treated as treasury shares), may result in a substantial shareholder and/or parties acting in concert with it incurring a mandatory general offer obligation. In this respect, the Board is mindful of the provisions under the Code.

10. PURCHASES AND RESALE OF IQGHB SHARES MADE IN THE PREVIOUS TWELVE (12) MONTHS

There were no shares being bought back during the financial year ended 31 March 2024 and as such, there were no resale or cancellation of any treasury shares in the previous twelve (12) months.

11. DIRECTORS’, MAJOR SHAREHOLDERS’, PERSONS CONNECTED WITH DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

None of the Directors, Major Shareholders, persons connected with Directors and Major Shareholders have any interest, direct or indirect, in the Proposed Renewal of Share Buy-Back Authority.

12. DIRECTORS’ RECOMMENDATION

Your Board of Directors (“the Board”), having considered all aspects of the Proposed Renewal of Share Buy-Back Authority, is of the opinion that the Proposed Renewal of Share Buy-Back Authority is in the best interest of IQGHB.

Accordingly, your Board recommends that you vote in favour of the ordinary resolution on the Proposed Renewal of Share Buy-Back Authority to be tabled at IQGHB Twenty-First AGM to be held on 29 August 2024.

13. BURSA SECURITIES’ DISCLAIMER LIABILITY

Bursa Securities has not perused this Statement prior to its issuance and takes no responsibility for the contents of this Statement and makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Statement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors of IQ Group Holdings Berhad (“the Board”) recognises the importance of maintaining a sound corporate governance structure to ensure sustainability as well as enhancing the long term value of the Group.

The Board is pleased to share hereunder an overview statement on how the Company has adopted the principles set out in the Malaysian Code of Corporate Governance (“MCCG”). The detailed application for each practice is disclosed in Corporate Governance Report of the company which is accessible via the Company’s official website at www.iq-group.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is obligated to play an active role in directing management in an effective and responsible manner. The Directors, collectively and individually, have legal and fiduciary duty to act in the best interest of the Company and to effectively represent and promote the interests of the shareholders and stakeholders with a view to achieve its vision towards corporate sustainability.

The Board assumes, amongst others, the following duties and responsibilities:

- a) Promote good corporate governance culture within the Group;
- b) Reviewing, adopting and monitoring the implementation of a strategic plan for the Company and its subsidiaries (“Group”);
- c) Overseeing and evaluating the conduct of the Group’s business. Ensure that the Company adheres to high standards of ethics and corporate behaviour which include managing conflicts of interest, preventing the abuse of power, fraud, bribery and corruption, insider trading and money laundering;
- d) Ensure there is a sound framework of internal controls and risk management;
- e) Identifying principal risks and ensuring the implementation of the appropriate control and system to manage such risks;
- f) Succession planning including appointing, training, fixing the remuneration of and where appropriate, replacing the Senior Management and the Board of the Group;
- g) Overseeing the development and implementation of shareholders’ communication policy for the Company;
- h) Reviewing the adequacy and the integrity of the management information and the internal control system of the Company, for ensuring compliance with applicable laws, regulations, rules, directives and guidelines;
- i) Provide assurance to its internal and external stakeholders that the Group is operating in compliance with its policies and any other applicable regulatory requirements. This includes establishing a “tone from the top” and spearheading the Group’s efforts to improve on its corruption risk management framework, internal control system, review and monitoring as well as training and communication;
- j) Ensure that the Company’s sustainability strategies, priorities and targets as well as performance against the targets are communicated to its internal and external stakeholders;
- k) Together with the senior management, takes responsibility for the governance of sustainability in the Group, among others, include the development and implementation of company strategies, business plans, major plans of action and risk management;
- l) Direct and periodically review an anti-corruption compliance programme which includes clear policies and objectives that adequately addresses corruption risk;
- m) Approve the Whistleblowing Policy and Procedure to encourage reporting of any legitimate concerns over any wrongdoing at the Group on unlawful conduct, financial malpractice or dangers to the public or the environment within as well as any suspected and/ or real corrupted incidents;
- n) Review and/ or acknowledge on the investigation outcome of whistleblowing issues, results of fraud, illegal acts or suspected violations of Group policies involving all employees, Management and Directors;
- o) Periodic review and approve Code of Business Conduct and Ethics to align with the changes in law, governance code coupled with the changes in Company’s vision, mission and business plan, and
- p) Review the development and dissemination of internal and external trainings relevant to its anti-corruption management system, covering areas such as policy, training, reporting channel and consequences of non-compliance.

The Company has established clear roles and responsibilities for the Board and its Management through a Board Charter. Whilst the Board is responsible for creating the framework and policies within which the Group should be operating, the Management is responsible for instituting measures on compliance with laws, regulations, rules, directives and guidelines, including the achievement of the Group’s corporate objectives. The Board Charter is accessible to the public on the Company’s official website and any updates thereafter will be uploaded to the website accordingly.

There is a clear division of roles and responsibilities amongst the Executive Chairman and the Group Managing Director/ CEO. The Group Executive Chairman, Mr. Chen, Wen-Chin also known as Kent Chen is responsible for ensuring the governance process of the Board while Mr. Daniel John Beasley, the Group Managing Director/ CEO leads the executive management and is responsible for the implementation of Group’s policies and strategies besides overseeing and managing the day-to-day operations of the Group.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

I. Board Responsibilities (Cont'd)

The Board acquires corporate secretarial services from a professional secretarial firm to assist the Board of Directors in discharging its duties and responsibilities. The Board Charter of the Company outlined the roles and responsibilities of Company Secretaries. The Directors are provided with access to the advice and services of the company's secretaries who are qualified, experienced and competent on statutory and regulatory requirements. The Company Secretaries brief the Board on the proposed contents and timing of material announcements to be made to regulators. The Company Secretaries attends all Board and Board Committee meetings to ensure that the meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are taken and maintained accordingly.

Board Meetings are structured with a pre-set agenda and Board papers are circulated to all Board members at least 5 business days in advance of each Board Meeting to enable the Directors to consider and deliberate knowledgeably on issues and to facilitate informed decision making. The deliberations and decisions of the Board and Board Committees are properly documented in the minutes and the draft minutes are circulated to all the Directors/ members of the Board Committee in a timely manner upon conclusion of the meeting for review.

The Board has formalised a Code of Conduct and Ethics for the Company. The code of Conduct and Ethics is published on the Company official website.

The Board has also formalised an Anti-bribery and Corruption policy as well as a Whistle Blowing policy which are available in the Company official website. As outlined in the Whistle Blowing policy, whistleblower is required to raise the concerns to Group Managing Director/ CEO of the Company for matters related the Head of Department. Otherwise, the whistleblower shall report to Senior Independent Non-Executive Director, Mr. Tan Boon Hoe via e-mail at bhtan56@gmail.com for any issues related to the Management.

II. Board Composition

The Board currently comprises six (6) Directors, including a woman director, of which two (2) are Independent Non-Executive Directors. The composition is in line with Paragraph 15.02(1) and (2) of the Main Market Listing Requirements, which requires at least one third of the Board members to be independent.

Collectively, the Board members have diverse background in business, finance, technology and general management, sufficient to ensure that there is a considerable depth of knowledge, expertise and experience on the Board of IQ Group Holdings Berhad.

The Board through its Board Charter has outlined that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Independent Director may continue to serve on the Board beyond the 9-years tenure in the capacity of a Non-Independent Director. Nonetheless, the Board reserves the right to retain the Director as Independent Directors by seeking annual shareholders' approval.

Dato' Yoon Chon Leong whose tenure has exceeded twelve (12) years on 16 July 2024, was designated to Non-Independent Non-Executive Director on this date. During the financial year 2024, the Board committee assessed the independence of the Independent Directors with reference to the extract of Practice Note 13 of the Main Market Listing Requirements. Independent Directors have abstained from deliberation on their own assessments. The Board Committee was satisfied with independent status of Independent Directors.

As stipulated in the Board Charter, annual shareholders' approval shall be sought through a two tier voting process should the Board intends to retain an Independent Director who has served for more than 9 years.

The Board has delegated certain responsibilities to Board Committees, which operate within clearly defined terms of references as follows:

i. The Audit Committee

The Audit Committee was established to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls.

The composition and summary of the terms of reference together with its report are presented in pages 66 to 69 of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Cont'd)

II. Board Composition (Cont'd)

ii. The Nomination Committee

The Nomination Committee is chaired by Teresa Tan Siew Kuan, an Independent Non-Executive Director. The Nomination Committee comprises Non-Executive Directors, with a majority being Independent Directors is tasked with the primary responsibility of assessing and recommending to the Board the candidature of Directors and to put in place Board succession plans.

Details of the members and terms of reference of the Nomination Committee are presented in pages 70 to 72 of this Annual Report.

Appointment, Induction and Assessment of Directors

The suitability of candidates for the Board shall be based on the candidates' competency, character, time commitment, integrity, experience, contribution and performance in meeting the needs of the Company. Where board diversity is concerned, the Board does not have a specific policy and setting targets for women candidates. The Board does not have a specific policy on ethnicity.

During the financial year under review, the Nomination Committee reviewed the effectiveness of the Board as a whole, the Board Committees as well as the contribution by each of the individual directors. The Board is satisfied with the existing board structure, effectiveness and level of commitment given by the Directors towards fulfilling their roles and responsibilities as Director of the Company.

New Directors, upon appointment, are briefed by the Executive Directors and Management on the Company's history, business and plant visit to enable them to have in-depth understanding of the Company's operation.

iii. The Remuneration Committee

The Remuneration Committee was established to assist the Board in the review of the remuneration framework and packages for Directors and Senior Executives of the Group.

The composition, terms of reference and summary of activities of this committee for the financial year under review are presented in pages 73 to 75 of this Annual Report.

III. Remuneration

As stipulated in the Terms of Reference of Remuneration Committee, the Board Committee is responsible to review the remuneration framework and packages of Executive and Non-Executive Directors in order to make recommendation to the Board. Nevertheless, the recommendation of Remuneration Committee is not limited to any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection herewith.

The remuneration package and increment for IQ Group's Executive Directors and Senior Executives are dependent on the operating results of the Company after taking into account the individual's contribution, commitment and performance in achieving targets set.

The Remuneration Committee also reviews the remuneration for Non-Executive Directors and Independent Directors to ensure that the remuneration is linked to the level of responsibilities undertaken and contribution to the effective functioning of the Board.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee comprises Non-Executive Directors, with a majority being Independent Directors. The positions of Chairman of Audit Committee and the Board are held by different individuals. The Chairman of the Audit Committee is Mr. Tan Boon Hoe, who is the Senior Independent Non-Executive Director. On the other hand, Mr. Chen, Wen-Chin also known as Kent Chen is the Executive Chairman of the Board.

As stipulated in the Term of Reference of Audit Committee, a former key audit partner and/or affiliate firm (including those providing advisory services, tax consulting etc) must observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Cont'd)

I. Audit Committee (Cont'd)

The Audit Committee also keeps under review the scope and results of the audit and its cost effectiveness while taking into account the independence and objectivity of the Company's external auditors. The Company ensures that the Company's external auditors do not supply a substantial volume of non-audit services to the Company such that it would impair the external auditors' independence. The Board has formalised the policy of non-audit services as to ensure the independence of the external auditor and this policy is accessible on the corporate website. Additionally, the Audit Committee has obtained the Annual Transparency Report and a written confirmation from the external auditors with regards to their independence in accordance with the by-laws on professional ethics, conduct and practice of the Malaysian Institute of Accountants.

II. Risk Management and Internal Control Framework

The Board has established and adopted an Enterprise Risk Management ("ERM") framework to provide reasonable assurance that potential risks within the Group are properly identified, evaluated and treated to minimise unforeseen adverse impact to the Group.

The Group has carried out a formal and structured ERM update during the financial year under review, to identify, evaluate and manage significant risks faced by the Group to safeguard Group's assets and stakeholders' interest.

The key features of the Enterprise Risk Management framework, including the internal control system to address risks identified are set out in the Risk Management and Internal Control Statement on pages 31 to 33 of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises that timely and high quality disclosure of material information to the public is an integral part of the corporate governance framework. The Board has formalised a corporate disclosure policy which sets out the written procedures and authorised person to approve and disclose material information to shareholders and stakeholders.

At present, shareholders and stakeholders are communicated with informative, accurate and timely material information concerning the Company primarily through the corporate website and announcements made through Bursa Securities.

The Board values dialogue with investors and shall hold dialogue sessions with investors, fund managers and analysts upon request. The Group Executive Chairman and Chief Executive Officer are identified as official spokespersons of the Company to members of the public including journalists, analysts, fund managers and institutional investors.

The Board has identified Tan Boon Hoe as the Senior Independent Non-Executive Director to whom concerns from other member of the Board, Senior Management and the public may be conveyed. Mr. Tan Boon Hoe can be contacted via e-mail at bhtan56@gmail.com for any issues related to the Management.

II. Conduct of General Meetings

The Board recognises that the Annual General Meeting ("AGM") is a platform for shareholders to meet and exchange views with the Board.

The AGM of the company provides shareholders with the opportunity to raise questions on various matters relating to the Group's business and affairs.

The company will ensure that the notice of AGM will be given to its shareholders at least 28 days prior to the meeting to enable shareholders to go through the Annual Report and papers supporting the resolutions proposed. Shareholders are invited to ask questions both about the resolutions being proposed before putting a resolution to vote as well as matters relating to the Group's operations in general.

The 20th AGM of the Company was held virtually through live streaming. All the resolutions were approved by voting poll in the way of online remote voting via Remote Participation and Voting ("RPV") Facilities available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online Website.

Absent shareholders may appoint proxy to attend and vote on behalf. Based on the Article of Association, the Company limits the number of proxies to two.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (Cont'd)

II. Conduct of General Meetings (Cont'd)

All resolutions set out in the notice of the 20th AGM were put to vote by poll-voting. The results of the poll would be verified by Asia Securities Sdn Bhd as Independent Scrutineers and the outcome of the AGM was announced to Bursa Securities on the same meeting day.

DIRECTOR'S TRAINING

The training needs of the Directors will be reviewed by the Nomination Committee on a regular basis to ensure that Directors are acquainted with the latest development and changing environment within which the Company operates.

Directors are encouraged to attend talks, seminars, workshops, conferences and other training programs to update themselves on developments in the business community as well as changes in laws and regulations.

All Directors have completed the Mandatory Accreditation Programme Part I (MAP Part I) as required by Bursa Malaysia Securities Berhad.

The briefing, training programmes and seminars attended by the members of the Board during the financial year ended 31 March 2024 are summarised below.

Mr. Chen, Wen-Chin also known as Kent Chen

- Beyond Box-Ticking: Essentials for Effective Remuneration Committees
- Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers

Daniel John Beasley

- Leading New Generations
- Conflict of Interest and Governance of Conflict of Interest

Chen, Yi-Chung

- Mandatory Accreditation Programme Part 1 (MAP part 1)

Tan Boon Hoe

- Seminar Percukaian Kebangsaan 2023
- Mandatory Accreditation Programme Part II: Leading For Impact (LIP)

Teresa Tan Siew Kuan

- Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers
- Baker Tilly Malaysia Tax & Budget Webinar
- Seminar Developments & Impacts of ESG on Corporate Malaysia
- Tax Seminar on Budget 2024
- Budget 2024 highlights, e-invoice and transfer pricing

Dato' Yoon Chon Leong was unable to attend any training during the financial year due to tight business schedule and commitment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flow of the Group and the Company for the financial year.

The Directors are satisfied that in preparing the financial statement of the Group and the Company for the financial year ended 31 March 2024, the Group has used the appropriate accounting policies and applied them consistently. The Directors are also of the opinion that the financial statements are prepared in accordance with the approved accounting standards, the provisions of the Companies Act, 2016 and the Listing Requirements of the Bursa Securities.

This Corporate Governance Overview statement is made at the Board of Directors' Meeting held on 28 June 2024.



RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT

INTRODUCTION

Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) requires the board of directors of listed issuers to include in its annual report a “statement about the state of risk management and internal control of the listed issuer as a group”. The Board of Directors (the “Board”) of IQ Group Holdings Berhad (the “Company”) is committed to maintaining an effective system of risk management and internal control in IQ Group Holdings Berhad and its subsidiaries (collectively referred to as the “Group”) and is pleased to provide the following Statement on Risk Management and Internal Control (this “Statement”), which outlines the nature and scope of the risk management and internal control system of the Group during the financial year ended 31 March 2024.

For the purpose of disclosure, the Board has taken into consideration the enumerations encapsulated in the “Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers” (the “Guidelines”), a publication endorsed by Bursa Malaysia Securities Berhad pursuant to Paragraph 15.26(b) of the Listing Requirements.

BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility for maintaining as well as reviewing the adequacy and integrity of the risk management and internal control system to safeguard its shareholders’ investment and other stakeholders’ interests. The system of internal controls cover not only financial controls but also non-financial controls such as operational and compliance controls and risk management procedures.

In view of the limitations inherent in any system of risk management and internal control, the system is designed to manage risks within tolerable and knowledgeable limits, rather than to eliminate, the risk of failure to achieve the Group’s business and corporate objectives. Accordingly, it can only provide reasonable but not absolute assurance, against material misstatement or loss.

In evaluating the adequacy of the Group’s system of risk management and internal control, the Board is assisted by the Audit Committee which comprises solely of Non-Executive Directors. Notwithstanding the delegated responsibilities, the Board acknowledges its overall responsibility in the establishment and oversight of the Group’s risk management and internal control system.

The Board affirms that there is an on-going process for identifying, evaluating, managing, monitoring and reporting significant risks faced by the Group. The Board, through its Audit Committee, regularly reviews the results of this process, including mitigation measures taken by Management, to address areas of key risks as identified. This process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Company.

RISK MANAGEMENT

The Board is guided by Practices 10.1 and 10.2 of the Malaysian Code on Corporate Governance which calls for the establishment of an effective risk management and internal control framework to be implemented across the Group.

The Board has established and adopted an Enterprise Risk Management (“ERM”) framework to provide reasonable assurance that potential risks within the Group are properly identified, evaluated and treated to minimise unforeseen adverse impact to the Group.

The adopted ERM framework includes an on-going risk management process carried out by the Management. Risks may be associated with internal or external factors including turnover of key personnel, changes in the economic and political environment, competition, introduction of new rules and regulations, technological advancement and other matters relevant to the Group. For each of the key risks identified, the respective divisional head or manager is responsible to continuously monitor the implementation of risk mitigation action plans and to update the Board via Audit Committee. Risk tolerance limits are set to align the risk appetite, with the consideration of likelihood of occurrence and severity of consequences, are subject to review periodically. Existing controls to mitigate and manage these risks are then re-assessed and strengthened.

The Group has carried out a formal and structured ERM update during the financial year under review, to identify, evaluate and manage significant risks faced by the Group to safeguard Group’s assets and stakeholders’ interest.

This ERM exercise includes:-

- Identification of the specific risks faced by the Group via interviews with relevant key personnel;
- Identify the causes and consequences of the risks;
- Assess the likelihood and impact of the risks concerned materializing;
- Determine the controls in place or to be implemented to minimize or mitigate the risks;
- Evaluate and determine the risk rating after considering the control effectiveness; and
- Review the result of this process with Management annually which includes the effectiveness of mitigating measures taken to address areas of key risks as identified in the abovementioned ERM review and any changes to the risk rating due to recent developments.

RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT (Cont'd)

RISK MANAGEMENT (Cont'd)

Whilst the Board considers the risk management framework to be robust, the framework is still subject to periodic testing and continuous improvement, taking into consideration better practices and the changing business environment.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESS

The key elements of the Group's internal control system are described below:

- The Group has in place an organisation structure with clearly defined reporting lines aligned with business and operational requirements. The Group has set out clear roles and responsibilities, appropriate authority limits and approval procedure in order to enhance the decision-making process and the internal control system of the Group.
- The Board is kept updated on Group's activities, operations and significant changes to the business and external environment, if any, which may result in significant risks.
- The Audit Committee chaired by an Independent Non-Executive Director reviews the internal controls system and findings of the internal and external auditors.
- Policies and procedures for key processes are documented and communicated to employees for application across the Group. These are supplemented by operating procedures set by individual companies, as required for the type of business or geographical location of each company.
- A detailed budgeting process is established requiring all operating companies in the Group to prepare a budget annually. Actual performance as compared with the Budget is reviewed monthly and a detailed explanation of any major variances is documented.
- Regular review of the Annual Budget is undertaken by Management to identify, and where appropriate, to address significant variance from the Budget.
- Effective reporting system, which ensures the timely generation of financial information for Management's review has been put in place. Financial Results are reviewed quarterly by the Board and the Audit Committee to ensure the effectiveness and adequacy of the Group's internal control system in safeguarding the shareholders' investment and the Group's assets.
- Specific responsibilities have been delegated to the relevant Board Committees, which include the Audit Committee, Remuneration Committee and Nomination Committee. These committees have authority to examine all matters within their scope and report to the Board with their recommendations.
- Whistle Blowing Policy which outlines the Group's commitment towards enabling the employees and/ or stakeholders to raise concerns in confidence and disclose any malpractices or misconduct of which they become aware.
- Anti-Bribery and Corruption Policy which outlines the Group's zero-tolerance policy against all forms of bribery and corruption.
- Insurance and physical safeguards over major assets are in place to ensure that the assets of the Group are covered against any mishap that might result in material losses to the Group.
- The Group has in place continuous quality improvement initiatives to ensure accreditation such as ISO 9001:2015.

INTERNAL AUDIT FUNCTION

During the financial year under review, the Internal Audit function performed two cycles of internal audit to assess the company's preparedness on data compilation to meet the enhanced sustainability disclosures required by Bursa Listing requirement and Production Management. The audit findings were reported to the Audit Committee in February 2024 and May 2024 respectively.

The internal audit engagement by KPMG Management & Risk Consulting Sdn. Bhd. ("KPMG MRC") is headed by an Executive Director, namely, En. Mohd Khaidzir Shahari, who is a professional member of ACMA, MIA, CGMA and CIA. He currently leads the Risk Consulting Practice in KPMG in Malaysia. He has accumulated more than 25 years of experience with extensive audit, accounting, quality assessment review, risk management engagements and consulting experience. He provides overall direction of the internal audit engagement and is responsible for all stages of the audit work and maintains contact with the management to ensure open communication is practised and all internal audit work is carried out effectively and on a timely manner.

All the personnel deployed by KPMG MRC are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.



RISK MANAGEMENT AND INTERNAL CONTROL STATEMENT (Cont'd)

INTERNAL AUDIT FUNCTION (Cont'd)

There was a total of 5 personnel who were deployed by KPMG MRC for the internal audit work during the financial year ended 31 March 2024. All the personnel possess tertiary qualifications and the level of expertise and professionalism is as follows:

Expertise category	Percentage of total auditors
Bachelor's degree	60%
Professional	40%

The internal audit work was carried out in accordance with a framework set by a recognised professional body i.e. International Professional Practices Framework for Internal Auditing issued by Institute of Internal Auditors, of which final communication of internal audit plan, processes and results of the internal audit assessment are supported by sufficient, reliable and relevant information which signifies a satisfactory conclusion of the internal audit work.

During the financial year ended 31 March 2024, the total fee paid to KPMG MRC is RM85,000 (2023: RM50,000) excluding service tax and out of pocket expenses.

The internal audit function adopted the risk-based methodology in its review of key processes of the identified operating units in the Group and provided independent and objective reports on the state of internal control of the selected operating units within the Group direct to the Audit Committee. An internal audit plan setting out the proposed scope, extent and timing of internal audit work was developed and submitted to the Audit Committee for consideration and approval prior to commencement of the internal audit work.

The Internal Audit function also monitors and reports on the status of Management follow-up on the implementation of the Management action plans to improve areas where control deficiencies were noted during internal audit.

The Directors are aware of the fact that an independent audit function is essential to assist in obtaining reasonable assurance with regard to the adequacy, integrity and effectiveness of the internal control systems in place to manage the selected processes.

The Audit Committee reviews the adequacy of the scope, function, resources and competency of the internal auditors and assess their effectiveness in discharging their responsibilities. The Audit Committee and Management will continue to work closely with the outsourced internal audit function to review the internal control issues to ensure that significant issues are brought to the attention of the Board.

COMMENTARY ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

The Board has received assurance from the Chief Executive Officer and Group Financial Controller that the Group's risk management and internal control system has been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement. Based on this assurance, the input from external and internal auditors, as well as the Board's review, the Board is of the view that the risk management and internal control system is adequate to meet the needs of the Group in addressing financial, operational and compliance risks and have not resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report. Notwithstanding this, the Board and Senior Management remain committed to strengthening the Group's control environment and processes. On-going measures and appropriate action plans will be put in place to enhance the Group's system of internal control as and when necessary.

Pursuant to Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the financial year ended 31 March 2024 and reported to the Board that nothing has come to their attention which caused them to believe that the Statement intended to be included in the Annual Report of the Company was not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of the Assurance Practice Guide 3, nor was it factually inaccurate. The review of this Statement by external auditors was performed in accordance with the scope set out in Audit and Assurance Practice Guide 3, "Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report", issued by the Malaysia Institute of Accountants.

This statement was made at the Board of Directors' Meeting held on 28 June 2024.

SUSTAINABILITY STATEMENT

1.1 ABOUT THE SUSTAINABILITY STATEMENT

With a remarkable presence of 35 years in the motion sensor and sensor lighting industry, we have further enhanced our sustainability reporting journey with the release of a more in-depth Sustainability Statement (the “Statement”) focusing on our overall sustainability performance in the business and operations. We hope to build on the culture of sustainability that is already embedded within the daily business operations of our employees and strengthen the existing governance structure to ensure continuous compliance of relevant regulations. This Sustainability Statement reflects our commitment in ensuring business sustainability as a responsible corporate citizen.

In FY23/24, we continue to focus our efforts in meeting the relevant environmental, social, and governance (ESG) standards, building on the sustainability platform established in the previous years. Our approach to sustainability is defined across three dimensions: Better Society, Better Environment, and Better Business. Our performance in key areas highlighted in this report is driven by a growing momentum to ensure a more sustainable future.

This Statement discloses our progress on our sustainability initiatives, performance and achievements for the financial year ended 31 March 2024 (FY23/24). In this reporting year, IQ-group continues to maintain our sustainability initiatives covering the performance of IQ Group Holdings Berhad and IQ Group Sdn. Bhd., collectively referred to as the “IQ-group” or the “Group” while the Group intends to establish a structured sustainability reporting by expanding its scope to other operations outside Malaysia in near future.

The structure Statement and reporting approach are guided by Practice Note 9 of the Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements together with the Sustainability Reporting Guidelines and Toolkits issued by Bursa Malaysia. Where applicable, comparable data from previous years has been included.

1.2 OUR SUSTAINABILITY ESG STRATEGY APPROACH

For 35 years, we have proudly established ourselves as a global leader in the design and manufacture of motion sensors, motion sensor-controlled lighting, security and convenience products. Throughout this time, our product offerings have made significant contributions to the progress and quality of life for our valued customers. Following the ban on conventional halogen lamps in Europe¹, there has been a surge in demand for LED lighting, which serve as a safer and more cost-effective alternative to traditional lighting. This transition away from conventional lighting not only presents a favorable opportunity for our business but also holds the potential to reduce global carbon dioxide emissions by an estimated 800 million metric tons annually².

As we navigate the evolving landscape of our operating environment, we recognize that our past success has been the result of both our financial and non-financial performance. Looking ahead, our focus is on embedding sustainability further into our business practices, taking into greater consideration the economic, environmental and social (EES) factors that impact our daily operations. To align ourselves with the United Nations Sustainable Development Goals (SDGs), we are committed to integrating sustainable practices into our core business strategies.

To enhance our ESG strategy and create value for stakeholders, IQ-group management has developed a value creation model with the primary focus for FY23/24 is to prioritize alignment of key stakeholder, ensuring that clients receive the products and services they rely on through our ESG value creation model, which forms the foundation of our sustainability approach.

Recognizing the importance of sustainability in today’s business landscape, we understand that our actions have an impact on various stakeholders and the environment. Therefore, we aim to continue addressing sustainability matters and integrate sustainable practices throughout our operations.

The ESG value creation model demonstrates our understanding that value is not generated solely within our organization. Instead, it acknowledges the interconnectedness of various stakeholders and emphasizes the need for collaboration and shared value creation. Our approach to sustainability encompasses the interests of our customers, employees, suppliers, shareholders, communities and the environment.

By adhering to our value creation model and sustaining our focus on sustainability matters, we aim to drive positive change and create long-term value for all our stakeholders. We understand that our success is closely tied to the well-being of the communities and environment in which we operate. Therefore, we remain committed to continuously improving our sustainability performance and striving for a more sustainable future.

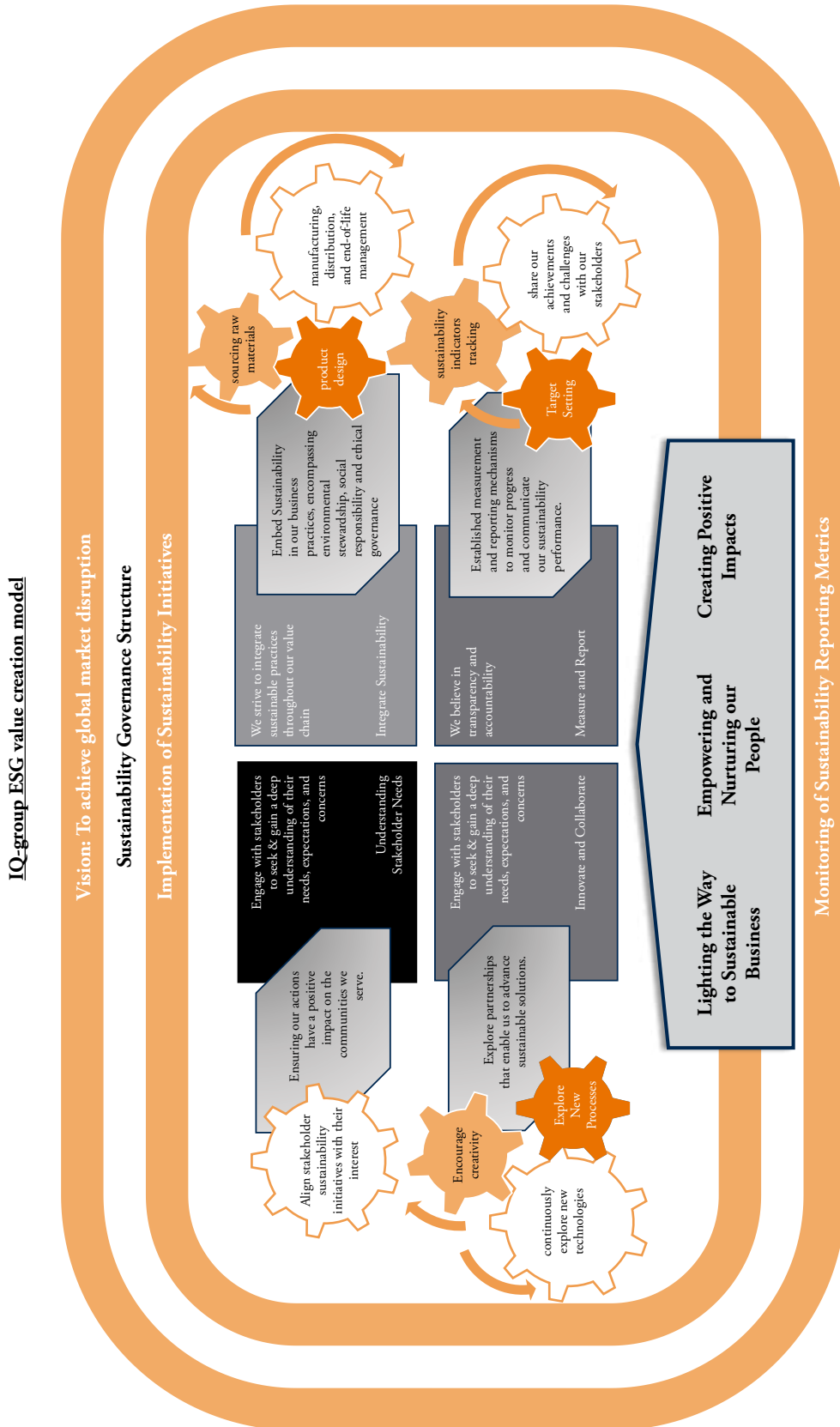
¹ Nelsen, 23 Aug 2018. Europe to ban halogen light bulbs. The Guardian. <https://www.theguardian.com>.

² Department of Energy, 7 December 2015. Rise and Shine: Lighting the World with 10 Billion LED Bulbs. <https://www.energy.gov/>



SUSTAINABILITY STATEMENT (Cont'd)

1.2 OUR SUSTAINABILITY ESG STRATEGY APPROACH (Cont'd)



SUSTAINABILITY STATEMENT (Cont'd)

1.3 REPORTING SCOPE AND BOUNDARIES

This statement presents an overview of our sustainability endeavors, accomplishments and performance during the financial year concluding on March 31, 2024 (FY23/24). For this reporting period, our focus is solely on the activities of IQ Group Holdings Berhad and IQ Group Sdn. Bhd., collectively known as the “IQ-group” or the “Group.” It is important to note that the Group aims to establish a well-structured sustainability reporting framework before extending its coverage to include other international operations beyond Malaysia.

In accordance with the Bursa Sustainability Reporting Common Indicators and Sector-Specific reporting mandates, our FY23/24 sustainability statement and reporting approach adhered to the principles outlined in Practice Note 9 of Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements. Additionally, we followed the Sustainability Reporting Guidelines and Toolkits issued by Bursa Malaysia.

1.4 OUR OVERALL PERFORMANCE FOR FY23/24

Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	88.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	77
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	0.00
Management Between 30-50	Percentage	12.00
Management Above 50	Percentage	88.00
Executive Under 30	Percentage	12.00
Executive Between 30-50	Percentage	55.00
Executive Above 50	Percentage	33.00
Non-executive/Technical Staff Under 30	Percentage	3.00
Non-executive/Technical Staff Between 30-50	Percentage	63.00
Non-executive/Technical Staff Above 50	Percentage	34.00
General Workers Under 30	Percentage	17.00
General Workers Between 30-50	Percentage	38.00
General Workers Above 50	Percentage	45.00
Gender Group by Employee Category		
Management Male	Percentage	52.90
Management Female	Percentage	47.10
Executive Male	Percentage	53.10
Executive Female	Percentage	46.90
Non-executive/Technical Staff Male	Percentage	50.00
Non-executive/Technical Staff Female	Percentage	50.00
General Workers Male	Percentage	12.50
General Workers Female	Percentage	87.50
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67.00
Female	Percentage	33.00
Under 30	Percentage	0.00
Between 30-50	Percentage	11.00
Above 50	Percentage	89.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	698.08
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate (“LTIR”)	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	120
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	436
Executive	Hours	902
Non-executive/Technical Staff	Hours	632
General Workers	Hours	1,030
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	9.83
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	0
Executive	Number	5
Non-executive/Technical Staff	Number	2
General Workers	Number	19
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

SUSTAINABILITY STATEMENT (Cont'd)

1.4 OUR OVERALL PERFORMANCE FOR FY23/24 (Cont'd)

Indicator	Measurement Unit	2023
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	17.54
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	6.400000

Theme 1 :- LIGHTING THE WAY TO SUSTAINABLE BUSINESS

“As a global leader in the design and manufacturing operation of lighting, security and convenience products, we strive to create long-term value for our stakeholders by operating our business ethically and professionally, whilst continuously improving our business through innovation and process efficiency to deliver innovative and high-quality products.”

Our Sustainability Matters	Targets	Our Performances
Customer health & safety/Product responsibility	Zero Incidents / Case	<ul style="list-style-type: none"> - Zero recall cases for health and safety related concerns - No incident of non-compliance with regulations or voluntary codes related to the health and safety.
Data Privacy and security	Zero data breaches or losses	Since FY18/19, we recorded zero cases of data breaches or losses
Supply Chain Management	Proportion on Local Suppliers in FY25/26 - 18 %	Proportion on local supplier increased from 14.9% to 17.54% compared to FY22/23
Anti-corruption	<ul style="list-style-type: none"> a) Anti-corruption Training Completion Rate - 95% b) Percentage of operations assess for corruption risk - 100% c) Zero corruption incidents 	<ul style="list-style-type: none"> a) 97% employees trained on Bursa anti-corruption b) 100% of operations assessed for corruption-related risks c) Zero reported incidents of corruption.

Theme 2 :- EMPOWERING AND NURTURING OUR PEOPLE

“To be an employer of choice, we are committed to providing and maintaining a safe and healthy workplace and enhancing our employees’ skills and competencies through provision of conducive learning environment and platform.”

Our Sustainability Matters	Targets	Our Performances
Diversity	<ul style="list-style-type: none"> a) Male 45% / Female 55% b) Age Diversity <ul style="list-style-type: none"> i. Management under 30 – 0% ii. Management between 30 – 50 -20% iii. Management above 50 – 80% iv. Executive under 30 – 20% v. Executive between 30 – 50 – 50% vi. Executive above 50 – 30% vii. Non Executive under 30 – 10% viii. Non Executive between 30 – 50 – 60% ix. Non Executive above 50 – 30% x. General Worker under 30 – 20% xi. General Worker between 30 – 50 – 40% xii. General Worker above 50 – 40% c) Directors – Gender Diversity - Male 70% / Female 30% 	<ul style="list-style-type: none"> a) Gender Diversity by Employee Category Average Male 44 % / Female 56% b) Age Diversity by Employee Category <ul style="list-style-type: none"> i. Management under 30 – 0% ii. Management between 30 – 50 -12% iii. Management above 50 – 88% iv. Executive under 30 – 12% v. Executive between 30 – 50 – 55% vi. Executive above 50 – 33% vii. Non Executive under 30 – 3% viii. Non Executive between 30 – 50 – 63% ix. Non Executive above 50 – 34% x. General Worker under 30 – 17% xi. General Worker between 30 – 50 – 38% xii. General Worker above 50 – 45% c) Directors – Gender Diversity – Male 67% / Female 33%

SUSTAINABILITY STATEMENT (Cont'd)

1.4 OUR OVERALL PERFORMANCE FOR FY23/24 (Cont'd)

Theme 2 :- EMPOWERING AND NURTURING OUR PEOPLE (Cont'd)

Our Sustainability Matters	Targets	Our Performances
Health and Safety	a) Zero work-related fatalities b) Zero LTIR c) 120	a) Zero work-related fatalities b) Zero lost time incident rate (LTIR). c) Total 120 employees trained on health and safety standards
Labour practices and standards	a) 3000 hours b) 15% employees that are contractors or temporary staff c) 9 employee turnover	a) Total 3000 hours of training by employee category b) 9.8% employees that are contractors or temporary staff c) Total 26 employee turnover
Community / Society	a) RM 3000 b) 50 beneficiaries	a) Total amount invested in the community RM2000 b) 77 beneficiaries of the investment in communities

Theme 3 :- CREATING POSITIVE IMPACTS

“As a socially responsible corporate citizen, we acknowledge our responsibility to minimize the environmental impacts arising from our business operations and the care of the community around us.”

Our Sustainability Matters	Targets	Our Performances
Energy Management	5% kWh reduction	3% kWh reduction in purchased electricity
Waste Management	4 Metric Tonnes	37 Metric Tonnes with 35.9 metric tonnes diverted from disposal
Water	10% Megalitres	40% Megaliters reduction from repairing of water pipe leakage, water valve set to 50% and replacement of manual tap with auto dispenser
Emissions Management	Scope 2 emissions – purchased electricity	11 metric tonnes of CO ₂ s reduction equivalent to 182 trees seedlings grown for 10 years or 3.8 tonnes of waste recycled instead of landfilled
Materials	20% from total weight	Achieved 49.93% reduction or 32,819 Kg total weight of carton boxes materials that are used to produce and package products equivalent to 50,213 kg CO ₂ e equivalent to 830 trees seedlings grown for 10 years or 17.4 tonnes of waste recycled instead of landfilled

Note : The cradle to grave carbon footprint of flat cardboard is 1.53 kg CO₂e / kg.

<https://consumerecology.com/carbon-footprint-of-a-cardboard-box/>

<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>



SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE

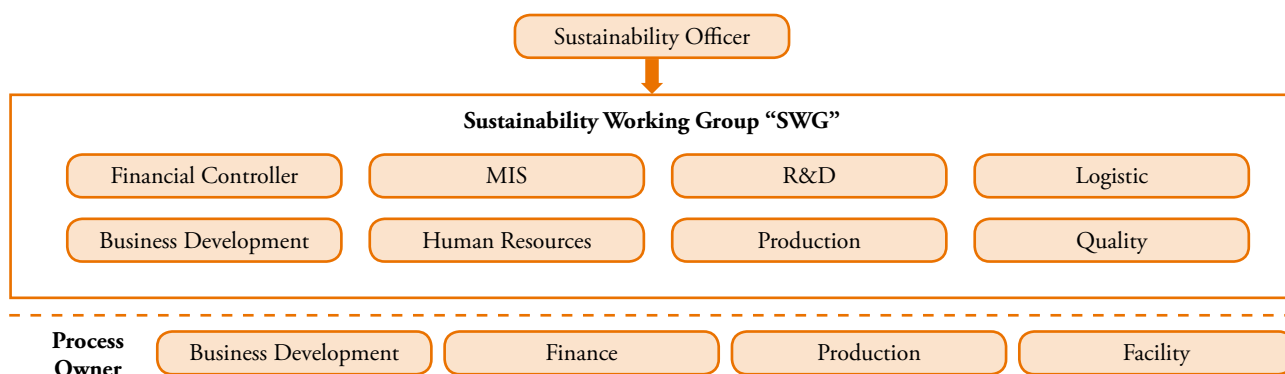
2.1 Governance Structure

In our ongoing commitment to enhance our sustainability efforts, we have undertaken a series of initiatives aimed at gradually integrating more sustainable practices into our daily business operations. Our Sustainability Working Group (SWG) is entrusted with the task of overseeing and managing sustainability-related matters across our organization.

In light of the fundamental importance of good governance in establishing a robust framework for sustainable practices, IQ Group Holdings Berhad has proactively taken steps to enhance its sustainability efforts. In 2019, the company established the Sustainability Working Group (SWG) committee, led by the Sustainability Officer. Recognizing the evolving landscape, IQ Group Holdings Berhad further refined the roles and responsibilities of the committee in 2023 to align with Bursa Sustainability Reporting for Common Indicators and Sector-Specific reporting requirements. This strategic alignment enables the committee to effectively identify and provide guidance on key Environmental, Social and Governance (ESG) elements specifically tailored for IQ-group Malaysia.

The SWG committee assumes a pivotal role in upholding accountability for the company’s actions in relation to its sustainability plan. By utilizing an evidence-based approach, the committee actively contributes to the development of measurable goals that drive continued progress. This holistic approach ensures that IQ Group Holdings Berhad remains committed to its sustainability agenda, fostering a resilient foundation for long-term success.

As illustrated in the Governance Structure below, the Board of Directors holds ultimate accountability for crafting sustainability strategies. This process considers environmental, social and governance (ESG) factors stemming from our business activities and strategic choices. The Board also assumes responsibility for reviewing and overseeing the implementation of our comprehensive strategic plan. This oversight is supported by the Chief Executive Officer (CEO) / Managing Director (MD), who actively oversees the execution of sustainability strategies and monitors our sustainability performance. Furthermore, the CEO/MD serves as a crucial bridge between the Board and the SWG, providing regular updates on progress and presenting sustainability-related disclosures for Board approval.



Our Sustainability Officer leads a team of SWG, represented by department heads from various functions across the IQ-group key operating entities in Malaysia. These functions encompass Research & Development (R&D), Production, Logistics, Business Development, Quality Assurance, Human Resources, Management Information Systems (MIS) and Finance. Collectively, they are tasked with implementing and monitoring sustainability initiatives within our day-to-day operations. Additionally, they play a pivotal role in driving our sustainability reporting process in accordance with the guidelines set forth by Bursa Malaysia.

2.2 SUSTAINABILITY CORPORATE POLICIES AND CODE OF CONDUCT

The Board acknowledges that a company will be judged not solely on its financial performance, but increasing on its wider impact and role within society.

As such, the Company is committed to promoting sustainability and continually integrates it into our working environment and business processes.

We are committed to accountability and transparency in our sustainability performance, which is based upon the following principles:

- To observe and comply with all relevant legislation, regulations and code of practice;
- To consider sustainability issues and integrate these considerations into our business decisions;
- To promote and ensure all employees are aware of and are committed to, implement and measure sustainability activities as part of the Group’s strategy, taking into consideration environment, social and governance aspects; and
- To strive to improve our sustainability performance.

SUSTAINABILITY STATEMENT (Cont'd)




GOVERNANCE (Cont'd)

2.2 SUSTAINABILITY CORPORATE POLICIES AND CODE OF CONDUCT (Cont'd)

Regulatory Compliance

IQ-group endure the recognition of ethics and compliance are crucial in conducting and sustaining business and are committed in ensuring that our reputation for integrity, professionalism and fairness are maintained. All our employees are expected to uphold the Group's standards of integrity, accountability and conduct themselves with rectitude.

As illustrated in the diagram below, we have put in place internal policies and procedures to ensure all our business activities and relationships with all stakeholders reflect this standard. Further information and documents on our policies can be found on our corporate website at <http://iq-group.com/corporate-governance/>

 <p>Code of Business Conduct and Ethics (the “Code”)</p> <p>The Code covers a range of business policies and procedures such as prevention of the power abuse, insider trading, anti-corruption and bribe, equal opportunity and non-discrimination. All employees at all levels are expected to uphold these standards in their day-to-day operations. In FY23/24, we maintain with zero cases of ethical breaches reported.</p>	 <p>Whistle Blowing Policy</p> <p>The objective of the policy is to encourage employees and/or stakeholders to raise concerns in confidence, disclose any malpractice or misconduct; and ensure that the reporter is protected from retaliation and discrimination. It describes in detail the steps to take and procedures of reporting a malpractice misconduct. In FY23/24, there has been no whistleblowing cases being reported.</p>
 <p>Sustainability Policy</p> <p>With the increasing concern on sustainability, IQ-group has formulated a sustainability policy with the approval by the Board which guides our action in promoting sustainability in our business practices and business culture. Our policy includes our position on environmental, social (including health and safety) and governance aspects and ensures we comply with all the relevant regulations, integrate sustainability into our business and develop the appreciation of sustainability in our employees. Through this policy, we are able to improve our sustainability performance.</p>	

IQ-group operates in a highly innovative and competitive industry. As such, we hold classified information of our customers, product details and requirements. As stipulated in our Code of Business Conduct and Ethics, all employees are required to sign a non-disclosure agreement to ensure confidentiality at all levels and to safeguard our stakeholders.

Our internal policies and procedures are in place to ensure regulatory compliance through internal audit and on-going awareness training on relevant new regulations and standards. We also keep ourselves abreast with relevant regulatory developments by seeking external advice and attending trainings.

Our well-governed organization with ethical and effective leadership has allowed us to foster a transparent and open culture, minimize IQ-group compliance risks and potential financial loss. It is noteworthy that there have been no cases of non-compliance or breaches in laws and regulations in the past eight years. We are committed to maintaining our high standards towards regulatory compliance.



SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE (Cont'd)

2.3 STAKEHOLDER ENGAGEMENT AND DIALOGUE

Stakeholder engagement is a crucial aspect of our organization's commitment to environmental, social and governance (ESG) practices. We recognize that our stakeholders play a vital role in shaping our operations and decision-making processes. By actively involving them in our engagement efforts, we gain valuable insights, understand their perspectives and address their expectations effectively. We strive to create a culture of open communication and collaboration, fostering trust and long-term relationships with our stakeholders.

To ensure comprehensive stakeholder engagement, we have implemented a diverse range of channels through which we interact with both internal and external stakeholders. These channels serve as platforms for meaningful discussions, enabling us to gather feedback, exchange ideas and align our strategies with stakeholder interests. By facilitating open dialogue, we aim to foster transparency, inclusivity and shared value creation.

Our stakeholders encompass a wide spectrum of individuals and groups, each with unique concerns, interests and influence levels. We appreciate this diversity and tailor our engagement approaches accordingly. The following table provides an overview of our key stakeholders, their concerns, the platforms we employ to engage with them and how we actively respond to their specific concerns:

Stakeholder	Key Concerns	Engagement Platforms	Our Response
Director	<ul style="list-style-type: none"> Regulatory compliance Corporate governance Financial performance Business strategy 	<ul style="list-style-type: none"> Board and Board Committee meetings On-going interactions Company-related events 	Refer to: <ul style="list-style-type: none"> Regulatory Compliance
Senior Management Team	<ul style="list-style-type: none"> Regulatory compliance Financial performance Technology and innovation Human capital management Data security Product and service quality 	<ul style="list-style-type: none"> Management meetings On-going interactions Company-related events 	Refer to: <ul style="list-style-type: none"> Regulatory Compliance Sustainable Manufacturing Data Security & Protection Employee Learning & Development
Employees	<ul style="list-style-type: none"> Fair treatment Career development Work-life balance Learning & development Occupational safety and health Employee health and wellbeing 	<ul style="list-style-type: none"> Regular town halls and meetings Surveys, suggestion boxes Employee resource groups Employee Handbook Daily communication via Intranet and emails Meetings & trainings Career development program 	<ul style="list-style-type: none"> Ensure fair and inclusive work environments, promote diversity and inclusion initiatives Provide growth opportunities, prioritize employee well-being and work-life balance Provide flexible working hours & Hybrid working environment Refer to: <ul style="list-style-type: none"> Employee Learning & Development Occupational Safety & Health
Customers	<ul style="list-style-type: none"> Product quality Customer support Product quality Technical support services Manufacturing capacity and on-time delivery Data security Competitive pricing Customer service 	<ul style="list-style-type: none"> Customer surveys, feedback forms Online forums, social media On-going interactions On-site visit Corporate website Events and activities (trainings, trade shows, exhibitions, etc.) 	<ul style="list-style-type: none"> Continuously improve product quality, seek customer input for product development Enhance customer support channels, address concerns promptly and transparently Refer to: <ul style="list-style-type: none"> Sustainable Manufacturing Customer Satisfaction Data Security & Protection

SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE (Cont'd)

2.3 STAKEHOLDER ENGAGEMENT AND DIALOGUE (Cont'd)

Stakeholder	Key Concerns	Engagement Platforms	Our Response
Suppliers	<ul style="list-style-type: none"> Ethical sourcing Responsible practices Regulatory compliance Agreeable contracts Terms of payment 	<ul style="list-style-type: none"> Supplier forums, partnership programs Supplier surveys Daily interactions On-site visit Meetings & trainings 	<ul style="list-style-type: none"> Establish responsible sourcing practices, foster long-term partnerships based on shared values Evaluate and address supplier sustainability performance Refer to: <ul style="list-style-type: none"> Regulatory Compliance Supply Chain Management
Communities	<ul style="list-style-type: none"> Environmental impact Local engagement Social contributions Corporate governance Community involvement Environmental management 	<ul style="list-style-type: none"> Public meetings, community Collaborations with community organizations Community-related events Corporate website 	<ul style="list-style-type: none"> Minimize our environmental footprint Support local initiatives Engage in sustainable Community development projects, and transparently address community concerns Refer to: <ul style="list-style-type: none"> Regulatory Compliance Community Development Energy & Waste Management
Shareholders	<ul style="list-style-type: none"> Financial performance Governance practices Transparency 	<ul style="list-style-type: none"> Annual General meetings Quarterly financial report and Annual Report Investor presentations 	<ul style="list-style-type: none"> Deliver consistent financial performance, provide transparent financial reporting Maintain strong corporate governance practices, engage in shareholder dialogue
Investors	<ul style="list-style-type: none"> Regulatory compliance Financial performance Business strategy 	<ul style="list-style-type: none"> Annual General meetings Quarterly financial reports and Annual Report Corporate website 	Refer to: <ul style="list-style-type: none"> Regulatory Compliance
Regulatory bodies	<ul style="list-style-type: none"> Compliance with regulations, industry standards 	<ul style="list-style-type: none"> Regulatory consultations, industry conferences, regulatory submissions 	<ul style="list-style-type: none"> Adhere to relevant laws and regulations, actively participate in regulatory discussions Proactively contribute to shaping responsible regulations
Government/ Local authorities	<ul style="list-style-type: none"> Regulatory compliance Corporate governance Occupational safety and health Environmental management 	<ul style="list-style-type: none"> On-going interactions via email and calls On-site visit Online portal Company-related events 	Refer to: <ul style="list-style-type: none"> Regulatory Compliance Occupational Safety and Health Energy & Waste Management

In line with our commitment to ESG, we continuously strive to improve our stakeholder engagement practices. We regularly review and update our engagement channels, incorporating new technologies and platforms to ensure accessibility and inclusivity. By actively listening to our stakeholders, we enhance our decision-making processes, adapt to evolving expectations and contribute positively to our stakeholders and the broader society.

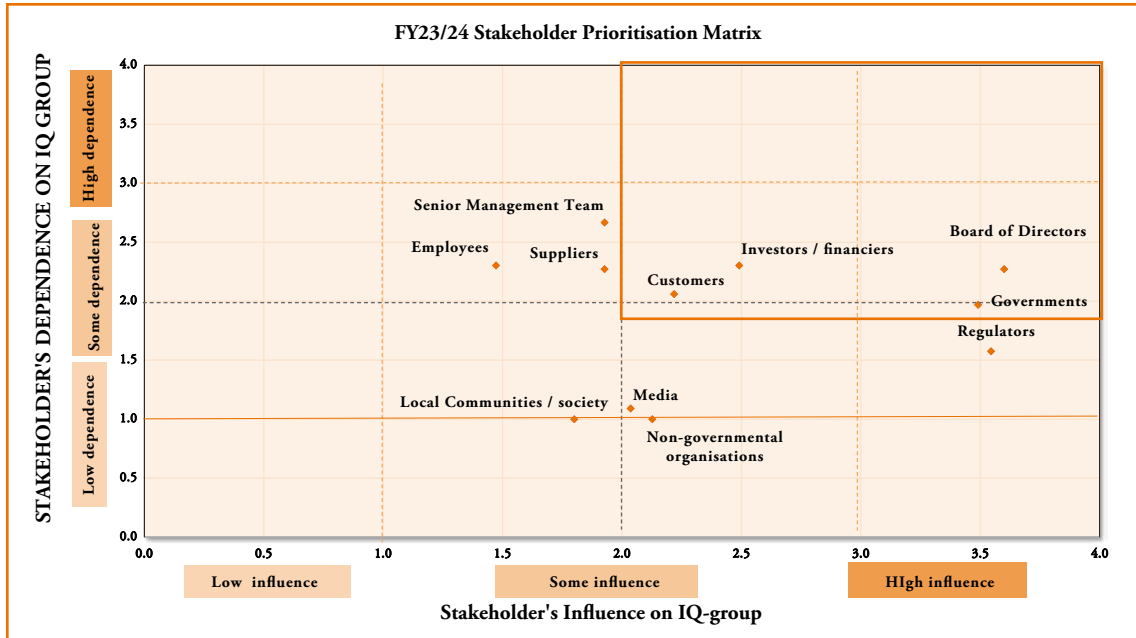
During this reporting year, as part of our efforts to enhance our sustainability management, we have undertaken a structured exercise to prioritize our stakeholder groups. The Stakeholder Prioritization Exercise was conducted by assessing the level of influence and dependence of each stakeholder group on IQ-group. As illustrated in the diagram below, Customers, Investors / financiers, Board of Directors and Governments were perceived as key stakeholder groups with a high level of influence and dependence on IQ-group.



SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE (Cont'd)

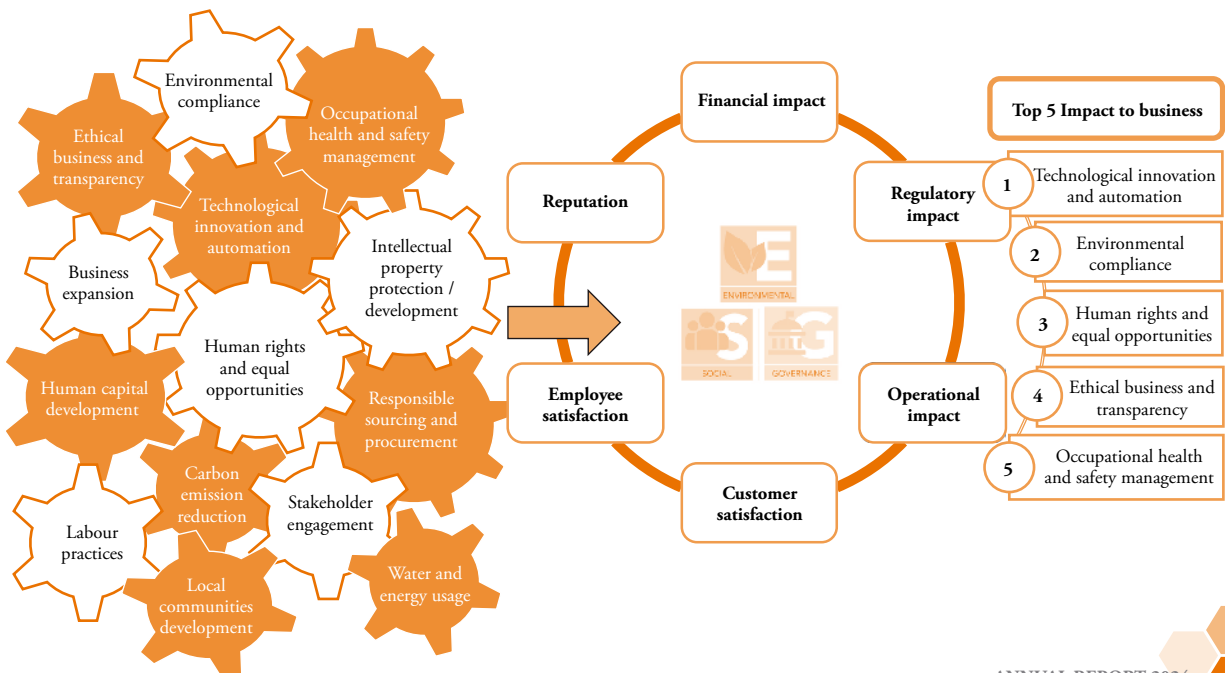
2.3 STAKEHOLDER ENGAGEMENT AND DIALOGUE (Cont'd)



2.4 RISK MANAGEMENT AND COMPLIANCE

In the context of the IQ-group, we acknowledge the significance of disclosure and transparency. We believe that reporting goes beyond mere financial gains and is rooted in the fundamental philosophy of how we conduct our business. Consequently, IQ-group has embraced a comprehensive approach by aligning its business practices with the Sustainable Development Goals (SDGs) through integration of Environmental, Social and Governance (ESG) framework. This integration enables us to effectively manage and mitigate risks while showcasing a strong commitment to transparency and accountability to all our stakeholders. By adhering to these principles, we aim to foster a positive impact and actively contribute to a sustainable future.

Diagram below indicate IQ-group top 5 risk assessment category



SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE (Cont'd)

2.5 ESG STRATEGY

The measurement framework of Environmental, Social and Governance (ESG) has emerged as an instrument for conveying company's sustainability strategies and vision, with the aim of generating lasting value for its stakeholders. At IQ-group, we firmly uphold this commitment by actively sharing and reporting our comprehensive sustainability strategy, framework and initiatives. Through transparent communication, our stakeholders are able to gain insights into how we address critical environmental, social and governance concerns.

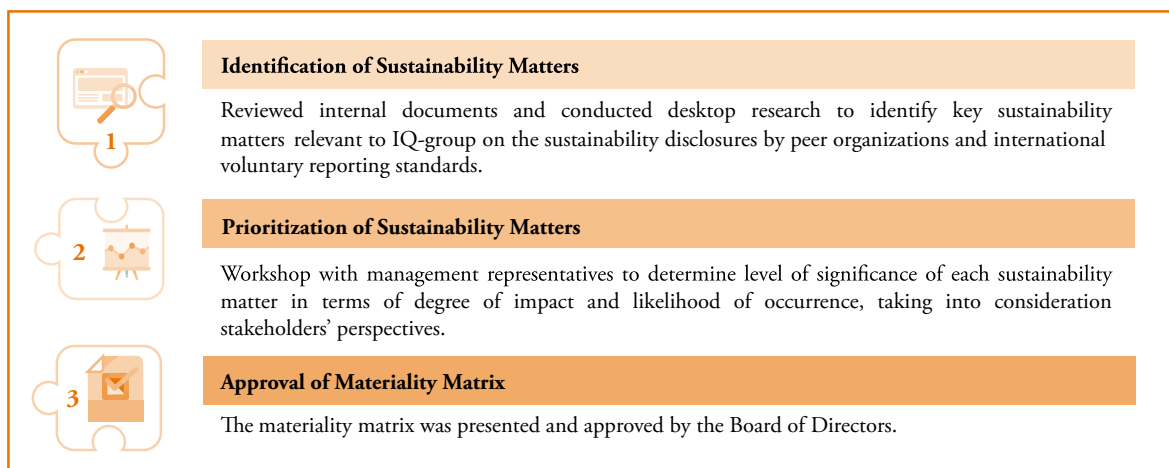
By embracing ESG measurements, we recognize the significance of integrating sustainable practices into our core business operations. It guides our decision-making processes, ensures that we prioritize environmental responsibility, social equity and sound governance principles. Through the disclosure of our sustainability strategy, we aim to foster trust and strengthen our relationships with all stakeholders, including investors, customers, employees, communities and regulatory bodies.

Furthermore, our dedication to share and report our sustainability initiatives extends beyond mere compliance. We view it as an opportunity to engage in a meaningful dialogue with our stakeholders, encouraging active participation and collaboration. By transparently communicating our progress, challenges and future plans, we invite valuable feedback and constructive suggestions that can help shape and refine our sustainability journey.

At IQ-group, we believe that sustainability is not just an ethical imperative but also a business imperative. By aligning our strategies with ESG principles and openly sharing our efforts, we aim to create positive societal impact while generating long-term value for all stakeholders. Our commitment to sustainability extends far beyond mere rhetoric; it permeates every aspect of our operations, driving us to continuously improve and innovate in our pursuit of a more sustainable and inclusive future.

2.6 MATERIALITY ASSESSMENT

As recommended by the Bursa Malaysia Sustainability Reporting Guidelines and Toolkits, we conducted a structured materiality assessment process to understand what is important for both our business and our stakeholders and to understand how to harmonize our business needs and stakeholder interests through a three-step approach in the diagram below.

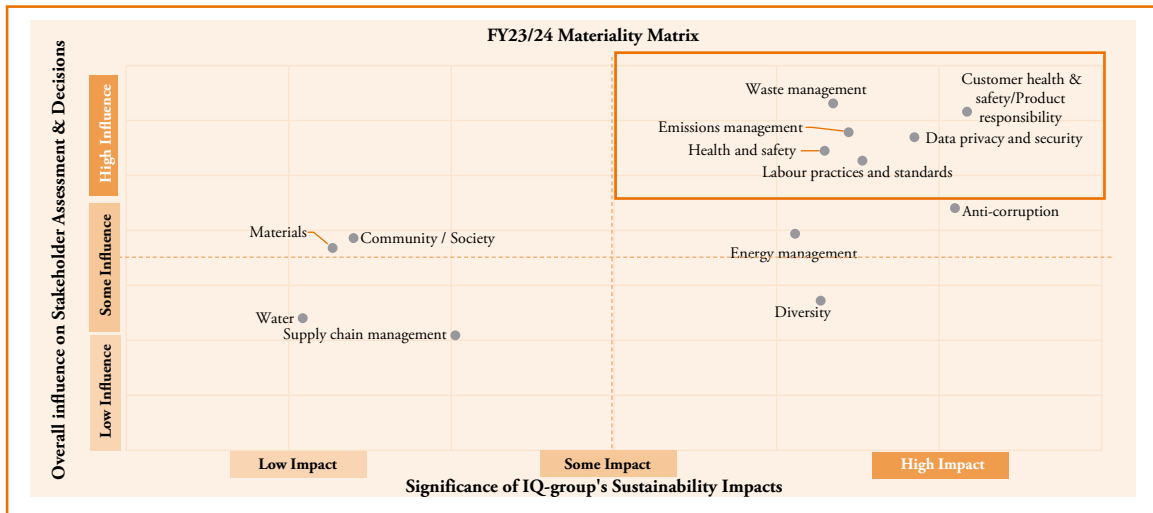


For FY23/24, our indirect stakeholder engagement approach is through review of inputs obtained from the management representatives who engaged and obtained stakeholders' perspectives via various engagement channels such as past customer survey, on-going interactions, discussion, meetings, etc. The results of materiality assessment, which is the Materiality Matrix, is illustrated in the diagram below.

SUSTAINABILITY STATEMENT (Cont'd)

GOVERNANCE (Cont'd)

2.6 MATERIALITY ASSESSMENT (Cont'd)



Customer health & safety/Product responsibility, Data privacy and security, Waste management, Emissions management, Health & safety and Labour practice and standards have been identified as the top 6 material matters which are of high importance to our business and stakeholders. Table below shows the classification of all identified matters into themes and their contribution towards the advancement of SDGs. Our sustainability matters are categorized into three themes which are “Lighting the Way to Sustainable Business”, “Empowering and Nurturing our People” and “Creating Positive Impacts”.

The management has discussed and outlined these sustainability matters to manage and monitor IQ-group performance in the following sections of our Statement.

Themes	Mapping against EES aspects	Our Sustainability Matters	Contribution towards United Nation's SDGs
LIGHTING THE WAY TO SUSTAINABLE BUSINESS	Social	Customer health & safety/Product responsibility	
	Economic	Data Privacy and security	
		Supply Chain Management	
		Anti-corruption	
EMPOWERING AND NURTURING OUR PEOPLE	Social	Diversity	
		Health and Safety	
		Labour practices and standards	
		Community / Society	
CREATING POSITIVE IMPACTS	Environment	Energy Management	
		Waste Management	
		Water	
		Emissions Management	
		Materials	

SUSTAINABILITY STATEMENT (Cont'd)

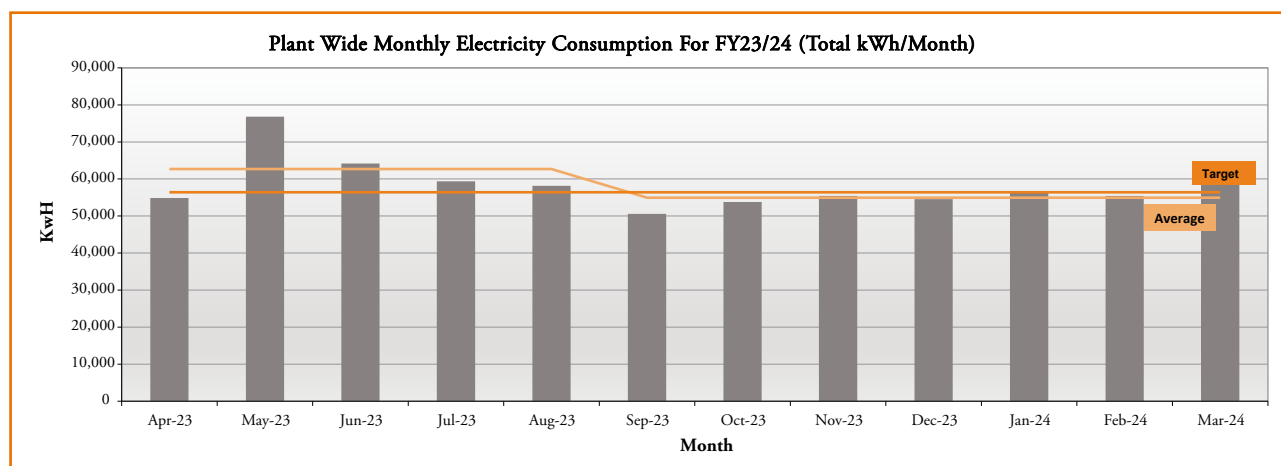
ENVIRONMENTAL PERFORMANCE

3.1 ENERGY MANAGEMENT

Sustainable energy management plays a pivotal role in fostering innovation towards the integration of renewable energy sources and sustainable technologies, essential for ensuring long-term business resilience and sustainability. Through our proactive approach, we have implemented several initiatives aimed at reducing energy consumption which includes collaboration with local solar company to explore practicality of solar energy installation. Additionally, we recognized air conditioning has a significant impact on energy consumption, hence, we have developed a comprehensive service plan outlining phased replacement of aged air conditioning units with energy-efficient alternatives.

Our sustainable energy management strategy prioritizes the use of renewable energy sources for long-term sustainability. Embracing solar energy not only mitigates risks associated with energy price fluctuations, supply chain disruptions and climate-related concerns but also enhance resilience. In order to ensure transparent reporting and effective measurement, we adhere to the GRI Disclosure 302-1 framework, as mandated by Bursa Malaysia.

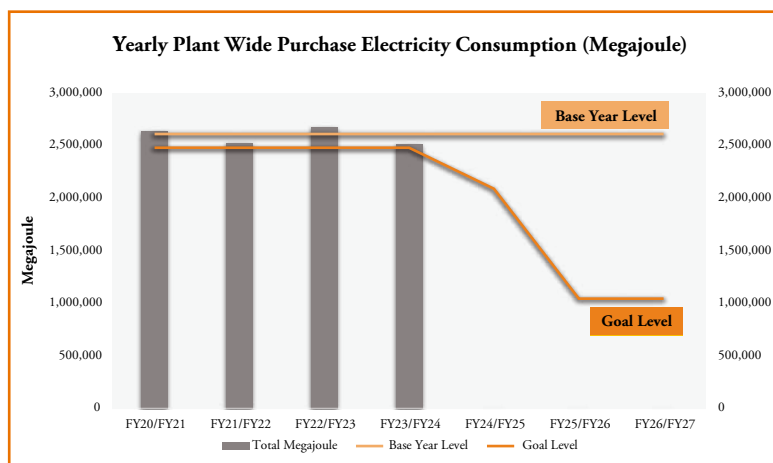
In FY23/24, we have set a short-term goal to achieve a 5% reduction in electricity consumption compared against base level of previous three financial years.



We have achieved 3% reduction in electricity consumption (KWh) with the implementation of various key initiatives, such as turning off lights during lunch breaks, upgrading aged air conditioners to more energy-efficient models and maintaining stable indoor temperatures by keeping doors closed.

We have integrated the management methodology outlined in the GRI 302-1 Disclosure to track energy consumption within our organization.

Our immediate objective is working towards a long-term goal to achieve a 20% reduction in electricity bill in FY24/25. Our efforts to replace the current purchased electricity with renewable energy by FY 24/25 are progressing as planned.



Through focused initiatives of long-term energy management, our strategy aims to reduce 60% of our purchased electricity energy (kWh) by FY25/26, primarily through the implementation of renewable energy alternatives.

In order to enhance our performance evaluation framework, we have allocated a 10% weightage for ESG initiatives in our annual appraisal system since FY22/23.



SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL PERFORMANCE (Cont'd)

3.2 WATER MANAGEMENT

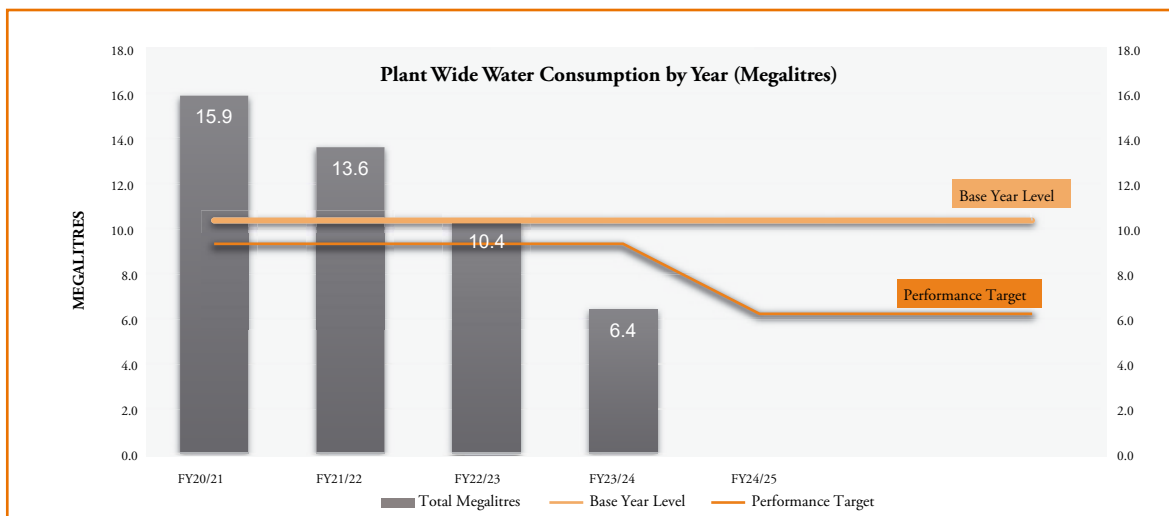
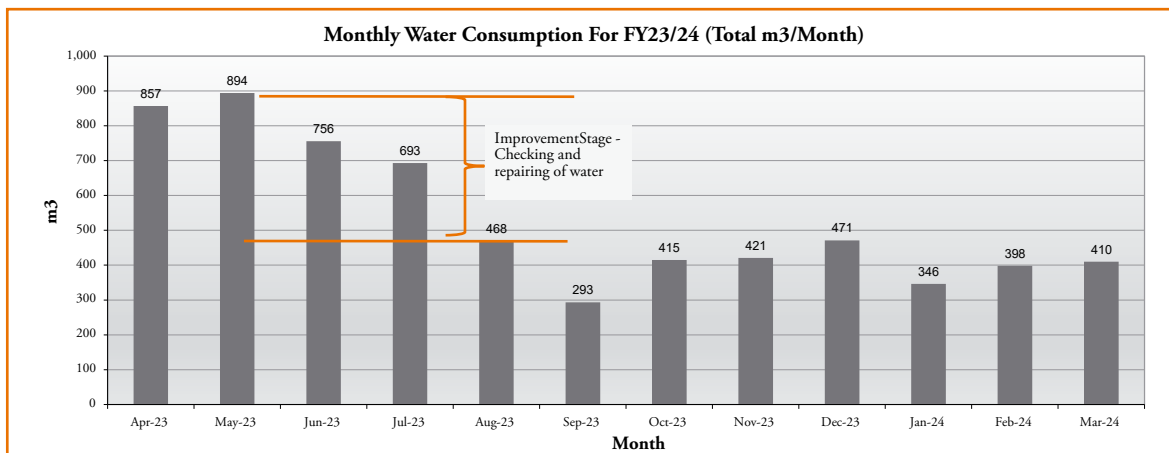
As the global population continues to expand annually, the demand for water has risen significantly, placing substantial strain on our water reservoirs. The situation has been further compounded by the adverse effects of climate change, which have disrupted water access worldwide, leading to more frequent and severe droughts and floods. The escalation in global temperatures emerges as a primary catalyst behind these daunting circumstances, exacerbating water scarcity issues.

The scarcity of water resources has reached a critical juncture, especially during severe droughts induced by climate change, severely curtailing the availability of this essential resource. It has become imperative for us to take action and implement measures to conserve water to sustain our daily activities, support agricultural practices for food production and safeguard natural habitats.

In response to these pressing concerns, we have introduced a Water Saving Tips Policy aimed at educating and raising awareness among our employees about the importance of water conservation. Our other efforts include:

- Replaced all manual water taps with auto shut-off mechanisms
- Installed water valve levers set to 50% capacity
- Conducted awareness programs to educate employees on water usage
- Identified and repaired all leaked pipes

We have revised our performance measurement system to allocate a 10% weightage for ESG initiatives in our annual appraisal system since FY22/23. Our performance data tracking on water management is regularly updated and monitored monthly by the Facility Management.



Data on water consumption are collected directly from utility meter bills from FY20/21 to FY23/24. The information is obtained from monthly utility bills provided by the local water utility company based on actual meter readings.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL PERFORMANCE (Cont'd)

3.2 WATER MANAGEMENT (Cont'd)

As part of our efforts to conserve water, we have identified and repaired numerous external leaked pipes. Our initial target set for reduction in water consumption was 10%, benchmarking FY22/23. However, following the completion of repair on all the leaked pipes, we observed a substantial reduction in water usage. Consequently, we have adjusted our target for FY24/25, aiming to achieve a 40% reduction in water consumption.

3.3 WASTE AND RECYCLING

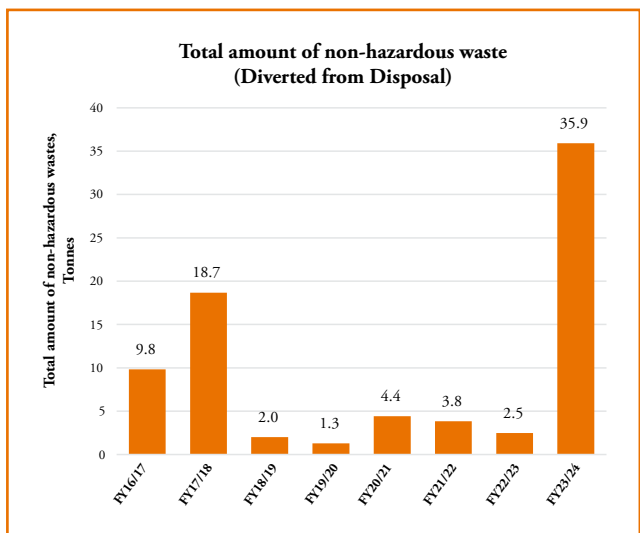
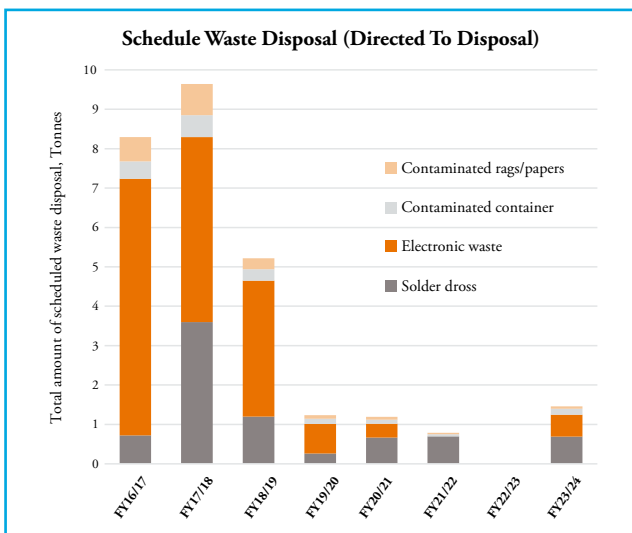
Effective management of waste contributes to mitigating its detrimental environmental effects, encompassing pollution, habitat degradation and resource exhaustion. By partnering with certified waste collection services provider, we can proactively address both risks and opportunities. This collaboration not only fosters diversion of waste towards recycling, thereby promoting the creation of new products from recycled materials, but also guarantees responsible waste disposal practices, thus safeguarding the environment. Integrating sound waste management practices, such as recycling and waste minimization, into risk management strategies plays a pivotal role in conserving valuable natural resources and reducing the demand for virgin raw materials.

It is also the practice of IQ-group to recycle our hazardous and non-hazardous wastes and ensure these are carried out through a proper channel. The recycling initiatives are under the purview of our Scrap Committee which carries out tender and scrapping activities. As we understand the detrimental effects of hazardous waste pollution to the environment, the scheduled waste such as solder dross and electronic waste are sold to a licensed contractor for recycling.

Considering that we used chemicals within our operations, these inputs could be released into the environment via the air, water, or as solid waste if not handled appropriately. Therefore, we have put in place Work Procedure on Waste Handling, Emergency Preparedness and Response and Scheduled Waste/Chemical Handling Work Instruction to ensure waste disposal is performed responsibly.

We have zero tolerance in non-compliance, hence, we always ensure our compliance with DOE requirements on scheduled waste management which includes on-time waste disposal and a limit of 20 tonnes per disposal. We have also put in place a designated area for scheduled waste storage.

Our approach involves examining previous year's data on scheduled waste disposal and analyzing the total waste diverted from disposal such as reuse, recycle, or other recovery operations. Additionally, we conduct evaluation on incoming packaging materials of current products, as well as machine-generated waste.



Data spanning from FY20/21 to FY22/23 reveals an Average Base Year Level of 4 metric tonnes, focusing exclusively on aluminum, plastic and metal within the "Diverted from Disposal" category. Over the past three financial years (FY20/21 to FY22/23), our reporting has remained consistent.

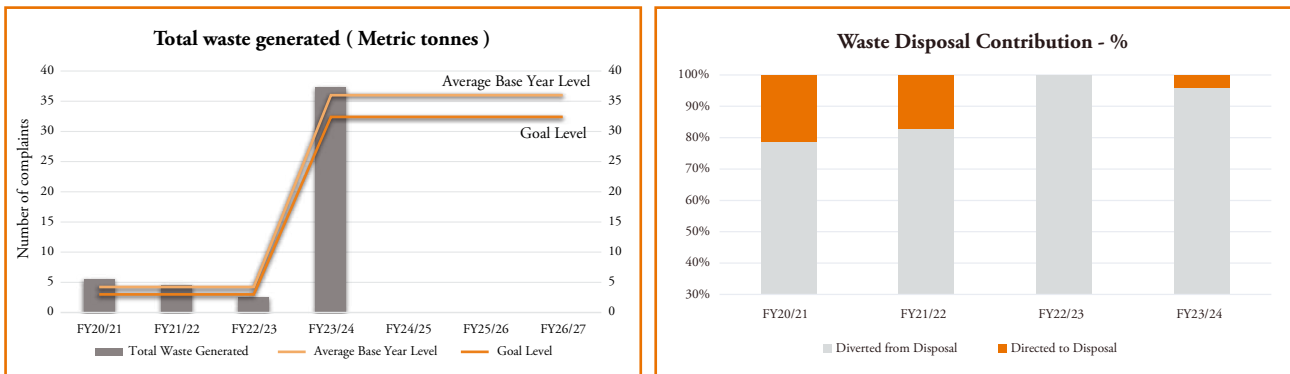
SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL PERFORMANCE (Cont'd)

3.3 WASTE AND RECYCLING (Cont'd)

In FY23/24, however, we expanded the “Diverted from Disposal” category to include Rubber, Glass, Paper/carton box and Production Related Waste. In FY23/24 we managed to divert 35.9 metric tonnes of waste from disposal with major contributions from paper/carton boxes, 20.51 metric tonnes.

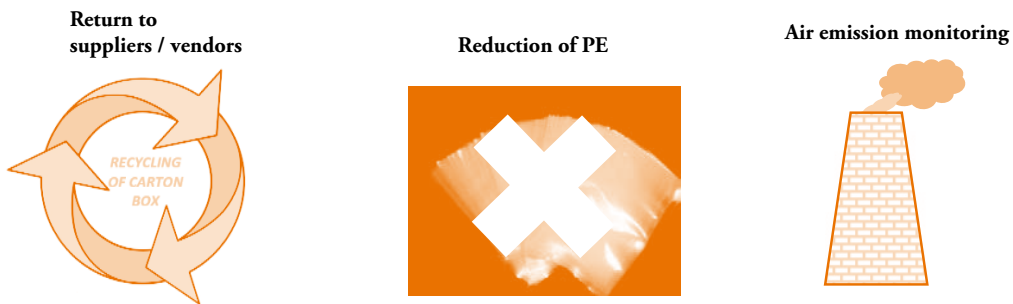
As a result, we have realigned our performance target based on FY23/24 data instead of the preceding three financial years. Accordingly, our performance target set for the next three financial years is 32 metric tonnes.



We have commenced our data collection in accordance with Bursa requirements. We will continue to monitor this data and reassess performance targets in the upcoming years.

In order to comply with Department of Environment (DOE) stipulated waste declaration, we have integrated the monitoring indicator within the Monthly Operations Balanced Scorecard (BSC) review process. This initiative aligns with the provisions as outlined in the Malaysia Environment Quality Act 1974 [Act 127] - P.U.(A) 294/2005 Environment Quality (Scheduled Wastes) Regulations 2005.

We endeavor to sustain responsible waste management practices and recycling culture by placing recycling bins throughout our operations. Below are a few initiatives we have initiated and have seen tremendous reduction in wastage through recycling, reduce and reuse process.



3.4 EMISSIONS MANAGEMENT

While it is often perceived that manufacturers have a short-term view when it comes to the environment and climate change, IQ-group, as a manufacturing plant, recognizes the additional responsibility we bear in mitigating any negative impacts on our operating environments and stakeholders. We are committed to uphold sustainable practices and take pride in our efforts towards emissions management.

At IQ-group, our unwavering commitment to reduce energy consumption and minimize pollution remains a top priority. We have taken proactive measures to mitigate our environmental impact and enhance our overall environmental performance. Our Environmental Policy serves as a guiding framework, highlighting our dedication to:

- Considering safety and environmental factors in all operational decisions.
- Exploring feasible opportunities to minimize adverse impacts stemming from our operations.
- Regularly evaluating our performance and compliance through comprehensive assessments.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL PERFORMANCE (Cont'd)

3.4 EMISSIONS MANAGEMENT (Cont'd)

To uphold these commitments, we adhered to ISO 14001:2015 Standards practices, internal procedures and external regulations. Our continuous engagement with DOE ensures that we stay up to date with new regulations, standards and requirements, enabling us to consistently improve our environmental practices.

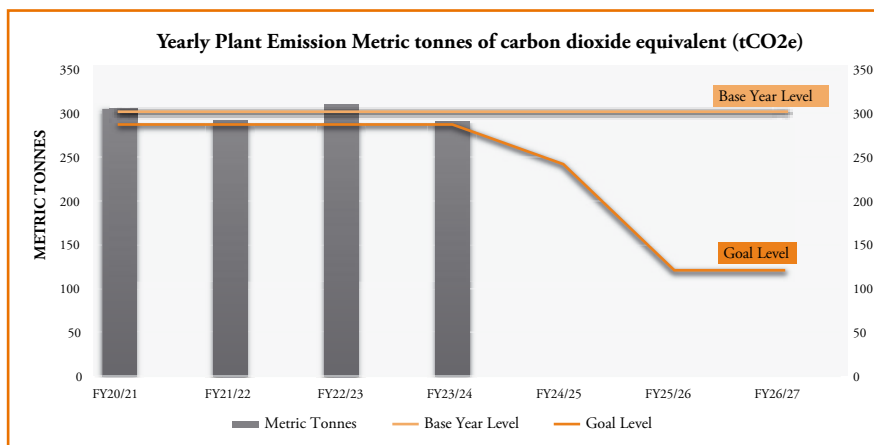
In our pursuit of sustained performance, we rely on progressive tracking and analysis of data to monitor energy consumption closely. The graph provided below illustrate our achievement in carbon emissions from electricity consumption over a four-year period.

This significant progress can be attributed to our proactive measures aimed at reducing our carbon footprint. Since 2016, we have replaced our high-energy consumption lighting with energy-efficient LED lighting, which consumes 80-90% less energy than conventional lighting.

In our ongoing efforts to enhance energy savings, we have implemented additional measures. For instance, we have integrated IQ-group PIR motion sensor lighting and PIR motion sensor control devices in various areas within our plants. These installations enabled further energy savings as the lighting is automatically activated only when motion is detected, reducing unnecessary energy consumption.

In FY24/25, our primary focus is slashing our carbon footprint by 20% in CO₂ equivalent emissions with renewable energy sources.

IQ-group has initiated the installation of solar panels at our facilities, aiming to replace 60% of our purchased electricity (kWh) with renewable energy by FY25/26.



Note: As per Bursa Malaysia Sustainability Guide 3rd Edition **Scope 2 emissions in tonnes of CO₂e** are indirect GHG emissions arising from the generation of purchased electricity consumed by the company. Companies may also make use of GHG Protocol's GHG emissions calculator accessible via <https://ghgprotocol.org/ghg-emissions-calculation-tool> source :-<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

Moving forward, we will continue to seek out innovative solutions and strategies to further boost our energy savings and overall sustainability performance.

Our dedication to sustainable practices does not stop at our own operations. We aspire to lead by example within our industry, inspiring positive change and contributing to a greener future for generations to come.

3.5 MATERIALS

Design and Development of Packaging Material

In today's dynamic market environment, prioritizing "sustainability" stands as a paramount objective. Given the escalating concerns regarding environmental degradation, both enterprises and individuals are earnestly seeking avenues to curtail their ecological footprint, especially in the realm of packaging.

Considering this imperative, IQ-group has intensified its endeavors to embrace sustainable packaging practices. These initiatives encompass a spectrum of strategies, including downsizing/right-sizing, lightweighting, utilization of recyclable materials, integration of recycled content, simplification of packaging and reduction of packaging materials.

Sustainable packaging is not just an environmental imperative, it is also a strategic move for businesses. By reducing materials and opting for eco-friendly alternatives, we can achieve several crucial benefits:

Reduced Environmental Footprint: Using fewer material results in reduced waste, lowered transportation costs, and a diminished carbon footprint.



SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL PERFORMANCE (Cont'd)

3.5 MATERIALS (Cont'd)

Design and Development of Packaging Material (Cont'd)

Resource Conservation: Streamlining packaging leads to decreased storage requirements, translating into cost savings for the organization.

Enhanced Customer Loyalty: In an era where consumers prioritize environmental responsibility, adopting sustainable packaging showcases our dedication to the planet. This fosters trust in our brand and cultivates a loyal customer base.

Since FY20/21, our organization has embarked on a journey towards enhancing sustainability in packaging. We initiated this endeavor by eliminating PE bags and transitioning to paper bags, resulting in a significant reduction of PE bags consumption of at least 2 million units from FY20/21 to FY23/24. This initiative will persist for new models in FY24/25 and beyond.

We furthered our commitment by reducing paper weight through downsizing and right-sizing packaging, resulting in a reduction of 500 kilograms of paper waste annually from FY20/21 to FY23/24.

Up to FY23/24, 10% of our products have adopted laser engraving, leading to a significant conservation of resources. This innovation has saved us 200,000 pieces (equivalent to 12 kilograms) of product label material. Our adoption of laser engraving technology will persist as we continue to prioritize sustainability efforts.

We actively collaborate with our suppliers. Whenever feasible, we opt for recycled content materials, with the objective of achieving 90% recycled content in corrugated cardboard by FY24/25.

Here are the key areas of focus within our packaging initiatives:

Individual Packaging, Master Carton, Container Loading:

We are spearheading initiatives to downsize or right-size boxes, ensuring they do not exceed 20% of the product's size in every New Product Development (NPD) project, unless necessitated by inadequate packaging protection.

Our primary objective is to minimize packaging material usage, with a keen focus on reducing overall waste. In line with our simplification goals, we aim to decrease the packaging cycle time from 210 seconds to less than 180 seconds for standalone sensor products, enhancing efficiency and streamlining processes.

The downsizing or right-sizing of individual packaging will naturally lead to smaller carton sizes, thereby reducing paper waste. Smaller and lighter packaging allows for more units to be accommodated within a single shipping container, resulting in cost savings on transportation due to reduced weight and potential dimensional optimization.

Product Label:

We advocate proposing laser engraving to customers for NPD projects as an alternative labeling method.

Instruction Manual:

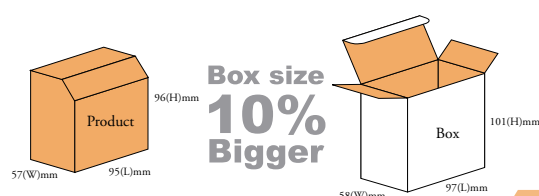
Encouraging the use of QR codes to convey user instructions and product information, with the aim of achieving zero instruction manual usage for 30% of our products by 2030. In FY23/24, we attained less than 5% usage towards this target. However, the success of this initiative is contingent upon customer agreement with the proposal.

Material Selection:

From the NPD design stage onwards, we prioritize reducing the use of plastic packaging such as PE bags, reserving them only if paper materials are insufficient for product protection.

Our focus remains on prioritizing packaging materials with high recycled content, with the objective of achieving 90% recycled content in corrugated material by FY24/25, unless specified otherwise by the customer.

In each New Product Development (NPD) venture, our paramount objective revolves around minimizing packaging size, ensuring that the box dimensions remain within 20% of the product size. For instance, take the Outdoor sensor model, where the box measures 97L x 58W x 101Hmm, slightly larger than the product size of 95L x 57W x 96Hmm by approximately 10%. We aim to uphold this standard for new standalone sensor models in FY24/25.



SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENTAL PERFORMANCE (Cont'd)

3.5 MATERIALS (Cont'd)

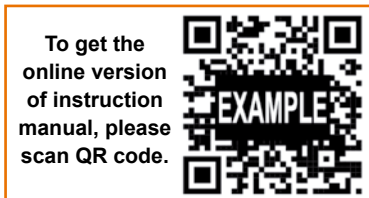
Design and Development of Packaging Material (Cont'd)

Material Selection: (Cont'd)

The streamlining of packaging operations during this period will enhance material utilization by eliminating redundant nesting and reducing overall cycle times. This initiative underscores our ongoing commitment to simplification.

We will identify potential older models and engage internal discussions to activate this endeavor. Additionally, collaboration with customers will be sought to minimize packaging size, simplify packaging methods, and eradicate plastic packaging wherever possible.

In FY23/24 laser engraving was employed in new standalone sensor products. We are poised to continue this trajectory for upcoming models.



For every new project, our proposal will incorporate QR codes to link to online instruction manuals, replacing traditional printed instruction sheets. This approach will reduce material costs, minimize waste, and shorten cycle times.

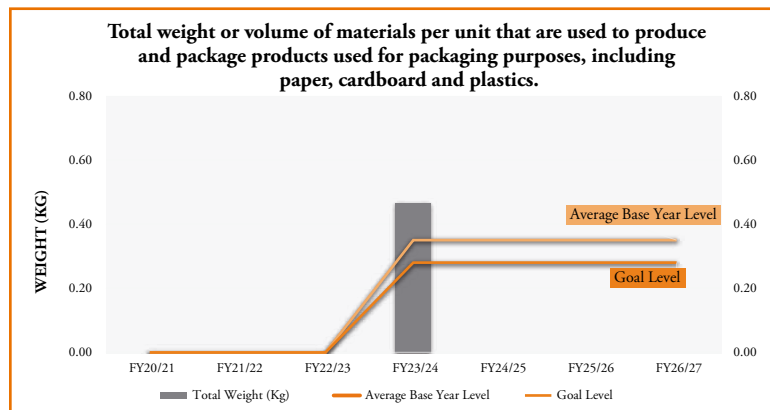
In FY23/24, the avoidance of using PE bags was evident in NPD projects like new standalone sensor products. This initiative will persist for new models in FY24/25 and beyond.

Production improvement on existing mass production of Packaging Material

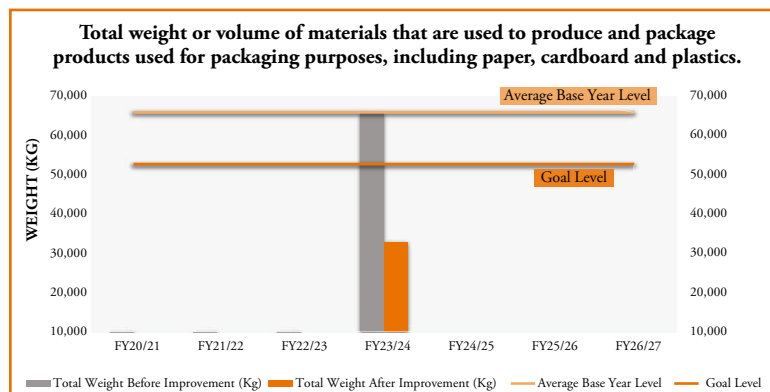
Ensuring sustained business and product development while conserving natural resources is vital for both present and future generations. We prioritize business sustainability through the thoughtful selection of materials and simplification of processes.

We conduct thorough assessment of total weight or volume of materials used for packaging purposes, such as paper, cardboard and plastics. We have implemented a structured work instruction to scrutinize incoming packaging materials, focusing models with the highest volume by weighting individual components categorized under Plastic, Cardboard and Paper.

Specifically, we have assessed the scrap levels associated with incoming packaging materials for the battery operated floodlight's product series (Single, Twin & Triple), which commenced mass production in May 2023 and accounted for 45% of FY23/24 total production output. Our assessment indicated that each unit in the series is comprised of 0.467 kg of packaging materials. Our goal is to minimize packaging material consumption and enhance cycle time efficiency of this product series. As we have just started data collection this financial year, we will continue to focus on data collection for these series of products.



Our target was set for a 20% improvement, however we have achieved a remarkable 49.93% reduction in packaging material weight, surpassing our performance target. Notably, a total of 32,819 Kg of savings was realized from the battery operated floodlight's product series (Single, Twin & Triple).



We remain committed to continuously monitoring, evaluating and adjusting our targets in the forthcoming year.



SUSTAINABILITY STATEMENT (Cont'd)


SOCIAL IMPACT

4.1 ANTI-CORRUPTION

Corruption poses significant risks not only to society but also to the sustainable growth of business organizations. It undermines trust, tarnishes reputations and can lead to financial losses and investor disengagement. Upholding ethics and integrity are paramount in fostering equitable values for all stakeholders. We have both a moral imperative and a business obligation to safeguard our operations against any corrupt or unethical practices.

Break the chain

Anti-Bribery and Corruption Policy



IQ-group has adopted zero-tolerance policy against all forms of bribery and corruption.

The objective of this policy is to set out the responsibilities in observing and upholding IQ-group's position on bribery and corruption. It also provides information and guidance to employees on how to recognize and deal with potential bribery and corruption issues.

Given the introduction of the Corporate Liability provision under section 17A of the MACC Act, effective from June 1st, 2020, IQ-group has conducted a comprehensive review and gap analysis of our risk management practices to ensure adequate controls over corporate liability.

We have implemented essential policies, procedures, and risk assessments aligned with the provisions outlined in the MACC Act concerning anti-corruption measures. These measures are designed to establish robust mechanisms aimed at mitigating legal liability risks and preventing the facilitation of corrupt behaviors.

Enhancement has been made to our current procurement procedures in ensuring compliance to ISO9001:2015 and MACC Act which directly addresses Article 26 of the United Nations Conventions against Corruption with the following procedures.



Below are our additional internal measures aimed at fostering awareness and understanding of anti-bribery and anti-corruption:

- Integration of anti-corruption guidelines and disciplinary measures into the employee handbook, with comprehensive briefings provided to new employees during orientation programs.
- Conducting regular anti-corruption awareness sessions and annual refresher training for all employees. All employees are required to undergo mandatory annual training and achieve a passing score of 100% in the online assessment except those unable to complete assessments due to literacy challenges.

a) Corruption related training

The Percentage of our employees who have completed the anti- corruption training is as shown below:

Employee Category	Training Completion Rate
	FY23/24
Management	100%
Executive	100%
Non-Executive	88%
General Worker	100%
Average Base Year Level	97%
Average Goal Level	95%

Note: Previous years data not available due to first year reporting of this new indicator.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

4.1 ANTI-CORRUPTION (Cont'd)

Below are our additional internal measures aimed at fostering awareness and understanding of anti-bribery and anti-corruption: (Cont'd)

b) Corruption risk assessment

This year we have undertaken a corruption risk assessment for two Malaysian entities cover under the scope of our Sustainability Statement.

	FY23/24
Percentage of operations that underwent corruption risk assessments	100%
Base Year Level	100%
Goal Level	100%

Note: previous years data not available due to first year reporting of this new indicator

c) Corruption incidents

As at 31 March 2024, we recorded zero incidents of corruption across our business operation.

	FY21/22	FY22/23	FY23/24
Number of Confirmed corruption incidents	0	0	0
Average Base Year Level			0
Goal Level			0

We remain committed to conducting corruption risk assessments across all our business operations and implementing pertinent procedures to uphold IQ-group anti-bribery and anti-corruption standards. Additionally, we will persist in providing relevant anti-corruption training to our employees to enhance awareness and foster a robust anti-bribery culture within the IQ-group workforce.

4.2 COMMUNITY / SOCIETY

As a socially responsible corporate entity, we recognize the significance of assuming a proactive role in community development. Our endeavors in this realm hold the potential to generate positive impacts, fostering trust among our employees and the broader community. We acknowledge our dual obligation to prioritize the well-being of our workforce and actively contribute to the betterment of the community through diverse forms of community engagement.

IQ-group has established Community Service & Sports & Recreational (CSSR) Club in late 2018. The CSSR Club serves as a catalyst for promoting social responsibility and work-life balance among our employees. We take pride in the fact that all our employees are members of this club, demonstrating our commitment to inclusive participation. Since its inception, the CSSR Club has empowered our employees to actively engage in determining the activities and programs that would yield maximum benefits for both IQ-group and wider community.

As a concerned corporate citizen, we remain steadfast in our commitment to community engagement, recognizing that our actions hold the potential to make a meaningful difference in the lives of our employees and the community. By upholding shared responsibility and inclusivity, we reinforce our core values and cultivate enduring bonds that transcend the realm of day-to-day operations.

As an on-going support on Community Service & Sport & Recreational (CSSR) club in IQ-group, the company contributes RM1 per month for each permanent employee to generate sufficient CSSR Fund.

IQ-group CSSR club completed 2 charity projects and 1 green initiatives project in FY23/24. During Chinese New Year, we visited Ji Xiang Welfare Institution for a fundraising campaign to provide some medical cares and daily supplies to the welfare institution to lend a helping hand to 27 elderly who are vagrant and bedridden need regular treatment in hospital.

In addition to diversify our CSSR fund and as an ongoing support to local Woodball sport, we contributed a fund of RM500 as sponsorship to Kejohanan Woodball Tertutup Pulau Pinang 2023 to promote the sport of Woodball in Penang.

As a part of on-going commitments of driving positive impact on the environment, IQ-group has integrated Green Initiatives project into our CSSR agenda. In FY23/24, we launched a Fabric Recycling Awareness Program and collected 389 kilogram fabric waste and sent to the nonprofit organization for recycle or reuse purpose.



SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

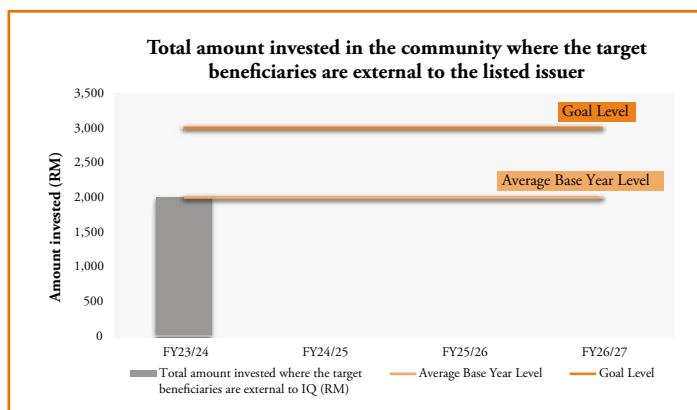
4.2 COMMUNITY / SOCIETY (Cont'd)

The tables presented below provides summary of the total amount invested in the community and the total number of beneficiaries of the investment in communities for the FY23/24 reporting period.

- a) Total amount invested in the community where the target beneficiaries are external parties

FY23/24	
Total amount invested where the target beneficiaries are external parties	RM2,000
Average Base Year Level	RM2,000
Goal Level	RM3,000

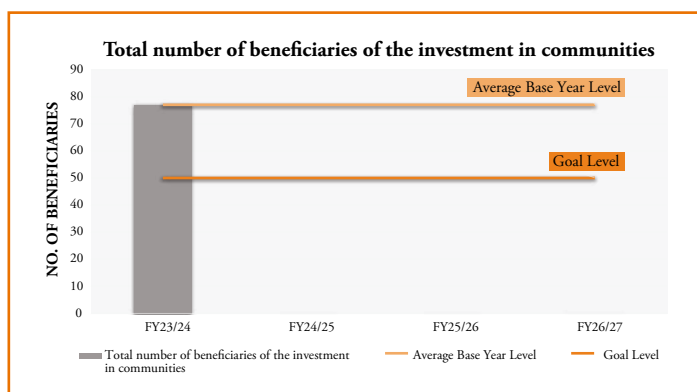
Note: Previous years data is not available due to first year reporting of this new indicator.



- b) Total number of beneficiaries of the investment in communities

FY23/24	
Total number of beneficiaries of the investment in communities	77
Average Base Year Level	77
Goal Level	50

Note: Previous years data is not available due to first year reporting of this new indicator.



In FY2425, IQ-group will continue actively involving ourselves in community service projects which include blood donation, charity fundraising and green initiative events as we envisage to forge deeper connections and cultivate stronger relationships that extend beyond the boundaries of our organization with the targeted total investment amount of RM3000 and at least 50 number of beneficiaries of the investment in communities.

IQ-group will continue our community engagement initiatives in FY24/25 and ensure our initiatives encompass a wide array of activities to create positive impacts and foster trust among our employees and the community at large.

4.3 DIVERSITY

Having a diverse workforce can help the company to tap into a wide range of knowledge, perspectives and bring more creativity and innovations. Embracing diversity and fostering an inclusive workplace culture can also enhance employee engagement and improve productivity as well as increase the organization's morale and reputation. Employees are more likely to feel valued and included in a diverse and inclusive workplace. This can lead to higher levels of engagement, job satisfaction and retention.

Diverse teams bring together individuals with different background, experience and perspectives. This diversity of perspectives can lead to more innovative ideas and creative solutions to problems. When the team includes individuals with diverse viewpoints, they are more likely to consider a wider range of options and factors when making decisions. This can result in better decision-making processes and outcomes.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

4.3 DIVERSITY (Cont'd)

By actively seeking diversity in our hiring practices, we can access a boarder talent pool. This allowed us to attract and retain top talent from various backgrounds, increasing the overall skill level and competitiveness of the workforce.

Embracing diversity and inclusion is not just a matter of preference, it is also a legal and ethical imperative. Many jurisdictions have anti-discrimination laws, and fostering diversity in IQ-group helps to ensure compliance with all regulations while promoting fairness and equality.

IQ-group adopted Equal Employment Opportunity policy and committed to foster diversity in our workplace. We provide equal employment opportunities to all qualified applicants and employees without regard to race, ethnicity, gender, age, religion or any other basis prescribed by applicable statutes. Employment shall continue to be based on work-related factors. This policy applies to all areas of employment, including recruitment, training, promotion, transfer, compensation and benefits. We are dedicated to maintaining fairness, equality and diversity in our hiring practices. We are consistently reviewing our recruitment process to ensure our practices aligned with our policy.

Hiring of the disabled employees has always been a consistent initiative of IQ-group within the scope of equal employment. We welcome OKU into our team, not just about fulfilling our social responsibility but it is more towards recognizing the untapped potential and inherent value that each individual possesses and promoting a more inclusive society by breaking down barriers and challenging stereotypes. It sends a powerful message that everyone deserves equal opportunities and can contribute to the workforce in meaningful ways.

We strongly advocate for equitable gender representation in our organization. As of 31 March 2024, our workforce comprises 122 employees with 44% being male employees and 56% being female employees. We have a comparable representation of both genders in all levels of staff, that include Management, Executive and Non-Executive levels, at 52% male and 48% female respectively. In order to promote women participation in the leadership levels, 9 out of 14 potential leadership successors are female, which constitutes 64.3% of the overall succession plan. This is long term targeted efforts for IQ-group to create pathways for female potential successors to succeed in leadership roles in order to ensure balanced representation of both genders at Management level.

At General Worker Level, the gender diversity breakdown among our employees currently stands at 87.5% female employees and 12.5% male employees. This unique composition is based on the specific skills, experience and available pool in the industries in consideration of nature of our work and the single shift working hours that attracted more female than male workers.

In IQ-group, we practiced age-neutral hiring for all open vacancies. We recognize the great value of age diversity in integrating a good combination of job experience, while promoting a vibrant and innovative culture in workplace. We have 17.2% of young employees at Executive and Non-Executive levels within our company as we welcome younger generation to embark their new chapter of their career with our company. We recognize the importance of providing opportunities for growth and mentorship to them, supporting them in their career aspirations and helping them develop into future leaders. We offered educational assistance benefits to our employees who wish to continue study as part of their personal development.

We also encourage rehiring of retired employees as a strategic move for organization to leverage on accumulation of job knowledge and experience, filling in critical skill gaps, while maintaining the competitive edge in today's rapidly changing business landscape. We welcome senior general workers and retired managers return to workforce as we believe that they can often hit the ground running. Their familiarity with the production operation and culture allows them to quickly integrate back into their roles and contribute effectively from day one. Most of our retired employees serve as mentors and coaches to junior colleagues, facilitating knowledge transfer and skill development within the organization.



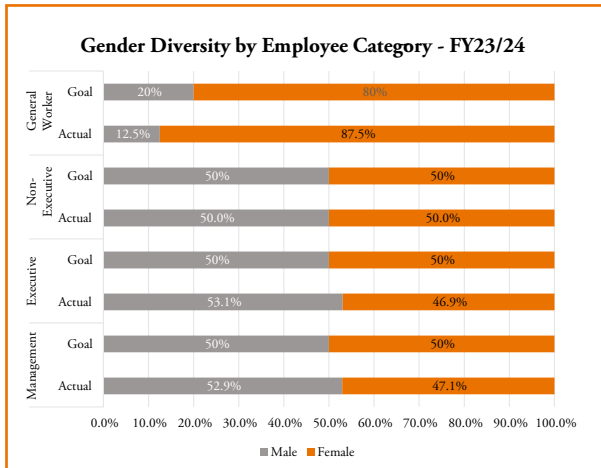
SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

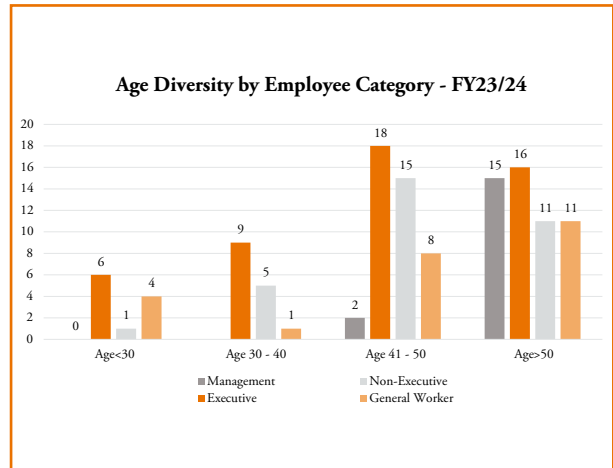
4.3 DIVERSITY (Cont'd)

a) Percentage of employees by gender and age group for each employee categories

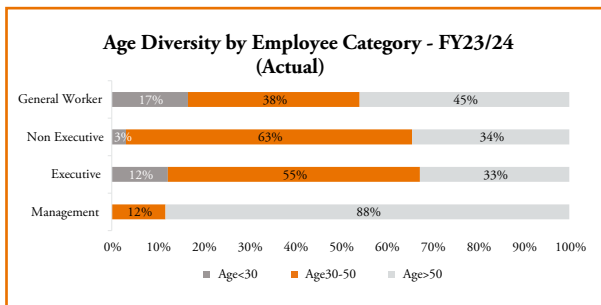
Gender Diversity



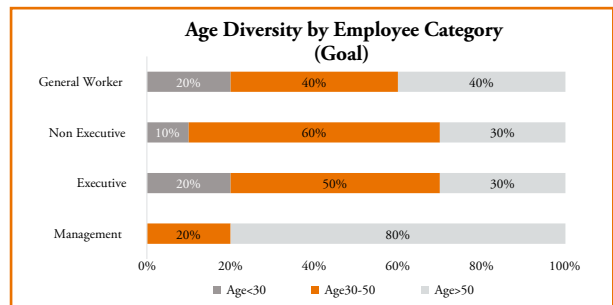
Age Diversity



Age Diversity (Actual)



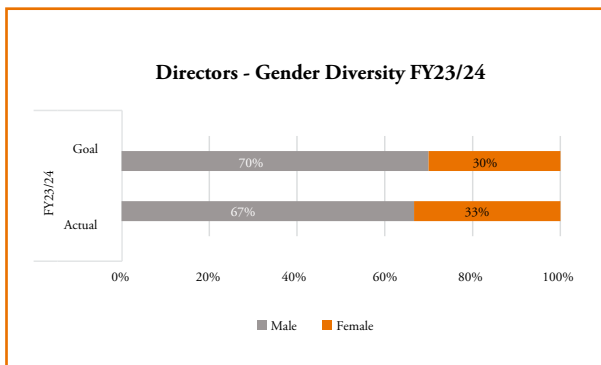
Age Diversity (Goal)



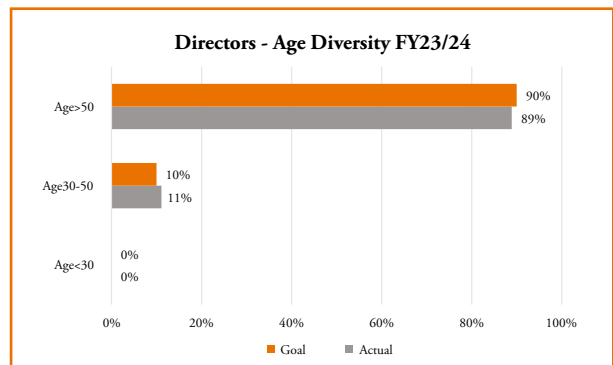
Note: Previous years data is not available due to first year reporting of this new indicator.

b) Percentage of directors by gender and age group

Gender Diversity



Age Diversity



Note: Previous years data is not available due to first year reporting of this new indicator.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

4.3 DIVERSITY (Cont'd)





We recognize that achieving diversity and inclusion in workplace is an ongoing process that requires continuous effort and commitment. Hence, we set realistic and clear goals tailored to the nature of work and business needs at different levels of the organization. We implement targeted strategies to achieve the goals gradually and practically.

In FY24/25, we will continue our effort to strive to improve our workforce diversity by promoting equitable gender representation and diversity for all employee categories.

4.4 HEALTH AND SAFETY

At IQ-group, we take health and safety of our employees seriously as we believe our people are our responsibility and we have a duty to ensure that they return home in safely. We are proactive in our approach to safety by focusing on the preventive measures and thus establish a robust safety management system in place. Our Safety and Health Policy and safety and work instructions demonstrate our commitment to ensure a zero accident work environment. We are happy to report that through our initiatives, IQ-group has not experienced any accidents, dangerous occurrences, occupational poisoning and/or occupational disease reported for the past 8 reporting years with zero work-related fatalities, zero lost time incident rate (LTIR).

Below are some of our measures, initiatives and achievements in managing health and safety at IQ-group:

Regulations 	Over the 8 reporting years we have complied with the air emissions level for Local Exhaust Ventilation (LEV) – soldering purposes to remove fumes from system - under DOSH with air emission monitoring as per Environmental Quality (Clean Air) Regulations 2014 (DOE guidelines) and hygiene technology as per Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000 to ensure that our employees work within an environment with clean air and free from hazardous chemicals.
Organizational Arrangements 	<ul style="list-style-type: none">Established protocols for responding to emergencies, including first aid, evacuation procedures and communication plans.Established Health and Safety Committee and appoint safety representatives who are accountable in the development of OSHA-related risk mitigation strategies, develop and deploy standards, programmes and procedures to reduce health and safety-related risks.Our Emergency Response Team (ERT) & First Aid Team are the ground in our operations and are trained to be the first response to any emergencies. We conduct regular drills and exercises to test the effectiveness of emergency response procedures and identify areas for improvement.Collaborate with local authorities and emergency services to enhance coordination and support during emergencies.We conduct regular and periodic workplace inspection as per OSHA standards.
Emergency Preparedness and Response	
Inspections and Audits 	<ul style="list-style-type: none">Annually, our operations are audited by the Department of Occupational Health and Safety (DOSH) to ensure compliance with as per their OSHA standards.We regularly carry out internal and external audits, machine inspections, periodic equipment servicing and risks assessments, including soldering machine inspection and Chemical Health Risk Assessment (CHRA).During the reporting year, we successfully passed both the internal audit on the maintenance service and examination for the local exhaust ventilation (LEV) system, liquefied petroleum gas (LPG) system and fire-fighting and detection equipment; and external audit by DOSH for general plan inspection and machinery plant renewal.
Compliance and Legal Requirements	
OSHA initiatives 	<ul style="list-style-type: none">Personal protective equipment (PPE) such as safety goggles, face shields and gloves, are provided to employees who work in high-risk environment, i.e. soldering process. We optimise our PPE to reduce injury downtime and maximise operational efficiency.Our new health and safety initiatives for this reporting year covers the upgrade of safety systems i.e. fire-fighting (iSCADA SPKA system), SPKA – Sistem Pengawasan Kebakaran Automatik (Direct link of the fire alarm system to 3rd party service provider and Bomba at Batu Kawan), establishment of Emergency Response Team (ERT) inclusive the First Aid Support, Pandemic Preparedness procedure and optimisation of personal safety equipmentOur engagement with third party health service provider for employee access to medical facilities, health screenings and occupational health services to support employee health management.
Safety Awareness	
Health and Wellness Programs	

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

4.4 HEALTH AND SAFETY (Cont'd)

Below are some of our measures, initiatives and achievements in managing health and safety at IQ-group: (Cont'd)

Trainings and Communications



- All new employees are given an induction on health and safety training to ensure they understand the health and safety standards that IQ-group adheres to.
- We regularly communicate with all our employees with updates on health and safety via notice boards and regular management briefings.
- Total 120 of employees have participated in various training related to safety & health standard training on CHRA chemical handling, HIRARC, ERT- Fire Fighting, First Aid & IQ-group Safety & Health Policy

Health and safety have always been a fundamental part of our identity and we will remain ever vigilant of safety hazards and risks. To achieve higher levels of occupational health and safety within IQ-group, First Aid training was conducted for our First Aid member as a refresher course on health and safety.

4.5 LABOUR PRACTICES AND STANDARDS

Our people are our assets in driving the continuous growth of our business. Therefore, IQ-group is committed in continuously reviewing, adjusting and aligning our policies and procedures in ensuring we stay competitive in all key aspects related to talent retention and talent attraction. The latter includes the broad aspects of people development, merit-based hiring and reward and recognition system, career development planning and engagement and a progressive people centric management system, as well a system that supports feedbacks from employees.

IQ-group emphasizes on technical excellence of our employees, where their knowledge and competencies are essential in generating innovative solutions, implementing creative ideas for continuous improvement in our business processes. Therefore, IQ-group has always endeavored to support the continual development of their knowledge and competencies, along with their career development planning through the provision of training, engagement and guidance.

We continue to review and enhance our relevant company policies and procedures within the ISO 9001:2015 quality system to ensure that practical requirements of our employees and customers as well as the regulatory compliances are identified and fulfilled. Relevant trainings and engagements were planned and provided in ensuring successful implementation of those initiatives.

In addition to the above mentioned, we have also put in place the following mechanisms to ensure that our employees are continuously supported and guided through their career paths in the company:

	Career mapping and succession planning for selected departments to develop the employee capability and to facilitate employee career growth.		Competency assessment to assess employee needs of training.
	Annual performance evaluation for all employees at all levels.		Annual training calendar and budget set for both in-house and external trainings for all departments.

a) Training and Development

In order for our employees to keep abreast of new technology development, dynamic market trend and evolving business needs, the company provided necessary guidance and support for them to enroll in relevant courses, seminars, workshops, exhibitions, conferences or training, particularly in the areas of regulatory compliances, technical subjects or management, in order to stay updated and competitive.

In FY23/24, we made significant investments in training and development programs to enhance the skills and capabilities of our employees. A total of 3,000 training hours were dedicated to these initiatives, demonstrating our commitment to continuous learning and growth.

SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

4.5 LABOUR PRACTICES AND STANDARDS (Cont'd)

a) Training and Development (Cont'd)

Beside upskilling training and development programs which involve acquiring operational and technical knowledge, we also placed a strong emphasis on educating employees about sustainability and ESG. During the last financial year, we had provided a total of 730.5 training hours in ESG related trainings to employees. Through this initiative, our employees have improved their awareness, knowledge and capacity to support the ongoing ESG framework implementations.

b) Innovation and Technical Excellence

IQ-group continues to promote a culture of innovation and creativity, especially among our R&D talents. The company has a system that recognizes and motivates our employees to pursue patentable inventions by providing financial rewards to inventors for successful patent applications. In FY23/24, we paid out tangible rewards amounting to RM10,500 to three R&D staff for successful patent filings. The reward and recognition system not only supports the cultivation of a culture that pursues technical excellence, but it is also beneficial in retaining and attracting R&D talents, and at the same time, maintaining our position of technical excellence in product design and innovations.

c) Merit Based Hiring and Fair Compensation and Benefits

We strictly adhere to our Recruitment Policy and Procedures to ensure individuals are hired based on merits, which include attributes, knowledge, skills and experiences. Apart from that, we always seek to provide equal employment opportunities to well performing employees, whether they are our permanent or contract employees. We always seek to convert our well performing retired employees into contract employments so that they can continue to be in employment and the company will continue to benefit from experiences and knowledge. The company has always prioritized the conversion of well performing contract employees and outsourced workers into permanent positions whenever there are suitable vacancies.

In terms of compensations, we conduct annual salary survey and conduct regular compensation and benefits (C&B) survey in ensuring we stay competitive in talent retention and acquisition. We practice fair compensation by rewarding employees based on their performance, and contribution to the organization.

In FY23/24, we implemented talent management initiative by updating and harmonizing our salary structure based on both internal and external equity factors in order to stay competitive in talent retention and attraction.

d) Staying ahead of Labour Laws

In FY23/24, we demonstrated our commitment in aligning relevant IQ-group policies with the recently revised Malaysia Employment Act (Amendment) of 2022. These revisions reflect our commitment to align with evolving labour regulations while fostering a fair and supportive workplace.

i) Flexible Work Arrangement

We encourage employees to maintain a healthy work-life balance by establishing Flexible Work Arrangement procedure. In this procedure, we provide flexible work arrangements, such as hybrid work arrangements and flexible work hours to our eligible employees. We respect boundaries between work and personal life, while driving for accountability and promoting a result-oriented culture in the company.

ii) Grievance Reporting Mechanism

We value employee feedback, we enhanced our grievances mechanism by installing suggestion boxes in our companies in order to facilitate the grievance reporting process for all levels of employees. Our labour practices focus on upholding the human rights of all workers throughout our operations. We have zero grievance concerning human rights violations in FY23/24.

iii) Reduction of Weekly Working Hours

We reduced the maximum allowable weekly working hours from 48 to 45. This adjustment demonstrates the company's commitment to complying with legal standards and promoting fair labour practices.



SUSTAINABILITY STATEMENT (Cont'd)

SOCIAL IMPACT (Cont'd)

4.5 LABOUR PRACTICES AND STANDARDS (Cont'd)

d) Staying ahead of Labour Laws (Cont'd)

iv) Extension of Maternity Leave

We extended maternity leave from 60 days to an enhanced period of 98 days. This extension acknowledges the importance of maternal health and bonding time with newborn babies.

v) Paid Paternity Leave

We introduced paid paternity leave, allowing eligible employees to take seven consecutive days off when welcoming a new child into their families. This initiative promotes gender equality and acknowledges the vital role fathers play in caregiving.

vi) Hospitalization Leave

We introduced a separate entitlement of 60 days for Hospitalization Leave for employees facing severe health challenges, distinct from Sick Leave. This adjustment ensures that employees can focus on their recovery without worrying about the security of their jobs.

Our performance as below:

Total hours of training by employee category

Employee Category	FY23/24	Goal
Management	436	408
Executive	902	1248
Non-Executive	632	768
General Worker	1030	576
Grand Total	3000	3000

Percentage of employees that are contractors or temporary staff

Description	FY23/24
Total number of Contractors and Temporary Staffs	12
Total number of employees	122

Total number of employee turnover by employee category

Category	FY23/24
Management	0
Executive	5
Non Executive	2
General Worker	19
Total	26

Number of substantiated complaints concerning human rights violations

Description	FY23/24
Number of Complaints	0

For FY24/25, IQ-group is promoting a happy and fulfilling work environment through-out our operation to foster employee satisfaction, productivity and well-being. We will continue driving for accountability and a result-oriented culture. We encourage employees to learn new skills, develop professionally, and advance in their career through a positive and happy learning environment. We will continue invest in training programs, workshops, mentoring and career development initiatives to support employees' growth aspirations.

SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC PERFORMANCE

5.1 RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Our commitment to ethical sourcing, environmental stewardship and social responsibility is evident in our efforts to mitigate risks and create long-term value for stakeholders through the integration of responsible supply chain management into our sustainability reporting framework.

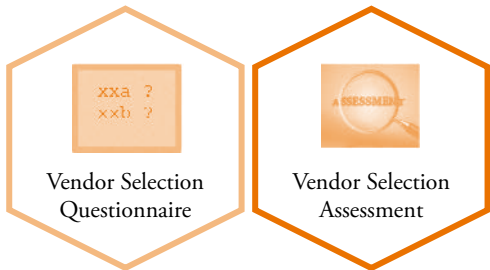
Supporting local suppliers not only strengthens our commitment to the community but also indirectly attracts additional investment to the local economy. Local sourcing serves as a strategic approach to ensuring a stable supply, bolstering the local economy and nurturing positive community relations.

Policy and Governance

We have established procedures with defined roles and responsibilities for monitoring compliance in supply chain management. Our sustainability reporting process incorporates specific activities related to supply chain management, adhering to the methodology outlined in the Sustainability Reporting Guide to determine the proportion of spending on local supplies. We actively advocate for a local sourcing strategy to support economic stability and community relations. Additionally, we have implemented various procedures, such as Purchasing, Material Qualifying and Vendor Selection Review, to strengthen our supply chain management and enhance our Quality Management System.

Supply Engagement and Collaboration

We actively engage with our suppliers to communicate expectations, nurture relationships and foster collaboration on sustainability initiatives. Furthermore, we provide support and guidance to assist our suppliers in enhancing their social, environmental and ethical performance.



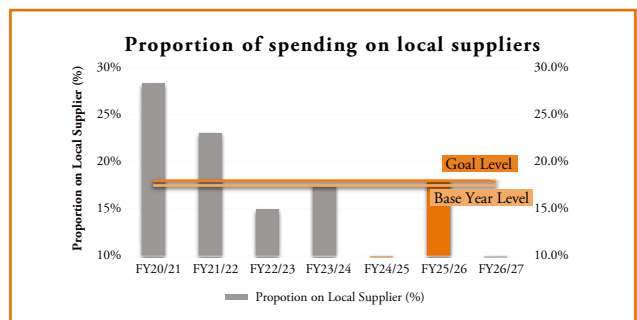
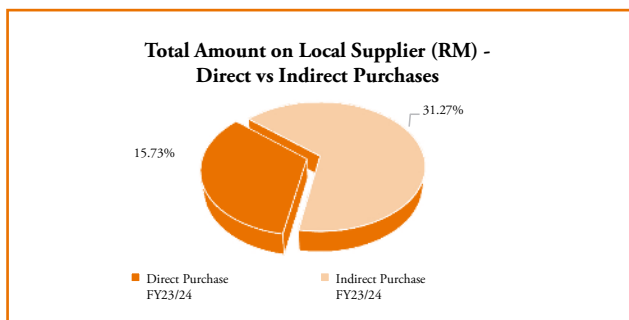
Managing our supply chain in a responsible and sustainable manner requires a structured and guided approach. At IQ-group, the management of our supply chain is in compliance with our internal ISO 9001:2015 procedures.

Spending on Local Suppliers

We tracked and analyzed the proportion of spending on local suppliers for both direct and indirect purchases within our supply chain.

Over the past three years, our reporting has focused solely on Direct purchases, excluded Indirect purchases. Our baseline will now be established using the year-to-date figures for FY23/24, incorporating both Direct and Indirect Purchases.

In order to align with our historical performance, we have adjusted the target for FY23/24 from 23% to 18%, reflecting past reporting limitations. Moving forward, our reporting will capture both Direct and Indirect purchases.



SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC PERFORMANCE (Cont'd)

5.1 RESPONSIBLE SUPPLY CHAIN MANAGEMENT (Cont'd)

Spending on Local Suppliers (Cont'd)

We have actively engaged with local suppliers to evaluate current non-local material procurement for opportunities to transit to local sourcing. Through our dedication, we have accomplished up to 17.54% of our total supplier expenditure in FY23/24 specifically for local suppliers compared to 14.9% in FY22/23.

Transparency and Disclosure

We prioritize transparency by openly communicating supply chain risks, incidents and remediation efforts through sustainability reports, stakeholder engagement activities and various communication channels.

During our design development stage, we prioritize Early Supplier Involvement (ESI) by actively engaging and collaborating with suppliers from the outset of our product design concept. This approach fosters awareness and solicits valuable input from suppliers, which is essential for achieving shorter design-to-market timelines and a smoother production run.

We ensure compliance with pertinent laws and regulations governing supply chain management, including labour standards, environmental regulations and anti-corruption legislation. To mitigate risks, we implement strategies such as supplier diversification, rigorous due diligence processes and establishment of contractual requirements.

5.2 CUSTOMER HEALTH & SAFETY/PRODUCT RESPONSIBILITY

Ensuring customer safety and product responsibility is paramount in today's market, where trust plays a pivotal role in customer loyalty and repeat business. Consumers not only seek products that meet their needs but also prioritize safety, reliability and quality.

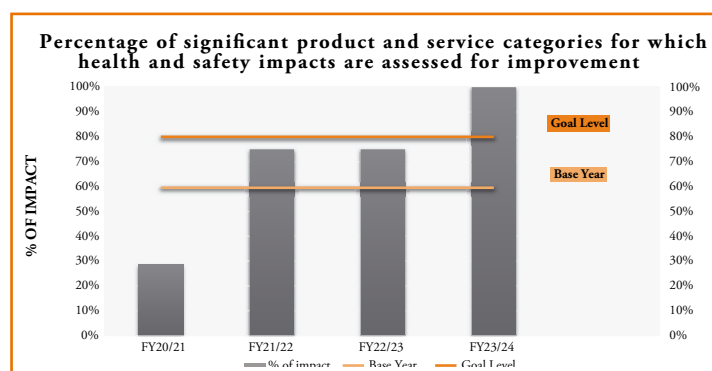
Understanding customer groups, behavior patterns and potential hazards is essential for creating safer environments that prioritize customer well-being. This proactive approach fosters a culture of safety, trust and satisfaction, ultimately enhancing the overall customer experience.

At IQ-group, risk assessment is a top priority for health and safety. Thorough evaluations are conducted to identify potential hazards and risks that customers may encounter while using our products or services. This comprehensive evaluation allows us to implement proactive safety measures that minimize risks and safeguard customers.

Throughout the product development lifecycle, potential risks are identified and corrective actions are taken at the earliest opportunity to ensure product quality and safety standards are met. Any necessary adjustments are made before or during the Pilot Run, with repeated Engineering Run if required, following team discussion and agreement.

Project mandatory to pass the safety approbation test before Mass production

Significant product	FY20/21	FY21/22	FY22/23	FY23/24
Total Assessed	2	3	15	27
Total Product	7	4	20	27
% of impact	29%	75%	75%	100%
Base Year	60%	60%	60%	60%
Goal Level	80.00%	80.00%	80.00%	80.00%



SUSTAINABILITY STATEMENT (Cont'd)

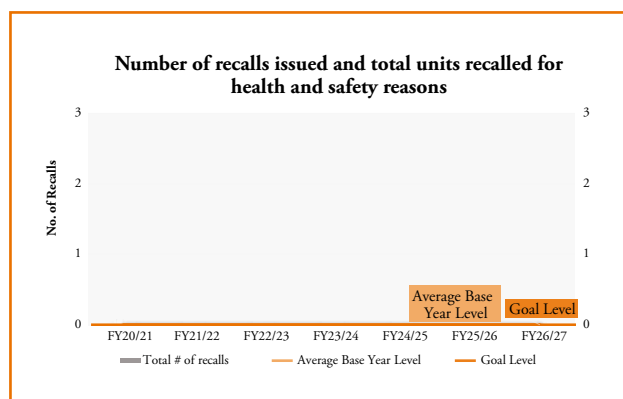
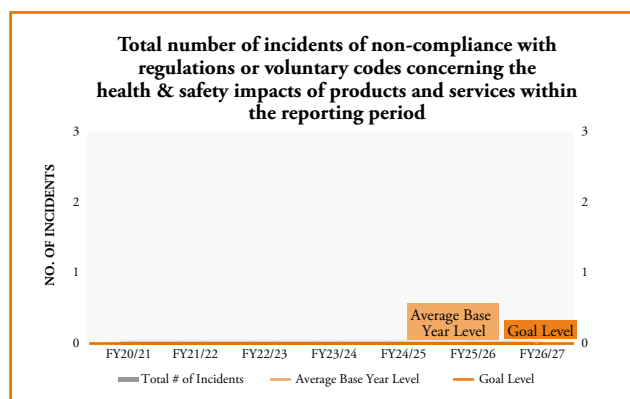
ECONOMIC PERFORMANCE (Cont'd)

5.2 CUSTOMER HEALTH & SAFETY/PRODUCT RESPONSIBILITY (Cont'd)

Over the past four financial years, spanning from FY20/21 to FY23/24, we have consistently upheld stringent measures and standards to prioritize the well-being of our customers, ensuring product responsibility and safety. Our efforts have yielded notable achievements:

- Zero recall cases and zero unit recalled for health and safety related concerns throughout the reporting period.
- No incident of non-compliance with regulations or voluntary codes related to the health and safety were recorded.

These accomplishments underscore our unwavering commitment to maintaining the highest levels of product integrity and safeguarding the health and safety of our valued customers.



Additionally, our project team review and assess product conformity to be in compliance with mandatory safety standards certified by relevant reputable approval bodies. We prioritize high product performance and reliability, continually improving our solutions through innovative approaches and rigorous risk and opportunity assessments.

By integrating these practices into our product design, development and lifecycle management, we demonstrate our commitment to ensuring customer safety and product responsibility, while minimizing environmental and social impacts.

5.3 DATA PRIVACY & SECURITY

In the rapidly evolving landscape of the Fourth Industrial Revolution, many industries have encountered challenges in keeping pace with the highly digitalized world. As a result, the need for robust data security measures has become paramount. The increasing threats and risks to organizational data and privacy have compelled us to prioritize the protection of our stakeholders' sensitive information.

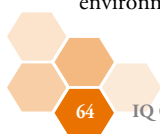
To ensure the security and integrity of our Information Security Management Systems (ISMS), we have proactively implemented preventive measures and established internal controls. These measures are aimed at mitigating potential risks and safeguarding the privacy and security of our stakeholders' data in the face of unprecedented challenges.

Within IQ-group, our Management Information System (MIS) department assumes the responsibility of monitoring and managing data and IT-related issues. The implementation of our ISMS encompasses a comprehensive framework of policies, processes, procedures, organizational structures, and software and hardware functions. This holistic approach ensures that all aspects of our information security are effectively addressed and managed.

Through stringent adherence to our ISMS protocols, we strive to maintain a secure environment for our stakeholders' data. By continually evaluating and enhancing our security measures, we aim to stay ahead of emerging threats and evolving industry standards. This proactive approach enables us to protect the privacy and confidentiality of our stakeholders' information and maintain their trust in our organization.

Our commitment to data security extends beyond mere compliance. We recognize the critical importance of robust data protection in today's digital landscape and continuously invest in the necessary resources and technologies to strengthen our information security infrastructure.



By upholding the principles of confidentiality, integrity, and availability, we ensure that our stakeholders can confidently entrust us with their sensitive data. Through our dedicated MIS department and the implementation of our comprehensive ISMS, we strive to create a secure environment that enables us to navigate the digital realm with confidence and protect the interests of our stakeholders.



SUSTAINABILITY STATEMENT (Cont'd)

ECONOMIC PERFORMANCE (Cont'd)

5.3 DATA PRIVACY & SECURITY (Cont'd)

	<p>IQ-group general data security & protection</p> <ul style="list-style-type: none"> • Security and Access Control Policies • Backup & password policy (MIS) in line with ISO 9001:2015 • Document Data Control • Group Data Privacy Guideline 		<p>Data security & protection initiatives</p> <ul style="list-style-type: none"> • MIS Support Requisition System • Annual system maintenance • Sophos Firewall, Symantec and Bitdefender antivirus • User access control/Restrictions • Data Privacy Management System (DPMS) • Acronis Backup System
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In addition to our stringent adherence to policies, we have implemented various processes and technologies to effectively manage data security and protection within our organization. These measures are designed to ensure the confidentiality, integrity, and availability of our data.

To combat threats and prevent unauthorized access, we have implemented multilevel antivirus protection, regularly updated system security patches, and employ network and user access controls. These measures work in conjunction to fortify our defense against potential vulnerabilities and maintain a secure computing environment.

To minimize the risk of data loss and ensure information security, we utilize RAID (Redundant Array of Independent Disks) technology. This data storage virtualization technology enhances both data redundancy and performance, providing an additional layer of protection. Through this approach, we safeguard against potential data loss or corruption, while also maintaining authorized access to our systems.

To further reinforce our data protection measures, we have established a robust backup mechanism. This allows us to regularly back up our data and restore it swiftly in the event of any loss or corruption. By diligently maintaining data backups, we mitigate the impact of potential disruptions and safeguard our information from unauthorized access or distribution.

Additionally, we recognize the importance of regular server hardware maintenance. By conducting routine maintenance procedures, we ensure the proper functioning of our servers and mitigate the risk of unplanned server outages. This proactive approach to server management helps to maintain the stability and availability of our systems, contributing to our overall data security efforts.

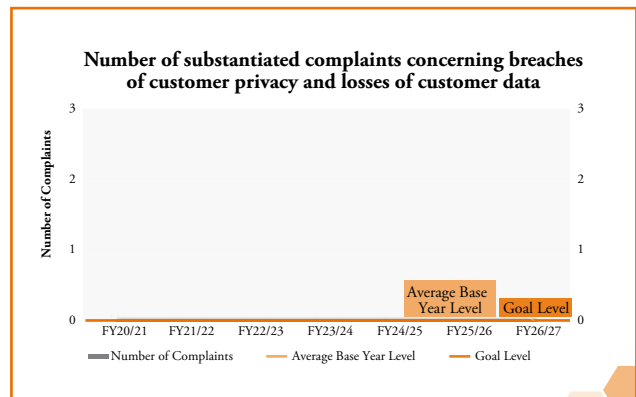
Furthermore, in our commitment to continuously enhance data security and protection, we have implemented a virtualization program. This program focuses on improving backup and disaster recovery capabilities, while also establishing a dedicated channel through our MIS support for traceability and tracking purposes. By leveraging virtualization technology, we enhance the resilience of our systems and strengthen our overall data protection framework.

As part of our ongoing efforts, we had setup the Redundancy VLAN Core Switch for Server & Storage, a duplication of critical components at switch-level redundancy has essentially improved the robustness of a system, installed web server protection module on Firewall to enhance the cyber security protection and upgraded the existing antivirus software to Bitdefender Business Security Enterprise to strengthen the organization's defenses against potential cyber threat.

In order to uphold transparency and accountability, we diligently track and monitor our performance through periodic reviews. Our MIS Support Requisition tool enables us to monitor the total number of substantiated complaints related to breaches of customer privacy, as well as any identified leaks, thefts, or losses of data. Additionally, we continue to track, monitor and review the robustness and integrity through monthly Data Security & Protection Reports and Data Security & Protection Management Reviews.

Our commitment to ESG sustainability in data privacy and security is unwavering. Over the past eight years, we have upheld the trust of our stakeholders through robust security measures and unwavering vigilance, without experiencing any data breaches or losses.

Looking ahead, we remain dedicated to maintaining this standard of excellence. We will continuously update our processes and policies to align with the evolving landscape of data and IT requirements within IQ-group. Our focus is on leveraging virtualization programs, fortifying our backup and disaster recovery capabilities, and placing the utmost priority on safeguarding the data of our stakeholders to ensure a secure operating environment.



AUDIT COMMITTEE REPORT

The Board of Directors of IQ Group Holdings Berhad (“the Board”) is pleased to present the report on Audit Committee for the financial year ended 31 March 2024

INTRODUCTION

The Audit Committee was established on 26 July 2005, prior to the listing of IQ Group Holdings Berhad on the Main Board of Bursa Malaysia on 10 October 2005.

The purpose of the Audit Committee is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, timely and accurate financial reporting and development of sound internal controls.

COMPOSITION OF THE COMMITTEE AND MEETINGS

The Audit Committee comprises the following members:-

Chairman : Tan Boon Hoe
(*Senior Independent Non-Executive Director*)

Members : Dato’ Yoon Chon Leong
(*Non-Independent Non-Executive Director*)

Teresa Tan Siew Kuan
(*Independent Non-Executive Director*)

During the financial year ended 31 March 2024, a total of seven (7) meetings were held. The details of attendance of each member at the committee meetings held during the financial year are as follows:

Directors	Number of Audit Committee Meetings	
	Attended	Held
Tan Boon Hoe	7	7
Charlie Ong Chye Lee (resigned on 31 May 2023)	1	1
Dato’ Yoon Chon Leong	7	7
Teresa Tan Siew Kuan	7	7

SUMMARY TERMS OF REFERENCE OF THE COMMITTEE

1. Objectives of Audit Committee

- To assist the Board of Directors in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the Group;
- Evaluate the quality of the audit conducted by the internal and external auditors;
- Oversee the financial information presented by management to ensure it is factual, reliable and timely;
- Oversee compliance with laws and regulations and observance of a proper code of conduct which is in accordance with Code of Business Conduct and Ethics; and
- Determine the adequacy of the Group’s control environment.

2. Members

- The Audit Committee shall consist not less than three members, comprising Non-Executive Directors, with a majority being Independent Directors.
- Chairman of the Board shall not be a member of the Committee.



AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY TERMS OF REFERENCE OF THE COMMITTEE (Cont'd)

2. Members (Cont'd)

- At least one member of the Audit Committee must be a member of the Malaysian Institute of Accountants, or if he is not a member of the Malaysian Institute of Accountants, must have at least three years working experience and either have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967, or fulfils such other requirements as prescribed or approved by Bursa Malaysia Securities Berhad.
- A former key audit partner and/or the affiliate firm (including those providing advisory services, tax consulting etc) of the Company or any entity within the Group must observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee.
- The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Non-Executive Director.
- No alternate Director shall be appointed as a member of the Committee.
- A member who wishes to retire or resign from IQGHB shall notify the Board in writing by giving at least three (3) months' notice or such shorter period as may be agreed by the Board.
- If a member of the Audit Committee, for whatever reason, ceases to be a member with the result that the number of members is reduced below three, the Board of Directors shall, within three months of the event, appoints such number of new members as may be required to make up the minimum number of three members.

3. Authority

- The Committee shall have unlimited access to all information and documents relevant to its activities, to the internal and external auditors, and to the employees of the Group.
- The Committee shall also be able to convene meetings with the external Auditors, the internal Auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary.
- The Committee shall have the authority to obtain independent legal or other professional advice, as it considers necessary.
- The Committee has the power to establish Sub-Audit Committee(s) to carry out certain investigation on behalf of the Committee in such manner, as the Committee shall deem fit and necessary.

4. Meetings

- The Committee is at liberty to determine the frequency of its meetings, which in any event shall not be less than four (4) times a year.
- The quorum shall consist of two (2) members, majority of the members present must be Independent Directors.

5. Attendance at meetings

- The Group Financial Controller and a representative of the external and internal Auditors are invited to attend the meeting as and when necessary. Other Board members may attend meetings upon the invitation of the Committee.
- The Committee should meet with the external Auditors without executive Board members present at least twice a year. The Committee may invite any person to be in attendance to assist in its deliberations.
- The Company Secretary shall be the Secretary of the Committee and shall be responsible for drawing up the agenda with concurrence of the chairperson and circulating it, supported by explanatory documentation to committee members prior to each meeting.

6. Duties

The duties of the Audit Committee include the followings:

- to consider and recommend the appointment and re-appointment of the external Auditors, the audit fee and any questions of resignation or dismissal, if any;
- to assess the suitability, objectivity and independent of the auditor annually.
- to establish policies and procedures to address the criteria on the appointment and re-appointment of the external auditors and appropriateness of audit fees to support a quality audit.
- to discuss with the external Auditors on their audit plan including the assistance given by the employees of the Company to the external Auditors;

AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY TERMS OF REFERENCE OF THE COMMITTEE (Cont'd)

6. Duties (Cont'd)

- to review the quarterly and year-end financial statements of the Company, focusing particularly on:
 - any changes in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption;
 - compliance with accounting standards and other legal requirements; and
 - any significant and unusual events.
- to review the financial reporting process, detect financial irregularities and to ascertain that the financial statements are consistent with operational information.
- to consider any related party transaction and conflict of interest situation that may arise within the Company or the Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- to review the major risk area of the Group;
- to discuss problems and reservations arising from the interim and final audits, and any matter the auditors may wish to discuss (in the absence of management where necessary);
- to review evaluation by the External Auditors on the System of Internal Controls, the external Auditors' management letter and management's response;
- to do the following where an internal audit function exists:
 - review the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;
 - review the internal audit programme, processes, results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function;
 - review the resignation of internal audit staff members and provide the staff member the opportunity to submit his reasons for resigning;
- to maintain and keep under review the whistle-blowing mechanism of the Group;
- to consider the major findings of internal investigations and management's response;
- to consider other topics as defined by the Board.

7. Reporting

- The Committee is authorised to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.
- The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members and all the other Board members.

SUMMARY OF WORK PERFORMED DURING THE FINANCIAL YEAR

During the financial year under review, the Audit Committee in the discharge of its functions and duties had carried out the following activities to meet its responsibilities:-

Financial Reporting

- Reviewed the unaudited quarterly financial results before recommend the same to members of the Board for approval prior to the announcement to Bursa Malaysia Securities Berhad. The Audit Committee review is to ensure that the report presented a true and fair view of the Group's financial performance.



AUDIT COMMITTEE REPORT (Cont'd)

SUMMARY OF WORK PERFORMED DURING THE FINANCIAL YEAR (Cont'd)

Financial Reporting (Cont'd)

- Reviewed the annual audited financial statement of the Company and the Group with the external auditors prior to submission to the Board of Directors for approval. The review was to ensure that the financial reporting and disclosures are in compliance with relevant rules, regulations and approved accounting standards.

External Audit

- Reviewed the re-appointment of the external auditors and their remuneration. This is to ensure competency and effectiveness of the external auditor.
- Reviewed the external auditor's audit plan to ensure adequacy of the scope of work for the year.
- Reviewed and discussed the findings arising from the audit carried out by the external auditors and follow up actions with the management if necessary.
- Reviewed and approved the non-audit services by the external auditors. This is to ensure that independence and objectivity of the External Auditor are not compromised.
- Had private meetings with the External Auditor on two (2) occasions to ensure that there is no restrictions on the scope of their audit and to discuss on significant matters highlighted including financial reporting issues, significant judgements, unusual transactions that arose during the course of audit.

Internal Audit

- Reviewed the adequacy of the scope, functions, resources and competency of the internal audit function of the group.
- Reviewed the performance of the internal auditors. This is to ensure competency and effectiveness of the internal auditor before their reappointment.
- Reviewed the Internal Audit Plan tabled by the outsourced internal auditors. This is to ensure the adequacy of audit scope and coverage on auditable entities with significant high risks.
- Reviewed and deliberated the Internal Audit Report tabled during the year, the audit recommendations made and the management response to those recommendations. Significant issues were discussed with the management to ensure satisfactory response to address identified risks.

Related Party Transactions

- Reviewed the quarterly updates on the related party transactions entered into by the Group as to ensure that there is no conflict of interest situations and related party transactions were at arm's length.
- Reviewed the circular to shareholders relating to the proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature prior to recommending it for Board's approval.

Risk Management

- Reviewed the Enterprise Risk Management (ERM) or Principle Business Risks of the Group and provide guidance on the action plans to address the identified risks.
- Evaluated the overall adequacy and effectiveness of the system of internal controls through review the work performed by both internal and external auditors and discussions with the management.

Annual Reporting

- Reviewed the Audit Committee Report, Corporate Governance Report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control prior to recommendation to the Board for inclusion into the Company's Annual Report.

STATEMENT ON EMPLOYEE SHARE OPTION SCHEME BY THE COMMITTEE ("ESOS")

IQ Group Holdings Berhad Employee Share Option Scheme ("ESOS") was established on 9 September 2005. On 27 May 2010, the company has extended the ESOS for a period of 5 years commencing from 9 September 2010 on the same terms and conditions as mentioned in the By-Laws. The ESOS has expired on 8 September 2015. There is no new establishment ESOS scheme after the expiration.

NOMINATION COMMITTEE REPORT

The Nomination Committee was established on 26 July 2005, prior to the listing of IQ Group Holdings Berhad (“IQGHB”) on the Main Board of Bursa Malaysia on 10 October 2005. The Committee comprised the following members:

- Chairman** : Teresa Tan Siew Kuan
(*Independent Non-Executive Director*)
- Members** : Dato’ Yoon Chon Leong
(*Non-Independent Non-Executive Director*)
- Tan Boon Hoe
(*Senior Independent Non-Executive Director*)

One (1) meeting was held during the financial year ended 31 March 2024. The details of attendance of each member at the committee meeting held during the financial year are as follows:

Directors	Number of Nomination Committee Meetings	
	Attended	Held
Charlie Ong Chye Lee (resigned on 31 May 2023)	1	1
Dato’ Yoon Chon Leong	1	1
Tan Boon Hoe	1	1
Teresa Tan Siew Kuan	1	1

TERMS OF REFERENCE OF NOMINATION COMMITTEE

1. Members

The Nomination Committee (“NC”) of IQGHB (“the Company”) shall consist of not less than 3 Directors appointed by IQGHB Board of Directors (“IQGHB Board”), all of whom should be Non-Executive Directors.

No Alternate Director shall be appointed as a Member of the Committee unless he/she is an Alternate to the NC Member.

The Chairman shall be elected by the members of the NC and shall be the Independent Director. In the absence of the Committee Chairman, the remaining members present shall elect one of their members to chair the meeting.

Chairman of the Board shall not be a member of the Committee.

A member who wishes to retire or resign from IQGHB shall notify the Board in writing by giving at least three (3) months’ notice or such shorter period as may be agreed by the Board.

If a member, for any reason, ceases to be a member, IQGHB Board shall, within three (3) months of the event, appoint a new member so that the number of members does not fall below three.

The office of a member shall become vacant upon the member’s resignation / retirement / removal or disqualification as a Director of the Company.

A Secretary shall be nominated by the NC.

2. Duties

The NC shall make recommendations to IQGHB Board on the appointment of new executive and non-executive Directors, including making recommendations to the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board.

The NC shall ensure that the positions of the Chairman and CEO are held by different individuals.

The NC shall regularly review the Board structure, size, gender diversity and composition and make recommendations to the Board with regards to any adjustment that are deemed necessary.

The NC shall review the participation of women in senior management to ensure there is healthy talent pipeline.



NOMINATION COMMITTEE REPORT (Cont'd)

TERMS OF REFERENCE OF NOMINATION COMMITTEE (Cont'd)

2. Duties (Cont'd)

The NC shall review the suitability and eligibility of nominated candidates for the approval of the Board, to fill Board and Senior Management vacancies as and when they arise as well as put in place plans for succession including considering the following independent sources to identify suitable qualified candidates.

- Directors' registry
- Industry and professional associations
- Open advertisements
- Independent search firms

The NC shall evaluate and review performance of the Board and senior management including, taking into consideration the company's performance in managing material sustainability risks and opportunities.

The NC shall make recommendation to IQGHB Board to fill the seats on the Board Committee.

The NC shall put in place the Board and Senior Management Succession Plan.

The NC shall recommend Directors who are retiring by rotation under the Articles of Association to be put forward for re-election.

The NC shall decide whether or not a Director is able to and has been adequately carrying out his/her duties as a Director, particularly when he/she has multiple board representatives.

The NC shall have due regard to the principles of governance and code of best practice.

The NC shall liaise with IQGHB Board in relation to the preparation of the NC's report to shareholders (in the annual report) as required.

The NC shall keep under review the leadership needs of the organization with a view of ensuring the continued ability to compete effectively in the organization's marketplace.

The NC shall conduct annual performance assessments on individual directors, Board Committees and the Board as a whole based on the following criteria:

- (a) Competence
- (b) Time commitment
- (c) Integrity
- (d) Character
- (e) Experience
- (f) Contribution; and
- (g) Performance

The NC shall recommend training programmes for Directors with considerations on the results from the annual assessment of Directors conducted. The NC shall ensure training in relation to anti-corruption management are developed for Directors for continuous improvement.

The NC shall undertake an annual assessment of the independence of its Independent Non-Executive Directors based on the criteria set in the Bursa Securities Main Market Listing Requirements and Malaysia Code on Corporate Governance, taking into consideration of their probity with law and adherence to governance practices including anti-corruption policies and procedures.

The NC shall ensure all Directors comply to the Code of Business Conduct and Ethics, where declaration of personal business interest are being performed on annual basis to avoid conflict of interest.

The NC shall review own performance annually and recommend changes to the Term of Reference.

The NC shall review the Term of Office and performance of the Audit Committee and each of its members annually and to determine whether the Audit Committee has carried out their duties in accordance to its Term of reference.

3. Meetings

The meetings of the NC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.

NOMINATION COMMITTEE REPORT (Cont'd)

TERMS OF REFERENCE OF NOMINATION COMMITTEE (Cont'd)

3. Meetings (Cont'd)

A resolution in writing signed or approved by letter or facsimile by a majority of members (of whom at least one must be an independent Director) shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.

Meetings of the NC will be held as the NC deems to be appropriate; however, the NC should meet at least once each year. Meetings should be organized so that attendance is maximized. A meeting may be called, at any other time, by the Chairman of the NC or any member of the NC. Any Director or management may be invited to the meetings.

The notice of each meeting of the NC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the NC not fewer than five (5) business days prior to the date of the meeting.

The quorum for decisions of the NC shall be any two members, including at least one independent Director, present and voting on the matter for decision.

Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

The Chairman (or in his absence, an alternate to the member of the NC) of the NC shall attend the Annual General Meeting and be prepared to answer questions concerning the appointment of executive and non-executive Directors.

Minutes of meetings shall be taken by the NC Secretary. Minutes of all meetings shall be confirmed by the Chairman of the meeting and circulated to all the members of the NC.

If the Chairman of the NC so decides the minutes shall be circulated to other members of IQGHB Board, any Director may, provided that there is no conflict of interest and with the agreement of the Chairman, obtain copies of the NC's minutes.

4. General

The NC in carrying out its tasks under these terms of reference, may obtain such external or other independent professional advice as it considers necessary to carry out its duties.

IQGHB Board will ensure that the NC will have access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.

These terms of reference may from time to time be amended as required, subject to the approval of IQGHB Board.

5. Reporting

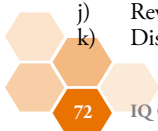
The NC is authorised to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members and all the other Board members.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year under review, the activities of the Nomination Committee include the following:

- a) Discussed and recommended the re-election of Directors retiring in accordance with the Company's Constitution.
- b) Recommended the re-appointment of Independent Director who has reached the nine years term limit.
- c) Assessed the independence of Independent Directors.
- d) Reviewed the required mix of skills, experience and other qualities including core competencies of Non-Executive Directors.
- e) Assessed the effectiveness of the Board as a whole and the Committee of the Board as well as contribution by each Director.
- f) Reviewed and assessed the character, experience, integrity and competency of the Group Financial Controller.
- g) Reviewed the term of office and performance of the Audit Committee and each of its members.
- h) Reviewed the terms and reference of the Nomination Committee and to recommend any necessary changes.
- i) Discussed the types of training the Directors have to undergo.
- j) Reviewed Directors' Fit and Proper Policy and to recommend changes, if necessary.
- k) Discussed on the change in the Board and Board Committees.



REMUNERATION COMMITTEE REPORT

The Remuneration Committee was established on 26 July 2005, prior to the listing of IQ Group Holdings Berhad (“IQGHB”) on the Main Board of Bursa Malaysia on 10 October 2005. The Committee comprises the following members:

- Chairman** : Tan Boon Hoe
(Senior Independent Non-Executive Director)
- Members** : Dato’ Yoon Chon Leong
(Non-Independent Non-Executive Director)
- Teresa Tan Siew Kuan
(Independent Non-Executive Director)

Two (2) meetings were held during the financial year ended 31 March 2024. The details of attendance of each member at the committee meetings held during the financial year are as follows:-

Directors	Number of Remuneration Committee Meetings	
	Attended	Held
Charlie Ong Chye Lee (resigned on 31 May 2023)	1	1
Dato’ Yoon Chon Leong	2	2
Tan Boon Hoe	2	2
Teresa Tan Siew Kuan	2	2

TERMS OF REFERENCE OF REMUNERATION COMMITTEE

1. Members

The Remuneration Committee (the “RC”) of IQGHB (“the Company”) shall be appointed by IQGHB Board of Directors (“IQGHB Board”) from amongst its members, and shall comprise not less than 3 members, with all being non-executive and a majority of them being independent directors.

No Alternate Director shall be appointed as a Member of the Committee unless he/she is an Alternate to a RC Member.

The Chairman shall be elected by members of the RC. In the absence of the committee Chairman, the remaining members present shall elect one of their members to chair the meeting.

Chairman of the Board shall not be a member of the Committee.

A Secretary shall be nominated by the RC.

A member who wishes to retire or resign from IQGHB shall notify the Board in writing by giving at least three (3) months’ notice or such shorter period as may be agreed by the Board.

If a member, for any reason, ceases to be a member, IQGHB Board shall, within three (3) months of the event, appoint a new member so that the number of members does not fall below three.

The office of a member shall become vacant upon the member’s resignation / retirement / removal or disqualification as a Director of the Company.

2. Meetings

The meetings of the RC may be conducted by means of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means and the minutes of such a meeting signed by the Chairman shall be conclusive of any meeting conducted as aforesaid.

A resolution in writing signed or approved by letter or facsimile by a majority of members shall be effective for all purposes as if it were a resolution passed at a meeting of the Committee duly convened, held and constituted. Any such resolution may consist of a single document or several documents all in like form each signed by one or more members.

The meetings shall be held at least once a year. Additional meetings may also be held by the RC to discuss other issues, which the RC considers necessary.

REMUNERATION COMMITTEE REPORT (Cont'd)

TERMS OF REFERENCE OF REMUNERATION COMMITTEE (Cont'd)

2. Meetings (Cont'd)

The RC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or management to its meetings.

The RC shall appoint a secretary who shall attend all meetings and minute the proceedings and resolutions of all committee meetings, including the names of those present and in attendance. The minutes shall be confirmed by the Chairman of the meeting and circulated to all members of the RC.

The quorum necessary for the transaction of business shall be two, the majority of whom must be Non-Executive Directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretion vested or exercisable by the Committee.

Notice

The notice of each meeting of the RC, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall other than under exceptional circumstances, be forwarded to each member of the RC not fewer than five (5) business days prior to the date of the meeting.

Voting

Each member present shall have one vote. All resolutions passed in the meeting shall be by majority votes. If the votes for and against a resolution are equal, the Chairman of the meeting shall have a casting vote.

3. Duties

The duties of the RC as below shall be reviewed on an annual basis.

- (i) to review and recommend to IQGHB Board of Directors in consultation with Management and the Chairman of the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the executive Directors and senior executives/divisional Directors those reporting directly to the Chairman and/or the Group Managing Director/CEO of the Group including those employees related to the executive Directors and controlling shareholders of the Group, having regard to, among others, Company's performance in managing material sustainability risks and opportunities, the Group's operating results, individual performance and comparable market statistics.
- (ii) to recommend to IQGHB Board in consultation with Management and the Chairman of the Board, any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection herewith.
- (iii) to carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by IQGHB Board from time to time.
- (iv) the RC shall have full discretion with regard to the calling of the meetings and the proceedings thereat and may invite any Director or management to its meetings.
- (v) to review the remuneration for Non-Executive Directors and Independent Directors are linked to their level of responsibilities undertaken and contribution to the effective functioning of the Board.

4. General

The RC in carrying out its tasks under these terms of reference, may obtain such external or other independent professional advice, as it considers necessary to carry out its duties.

IQGHB Board will ensure that the RC has access to professional advice both internally and externally at the Company's expense in order for it to perform its duties.

These terms of reference may from time to time be amended as required, subject to the approval of the Board.

5. Reporting

The RC is authorised to regulate its own procedures and in particular the calling of meetings, the notice to be given of such meetings, the voting and proceeding thereat, the keeping of minutes and the custody, production and inspection of such meetings.

The minutes of meetings shall be circulated by the Secretary of the Committee to the Committee members and all the other Board members.



REMUNERATION COMMITTEE REPORT (Cont'd)

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year under review, the activities of the Remuneration Committee include the followings:

- a) Discussed and reviewed the payment of Directors' Fees for the financial year ended 31 March 2024.
- b) Discussed and reviewed the remuneration of the Executive Directors for the financial year ended 31 March 2024.
- c) Discussed and reviewed the remunerations of Senior Executives of the Group for the financial year ended 31 March 2024.
- d) Reviewed the performance Bonus and Retention Incentive of CEO.
- e) Discussed and reviewed the payment of Directors' benefit in accordance with Section 230(1) of the Company Act 2016.
- f) Reviewed the Terms of Reference of the Remuneration Committee and recommend changes, if necessary.
- g) Reviewed the Remuneration Policy & Procedure and recommend any changes, if any.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with Bursa Securities Main Market Listing Requirements

1. UTILISATION OF PROCEEDS

The Company did not undertake any corporate proposal to raise proceeds during the financial year ended 31 March 2024.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the external auditors, Deloitte PLT in Malaysia by the company and the Group for the financial year ended 31 March 2024 were as follows:

	Company	Group
Audit Fee (RM)	120,000	232,000
Non Audit Fee (RM)	46,600	103,500

The details on of the Non-audit fee are shown below:-

	Company	Group
Review of Statement on Risk Management & Internal Control (RM)	4,000	4,000
Tax Compliance Services (RM)	8,500	27,500
Transfer Pricing Services (RM)	14,000	52,000
Other Tax Services (RM)	20,000	20,000
Total	46,500	103,500

3. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

There were no material contracts entered into by the Company and its subsidiaries involving the interests of Directors and major Shareholders, either still subsisting as at 31 March 2024 or since the end of previous financial year ended 31 March 2023.

4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

Significant transactions between the Group and its related parties during the financial year were as follows:

Sensorlite Inc. (formerly known as Interquartz Taiwan Ltd.)	RM
Purchase of raw materials	3,868,171
Rental paid/ payable	1,096,842
Procurement commission paid/ payable	39,593
IQ (America) Inc.	RM
Sales of finished goods	12,869,101
Design and development fee received/receivable	257,334

The relationships between IQ Group Holdings Berhad ("IQGHB") and the related parties are as follows:

Sensorlite Inc.

Chen, Wen-Chin also known as Kent Chen, the Group Executive Chairman and Substantial Shareholder of IQGHB is also the Director and Substantial Shareholder of Sensorlite Inc.

IQ (America) Inc.

Chen, Wen-Chin also known as Kent Chen, is the Director and Substantial Shareholder of Sensorlite Limited. Sensorlite Limited is the Substantial Shareholder of IQGHB and the holding company of IQ (America) Inc.

The Directors are of the opinion that the above transactions have been entered into in the normal course of business and have been established under terms that are no less favorable than those arranged with independent third parties.

5. ACCOUNTS

The Group Financial Controller of IQ Group Holdings Berhad signed the statutory declaration in relation to the financial statements for the year ended 31 March 2024. She is a member of the Malaysian Institute of Accountants and thus fulfills the requirement of Paragraph 9.27 of Bursa Malaysia Securities Berhad Main Market Listing Requirements.



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DIRECTORS' REPORT

The directors of **IQ GROUP HOLDINGS BERHAD** have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended March 31, 2024.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding and providing management services. The principal activities and other information relating to the subsidiaries are as stated in Note 16 to the financial statements.

RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial year are as follows:

	The Group RM	The Company RM
Profit/(Loss) for the year attributable to owners of the Company	<u>6,422,055</u>	<u>1,209,121</u>

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDEND

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors also do not recommend any dividend payment in respect of current financial year.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

The Company has not issued any new shares or debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.



DIRECTORS' REPORT (Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts to be written off and that no allowance for doubtful debts was required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

As of the date of this report, the directors are not aware of any circumstances:

- (a) which would require the writing off of bad debts or the making of allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

As of the date of this report, there does not exist:

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet its obligations as and when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chen, Wen-Chin also known as Kent Chen
Daniel John Beasley
Yoon Chon Leong
Tan Boon Hoe
Chen, Yi-Chung
Teresa Tan Siew Kuan
Charlie Ong Chye Lee (Resigned on May 31, 2023)

DIRECTORS' REPORT (Cont'd)

DIRECTORS (Cont'd)

The directors who held office in the subsidiary companies of the Company during the financial year and up to the date of this report are:

Direct subsidiary companies

Directors of the subsidiary companies

IQ Group Sdn. Bhd.

Chen, Wen-Chin also known as Kent Chen
Daniel John Beasley
Choong Bee Gnoh
Chee Ting Ting
(Alternate to Chen, Wen-Chin also known as Kent Chen)
Loo Weng Keong

IQ Group (Dongguan) Ltd.

Daniel John Beasley
Wong Kwok Hon
Loo Weng Keong

IQ Group (Wuning) Ltd

Daniel John Beasley
Wong Kwok Hon
Loo Weng Keong

IQ Japan Co., Ltd.

Chen, Wen-Chin also known as Kent Chen
Daniel John Beasley
Hisayuki Tominaga

SILQ (Malaysia) Sdn. Bhd.

Chen, Wen-Chin also known as Kent Chen
Daniel John Beasley

DIRECTORS' INTERESTS

The interests in shares of the Company of those who were directors at the end of the financial year, according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

Shares in the Company	Balance as of April 1, 2023	No. of ordinary shares		Balance as of March 31, 2024
		Bought	Sold	
Direct interests:				
Chen, Wen-Chin also known as Kent Chen	16,895,701	-	-	16,895,701
Daniel John Beasley	40,000	-	-	40,000
Indirect interests:				
Chen, Wen-Chin also known as Kent Chen (through Sensorlite Limited*, Sensorlite Investments Limited* and his spouse)	41,171,451	-	-	41,171,451

* A company in which a director, Mr. Chen, Wen-Chin also known as Kent Chen has substantial interests and is a director.

By virtue of his interests in the shares of the Company, Mr. Chen, Wen-Chin also known as Kent Chen is also deemed to have beneficial interests in the shares of all the subsidiary companies of IQ Group Holdings Berhad to the extent that IQ Group Holdings Berhad has an interest.

None of the other directors in office as of the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.



DIRECTORS' REPORT (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Group and of the Company have received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration and benefits-in-kind received or due and receivable by directors or the fixed salary of a full-time employee of the Group and of the Company amounting to RM5,102,777 and RM2,897,954 respectively) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for any benefits which may be deemed to have arisen by virtue of transactions mentioned in Note 32 to the financial statements.

During and as of the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' liability insurance for the purpose of Section 289 of the Companies Act, 2016, throughout the financial year, which provides appropriate insurance cover for the directors of the Company. The amount of insurance premium paid during the year, which was borne by the Company amounted to RM15,910.

There was no indemnity given to or insurance effected for officers and auditors of the Company in accordance with Section 289 of the Companies Act, 2016.

AUDITORS' REMUNERATION

The amount paid/payable as remuneration of the auditors of the Group and of the Company for the financial year ended March 31, 2024 are RM696,206 and RM124,000 respectively.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

Signed on behalf of the Board, as approved by the Board
in accordance with a resolution of the Directors,

**CHEN, WEN-CHIN ALSO KNOWN
AS KENT CHEN**

DANIEL JOHN BEASLEY

Penang,

June 28, 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ GROUP HOLDINGS BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IQ Group Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as of March 31, 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 86 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as of March 31, 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including international Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	Our audit performed and responses thereon
<p>1. Capitalisation and impairment assessment of product development costs</p> <p>The Group capitalised product development costs for its lighting products. As of March 31, 2024, the carrying amount of product development costs is approximately RM4.46 million.</p> <p>Management exercises significant judgement in determining whether the product development costs qualify for capitalisation by assessing the requirements for recognition in accordance with MFRS 138 Intangible Assets, which includes among others, the technical feasibility of the products developed and the ability to generate future economic benefits. The criteria for capitalisation of product development costs are disclosed in Note 3 to the financial statements.</p> <p>In accordance with the Group's accounting policy, the Group performs an impairment assessment of capitalised development costs for products that are not yet available for use at least annually, and whenever there is an indication that the asset may be impaired.</p>	<p>We obtained an understanding of management's business process and criteria surrounding the capitalisation and impairment assessment of product development costs and we tested the design and implementation of relevant controls.</p> <p>We performed audit procedures over the capitalisation of product development costs which included, among others, assessing the recognition criteria for product development costs; conducting discussions with relevant personnel; observing the authorisation of the development stage of the product; challenging the key assumptions and estimates used by management in assessing the technical feasibility of the products developed and the ability to generate future economic benefits; testing the accuracy and occurrence of costs capitalised; and assessing the useful economic life attributed to the product.</p>



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ GROUP HOLDINGS BERHAD (Incorporated in Malaysia) (Cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	Our audit performed and responses thereon
<p>1. Capitalisation and impairment assessment of product development costs (Cont'd)</p> <p>For capitalised development costs for products with finite useful lives, management performed an impairment assessment should there be indicators of impairment. Management judgement and assumptions are applied to determine the recoverable amount, which is also influenced by current and future economic developments.</p> <p>The Group's product development costs capitalised and written off during the financial year were approximately RM1.02 million and RM2.17 million respectively, which are disclosed in Note 15 to the financial statements. The key sources of estimation uncertainty on the product development costs capitalised and impairment assessment are disclosed in Note 4 to the financial statements.</p>	<p>We obtained management-prepared impairment assessment for the product development costs and evaluated the appropriateness of impairment indicators identified and assessed the reasonableness of the key assumptions and estimates used in the impairment assessment.</p> <p>We also considered the adequacy of the Group's disclosures of management's judgements and estimates in relation to capitalisation and impairment assessment for product development costs.</p>

We have not identified any key audit matter pertaining to the financial statements of the Company for the financial year ended March 31, 2024.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Group's annual report and the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The Group's annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

(Forward)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ GROUP HOLDINGS BERHAD (Incorporated in Malaysia) (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Forward)



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ GROUP HOLDINGS BERHAD (Incorporated in Malaysia) (Cont'd)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 16 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

**DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)**

**ALVIN CHANG SHU-WEI
Partner - 03480/01/2026 J
Chartered Accountant**

Penang,

June 28, 2024

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	5	125,733,972	132,755,497	5,851,469	5,550,700
Investment revenue	6	697,362	350,669	1,091,460	605,737
Other gains and losses	7	3,787,469	4,028,278	171,977	91,182
Changes in inventories of finished goods and work-in-progress		(4,929,888)	(9,154,368)	-	-
Raw materials and consumables used		(51,930,905)	(56,702,746)	-	-
Purchase of trading goods		(178,622)	(149,718)	-	-
Employee benefit expenses	8	(38,600,824)	(37,187,617)	(5,252,886)	(5,079,023)
Depreciation and amortisation of non-current assets		(4,795,467)	(5,557,660)	(341,449)	(303,333)
Reversal of impairment loss on investment in subsidiary companies		-	-	930,827	-
Product development costs written off		(2,165,629)	(1,534,068)	-	-
Finance costs	9	(195,194)	(233,350)	(11,004)	(5,478)
Other expenses		(19,333,156)	(17,706,254)	(980,242)	(906,936)
Profit/(Loss) before tax		8,089,118	8,908,663	1,460,152	(47,151)
Tax expense	10	(1,667,063)	(1,762,618)	(251,031)	(184,801)
Profit/(Loss) for the year	11	6,422,055	7,146,045	1,209,121	(231,952)
Other comprehensive income/(loss), net of income tax					
Items that will be reclassified subsequently to profit or loss:					
Exchange differences on translating foreign operations		468,478	(3,106,456)	-	-
Other comprehensive income/(loss) for the year, net of tax		468,478	(3,106,456)	-	-
Total comprehensive income/(loss) for the year		6,890,533	4,039,589	1,209,121	(231,952)
Profit/(Loss) for the year attributable to the owners of the Company		6,422,055	7,146,045	1,209,121	(231,952)
Total comprehensive income/(loss) attributable to the owners of the Company		6,890,533	4,039,589	1,209,121	(231,952)
Earnings/(Loss) per share					
Basic (sen per share)	12	7.30	8.12		
Diluted (sen per share)	12	7.30	8.12		

The accompanying notes form an integral part of the financial statements.



STATEMENTS OF FINANCIAL POSITION

AS OF MARCH 31, 2024

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
ASSETS					
Non-current assets					
Property, plant and equipment	13	9,716,357	10,363,972	404,545	316,507
Right-of-use assets	14	4,464,137	3,468,002	325,342	111,353
Product development costs	15	4,464,665	7,060,763	-	-
Investment in subsidiary companies	16	-	-	88,045,133	87,114,306
Deferred tax assets	17	1,191,244	1,309,122	31,464	-
Total non-current assets		19,836,403	22,201,859	88,806,484	87,542,166
Current assets					
Inventories	18	34,505,323	42,898,290	-	-
Trade and other receivables	19	46,753,258	34,184,307	11,632,760	17,361,576
Tax assets		472,279	1,645,623	-	156,562
Other assets	20	1,800,686	1,409,840	2,000	3,000
Short-term deposits with licensed banks	21	27,995,000	20,495,000	27,400,000	19,900,000
Cash and bank balances	22	25,041,438	28,014,913	1,171,243	1,551,412
Total current assets		136,567,984	128,647,973	40,206,003	38,972,550
Total assets		156,404,387	150,849,832	129,012,487	126,514,716
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	23	96,177,462	96,177,462	96,177,462	96,177,462
Reserves	24	7,250,871	6,782,393	-	-
Retained earnings	25	27,781,947	21,359,892	31,245,049	30,035,928
Total equity		131,210,280	124,319,747	127,422,511	126,213,390
Non-current liabilities					
Borrowings	26	491,000	2,475,975	-	-
Deferred tax liabilities	17	-	8,000	-	8,000
Lease liabilities	27	2,224,571	1,179,773	112,763	-
Total non-current liabilities		2,715,571	3,663,748	112,763	8,000
Current liabilities					
Trade and other payables	28	19,139,196	19,216,814	1,202,724	180,539
Tax liabilities		1,266,992	1,548,011	57,672	-
Lease liabilities	27	1,070,348	1,092,940	216,817	112,787
Borrowings	26	1,002,000	1,008,572	-	-
Total current liabilities		22,478,536	22,866,337	1,477,213	293,326
Total liabilities		25,194,107	26,530,085	1,589,976	301,326
Total equity and liabilities		156,404,387	150,849,832	129,012,487	126,514,716

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

The Group

	Issued capital RM	Non-distributable Translation reserve RM	Legal reserve RM	Distributable Retained earnings RM	Total RM
Balance as of April 1, 2022	96,177,462	9,763,713	125,136	14,213,847	120,280,158
Profit for the year	-	-	-	7,146,045	7,146,045
Other comprehensive loss for the year	-	(3,106,456)	-	-	(3,106,456)
Total comprehensive (loss)/income for the year	-	(3,106,456)	-	7,146,045	4,039,589
Balance as of March 31, 2023	96,177,462	6,657,257	125,136	21,359,892	124,319,747
Balance as of April 1, 2023	96,177,462	6,657,257	125,136	21,359,892	124,319,747
Profit for the year	-	-	-	6,422,055	6,422,055
Other comprehensive income for the year	-	468,478	-	-	468,478
Total comprehensive income for the year	-	468,478	-	6,422,055	6,890,533
Balance as of March 31, 2024	96,177,462	7,125,735	125,136	27,781,947	131,210,280

(Forward)



STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024 (Cont'd)

The Company

	Issued capital RM	Distributable Retained earnings RM	Total RM
Balance as of April 1, 2022	96,177,462	30,267,880	126,445,342
Loss for the year	-	(231,952)	(231,952)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(231,952)	(231,952)
Balance as of March 31, 2023	96,177,462	30,035,928	126,213,390
Balance as of April 1, 2023	96,177,462	30,035,928	126,213,390
Profit for the year	-	1,209,121	1,209,121
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,209,121	1,209,121
Balance as of March 31, 2024	96,177,462	31,245,049	127,422,511

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Profit/(Loss) for the year	6,422,055	7,146,045	1,209,121	(231,952)
Adjustments for:				
Depreciation and amortisation of non-current assets	4,795,467	5,557,660	341,449	303,333
Product development costs written off	2,165,629	1,534,068	-	-
Tax expense recognised in profit or loss	1,667,063	1,762,618	251,031	184,801
Inventories written off	520,146	669,103	-	-
Allowance for slow moving inventories	309,423	195,980	-	-
Interest expense	195,194	233,350	11,004	5,478
Inventories written down	37,047	112,467	-	-
Property, plant and equipment written off	3,100	37,196	-	-
Unrealised (gain)/loss on foreign exchange	(838,005)	570,462	(6,296)	98,512
Interest income	(697,362)	(350,669)	(1,091,460)	(605,737)
(Gain)/Loss on disposal of property, plant and equipment	(36,067)	9,819	(46,998)	-
(Gain)/loss arising from striking-off of investment in subsidiary companies	-	(1,918,927)	-	3,673
Reversal of impairment loss on investment in subsidiary companies	-	-	(930,827)	-
Gain on remeasurement of lease	-	(34,040)	-	-
Gain on termination of lease	-	(323)	-	-
	14,543,690	15,524,809	(262,976)	(241,892)
Movements in working capital:				
Decrease/(Increase) in				
Inventories	7,708,341	15,699,900	-	-
Trade and other receivables	(11,900,595)	(4,872,443)	4,432,368	377,491
Other assets	(506,126)	1,033,191	-	-
(Decrease)/Increase in trade and other payables	(201,846)	(1,770,602)	21,789	(40,900)
Cash generated from operations	9,643,464	25,614,855	4,191,181	94,699
Tax paid, net	(687,207)	(1,317,654)	(76,261)	(94,668)
Net cash from operating activities	8,956,257	24,297,201	4,114,920	31
Cash flows from investing activities				
Interest received	697,362	350,669	926,923	316,519
Proceeds from disposal of property, plant and equipment	49,302	2,627	47,000	-
Purchase of property, plant and equipment*	(1,388,511)	(926,771)	(208,689)	(21,938)
Additions to product development costs	(1,015,091)	(1,429,859)	-	-
Repayment of loan from a subsidiary company	-	-	1,500,000	4,994,000
Net cash (used in)/from investing activities	(1,656,938)	(2,003,334)	2,265,234	5,288,581

(Forward)



STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024 (Cont'd)

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities					
Repayment of borrowings		(1,958,236)	(992,238)	-	-
Repayment of lease liabilities#		(1,137,430)	(1,041,627)	(216,996)	(222,522)
Interest paid		(195,194)	(233,350)	(11,004)	(5,478)
Net advances from a subsidiary company		-	-	1,000,396	-
Net cash (used in)/from financing activities		(3,290,860)	(2,267,215)	772,396	(228,000)
Net increase in cash and cash equivalents		4,008,459	20,026,652	7,152,550	5,060,612
Effect of foreign exchange rate changes		518,066	(641,138)	(32,719)	(120,866)
Cash and cash equivalents as of beginning of year		48,509,913	29,124,399	21,451,412	16,511,666
Cash and cash equivalents as of end of year	29	53,036,438	48,509,913	28,571,243	21,451,412

* During the financial year, the Group and the Company acquired property, plant and equipment by way of:

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Cash settlements		1,388,511	926,771	208,689	21,938
Advanced payment in prior year	20	102,624	218,503	1,000	-
Total	13	1,491,135	1,145,274	209,689	21,938

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024 (Cont'd)

Cash outflows for leases as a lessee

	Note	The Group		The Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Included in net cash from operating activities:					
Payment relating to short-term leases	11	997,509	878,081	798	7,661
Included in net cash from financing activities:					
Interest paid for lease liabilities	9	80,962	77,195	11,004	5,478
Repayment of lease liabilities		1,137,430	1,041,627	216,996	222,522
Total cash outflows for leases		2,215,901	1,996,903	228,798	235,661

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's and Company's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, of future cash flows will be, classified in the Group's and the Company's statement of cash flows as cash flows financing activities:

	The Group			
	1.4.2023 RM	Cash flows used in financing activities RM	Non-cash changes* RM	31.3.2024 RM
Borrowings	3,484,547	(2,072,468)	80,921	1,493,000
Lease liabilities	2,272,713	(1,218,392)	2,240,598	3,294,919
	5,757,260	(3,290,860)	2,321,519	4,787,919
	The Group			
	1.4.2022 RM	Cash flows used in financing activities RM	Non-cash changes* RM	31.3.2023 RM
Borrowings	4,516,018	(1,148,393)	116,922	3,484,547
Lease liabilities	1,478,994	(1,118,822)	1,912,541	2,272,713
	5,995,012	(2,267,215)	2,029,463	5,757,260

(Forward)



STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2024 (Cont'd)

	The Company			
	1.4.2023	Cash flows used in financing activities	Non-cash changes*	31.3.2024
	RM	RM	RM	RM
Lease liabilities	112,787	(228,000)	444,793	329,580
Net advances from a subsidiary company	-	1,000,396	-	1,000,396
	<u>112,787</u>	<u>772,396</u>	<u>444,793</u>	<u>1,329,976</u>
	1.4.2022	Cash flows used in financing activities	Non-cash changes*	31.3.2023
	RM	RM	RM	RM
Lease liabilities	112,602	(228,000)	228,185	112,787
	<u>112,602</u>	<u>(228,000)</u>	<u>228,185</u>	<u>112,787</u>

* Non-cash changes consist mainly interest accrued and new leases entered.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding and providing management services. The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary company are disclosed in Note 16.

The registered office of the Company is located at Suite A, Level 9, Wawasan Open University, 54, Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang, Malaysia.

The principal place of business of the Company is located at 149, Jalan Sultan Azlan Shah, Taman Perindustrian Bayan Lepas, Fasa I (FTZ) Bayan Lepas, 11900 Penang, Malaysia.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors in accordance with a resolution of the directors on June 28, 2024.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Adoption of new and amendments to MFRSs

In the current year, the Group and the Company have applied a number of new and amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for an accounting period that begins on or after April 1, 2023.

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101 and MFRS Practice Statements 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transactions
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules - Application of the exception and disclosure of that fact

The adoption of the above-mentioned new and amendments to MFRSs did not have any material impact on the amounts reported in the financial statements of the Group and of the Company upon its initial application except as discussed below:

Changes in material accounting policies

The Group and the Company adopted amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2 - Disclosures of Accounting Policies from April 1, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS (Cont'd)

International Tax Reform - Pillar Two Model Rules

The Amendments to MFRS 112 apply to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development ("OECD"), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as 'Pillar Two legislation' and 'Pillar Two income taxes'.

The Group and the Company have applied the temporary exception from accounting for deferred taxes arising from Pillar Two model rules, as provided in the International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes) issued on June 2, 2023. Accordingly, the Group and the Company neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.

Revised Standards in issue but not yet effective

The Group and the Company have not applied the following revised MFRS that have been issued but are not yet effective:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ^(a)
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ^(a)
Amendments to MFRS 101	Non-current Liabilities with Covenants ^(a)
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements ^(a)
Amendments to MFRS 121	Lack of Exchangeability ^(b)
MFRS 18	Presentation and Disclosure in Financial Statements ^(c)
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ^(d)

^(a) Effective for annual periods beginning on or after January 1, 2024, with earlier application permitted

^(b) Effective for annual periods beginning on or after January 1, 2025, with earlier application permitted.

^(c) Effective for annual periods beginning on or after January 1, 2027, with earlier application permitted.

^(d) Effective date deferred to a date to be announced by MASB.

The directors anticipate that the above-mentioned new and revised amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective and that the adoption of these new and revised amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of accounting

The financial statements of the Group and of the Company have been prepared on the basis of historical cost, except for certain financial instruments that are measured at amortised cost or at fair value as of the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability as of the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of MFRS 16 *Leases* and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Basis of accounting (Cont'd)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- (a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access as of the measurement date;
- (b) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- (c) Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Subsidiary companies and basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiary companies. Control is achieved when the Company:

- (a) has power over the investee;
- (b) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (c) has the ability to use its power to affect its returns.

Consolidation of a subsidiary company begins when the Company obtains control over the subsidiary company and ceases when the Company loses control of the subsidiary company. Specifically, income and expenses of a subsidiary company acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiary companies is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary companies to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Subsidiary companies

Investment in subsidiary companies which are eliminated on consolidation are stated at cost less impairment losses, if any, in the Company's separate financial statements.

Revenue recognition

The Group and the Company recognise revenue from sales of goods. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognise revenue when it transfers control of a product or service to a customer. Revenue is reduced for estimated customer returns, rebates, sales commission and other similar allowances.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Revenue from contract with customers

(a) Manufacturing sales – At a point in time

The Group generates revenue from the sale of goods as disclosed in Note 5. Sales-related warranties associated with goods cannot be purchased separately and they serve as an assurance that the products sold comply with agreed-upon specifications. Accordingly, the Group accounts for warranties in accordance with MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets* consistent with its previous accounting treatment.

For sales of goods, revenue is recognised when control of the goods has transferred to the customer depending on the shipping term agreed with its customers. The shipping term of the Group's sales comprises of Ex Works ("EXW") and Free on Board ("FOB") terms.

Under the Group's standard contract terms, customers have a right of return for defective products. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. At the same time, the Group has rights to recover the product when customers exercise their right of return and consequently recognises a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

The Group concluded that under MFRS 15 *Revenue from Contracts with Customers*, the sales commission is a consideration payable to a customer. The Group determined that, they shall account for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue.

(b) Consignment sales – At a point in time

The subsidiary company, IQ Group Sdn. Bhd. directly ships the goods with the shipping term of Cost, Insurance and Freight ("CIF") to a destination specified by the customer via mutually agreed upon carriers. Revenue is recognised when title to the products is passed upon withdrawal of products by the customer from the consigned location.

Other income

(a) Management fee and marketing service fee – Over time

Management fee and marketing service fee are recognised on an accrual basis.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

(a) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "profit before tax" as reported in the statements of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's and the Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Taxation (Cont'd)

(b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as of the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, as of the end of the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group and the Company intend to settle its current tax assets and liabilities on a net basis.

(c) Current and deferred tax for the year

Current and deferred tax are recognised as an expense or an income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Employee benefit expenses

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as expenses in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plan

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group and the Company have no further payment obligations once these contributions have been paid.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Ringgit Malaysia ("RM"), which is the functional currency of the Group and the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. As of the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for:

- (a) exchange differences arising on the retranslation of non-monetary items carried at fair value in respect of which gain and losses are recognised in other comprehensive income. For such non-monetary items, the exchange component of that gain or loss is also recognised in other comprehensive income; and
- (b) exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- (c) exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated to RM using exchange rates prevailing as of the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Leases

(a) The Group and the Company as a lessee

The Group and the Company assess whether a contract is or contains a lease, at inception of the contract. The Group and the Company recognise a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Leases (Cont'd)

(a) The Group and the Company as a lessee (Cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group and the Company expect to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statements of financial position. The estimated useful lives of right-of-use assets are as follows:

Short-term leasehold land	60 years
Building	3 – 10 years
Motor vehicles	5 years

The Group and the Company apply MFRS 136 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the property, plant and equipment policy.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Buildings	2%
Plant and machinery	12.5% & 20%
Factory equipment	20% & 50%
Air conditioners	10%
Furniture, fittings and office equipment	10%, 16.67% - 50%
Renovation	10%
Motor vehicles	16.67% & 20%
Electrical installations	10%

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any impairment loss. Depreciation of these assets in progress, determined on the same basis as other property assets, commences when the assets are ready for their intended use.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

All items of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Impairment of tangible and intangible assets

As of the end of each reporting period, the Group and the Company review the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use is tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Internally-generated intangible assets - Research and development expenditure and Product development costs

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- (i) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (ii) the intention to complete the intangible asset and use or sell it;
- (iii) the ability to use or sell the intangible asset;
- (iv) how the intangible asset will generate probable future economic benefits;
- (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (vi) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets which considered to have finite useful lives, are reported at cost less accumulated amortisation and any accumulated impairment losses using the straight-line basis over the commercial lives of the underlying products over a period not exceeding four years.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, includes an appropriate portion of fixed and variable overhead expenses that have been incurred in bringing the inventories to their present location and condition. Cost is determined based on the standard cost method, which approximates actual purchase cost.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Cost of raw materials consists of purchase price plus the cost of bringing the inventories to their present location. Cost of work-in-progress and finished goods consists of the cost of raw materials, direct labour and an appropriate proportion of factory overheads. Goods-in-transit is stated at cost.

Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at fair value through other comprehensive income ("FVTOCI"). For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group and the Company recognise interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognised in profit or loss and is included in the "investment revenue" line item (Note 6).

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically,

- (i) for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item (Note 7);
- (ii) for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss in the "other gains and losses" line item. Other exchange differences are recognised in other comprehensive income in the investment revaluation reserve;
- (iii) for financial assets measured at fair value through profit or loss ("FVTPL") that are not part of a designated hedging relationship, exchange difference are recognised in profit or loss in the "other gains and losses" line item (Note 7); and
- (iv) for equity instruments measured at FVTOCI, exchange differences are recognised in other comprehensive income in the investment revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables and amounts due from customers. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company always recognise lifetime expected credit loss ("ECL") for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group and the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group and the Company have elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when the transfer of the financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group and the Company, and commitments issued by the Group and the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contract liabilities

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with MFRS 9 *Financial Instruments* (see financial assets above); and
- the amount recognised initially less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies set out above.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “other gains and losses” line item (Note 7) in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when, and only when, the Group's and Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Earnings per ordinary share

The Group presents basic and diluted earnings per share (“EPS”) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding adjusted for the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

Segment information

For management purpose, the Group is organised into operating segments based on their business segment which is regularly reviewed by the Group's chief operation decision officer for the performance of the respective segments under their charge. The segment chief operation officer reports directly to the chief operating decision maker, to make decisions about resources to be allocated to the segment and assess its performance.

Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows.

Cash and cash equivalents consist of bank balances, demand deposits which are not pledged and highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's and the Company's accounting policies, which are described in Note 3, directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, management is of the opinion that there are no instances of application of judgement which are expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions made concerning the future, and, other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as stated below:

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of the property, plant and equipment to be 2 to 50 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and residual values of the property, plant and equipment. Therefore, the future depreciation charge could be revised. The carrying amount of the Group's and the Company's property, plant and equipment as of the end of the reporting period is disclosed in Note 13.

(ii) Product development costs

Management's judgement (i.e. projected growth rates and discount rate used) is involved in determining the product development costs that qualify for capitalisation and the impairment of product development costs (if any) as of March 31, 2024. As of March 31, 2024, the directors assessed the recoverability of the Group's product development costs which are included in the statements of financial position with a carrying amount of RM4,464,665 (2023: RM7,060,763). Product development costs that were capitalised and written off during the year amounted to RM1,015,091 (2023: RM1,429,859) and RM2,165,629 (2023: RM1,534,068) respectively as disclosed in Note 15.

The product development projects continue to progress in a satisfactory manner and customer reaction has reconfirmed the directors' previous estimates of anticipated revenues from the product development projects and the directors are confident that the carrying amount of the asset will be recovered in full. This situation is closely monitored, and adjustments will be made in future periods if future market activity indicates that such adjustments are appropriate.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of investment in subsidiary companies

Management reviews the investment in subsidiary companies for impairment when there is an indication of impairment. Recoverable amounts of the investment in subsidiary companies are assessed by reference to the fair value less cost of disposal of the underlying assets of the respective subsidiary companies. The fair value less cost of disposal was determined based on directors' estimation which make reference to prior years valuation report by professional valuer and adjusted with changes in current market conditions.

A reversal of impairment loss of RM930,827 (2023: Nil) was recognised in current financial year to bring the carrying amount to the recoverable amount. Further details are disclosed in Note 16.

(iv) Inventories

The Group makes an allowance for slow moving/obsolete inventories based on an assessment of the net realisable value of the inventories. When estimating the net realisable value of inventories, management considers all of the facts relating to the inventories and the operating environment at the time the estimates are made. Where the expectation is different from the original estimate, such difference will impact the carrying value of the inventories in the period in which such estimate has been changed. The cost of inventories recognised as an expense includes RM520,146 (2023: RM669,103) and RM37,047 (2023: RM112,467) in respect of inventories written off and inventories written down to net realisable value respectively. During the financial year, the Group recognised allowance for slow moving inventories of RM309,423 (2023: RM195,980). Further details are disclosed in Note 18.

(v) Impairment of receivables

When measuring expected credit loss ("ECL"), the Group and the Company use reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group and the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. The Group and the Company assessed that no expected credit loss is recognised as it is negligible. Further details are disclosed in Note 19.

(vi) Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax capital allowances to the extent that it is probable that taxable profits would be available against which the deductible temporary differences, unused tax losses and unused tax capital allowances could be utilised. Significant management judgement is required to determine the amount of deferred tax assets that could be recognised, based on the likely timing and extent of future taxable profits together with future tax planning strategies. Details of deferred tax assets not recognised in the financial statements as of the end of reporting period due to uncertainty of its realisation are disclosed in Note 17.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

5. REVENUE

Revenue comprises of the following:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers	125,733,972	132,755,497	-	-
Management fee from subsidiary companies	-	-	5,340,480	5,143,633
Marketing service fee from subsidiary companies	-	-	510,989	407,067
	<u>125,733,972</u>	<u>132,755,497</u>	<u>5,851,469</u>	<u>5,550,700</u>

Disaggregation of Group's revenue from contracts with customers:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Segment revenue				
Sales of goods:				
Manufacturing	125,733,972	130,445,916	-	-
Consignment	-	2,309,581	-	-
	<u>125,733,972</u>	<u>132,755,497</u>	<u>-</u>	<u>-</u>
Management fee from subsidiary companies	-	-	5,340,480	5,143,633
Marketing service fee from subsidiary companies	-	-	510,989	407,067
	<u>125,733,972</u>	<u>132,755,497</u>	<u>5,851,469</u>	<u>5,550,700</u>

Geographical markets

Europe countries	72,605,657	77,591,341	-	-
Asia countries	33,855,650	40,447,412	5,851,469	5,550,700
North America countries	19,272,665	14,716,744	-	-
	<u>125,733,972</u>	<u>132,755,497</u>	<u>5,851,469</u>	<u>5,550,700</u>

Timing of revenue recognition

At a point in time:				
Sales of goods	125,733,972	132,755,497	-	-
Over time:				
Management fee from subsidiary companies	-	-	5,340,480	5,143,633
Marketing service fee from subsidiary companies	-	-	510,989	407,067
	<u>125,733,972</u>	<u>132,755,497</u>	<u>5,851,469</u>	<u>5,550,700</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. INVESTMENT REVENUE

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income on short-term deposits	697,362	350,669	637,705	316,519
Interest income on loan to a subsidiary company	-	-	453,755	289,218
	<u>697,362</u>	<u>350,669</u>	<u>1,091,460</u>	<u>605,737</u>

The following is an analysis of investment revenue earned on financial assets by category of asset:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest income for financial assets not designated as at fair value through profit or loss:				
Financial assets at amortised cost (including cash and bank balances)	697,362	350,669	1,091,460	605,737
	<u>697,362</u>	<u>350,669</u>	<u>1,091,460</u>	<u>605,737</u>

7. OTHER GAINS AND LOSSES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Net foreign exchange gain/(loss):				
Realised	2,049,353	1,304,219	117,792	193,367
Unrealised	838,005	(570,462)	6,296	(98,512)
Government grant received	530,570	1,000,230	-	-
Gain/(Loss) on disposal of property, plant and equipment	36,067	(9,819)	46,998	-
Property, plant and equipment written off	(3,100)	(37,196)	-	-
Gain/(Loss) arising from striking-off of investment in subsidiary companies	-	1,918,927	-	(3,673)
Gain on remeasurement of lease	-	34,040	-	-
Gain on termination of lease	-	323	-	-
Sundry income	336,574	388,016	891	-
	<u>3,787,469</u>	<u>4,028,278</u>	<u>171,977</u>	<u>91,182</u>

Government grants received relates to the economic assistance program introduced by the People's Republic of China Government which was received by IQ Group (Wuning) Ltd. during the year.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

8. EMPLOYEE BENEFIT EXPENSES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Pension costs - defined contribution plans	2,264,985	2,007,699	543,781	415,853
Other employee benefit expenses	36,302,999	35,083,955	4,709,105	4,663,170
Retrenchment compensation	32,840	95,963	-	-
	<u>38,600,824</u>	<u>37,187,617</u>	<u>5,252,886</u>	<u>5,079,023</u>

Other employee benefit expenses include directors' remuneration, salaries, bonuses, and all other employee related expenses.

Included in employee benefit expenses are expenses related to research and development department personnel amounting to RM3,083,182 (2023: RM2,711,855).

Details of remuneration of directors and officers who are the key management personnel of the Group and of the Company, are as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive				
Directors of the Company:				
Fees	189,108	128,750	189,108	128,750
Pension costs - defined contribution plans	235,903	203,008	219,981	201,708
Other emoluments	2,362,405	1,708,929	1,953,150	1,682,280
Directors of subsidiary companies:				
Pension costs - defined contribution plans	25,823	13,115	-	-
Other emoluments	1,753,823	1,803,726	-	-
Officers of the Company:				
Pension costs - defined contribution plans	163,591	118,835	163,591	118,835
Other emoluments	1,424,954	1,343,268	1,424,954	1,343,268
Non-executive				
Directors of the Company:				
Fees	288,338	307,970	288,338	307,970
	<u>6,443,945</u>	<u>5,627,601</u>	<u>4,239,122</u>	<u>3,782,811</u>

The estimated cash value of benefits-in-kind, provided to directors is disclosed in Note 33.

9. FINANCE COSTS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on borrowings	114,232	156,155	-	-
Interest expense on lease liabilities	80,962	77,195	11,004	5,478
	<u>195,194</u>	<u>233,350</u>	<u>11,004</u>	<u>5,478</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. TAX EXPENSE

Tax expense recognised in profit or loss

Tax expense comprises:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current year:				
Current tax expenses:				
Malaysian	243,789	86,092	240,454	83,518
Foreign	1,242,322	1,996,974	7,026	11,807
Deferred tax relating to origination and reversal of temporary differences	99,149	(770,050)	(39,464)	-
	<u>1,585,260</u>	<u>1,313,016</u>	<u>208,016</u>	<u>95,325</u>
Adjustment recognised in the current year in relation to prior years:				
Current tax:				
Malaysian	43,015	89,476	43,015	89,476
Foreign	34,469	150,351	-	-
Deferred tax	4,319	209,775	-	-
	<u>81,803</u>	<u>449,602</u>	<u>43,015</u>	<u>89,476</u>
Total tax expenses	<u>1,667,063</u>	<u>1,762,618</u>	<u>251,031</u>	<u>184,801</u>

The Group is operating in the jurisdictions of Malaysia, Japan and People's Republic of China.

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profit for the year. The applicable domestic statutory income tax rates for foreign entities are 34% (2023: 34%) for Japan, and 25% (2023: 25%) for People's Republic of China.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. TAX EXPENSE (Cont'd)

The total tax expense for the year can be reconciled to the profit/(loss) before tax as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit/(Loss) before tax	8,089,118	8,908,663	1,460,152	(47,151)
Tax expenses calculated using the Malaysian income tax rate of 24% (2023: 24%)	1,941,388	2,138,079	350,436	(11,316)
Effect of expenses that are not deductible in determining taxable profit	471,439	194,942	180,180	139,694
Effect of revenue that is exempt from tax	(345,562)	(314,865)	(261,600)	(13,053)
Utilisation of deferred tax assets previously not recognised	(603,000)	(616,444)	(61,000)	(20,000)
Deferred tax assets not recognised	161,731	173,820	-	-
Effect of different tax rates of subsidiary companies operating in other jurisdictions	(40,736)	(262,516)	-	-
	1,585,260	1,313,016	208,016	95,325
Adjustments recognised in the current year in relation to prior years:				
Current tax	77,484	239,827	43,015	89,476
Deferred tax	4,319	209,775	-	-
Tax expense recognised in profit or loss	1,667,063	1,762,618	251,031	184,801

As of March 31, 2024, the approximate amounts of unused tax losses and unused tax capital allowances of the Group which are available for set off against future taxable income are as follows:

	The Group	
	2024 RM	2023 RM
Unused tax losses:		
Expiring in financial year ending March 31, 2028	644,000	683,000
Expiring in financial year ending March 31, 2029	7,446,000	7,446,000
Expiring in financial year ending March 31, 2030	1,382,000	1,467,000
Expiring in financial year ending March 31, 2031	-	3,017,000
Expiring in financial year ending March 31, 2032	5,466,000	11,699,000
Expiring in financial year ending March 31, 2033	7,872,000	7,602,000
Expiring in financial year ending March 31, 2034	5,494,000	-
Unused tax capital allowances	6,787,000	6,406,000
Total	35,091,000	38,320,000
	The Company	
	2024 RM	2023 RM
Unabsorbed tax capital allowances	83,000	65,000

Pursuant to Finance Act 2021, the unused tax losses in Malaysia can be carried forward for 10 consecutive years of assessment.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

10. TAX EXPENSE (Cont'd)

In Japan, unused tax losses can be carried forward for 9 years, which will be extended to 10 years for tax losses incurred in fiscal years beginning on or after April 1, 2018.

11. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived at:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
After charging:				
Research and development expenses:				
Product development costs written off	2,165,629	1,534,068	-	-
Amortisation of product development costs	1,445,560	2,040,411	-	-
Lease expense on short-term lease	962,503	830,077	-	-
Others	166,721	153,732	-	-
Depreciation of property, plant and equipment	2,187,143	2,399,567	121,649	88,785
Amortisation of right-of-use assets	1,162,764	1,117,682	219,800	214,548
Statutory audit fees:				
Deloitte PLT and its affiliates	618,484	569,058	120,000	100,000
Other auditors	73,722	57,225	-	-
Non-statutory audit fees:				
Deloitte PLT and its affiliates	4,000	4,000	4,000	4,000
Inventories written off	520,146	669,103	-	-
Allowance for slow moving inventories	309,423	195,980	-	-
Inventories written down	37,047	112,467	-	-
Lease expense on short-term and low-value asset leases	35,006	48,004	798	7,661
Property, plant and equipment written off	3,100	37,196	-	-
Loss on disposal of property, plant and equipment	-	9,819	-	-
Loss arising from striking-off of investment in subsidiary companies (Note 16)	-	-	-	3,673
After crediting:				
Gain on disposal of property, plant and equipment	36,067	-	46,998	-
Gain arising from striking-off of investment in subsidiary companies (Note 16)	-	1,918,927	-	-
Gain on remeasurement of lease	-	34,040	-	-
Gain on termination of lease	-	323	-	-
Reversal of impairment loss on investment in subsidiary companies (Note 16)	-	-	930,827	-

12. EARNINGS PER SHARE

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	The Group	
	2024 RM	2023 RM
Profit attributable to ordinary equity holders of the Company (RM)	6,422,055	7,146,045
Number of ordinary shares for the purposes of basic earnings per share (units)	88,028,550	88,028,550
Basic and diluted earnings per ordinary share (sen)	7.30	8.12

There is no dilution in earnings per share as the Group has no potential dilutive ordinary shares for both years 2024 and 2023.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT

The Group

Cost	Beginning of year RM	Additions RM	Disposals/write-offs RM	Translation effect RM	End of year RM
2024:					
Buildings	8,023,870	-	-	-	8,023,870
Plant and machinery	1,748,863	529,272	(14,934)	27,793	2,290,994
Factory equipment	13,992,130	220,420	(283,979)	43,092	13,971,663
Air conditioners	1,275,283	70,801	(79,685)	9,329	1,275,728
Furniture, fittings and office equipment	9,337,079	153,927	(100,868)	32,114	9,422,252
Renovation	4,518,812	307,026	-	39,141	4,864,979
Motor vehicles	1,502,406	209,689	(159,888)	(2,804)	1,549,403
Electrical installations	775,208	-	-	-	775,208
	<u>41,173,651</u>	<u>1,491,135</u>	<u>(639,354)</u>	<u>148,665</u>	<u>42,174,097</u>
2023:					
Buildings	8,023,870	-	-	-	8,023,870
Plant and machinery	3,600,360	45,262	(1,854,558)	(42,201)	1,748,863
Factory equipment	17,215,707	290,791	(3,401,412)	(112,956)	13,992,130
Air conditioners	1,576,057	57,486	(341,799)	(16,461)	1,275,283
Furniture, fittings and office equipment	10,975,439	751,735	(2,313,203)	(76,892)	9,337,079
Renovation	4,590,361	-	-	(71,549)	4,518,812
Motor vehicles	1,885,729	-	(364,883)	(18,440)	1,502,406
Electrical installations	775,208	-	-	-	775,208
	<u>48,642,731</u>	<u>1,145,274</u>	<u>(8,275,855)</u>	<u>(338,499)</u>	<u>41,173,651</u>
Accumulated depreciation					
	Beginning of year RM	Charge for the year RM	Disposals/write-offs RM	Translation effect RM	End of year RM
2024:					
Buildings	4,152,577	160,463	-	-	4,313,040
Plant and machinery	1,075,006	145,069	(12,091)	13,054	1,221,038
Factory equipment	12,615,238	650,198	(274,877)	18,137	13,008,696
Air conditioners	905,617	70,325	(79,244)	4,697	901,395
Furniture, fittings and office equipment	6,881,766	530,125	(96,921)	26,476	7,341,446
Renovation	3,270,995	444,202	-	24,962	3,740,159
Motor vehicles	1,188,309	172,220	(159,886)	(3,389)	1,197,254
Electrical installations	720,171	14,541	-	-	734,712
	<u>30,809,679</u>	<u>2,187,143</u>	<u>(623,019)</u>	<u>83,937</u>	<u>32,457,740</u>
2023:					
Buildings	3,992,114	160,463	-	-	4,152,577
Plant and machinery	2,831,966	116,738	(1,854,484)	(19,214)	1,075,006
Factory equipment	15,132,667	906,927	(3,378,060)	(46,296)	12,615,238
Air conditioners	1,177,807	68,992	(334,551)	(6,631)	905,617
Furniture, fittings and office equipment	8,671,223	565,874	(2,294,238)	(61,093)	6,881,766
Renovation	2,835,752	465,638	-	(30,395)	3,270,995
Motor vehicles	1,469,082	99,828	(364,880)	(15,721)	1,188,309
Electrical installations	705,064	15,107	-	-	720,171
	<u>36,815,675</u>	<u>2,399,567</u>	<u>(8,226,213)</u>	<u>(179,350)</u>	<u>30,809,679</u>



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The Company

Cost	Beginning of year RM	Additions RM	Disposals/ write-off RM	End of year RM
2024:				
Furniture, fittings and office equipment	397,687	-	-	397,687
Motor vehicles	555,419	209,689	(159,888)	605,220
	953,106	209,689	(159,888)	1,002,907
2023:				
Furniture, fittings and office equipment	375,749	21,938	-	397,687
Motor vehicles	555,419	-	-	555,419
	931,168	21,938	-	953,106
Accumulated depreciation				
	Beginning of year RM	Charge for the year RM	Disposals/ write-offs RM	End of year RM
2024:				
Furniture, fittings and office equipment	351,463	7,595	-	359,058
Motor vehicles	285,136	114,054	(159,886)	239,304
	636,599	121,649	(159,886)	598,362
2023:				
Furniture, fittings and office equipment	341,784	9,679	-	351,463
Motor vehicles	206,030	79,106	-	285,136
	547,814	88,785	-	636,599

The Group

	2024 RM	2023 RM
Carrying amount		
Buildings	3,710,830	3,871,293
Plant and machinery	1,069,956	673,857
Factory equipment	962,967	1,376,892
Air conditioners	374,333	369,666
Furniture, fittings and office equipment	2,080,806	2,455,313
Renovation	1,124,820	1,247,817
Motor vehicles	352,149	314,097
Electrical installations	40,496	55,037
	9,716,357	10,363,972

The Company

	2024 RM	2023 RM
Carrying amount		
Furniture, fittings and office equipment	38,629	46,224
Motor vehicles	365,916	270,283
	404,545	316,507

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

13. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

As of March 31, 2024, the buildings of the Group with a carrying amount of RM3,710,830 (2023: RM3,871,293) have been charged to a local licensed bank as security for banking facilities granted to the Group as mentioned in Note 26.

14. RIGHT-OF-USE ASSETS

The Group

	Short-term leasehold land RM	Building RM	Motor vehicles RM	Total RM
Cost				
As of April 1, 2023	2,506,557	6,156,100	131,846	8,794,503
Additions	-	2,140,894	-	2,140,894
Translation effect	-	42,436	(7,593)	34,843
As of March 31, 2024	2,506,557	8,339,430	124,253	10,970,240
As of April 1, 2022	2,506,557	4,430,432	137,136	7,074,125
Additions	-	1,945,842	-	1,945,842
Remeasurements	-	(44,076)	-	(44,076)
Terminations	-	(30,543)	-	(30,543)
Translation effect	-	(145,555)	(5,290)	(150,845)
As of March 31, 2023	2,506,557	6,156,100	131,846	8,794,503
Accumulated amortisation				
As of April 1, 2023	1,236,745	3,994,168	95,588	5,326,501
Amortisation during the year	48,454	1,088,830	25,480	1,162,764
Translation effect	-	22,971	(6,133)	16,838
As of March 31, 2024	1,285,199	5,105,969	114,935	6,506,103
As of April 1, 2022	1,188,291	3,100,454	71,997	4,360,742
Amortisation during the year	48,454	1,043,073	26,155	1,117,682
Remeasurements	-	(27,123)	-	(27,123)
Terminations	-	(19,089)	-	(19,089)
Translation effect	-	(103,147)	(2,564)	(105,711)
As of March 31, 2023	1,236,745	3,994,168	95,588	5,326,501
Carrying amount				
As of March 31, 2024	1,221,358	3,233,461	9,318	4,464,137
As of March 31, 2023	1,269,812	2,161,932	36,258	3,468,002

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

14. RIGHT-OF-USE ASSETS (Cont'd)

The Company

	The Company	
	2024	2023
	RM	RM
Building		
Cost		
Balance as of beginning	222,707	722,350
Additions	433,789	222,707
Written off	(222,707)	(722,350)
Balance as of end of the year	433,789	222,707
Accumulated amortisation		
Balance as of beginning of year	111,354	619,156
Charge for the year	219,800	214,548
Written off	(222,707)	(722,350)
Balance as of end of the year	108,447	111,354
Carrying amount	325,342	111,353

The Group's right-of-use assets comprise leases of factory buildings, office buildings, hostels and motor vehicle and the lease terms range from 2 to 10 years (2023: 2 to 10 years). The Company's right-of-use assets comprise of office building with a lease term of 1 year (2023: 1 year).

As of March 31, 2024, the unexpired lease period of the short-term leasehold land of the Group is 25 years (2023: 26 years).

As of March 31, 2024, the short-term leasehold land of the Group with a carrying amount of RM1,221,358 (2023: RM1,269,812) has been charged to a local licensed bank as security for banking facilities granted to the Group as mentioned in Note 26.

The maturity analysis of lease liabilities is presented in Note 27.

15. PRODUCT DEVELOPMENT COSTS

	The Group	
	2024	2023
	RM	RM
At cost:		
As of beginning of year	21,110,725	21,214,934
Additions from internal development during the year	1,015,091	1,429,859
Write-off during the year	(2,165,629)	(1,534,068)
As of end of year	19,960,187	21,110,725
Accumulated amortisation:		
As of beginning of year	14,049,962	12,009,551
Charge for the year	1,445,560	2,040,411
As of end of year	15,495,522	14,049,962
Carrying amount	4,464,665	7,060,763

Product development costs comprise all costs that are directly attributable to the development activities or that can be allocated on a reasonable basis to such activities or projects.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. INVESTMENT IN SUBSIDIARY COMPANIES

	The Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
Balance as of beginning of the year	105,133,274	105,136,947
Struck off during the year	-	(3,673)
Balance as of end of the year	105,133,274	105,133,274
Accumulated impairment		
Balance as of beginning of the year	18,018,968	18,018,968
Reversal of impairment loss during the year	(930,827)	-
Balance as of end of the year	17,088,141	18,018,968
	88,045,133	87,114,306

The subsidiary companies are as follows:

Name of companies	Place of incorporation and operation	Proportion of ownership interests and voting power held by the Group		Principal activities
		2024	2023	
IQ Group Sdn. Bhd.	Malaysia	100%	100%	Design and manufacture of motion sensors, sensor lighting, and wireless door entry products
IQ Group (Dongguan) Ltd. ^(a)	People's Republic of China	100%	100%	Design, manufacturing and sales of mould; providing corporate management services to IQ Group (Wuning) Ltd.; providing research and development services and technology transfer to IQ Group (Wuning) Ltd.
IQ Group (Wuning) Ltd. ^(a)	People's Republic of China	100%	100%	Manufacture and sales of sensor lighting, door bells, home security system, lighting fixtures, sensor product, wireless product, security product and household electrical appliances
IQ Japan Co., Ltd. ^(a)	Japan	100%	100%	Sales, marketing and distribution of motion sensors, sensor lighting and wireless door entry products
SILQ (Malaysia) Sdn. Bhd.	Malaysia	100%	100%	Dormant
IQ Industries Limited ^(b)	British Virgin Islands	-	-	Ceased operations since April 1, 2021 and struck off on May 11, 2022



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

16. INVESTMENT IN SUBSIDIARY COMPANIES (Cont'd)

- (a) The financial statements of these companies were audited by member firms of Deloitte in the respective countries.
- (b) On April 28, 2022, an application was submitted to the registrar of the BVI Business Companies Act 2004 of the British Virgin Islands to strike off IQ Industries Limited ("IQI"). The application to strike off had been approved by the register of the BVI Business Companies Act 2004 of the British Virgin Islands on May 11, 2022. The Group and the Company recognised gain of RM1,918,927 and loss of RM3,673 respectively arising from striking-off of investment in IQI in the previous financial year.

Management reviews the investment in subsidiary companies for impairment when there is an indication of impairment. Recoverable amounts of the investment in subsidiary companies are assessed by reference to the fair value less cost of disposal of the underlying assets of the respective subsidiary companies. The fair value less cost of disposal was determined based on directors' estimation which make reference to prior years valuation report by professional valuer and adjusted with changes in current market conditions.

Composition of the Group

Information about the composition of the Group as of the end of the reporting period is as follows:

Principal activities	Country of incorporation	Number of wholly-owned subsidiary companies	
		2024	2023
Design and manufacture of motion sensors, sensor lighting, and wireless door entry products	Malaysia	1	1
Design, manufacture and sales of motion sensors, sensor lighting, wireless door entry products, door bells, home security system, lighting fixtures, sensor product, wireless product, security product and household electrical appliances; design, manufacturing and sales of mould; providing corporate management services to IQ Group (Wuning) Ltd.; providing research and development services and technology transfer to IQ Group (Wuning) Ltd.	People's Republic of China	2	2
Sales, marketing and distribution of motion sensors, sensor lighting and wireless door entry products	Japan	1	1
Ceased operations	Malaysia	1	1
		5	5

17. DEFERRED TAX ASSETS/(LIABILITIES)

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	1,191,244	1,309,122	31,464	-
Deferred tax liabilities	-	(8,000)	-	(8,000)
Net	1,191,244	1,301,122	31,464	(8,000)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

The movement in deferred tax assets/(liabilities) during the year prior to offsetting are as follows:

	Opening balance RM	Recognised in profit or loss (Note 10) RM	Currency Translation Difference RM	Closing balance RM
The Group				
2024				
Deferred tax assets				
Unused tax capital allowances	1,218,445	107,641	(2,410)	1,323,676
Unused tax losses	1,040,308	(418,786)	(1,130)	620,392
Lease liabilities	26,999	665,548	(1,259)	691,288
Other deductible temporary differences	1,276,371	(389,464)	(1,611)	885,296
	<u>3,562,123</u>	<u>(35,061)</u>	<u>(6,410)</u>	<u>3,520,652</u>
Deferred tax liabilities				
Product development costs	(1,395,000)	626,000	-	(769,000)
Property, plant and equipment	(839,000)	(19,000)	-	(858,000)
Right-of-use assets	(27,001)	(655,134)	-	(682,135)
Other taxable temporary differences	-	(20,273)	-	(20,273)
	<u>(2,261,001)</u>	<u>(68,407)</u>	<u>-</u>	<u>(2,329,408)</u>
Net	<u>1,301,122</u>	<u>(103,468)</u>	<u>(6,410)</u>	<u>1,191,244</u>
2023				
Deferred tax assets				
Unused tax capital allowances	1,021,000	203,047	(5,602)	1,218,445
Unused tax losses	1,287,000	(241,909)	(4,783)	1,040,308
Lease liabilities	-	27,123	(124)	26,999
Other deductible temporary differences	1,250,224	32,015	(5,868)	1,276,371
	<u>3,558,224</u>	<u>20,276</u>	<u>(16,377)</u>	<u>3,562,123</u>
Deferred tax liabilities				
Product development costs	(1,915,000)	520,000	-	(1,395,000)
Property, plant and equipment	(861,000)	22,000	-	(839,000)
Right-of-use assets	-	(27,001)	-	(27,001)
Other taxable temporary differences	(25,000)	25,000	-	-
	<u>(2,801,000)</u>	<u>539,999</u>	<u>-</u>	<u>(2,261,001)</u>
Net	<u>757,224</u>	<u>560,275</u>	<u>(16,377)</u>	<u>1,301,122</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

17. DEFERRED TAX ASSETS/(LIABILITIES) (Cont'd)

The movement in deferred tax assets/(liabilities) during the year prior to offsetting are as follows: (Cont'd)

	Opening balance RM	Recognised in profit or loss (Note 10) RM	Closing balance RM
The Company			
2024			
Deferred tax assets			
Unused tax capital allowances	-	20,464	20,464
Lease liabilities	27,000	52,000	79,000
Other deductible temporary differences	6,000	23,000	29,000
	<u>33,000</u>	<u>95,464</u>	<u>128,464</u>
Deferred tax liability			
Right-of-use assets	(27,000)	(51,000)	(78,000)
Property, plant and equipment	(14,000)	(3,000)	(17,000)
Other taxable temporary differences	-	(2,000)	(2,000)
	<u>(41,000)</u>	<u>(56,000)</u>	<u>(97,000)</u>
Net	<u>(8,000)</u>	<u>39,464</u>	<u>31,464</u>
2023			
Deferred tax assets			
Lease liabilities	27,000	-	27,000
Other deductible temporary differences	1,000	5,000	6,000
	<u>28,000</u>	<u>5,000</u>	<u>33,000</u>
Deferred tax liability			
Right-of-use assets	(25,000)	(2,000)	(27,000)
Property, plant and equipment	(11,000)	(3,000)	(14,000)
	<u>(36,000)</u>	<u>(5,000)</u>	<u>(41,000)</u>
Net	<u>(8,000)</u>	<u>-</u>	<u>(8,000)</u>

As mentioned in Note 3, the tax effects of the deductible temporary differences, unused tax losses and unused tax capital allowances which would give rise to deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax capital allowances can be utilised. As of March 31, 2024, the estimated gross amount of the deductible temporary differences, unused tax losses and unused tax capital allowances, for which the deferred tax assets are not recognised in the financial statements due to uncertainty of its realisation, is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses	25,990,246	27,924,998	-	-
Unused tax capital allowances	1,367,000	1,432,000	-	65,000
Other deductible temporary differences	604,049	760,049	-	190,000
Total	<u>27,961,295</u>	<u>30,117,047</u>	<u>-</u>	<u>255,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

18. INVENTORIES

	The Group	
	2024	2023
	RM	RM
At cost:		
Raw materials	15,372,447	18,958,709
Work-in-progress	8,496,696	11,986,602
Finished goods	9,098,826	8,303,639
Goods-in-transit:		
Raw materials	549,964	381,202
Finished goods	254,386	1,093,887
At net realisable value:		
Finished goods	733,004	2,174,251
	34,505,323	42,898,290

The Group's cost of inventories sold during the financial year amounted to RM86,565,788 (2023: RM93,968,548).

The cost of inventories recognised as an expense includes RM520,146 (2023: RM669,103) and RM37,047 (2023: RM112,467) in respect of inventories written off and inventories written down to net realisable value respectively. During the financial year, the Group recognised allowance for slow moving inventories of RM309,423 (2023: RM195,980).

19. TRADE AND OTHER RECEIVABLES

	The Group	
	2024	2023
	RM	RM
Trade receivables	43,818,000	31,999,657
Other receivables	2,935,258	2,184,650
	46,753,258	34,184,307

	The Company	
	2024	2023
	RM	RM
Amount owing by a subsidiary company	11,221,549	16,956,773
Other receivables	411,211	404,803
	11,632,760	17,361,576



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19. TRADE AND OTHER RECEIVABLES (Cont'd)

The currency exposure profile of trade and other receivables is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
United States Dollar	42,719,077	31,450,706	350,284	363,098
Renminbi	2,213,501	1,778,331	-	-
Japanese Yen	1,661,736	895,109	-	-
Ringgit Malaysia	135,400	42,264	11,107,112	16,856,503
Great Britain Pound	14,146	15,352	175,364	141,975
Other currencies	9,398	2,545	-	-
	<u>46,753,258</u>	<u>34,184,307</u>	<u>11,632,760</u>	<u>17,361,576</u>

The average credit periods granted by the Group range from 30 to 120 days (2023: 30 to 120 days). No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions as of the end of the reporting period. Allowance for impairment loss are recognised against trade receivables exceeded credit period based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and an analysis of the counterparty's current financial position.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over 180 days past due and the Group confirms that the debts are uncollectible, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

Trade receivables disclosed above include amounts (see below for aged analysis) that are past due as of the end of the reporting period but against which the Group has not recognised an allowance for impairment loss because there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty.

Ageing analysis of trade receivables:

	The Group	
	2024 RM	2023 RM
Neither past due nor impaired	27,334,974	20,322,273
1 to 30 days past due but not impaired	5,854,689	6,264,247
31 to 60 days past due but not impaired	3,314,712	1,032,131
61 to 90 days past due but not impaired	3,033,538	3,148,630
91 to 120 days past due but not impaired	161,606	755,773
More than 120 days past due but not impaired	4,118,481	476,603
	<u>16,483,026</u>	<u>11,677,384</u>
Total	<u>43,818,000</u>	<u>31,999,657</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

19. TRADE AND OTHER RECEIVABLES (Cont'd)

Included in the above amount of trade and other receivables is an amount of RM6,643,621 (2023: RM4,236,469) owing from IQ (America) Inc. ("IQA") which is past due beyond the credit period but has not been impaired as IQA director has confirmed that the amount will be repaid by IQA as soon as IQA has sufficient liquidity and/or working capital to do so.

Ageing of past due but not impaired of amount owing from IQA:

	The Group	
	2024 RM	2023 RM
Number of days past due		
0 - 30 days	-	395,991
31 - 60 days	2,334,757	1,031,233
61 - 90 days	31,048	1,584,044
91 - 120 days	159,335	748,598
121 - 365 days	4,118,481	476,603
	<u>6,643,621</u>	<u>4,236,469</u>

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period.

The amount owing by a subsidiary company is as follows:

	The Company	
	2024 RM	2023 RM
IQ Group Sdn. Bhd.	<u>11,221,549</u>	<u>16,956,773</u>

Included in amount owing by a subsidiary company is RM8,000,000 (2023: RM9,500,000), representing loan given to a subsidiary company, IQ Group Sdn. Bhd., which bears interest at a rate ranging from 5.29% to 5.48% (2023: 1.71% to 2.70%) per annum, which is unsecured and is repayable on demand.

Other than the loan as disclosed above, the amount owing by a subsidiary company arose mainly from management fee receivable and marketing service fee receivable.

Impairment for amount owing by a subsidiary company is recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Company assessed the impairment loss on amount owing by a subsidiary company based on lifetime expected credit loss approach. No expected credit loss is recognised as it is negligible.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

20. OTHER ASSETS

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Prepayments:				
Property, plant and equipment	245,033	102,624	-	1,000
Others	1,359,664	1,101,564	-	-
Refundable deposits	195,989	205,652	2,000	2,000
	<u>1,800,686</u>	<u>1,409,840</u>	<u>2,000</u>	<u>3,000</u>

Other prepayments comprise mainly of prepayments to suppliers for purchase of raw materials.

The currency exposure profile of other assets is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Renminbi	952,735	517,155	-	-
Ringgit Malaysia	439,480	445,400	2,000	3,000
Japanese Yen	408,471	447,285	-	-
	<u>1,800,686</u>	<u>1,409,840</u>	<u>2,000</u>	<u>3,000</u>

21. SHORT-TERM DEPOSITS WITH LICENSED BANKS

The currency exposure profile of short-term deposits with licensed banks is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Ringgit Malaysia	<u>27,995,000</u>	<u>20,495,000</u>	<u>27,400,000</u>	<u>19,900,000</u>

The short-term deposits with licensed banks of the Group carry interest at rates of 2.5% to 2.8% (2023: 2.3% to 2.5%) per annum with a maturity period ranging from 31 to 106 days (2023: 29 to 94 days). The short-term deposits with a licensed bank of the Company carry interest at rates of 2.5% to 2.8% (2023: 2.3% to 2.5%) per annum with a maturity period ranging from 31 to 106 days (2023: 29 to 94 days).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

22. CASH AND BANK BALANCES

The currency exposure profile of cash and bank balances is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Renminbi	16,556,902	9,655,387	-	-
United States Dollar	3,330,724	13,475,851	398,522	1,255,311
Japanese Yen	2,923,007	1,372,761	-	-
Ringgit Malaysia	1,597,788	3,038,078	742,126	254,523
New Taiwan Dollar	424,651	366,144	-	-
Great Britain Pound	208,153	106,323	30,595	41,578
Singapore Dollar	213	369	-	-
	<u>25,041,438</u>	<u>28,014,913</u>	<u>1,171,243</u>	<u>1,551,412</u>

23. ISSUED CAPITAL

	2024	2023	The Company	
	Number of shares	Number of shares	2024 RM	2023 RM
Fully paid ordinary shares	88,028,550	88,028,550	96,177,462	96,177,462

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All fully paid ordinary shares rank pari passu with regards to the Company's assets.

At the Annual General Meeting held on August 29, 2023, the Company's shareholders approved the Company's plan to repurchase its own shares. Under the share buy-back exercise, the Company is authorised to purchase up to maximum of 10% of the total issued and paid-up share capital. During the financial year, the Company did not repurchase any of its issued and fully paid ordinary shares from the open market.

24. RESERVES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-distributable:				
Translation reserve	7,125,735	6,657,257	-	-
Legal reserve	125,136	125,136	-	-
	<u>7,250,871</u>	<u>6,782,393</u>	<u>-</u>	<u>-</u>

The translation reserve is used to record exchange differences arising on translation of foreign subsidiary companies. Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (Ringgit Malaysia) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve.

The Companies Act of Japan requires that an amount equal to 10% of dividends must be appropriated as legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus), depending on the equity account charged upon the payment of such dividends, until the aggregate amount of legal reserve and additional paid-in capital equals 25% of the ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

25. RETAINED EARNINGS

The entire retained earnings of the Company as of the end of the reporting period is available for distribution as single-tier dividends to the shareholders of the Company.

As of March 31, 2024, the Company has tax exempt income profits available for distribution of RM66,952,515 (2023: RM66,952,515), subject to the agreement of the Inland Revenue Board.

26. BORROWINGS

	The Group	
	2024	2023
	RM	RM
Term loan from financial institutions:		
Secured	1,493,000	2,495,000
Unsecured	-	989,547
	1,493,000	3,484,547

The currency exposure profile of borrowings is as follows:

	The Group	
	2024	2023
	RM	RM
Ringgit Malaysia	1,493,000	2,495,000
Japanese Yen	-	989,547
	1,493,000	3,484,547

The term loans are as follows:

	The Group	
	2024	2023
	RM	RM
Amount outstanding	1,493,000	3,484,547
Less: Current portion	(1,002,000)	(1,008,572)
Non-current portion	491,000	2,475,975

The non-current portion of term loans is repayable as follows:

	The Group	
	2024	2023
	RM	RM
Later than one year and not later than two years	491,000	1,011,777
Later than two years and not later than five years	-	1,214,850
Later than five years	-	249,348
	491,000	2,475,975

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

26. BORROWINGS (Cont'd)

In the previous financial year, the unsecured term loan of the Group bore interest at a rate of 1.00% per annum.

The secured term loan of the Group bears interest at a rate of 2.05% (2023: 2.05%) per annum above the Kuala Lumpur Interbank Offered Rate ("KLIBOR"). The banking facilities are secured by legal charges over all lands and buildings of the Group and covered by a negative pledge over all the Company's assets. The banking facilities were also covered by corporate guarantee of the Company.

Details of additional undrawn financial facilities that the Group has at its disposal to further reduce liquidity risk are set out below:

	2024 RM	2023 RM
Secured:		
Amount unused	7,931,003	6,372,391

27. LEASE LIABILITIES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current – Amount due for settlement within 12 months	1,070,348	1,092,940	216,817	112,787
Non current – Amount due for settlement after 12 months	2,224,571	1,179,773	112,763	-
	<u>3,294,919</u>	<u>2,272,713</u>	<u>329,580</u>	<u>112,787</u>

The weighted average incremental borrowing rates applied to the lease liabilities of the Group are between 2.18% to 4.87% (2023: 2.18% to 4.87%) per annum respectively. The weighted average incremental borrowing rates applied to the lease liabilities of the Company is 5.27% (2023: 5.16%) per annum.

The currency exposure profile of lease liabilities is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Renminbi	3,025,239	1,794,300	-	-
Japanese Yen	269,680	478,413	-	-
Ringgit Malaysia	-	-	329,580	112,787
	<u>3,294,919</u>	<u>2,272,713</u>	<u>329,580</u>	<u>112,787</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

27. LEASE LIABILITIES (Cont'd)

Future minimum lease payments under the lease liabilities together with the present value of the minimum lease payment are as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Minimum lease payments:				
Not later than 1 year	1,184,630	1,158,488	228,000	114,000
Between 1 year to 5 years	2,389,818	1,211,696	114,000	-
Later than 5 years	19,738	19,408	-	-
Total minimum lease payments	3,594,186	2,389,592	342,000	114,000
Less: Amount representing finance charges	(299,267)	(116,879)	(12,420)	(1,213)
Present value of minimum lease payments	3,294,919	2,272,713	329,580	112,787
Present value of payments:				
Not later than 1 year	1,070,348	1,092,940	216,817	112,787
Between 1 year to 5 years	2,224,571	1,160,599	112,763	-
Later than 5 years	-	19,174	-	-
Present value of minimum lease payments	3,294,919	2,272,713	329,580	112,787
Less: Amount due within 12 months	(1,070,348)	(1,092,940)	(216,817)	(112,787)
Amount due after 12 months	2,224,571	1,179,773	112,763	-

The Group and the Company do not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's and the Company's finance department.

28. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables	7,253,085	8,887,271	-	-
Other payables	5,646,332	3,980,758	-	-
Amount owing to a subsidiary company	-	-	1,000,396	-
Accrued expenses	6,239,779	6,348,785	202,328	180,539
	19,139,196	19,216,814	1,202,724	180,539

Included in other payables of the Group are accruals for social insurance and housing fund liabilities of RM3,547,377 (2023: RM3,229,482).

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

28. TRADE AND OTHER PAYABLES (Cont'd)

The currency exposure profile of trade and other payables is as follows:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Renminbi	11,553,699	12,982,999	-	-
Ringgit Malaysia	5,495,427	3,849,234	1,202,724	180,539
United States Dollar	1,176,339	996,513	-	-
Japanese Yen	827,309	1,163,129	-	-
New Taiwan Dollar	70,756	202,112	-	-
Euro Dollar	9,312	18,933	-	-
Great Britain Pound	6,354	3,894	-	-
	<u>19,139,196</u>	<u>19,216,814</u>	<u>1,202,724</u>	<u>180,539</u>

Trade payables comprise amounts outstanding for trade purchases. The credit periods granted to the Group for trade purchases range from 30 to 120 days (2023: 30 to 120 days). No interest is charged on outstanding trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Other payables and accrued expenses comprise mainly amounts outstanding for ongoing costs.

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term deposits with licensed banks	27,995,000	20,495,000	27,400,000	19,900,000
Cash and bank balances	25,041,438	28,014,913	1,171,243	1,551,412
	<u>53,036,438</u>	<u>48,509,913</u>	<u>28,571,243</u>	<u>21,451,412</u>

30. FINANCIAL GUARANTEE

	The Company	
	2024 RM	2023 RM
Corporate guarantee given by the Company to financial institution for banking facilities granted to a subsidiary:		
Outstanding as of financial year end	<u>1,493,000</u>	<u>2,495,000</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS

a. Capital risk management

The Group's and the Company's objectives when managing capital are to safeguard the Group's and the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value.

Management monitors capital based on ability of the Group and the Company to generate sustainable profits. The Group's and the Company's overall strategy remains unchanged from 2023. The capital structure of the group consists of net debt and equity of the group. Debt is defined by the group as long-term and short-term borrowings and lease liabilities as disclosed in Notes 26 and 27 respectively. Net debt is defined as debt after deducting cash and cash equivalents. Equity includes issued capital, reserves and retained earnings.

Pursuant to the requirements of Practice Note No.17/2005 issued by Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement during the financial year ended 31 March 2024.

The Group is not subject to any other externally imposed capital requirement.

b. Categories of financial instruments

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Financial assets				
At amortised cost:				
Trade and other receivables, excluding Value Added Tax receivable	46,288,439	33,689,453	11,632,760	17,361,576
Refundable deposits	195,989	205,652	2,000	2,000
Short-term deposits with licensed banks	27,995,000	20,495,000	27,400,000	19,900,000
Cash and bank balances	25,041,438	28,014,913	1,171,243	1,551,412
Financial liabilities				
At amortised cost:				
Trade and other payables	19,139,196	19,216,814	1,202,724	180,539
Lease liabilities	3,294,919	2,272,713	329,580	112,787
Borrowings	1,493,000	3,484,547	-	-

c. Financial risk management objectives and policies

The operations of the Group and the Company are subject to a variety of financial risks, including market risk, foreign currency risk, credit risk, interest rate risk, liquidity risk and cash flow risk. The Group and the Company have formulated a financial risk management framework whose principal objective is to minimise the Group's and the Company's exposure to risks and/or costs associated with the financing, investing and operating activities of the Group and the Company.

Various risk management policies are made and approved by the Board for observation in the day-to-day operations for the controlling and management of the risks associated with financial instruments.

The Group and the Company seek to minimise the effects of these risks using derivative financial instruments to hedge risks exposures. The use of financial derivative is governed by the Group's and the Company's policies approved by the Board of Directors. The Group and the Company do not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

i. Market risk management

The Group and the Company have in place policies to manage the Group's and the Company's exposures to fluctuation in the prices of the raw materials used in the operations.

There has been no change to the Group's and the Company's exposure to market risk or the manner in which these risks are managed and measured.

ii. Foreign currency risk management

The Group and the Company have exposure to foreign exchange risk as a result of transactions, receivables and payables in foreign currencies arising from normal operating activities.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities as of the end of the reporting period are as follows:

	The Group	
	2024	2023
	RM	RM
Assets		
United States Dollar	46,049,801	44,926,557
Renminbi	19,723,138	11,950,873
Japanese Yen	4,993,214	2,715,155
New Taiwan Dollar	424,651	366,144
Great Britain Pound	222,299	121,675
Other currencies	9,611	2,914
Liabilities		
Renminbi	14,578,938	14,777,299
United States Dollar	1,176,339	996,513
Japanese Yen	1,096,989	2,631,089
New Taiwan Dollar	70,756	202,112
Other currencies	15,666	22,827
The Company		
	2024	2023
	RM	RM
Assets		
United States Dollar	748,806	1,618,409
Great Britain Pound	205,959	183,553

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

ii. Foreign currency risk management (Cont'd)

The following table details the Group's and the Company's sensitivity to a 10% (2023: 10%) increase and decrease in the RM against the relevant foreign currencies. 10% (2023: 10%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% (2023: 10%) change in foreign currency rates. A positive number below indicates an increase in the Group's and the Company's profit net of tax and an increase in Group's equity (2023: an increase in the Group's profit net of tax and a decrease in the Company's loss net of tax and an increase in Group's equity) and a negative number indicates a decrease in the Group's and the Company's profit net of tax and a decrease in Group's equity (2023: a decrease in the Group's profit net of tax and an increase in Company's loss net of tax and a decrease in Group's equity) where the RM strengthens 10% (2023: 10%) against the relevant currency. For a 10% (2023: 10%) weakening of the RM against the relevant currency, it would have had equal but opposite effect on the below currencies to the amounts shown below.

	The Group	
	2024 RM	2023 RM
Impact on profit or loss		
United States Dollar	(4,487,346)	(4,393,004)
Renminbi	(514,420)	282,643
Japanese Yen	(389,623)	(8,407)
New Taiwan Dollar	(35,390)	(16,403)
Great Britain Pound	(22,230)	(12,168)
Other currencies	606	1,991
Impact on equity		
Renminbi	(4,281,524)	(3,839,188)
Japanese Yen	(340,433)	(390,910)
The Company		
	2024 RM	2023 RM
Impact on profit or loss		
United States Dollar	(74,881)	(161,841)
Great Britain Pound	(20,596)	(18,355)

iii. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group and the Company use its own trading records to rate its major customers. The Group's and the Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

iii. Credit risk management (Cont'd)

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amount	12 months ECL
Doubtful	Amount > 120 days past due and/or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – Not credit-impaired
In default	Amount > 180 days past due and/or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired
Write-off	Amount > 365 days past due and/or there is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The tables below detail the credit quality of the Group's financial assets and other items, as well as the Group's maximum exposure to credit risk by credit risk rating grades:

	Note	External credit rating	Internal credit rating	12 months or lifetime ECL?	Gross carrying amount RM	Loss allowance RM	Net carrying amount RM
March 31, 2024							
Trade receivables	19	N/A	(i)	Lifetime ECL (simplified approach)	43,818,000	-	43,818,000
March 31, 2023							
Trade receivables	19	N/A	(i)	Lifetime ECL (simplified approach)	31,999,657	-	31,999,657

- (i) For trade receivables, the Group has applied the simplified approach in MFRS 9 *Financial Instruments* to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

As of the end of the reporting period, approximately 95% (2023: 94%) of the Group's trade receivables were due from 10 (2023: 10) major customers.

Apart from these major customers, the Group does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to any other counterparties did not exceed 1% (2023: 2%) of gross trade receivables as of the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

iii. Credit risk management (Cont'd)

The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the Group's and the Company's maximum exposure to credit risk.

Further details of credit risks on trade receivables are disclosed in Note 19.

The credit risk on liquid funds is limited because the counterparties are reputable banks.

Financial guarantee

The Company provides unsecured financial guarantee to a licensed bank in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the repayments made by the subsidiary and their financial performance.

The maximum exposure to credit risk amounts to RM1,493,000 (2023: RM2,495,000) representing the outstanding balance of banking facilities of the subsidiary in which financial guarantee is given by the Company as of the end of the reporting period.

As of the end of the reporting period, there was no indication that the subsidiary would default on repayment.

The financial guarantee has not been recognised since the fair value on initial recognition was immaterial as the financial guarantee provided by the Company did not contribute towards credit enhancement of the subsidiary's borrowings in view of the securities pledged by the subsidiary and it was not probable that the counterparty to financial guarantee contract will claim under the contract.

iv. Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to changes in interest rates relates primarily to the Group's and the Company's short-term deposits and borrowings.

As of the end of the reporting date, if interest rates on borrowings and short-term deposits had been 100 (2023: 100) basis points lower/higher with all other variables held constant, the Group's profit net of tax would have been RM15,200 (2023: RM22,800) and RM16,789 (2023: RM9,900) lower/higher arising mainly as a result of lower/higher interest expense on floating rate borrowings.

As of the end of the reporting date, if interest rates on short-term deposits had been 100 (2023: 100) basis points lower/higher with all other variables held constant, the Company's profit net of tax would have been RM16,618 (2023: RM9,751) lower/higher arising mainly as a result of lower/higher interest income on floating rate short-term deposits.

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

v. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's and the Company's funding and liquidity management requirements. The Group and the Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and financial liabilities. Note 26 sets out details of the additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

v. Liquidity risk management (Cont'd)

The following table details the Group's and the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date of which the Group and the Company was required to pay.

	Weighted average effective rate/ Incremental borrowing rate* %	The Group	
		2024 RM	2023 RM
Trade and other payables			
Not later than one year	-	19,139,196	19,216,814
Lease liabilities*			
Not later than 1 year	2.18 – 4.87	1,184,630	1,158,488
Between 1 year to 5 years	2.18 – 4.87	2,389,818	1,211,696
Later than 5 years	2.18 – 4.87	19,738	19,408
		3,594,186	2,389,592
Borrowings			
Not later than 1 year	1.00	1,057,202	-
Between 1 year to 5 years	1.00	498,536	-
Not later than 1 year	1.00 & 5.01	-	1,110,610
Between 1 year to 5 years	1.00 & 5.01	-	2,316,549
Later than 5 years	1.00 & 5.01	-	266,635
		1,555,738	3,693,794
The Company			
		2024 RM	2023 RM
Trade and other payables			
Not later than one year	-	1,202,724	180,539
Lease liabilities*			
Not later than 1 year	5.27	228,000	-
Between 1 year to 5 years	5.27	114,000	-
Not later than 1 year	5.16	-	114,000
		342,000	114,000
Financial guarantee contracts			
	-	1,555,738	2,655,852

The amounts included above for financial guarantee contracts are the maximum amounts of the Company could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterpart to the guarantee. Based on expectations as of the end of the reporting period, the Company considers it remote to make such payment under the arrangement.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

31. FINANCIAL INSTRUMENTS (Cont'd)

c. Financial risk management objectives and policies (Cont'd)

vi. Cash flow risk management

The Group and the Company review its cash flow position regularly to manage its exposures to fluctuations in future cash flows associated with its monetary financial instruments.

d. Fair value measurements

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values due to the short maturity of these financial instruments, except for lease liabilities which is disclosed in Note 27.

The carrying values of lease liabilities approximate their fair values as it bear interest rates which approximate the current incremental borrowing rates for similar types of lending and borrowing arrangements.

32. RELATED PARTY BALANCES AND TRANSACTIONS

Included in the following accounts of the Group as of March 31, 2024 are amounts owing by/(to) the following related parties:

	The Group	
	2024	2023
	RM	RM
Trade receivables:		
IQ (America) Inc. *	13,263,558	4,742,667
Trade payables:		
Sensorlite Inc.*	(471,158)	(291,819)

* A company in which a director has substantial interests and is a director.

The amount owing by/(to) related parties, included in trade receivables and trade payables arose mainly from trade transactions. The credit periods granted by/(to) related parties range from 30 to 120 days (2023: 30 to 120 days).

The financial statements of the Group reflect the following significant related party transactions which are based on terms negotiated between the Group and its related parties:

	The Group	
	2024	2023
	RM	RM
With related parties:		
IQ (America) Inc.:		
Sales of finished goods	12,869,101	9,759,738
Design and development fee received/receivable	257,334	-
Sales commission paid/payable	-	293,060
Sensorlite Inc.:		
Purchase of raw materials	3,868,171	4,445,867
Lease expense on short-term leases paid/payable	1,096,842	1,090,208
Procurement commission paid/payable	39,593	38,157
Purchase of property, plant and equipment	-	17,032

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

32. RELATED PARTY BALANCES AND TRANSACTIONS (Cont'd)

The financial statements of the Company reflect the following significant intercompany transactions which are based on terms negotiated between the Company and its subsidiary companies:

	The Company	
	2024 RM	2023 RM
IQ Group Sdn. Bhd.:		
Management fee received/receivable	5,340,480	5,143,633
Repayment of loan from	1,500,000	4,994,000
Net advances from	1,000,396	-
Marketing service fee received/receivable	510,989	407,067
Interest income received/receivable	453,755	289,218
Rental of premises paid/payable	228,000	228,000

Key management personnel compensation

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The remuneration of key management personnel is disclosed in Note 8.

33. DIRECTORS' BENEFITS-IN-KIND

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Estimated cash value of benefits-in-kind provided to directors	247,377	294,571	247,377	294,571

34. CAPITAL COMMITMENTS

As of March 31, 2024, the Group and the Company have the following commitments in respect of capital expenditure on property, plant and equipment:

	The Group		The Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Approved and contracted for	88,231	389,406	-	208,689

35. SEGMENTAL REPORTING

Products and services from which reportable segments derive their revenue

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of goods or services provided. The Group's reportable segments under MFRS 8 *Operating Segments* are therefore as follows:

- investment holding (includes management services);
- manufacturing of motion sensors, sensor lighting, wireless door entry products, door bells, home security system, lighting fixtures, sensor product, wireless product, security product and household electrical appliances; and
- trading of motion sensors, sensor lighting and wireless door entry products.

Inter-segment sales are charged at cost plus a percentage of profit mark-up.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. SEGMENTAL REPORTING (Cont'd)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments:

The Group

	Investment holding RM	Manufacturing RM	Trading RM	Elimination RM	Total RM
2024					
Revenue					
External revenue	-	100,547,977	25,185,995	-	125,733,972
Inter-segment revenue	5,851,469	117,588,389	-	(123,439,858)	-
Total revenue	5,851,469	218,136,366	25,185,995	(123,439,858)	125,733,972
Results					
Segment profit/(loss)	1,781,758	11,353,383	(253,874)	(9,081,786)	3,799,481
Investment revenue					697,362
Other gains					3,787,469
Finance costs					(195,194)
Profit before tax					8,089,118
Tax expense					(1,667,063)
Profit for the year					6,422,055
2023					
Revenue					
External revenue	-	100,919,493	31,836,004	-	132,755,497
Inter-segment revenue	5,550,700	128,196,671	-	(133,747,371)	-
Total revenue	5,550,700	229,116,164	31,836,004	(133,747,371)	132,755,497
Results					
Segment (loss)/profit	(738,592)	2,808,129	1,262,505	1,431,024	4,763,066
Investment revenue					350,669
Other gains					4,028,278
Finance costs					(233,350)
Profit before tax					8,908,663
Tax expense					(1,762,618)
Profit for the year					7,146,045

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without investment revenue, other gains and losses and tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. SEGMENTAL REPORTING (Cont'd)

Segment assets and liabilities

The Group

	Investment holding RM	Manufacturing RM	Trading RM	Elimination RM	Total RM
2024					
Assets					
Segment assets	29,714,341	114,398,546	11,820,510	(1,192,533)	154,740,864
Current and deferred tax assets					1,663,523
Consolidated total assets					156,404,387
Liabilities					
Segment liabilities	531,908	22,627,797	1,096,989	(329,579)	23,927,115
Current and deferred tax liabilities					1,266,992
Consolidated total liabilities					25,194,107
2023					
Assets					
Segment assets	22,287,075	116,875,069	9,712,805	(979,862)	147,895,087
Current and deferred tax assets					2,954,745
Consolidated total assets					150,849,832
Liabilities					
Segment liabilities	293,326	22,196,931	2,596,604	(112,787)	24,974,074
Current and deferred tax liabilities					1,556,011
Consolidated total liabilities					26,530,085

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets allocated to reportable segments other than current and deferred tax assets.
- all liabilities are allocated to reportable segments other than other financial liabilities, current and deferred tax liabilities.



NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. SEGMENTAL REPORTING (Cont'd)

Other segment information

The Group

	Investment holding RM	Manufacturing RM	Trading RM	Elimination RM	Total RM
2024					
Other information					
Depreciation and amortisation expenses	341,449	4,637,658	189,305	(372,945)	4,795,467
Addition to non-current assets	209,689	1,274,532	6,914	-	1,491,135
(Gain)/Loss on disposal of property, plant and equipment	(46,998)	10,470	-	461	(36,067)
Product development costs written off	-	2,165,629	-	-	2,165,629
Inventories written off	-	520,146	-	-	520,146
Allowance for slow moving inventories	-	309,423	-	-	309,423
Inventories written down	-	37,047	-	-	37,047
Non-cash expense other than depreciation and amortisation	-	3,100	-	-	3,100
2023					
Other information					
Depreciation and amortisation expenses	303,333	5,187,354	199,727	(132,754)	5,557,660
Addition to non-current assets	21,938	1,123,336	-	-	1,145,274
Loss/(Gain) arising from striking-off of investment in subsidiary companies	3,673	-	-	(1,922,600)	(1,918,927)
Product development costs written off	-	1,534,068	-	-	1,534,068
Inventories written off	-	669,103	-	-	669,103
Allowance for slow moving inventories	-	195,980	-	-	195,980
Loss on disposal of property, plant and equipment	-	8,625	-	1,194	9,819
Inventories written down	-	112,467	-	-	112,467
Non-cash expense other than depreciation and amortisation	98,512	512,183	-	(3,037)	607,658

Revenue from major products and services

Analysis of revenue from major products and services was not disclosed as it is not practical to analyse this information without incurring excessive cost.

Geographical information

The Group's manufacturing activities are located in Malaysia and People's Republic of China and trading activities are located in Japan and Taiwan.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

35. SEGMENTAL REPORTING (Cont'd)

Geographical information (Cont'd)

The Group's revenue from external customers attributed to countries of domicile of the Company and its subsidiary companies are detailed below:

	The Group	
	2024 RM	2023 RM
Malaysia	100,402,420	100,778,905
Japan	25,185,995	31,836,004
People's Republic of China	145,557	140,588
	<u>125,733,972</u>	<u>132,755,497</u>

The Group's revenue from external customers attributed to countries from which the Company and its subsidiary companies derive revenue are detailed below:

	The Group	
	2024 RM	2023 RM
Europe countries	72,605,657	77,591,341
Asia countries	33,855,650	40,447,412
North America countries	19,272,665	14,716,744
	<u>125,733,972</u>	<u>132,755,497</u>

Information about the Group's non-current assets by location are detailed below:

	The Group	
	2024 RM	2023 RM
Malaysia	12,282,787	15,142,112
People's Republic of China	6,987,099	6,197,392
Japan	566,517	862,355
	<u>19,836,403</u>	<u>22,201,859</u>

Information about major customers

Included in revenue of the Group is revenue amounting to RM38,334,038 (2023: RM40,196,526) and RM13,126,435 (2023: RM15,063,375) which arose from sales to the Group's largest and second largest customers respectively.



STATEMENT BY DIRECTORS/ DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

The directors of **IQ GROUP HOLDINGS BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of March 31, 2024 and of the financial performance and the cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a
resolution of the Directors,

**CHEN, WEN-CHIN ALSO KNOWN
AS KENT CHEN**

DANIEL JOHN BEASLEY

Penang,

June 28, 2024

DECLARATION BY THE OFFICER PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **CHEE TING TING (MIA MEMBERSHIP NO. 14767)**, the officer primarily responsible for the financial management of IQ GROUP HOLDINGS BERHAD, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by
the abovenamed **CHEE TING TING** at
GEORGETOWN in the State of **PENANG**
on June 28, 2024.

Before me,
**CHEE TING TING
GROUP FINANCIAL
CONTROLLER**

COMMISSIONER FOR OATHS

LIST OF PROPERTIES

31 MARCH 2024

The details of the landed properties of the Group are as follows:-

Registered Owner/ Location	Description/ Existing Use/ Restriction of Interest	Land Area/ Built-up Area	Approximate Age of Building (year)	Tenure/ Encumbrances	Date of acquisition	Net Book Value as at 31.03.2024 (RM'000)
Leasehold Land and Buildings						
IQ Group Sdn. Bhd.						
Plot 149, Jalan Sultan Azlan Shah, Taman Perindustrian Bayan Lepas, Fasa 1 (FTZ), Bayan Lepas 11900 Penang held under P.T.1300 H.S. (D) 12680, Mukim 12, Daerah Barat Daya, Pulau Pinang	<p>Description 2-storey factory cum office with a mezzanine floor</p> <p>Existing Use Industry use as head office, R&D centre and factory premises</p> <p>Restriction of Interest (a) The land shall not be transferred, charged, leased, sub-leased or disposed of without the written consent of the State Authority of Penang; and (b) The land shall not be sub-divided or partitioned.</p>	8,136.93 square metre/ 6,091.79 square metre	34	<p>Tenure Leasehold 60 years (expiring 22.09.2049)</p> <p>Encumbrances A 30 year lease of part of the land to Tenaga Nasional Berhad (expired on 15.09.2021)</p>	05.12.1988	1,709
IQ Group Sdn. Bhd.	<p>Description 2-storey factory cum office</p> <p>Existing Use Industry use as head office, R&D centre and factory premises</p> <p>Restriction of Interest (a) The land shall not be transferred, charged, leased, sub-leased or disposed of without the written consent of the State Authority; and (b) The land shall not be sub-divided or partitioned</p>	6,754.89 square metre/ 2,998.94 square metre	34	<p>Tenure Leasehold 60 years (expiring on 11.06.2049)</p> <p>Encumbrances A 30 year lease of part of the land to Tenaga Nasional Berhad (expired on 25.09.2021)</p>	10.07.1999	3,223

No revaluation exercise has been carried out on the land and buildings.



ANALYSIS OF SHAREHOLDINGS

(As at 28 June 2024)

Share capital

Total number of issued shares	:	88,028,550
Class of Shares	:	Ordinary shares
Voting Rights	:	One voting right for one ordinary share

Size of holdings	No of holders	%	No. of shares	%
Less than 100 shares	242	11.38	1,045	0.00
100 – 1,000 shares	652	30.65	272,916	0.31
1,001 – 10,000 shares	842	39.59	4,108,937	4.67
10,001 – 100,000 shares	349	16.41	10,582,600	12.02
100,001 – 4,401,426 (*)	40	1.88	20,508,111	23.30
4,401,427 and above (**)	2	0.09	52,554,941	59.70
TOTAL	2,127	100.00	88,028,550	100.00

(*) Less than 5% of issued shares

(**) 5% and above of issued shares

DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct		Indirect	
	No. of shares	%	No. of shares	%
Chen, Wen-Chin also known as Kent Chen	16,895,701	19.19	41,171,451 ^	46.77
Daniel John Beasley	40,000	0.05	-	-
Chen, Yi-Chung	-	-	-	-
Dato' Yoon Chon Leong	-	-	-	-
Tan Boon Hoe	-	-	-	-
Teresa Tan Siew Kuan	-	-	-	-

^ By virtue of his substantial interest in Sensorlite Limited and Sensorlite Investments Limited and interest of spouse by virtue of Section 59(11)(c) of the Companies Act 2016

SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct		Indirect	
	No. of shares	%	No. of shares	%
Sensorlite Limited	35,659,240	40.51	-	-
Chen, Wen-Chin also known as Kent Chen	16,895,701	19.19	39,638,867+	45.03

+ By virtue of his substantial interest in Sensorlite Limited and Sensorlite Investments Limited

ANALYSIS OF SHAREHOLDINGS

(As at 28 June 2024) (Cont'd)

TOP THIRTY SECURITIES ACCOUNT HOLDERS

(Without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of shares	%
1.	Sensorlite Limited	35,659,240	40.51
2.	Chen, Wen-Chin also known as Kent Chen	16,895,701	19.19
3.	Ultra Top International Co., Ltd.	4,391,100	4.99
4.	Sensorlite Investments Limited	3,979,627	4.52
5.	Lee Kok Hin	2,153,600	2.45
6.	Chang, Su-Chu	1,532,584	1.74
7.	Public Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For RME Holdings Sdn. Bhd. (E-KTU)	941,000	1.07
8.	Jusoh Bin Ali	910,000	1.03
9.	Syarikat Shukor Sakam Sdn. Bhd.	500,000	0.57
10.	Apex Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lee Chee Keong (STA 5)	318,500	0.36
11.	Teoh Hin Heng	288,000	0.33
12.	Maybank Nominees (Tempatan) Sdn Bhd Lee Yau Ngan	279,700	0.32
13.	Lai Shwu Yan	268,300	0.30
14.	Yong Heng Wah	267,900	0.30
15.	AMSEC Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Quek See Kui	256,900	0.29
16.	Lai Thiam Poh	225,000	0.29
17.	Teh Bee Gaik	227,500	0.26
18.	Yeap Leong Peng	220,000	0.25
19.	Lee Kok Leong	216,600	0.25
20.	Lim Kee	205,000	0.23
21.	Yong Sneg Huat	204,000	0.23
22.	Chu Eng Hock	200,000	0.23
23.	Yeo Khee Huat	200,000	0.23
24.	Zainul Abideen Bin Fazle Abbas	200,000	0.23
25.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Seng Tung	199,000	0.23
26.	Phillip Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Siew Boon Yeong	194,600	0.22
27.	HLIB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Ah Kow	181,300	0.20
28.	Au Yang Tuan Kah	154,600	0.18
29.	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Cheong Fook Chee (E-BPJ/TDA)	140,800	0.16
30.	Chee Chin Huan	134,000	0.15
		71,574,552	81.31



IQ-group
IQ GROUP HOLDINGS BERHAD
(200301034523) (636944-U)
(Incorporated in Malaysia)
PROXY FORM

CDS Account No.

No. of shares held

I/We _____ Tel: _____

[Full name in block, NRIC/Passport/Company No.]

of _____

being member(s) of **IQ Group Holdings Berhad**, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and / or* (*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him, the Chairperson of the Meeting, as my/our proxy to vote for me/us and on my/our behalf at the Twenty-First Annual General Meeting of the Company to be conducted on a fully virtual basis through live streaming and online remote voting via Remote Participation and Voting facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at <https://tiih.online> on Thursday, 29 August 2024 at 2.30 p.m. or any adjournment thereof, and to vote as indicated below:

Description of Resolution	Resolution	For	Against
Re-election of Mr Daniel John Beasley	Ordinary Resolution 1		
Re-election of Mr Tan Boon Hoe	Ordinary Resolution 2		
Approval of Directors' Fees for the financial year ending 31 March 2025	Ordinary Resolution 3		
Approval of Directors' benefits	Ordinary Resolution 4		
Re-appointment of Deloitte PLT as Auditors	Ordinary Resolution 5		
Renewal of Share Buy-Back Authority	Ordinary Resolution 6		
Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature	Ordinary Resolution 7		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he thinks fit.

Signed this _____ day of _____

Signature*
Member

* Manner of execution:

- If you are an individual member, please sign where indicated.
- If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Notes:

- The AGM will be conducted fully virtual through live streaming and online meeting platform provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") in Malaysia via its TIIH Online website at <https://tiih.online>. Members are to attend, speak (including posing questions to the Board of Directors of IQGROUP via real time submission of typed texts) and vote (collectively, "**Participate**") remotely at this AGM via Remote Participation and Voting ("**RPV**") facilities provided by Tricor. Members are advised to follow the procedures of RPV as stated in the Administrative Guide.
- According to the Revised Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia, an online meeting platform located in Malaysia is recognised as the meeting venue and all meeting participants of a fully virtual general meeting are required to participate in the meeting online.
- For the purpose of determining who shall be entitled to attend this General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depositors as at 23 August 2024. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, speak and vote on his/her/his behalf.
- A member entitled to attend and vote at this General Meeting is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.
- A member of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.
- If two (2) proxies are appointed, the entitlement of those proxies to vote shall be in accordance with the listing requirements of the stock exchange.
- Where a member of the Company is an authorised nominee as defined in the Central Depositories Act, it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act") which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
- Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
- The appointment of a proxy may be made in hard copy form or by electronic means. In the case of an appointment made in hard copy form, the proxy form must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang. In the case of electronic appointment, the proxy form must be deposited via TIIH Online at <https://tiih.online>. Please refer to the Administrative Guide for further information on electronic submission. All proxy forms submitted must be received by the Company not less than forty-eight (48) hours before the time appointed for holding this General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote.
- Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the registered office of the Company situated at Suite A, Level 9, Wawasan Open University, 54 Jalan Sultan Ahmad Shah, 10050 Georgetown, Penang not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
- Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
- Last date and time for lodging this proxy form is 2.30 p.m., 27 August 2024 (Tuesday).

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STAMP

IQ-group
IQ GROUP HOLDINGS BERHAD
(200301034523) (636944-U)
Suite A, Level 9
Wawasan Open University
54 Jalan Sultan Ahmad Shah
10050 Georgetown
Penang

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ANNUAL REPORT REQUEST FORM

Dear Shareholder,

Please complete your particulars below and return this form through mail to IQ Group Holdings Berhad at 149, Jalan Sultan Azlan Shah, Taman Perindustrian Bayan Lepas, Fasa 1 (FTZ), Bayan Lepas, 11900 Penang, Malaysia or fax to 604-6423769 should you wish to receive a hardcopy of the 2024 Annual Report. You may also contact Ms. Loo Siew Theng at telephone no. 604-6446677 (ext.178) or email your request to st.loo@iq-group.com.

The hardcopy of the Annual Report will be posted to you within four (4) market days from the date of receipt of your verbal or written request. Alternatively, you may download the Annual Report from www-iq-group.com.

Particulars of Shareholder

Name of Shareholder :

Phone contact No. :

I/C No./Passport No. :
or Company No.

CDS Account No. :

Correspondence Address :

Date : _____

Signed : _____



FOLD THIS FLAP FOR SEALING

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STAMP

IQ-group
IQ GROUP HOLDINGS BERHAD
(200301034523) (636944-U)
Suite A, Level 9
Wawasan Open University
54 Jalan Sultan Ahmad Shah
10050 Georgetown
Penang

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IQ-group

IQ GROUP HOLDINGS BERHAD

(200301034523)(636944-U)

(Incorporated in Malaysia under the Companies Act, 1965)

149 Jalan Sultan Azlan Shah, Taman Perindustrian Bayan Lepas,
Fasa 1 (FTZ), Bayan Lepas, 11900 Pulau Pinang, Malaysia.

Tel: 04-644 6677

Fax: 04-644 9677

Web: www.iq-group.com