

CORPORATE GOVERNANCE REPORT

STOCK CODE : 5107
COMPANY NAME : IQ Group Holdings Berhad
FINANCIAL YEAR : March 31, 2024

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board is obligated to play an active role in directing management in an effective and responsible manner. The Directors, collectively and individually, has legal and fiduciary duty to act to 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.</p> <p>In discharging the duties, The Board assumes the following roles and responsibilities:</p> <ul style="list-style-type: none">• Promote good corporate governance culture within the Group;• Reviewing, adopting and monitoring the implementation of a strategic plan for the Company and its subsidiaries (“Group”);• 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, bribe and corruption, insider trading and money laundering;• Ensure there is a sound framework of internal controls and risk management;• Identifying principal risks and ensuring the implementation of the appropriate control and system to manage such risks;• Succession planning including appointing, training, fixing the remuneration of and where appropriate, replacing the Senior Management and the Board of the Group;• Overseeing the development and implementation of a shareholder communication policy for the Company;• 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;• Provide assurance to its internal and external stakeholders that the Group is operating in compliance with its policies and any |

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| | <p>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;</p> <ul style="list-style-type: none"> • 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; • 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; • Direct and periodically review an anti-corruption compliance programme which includes clear policies and objectives that adequately addresses corruption risk; • Approve the Whistleblowing Policy and Procedure to encourage reporting of any legitimate concerns over any wrongdoing at IQ 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; • 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; • 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 • 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. <p>The Executive Director/ Chief Executive Officer updated the Board on the progress of the Company and its subsidiaries such as presenting the latest financial performance, business plan and industry trends as well as introducing new technologies for research and development purpose.</p> |
| <p>Explanation for departure</p> | <p>:</p> |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | |

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| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Executive Chairman of the Board is Chen, Wen-Chin also known as Kent Chen, who was appointed to the Board on 12 April 2005.</p> <p>As outlined in the Board Charter, the responsibilities of the Chairman, amongst others, are as follows:</p> <ul style="list-style-type: none"> • Leading the Board and ensure its effectiveness of all aspects of its role; • Ensuring balance of the Board's composition, subject to Board and shareholders' approval; • In consultation with the CEO and the Company Secretary, setting the agenda for Board meetings and ensures that all relevant issues are on the agenda; • Leading Board meetings and discussion; • Encourage active participation and allowing dissenting views to be freely expressed; • Ensuring effective communication with shareholders and relevant stakeholders; • Leading the Board in establishing and monitoring good corporate governance practices within the Group; and • Ensuring appropriate steps are taken to provide effective communication with stakeholders and that their views are communicated to the Board as a whole. <p>As outlined in the Corporate Disclosure Policy, the Executive Chairman is one of the official spokespersons on behalf of the Group to convey information to the public.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The positions of Chairman and CEO of the Company are held by different individuals. The Chairman, Chen, Wen-Chin also known as Kent Chen leads the Board in its collective overseeing of management whereas the Chief Executive Director (“CEO”), Daniel John Beasley focuses on the business and day-to-day management of the Company.</p> <p>The Board believes that segregation of the positions of the Chairman and CEO allows the Company to promote accountability and facilitate division of responsibilities as well as ensure a balance of power between Chairman and CEO.</p> <p>In this regard, the division of the roles between the Chairman of the Board and CEO are stipulated in the Board Charter.</p> <p>The responsibilities of the Chairman of the Board are outlined in Practice 1.2.</p> <p>The responsibilities of the CEO, amongst others, are as follows:</p> <ul style="list-style-type: none"> • To establish and implement the strategic direction of the Group; • To ensure the efficiency and effectiveness of the operation of the Group; • To ensure the Group is positioned to attract and retain employees with the skills required to implement the strategic plans of the Group; • To manage the investor relations of the Company; • To ensure Directors are provided with accurate and clear information on the timely manner in order to promote and effective decision-making by the Board; and • To ensure all material matters affecting the Group are brought to the attention of the Board. <p>The Board Charter is made available on the Company’s website.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

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| Measure | : | | |
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

| <i>Note: If the board Chairman is not a member of any of these specified committees, but the board allows the Chairman to participate in any or all of these committees' meetings, by way of invitation, then the status of this practice should be a 'Departure'.</i> | | | | | | | | | | | | | | |
|--|---|--|----|--------------|------|---|--|-----------------------|---|---|--------------|---|------------------------------------|----------------------|
| Application | : | Applied | | | | | | | | | | | | |
| Explanation on application of the practice | : | <p>The Chairman of the board is Chen, Wen-Chin, also known as Kent Chen. He is not a member of the Audit Committee, Nomination Committee or Remuneration Committee. The Audit Committee, Nomination Committee and Remuneration Committee consist of:</p> <table border="1"><thead><tr><th>No</th><th>Directorship</th><th>Name</th></tr></thead><tbody><tr><td>1</td><td>Non-Independent Non-Executive Director</td><td>Dato' Yoon Chon Leong</td></tr><tr><td>2</td><td>Senior Independent Non-Executive Director</td><td>Tan Boon Hoe</td></tr><tr><td>3</td><td>Independent Non-Executive Director</td><td>Teresa Tan Siew Kuan</td></tr></tbody></table> | No | Directorship | Name | 1 | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | 2 | Senior Independent Non-Executive Director | Tan Boon Hoe | 3 | Independent Non-Executive Director | Teresa Tan Siew Kuan |
| No | Directorship | Name | | | | | | | | | | | | |
| 1 | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | | | | | | | | | | | | |
| 2 | Senior Independent Non-Executive Director | Tan Boon Hoe | | | | | | | | | | | | |
| 3 | Independent Non-Executive Director | Teresa Tan Siew Kuan | | | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | | |
| Measure | : | | | | | | | | | | | | | |
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>Ms. Chew Siew Cheng (MAICSA 7019191) (SSM PC No. 202008001179) and Ms. Lim Choo Tan (LS0008888) (SSM PC No. 202008000713) are the Company Secretaries of the Company.</p> <p>Ms. Chew Siew Cheng is the member of The Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) while Ms. Lim Choo Tan is licensed by the Companies Commission of Malaysia. Their qualifications are in accordance with Section 235(2) of the Companies Act 2016. Both Ms. Chew Siew Cheng and Ms. Lim Choo Tan are regularly updated on the changes of regulations/ listing requirements.</p> <p>The Board is regularly updated and advised by the Company Secretaries on statutory and regulatory requirements to guide the Board in adopting the best practices in the realm of corporate governance. The Company Secretaries also oversee the adherence with Board policies and procedures and brief the Board on the content and timing of announcements to Bursa Malaysia Securities Berhad.</p> <p>The Company Secretary’s responsibilities include the following:</p> <ul style="list-style-type: none">• Advise the Board on its roles and responsibilities;• Maintain records of the Board and ensure effective management of Company’s records;• Prepare comprehensive minutes to document Board proceedings and deliberations and ensure conclusions are accurately recorded;• Keep the board update on new statutes and directives issued by the regulatory authorities, and the resultant implications to the Company and the Directors in relation to their duties and responsibilities. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

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| Measure | : | | |
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Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Company circulate the meeting pack including the notice of meetings and meeting materials to all Directors at least 5 business days prior to the meeting. This is to ensure that Directors have sufficient time to review meeting materials and facilitate an effective meeting.</p> <p>The said practice is in line with Guidance 1.6 of MCCG which states that "Directors should receive information and materials required for the meeting at least five business days in advance of the board meeting."</p> <p>The meeting minutes captured the rationale for decisions and dissenting comments of the Directors during the Board meeting. 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 and members of the Board Committee in a timely manner upon conclusion of the meeting for review.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies–

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board reviewed and updated the Board Charter on 26 November 2024, to take into consideration changes to the Listing Requirements and Malaysia Code on Corporate Governance. The Board Charter is published on the Company's website at which outlines the following:</p> <ul style="list-style-type: none"> • Vision, Mission and Ethical Policy of the Company; • Roles and responsibilities of the Board, Board Chairman, Independent Director, Chief Executive Officer and Management; • Board administration and processes (meeting frequency, quorum, role of Company Secretary); • Formal schedule of matters reserved for Board's decision include risk management issue, performance-related matters and strategic issues, corporate exercises as well as changes made based on latest statutory requirements; • Restriction on the tenure of Independent Directors; and • Directors' Code of Ethics. <p>As stipulated in the Board Charter, the said policy is required to be made available on the website of the Company and reviewed annually to consistent with Board's objectives and responsibilities as well as relevant code of corporate governance.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Group has formalised a Code of Business Conduct and Ethics which serves to provide guidance for employees on how ethical matters are to be dealt with. The Code of Business Conduct and Ethics covers the issues related to:</p> <ul style="list-style-type: none">• Compliance with Laws, Rules and Regulations• Prevention Abuse of Power• Insider Trading• Money laundering• Protection of Confidential Proprietary Information• Conflicts of Interest• Anti-Bribery and Corruption• Gift, Entertainment, Hospitality and Travel• CSR, Donation and Sponsorship Policy• Facilitation Payments• Dealing with Public Officials• Political Contributions• Equal Opportunity and Non-Discrimination• Environment, Health and Safety• Quality of Public Disclosures• Compliance with This Code and Reporting of Any Illegal or Unethical Behaviour <p>The Code of Business Conduct and Ethics is subjected to 3-year review or as required when internal or external events warrant the Group to do so to ensure it is kept contemporaneous. The Code of Business Conduct and Ethics is available on the Company's website.</p> <p>Together with the Management, the Board has established and implemented the following supporting policies:</p> <ul style="list-style-type: none">• Anti-Bribery and Corruption Policy - <i>made available on the Company's website;</i>• Whistleblowing Policy - <i>made available on the Company's website;</i> |

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| | <ul style="list-style-type: none"> • Gift and Entertainment Policy – <i>Internal policy</i>; • Donation and Sponsorship Policy – <i>Internal policy</i>; • Conflict of Interest Declaration Form for all Directors and Executive and above – <i>Internal document</i>; and • Disciplinary and grievances procedure which included in the Employee Handbook – <i>Internal document</i>. | |
| Explanation for departure | : | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing.

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| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has formalised a Whistleblowing Policy with the Management which include the following matters:</p> <ul style="list-style-type: none"> • procedures of reporting whistleblowing; • channels of reporting; • investigation and treatment of whistleblowing report; and • protection of whistle-blower. <p>As outlined in the said policy, whistleblower is called upon to raise legitimate concerns to the Group Managing Director/ CEO of the Company for matters that may be inappropriate to be raised directly to the Head of Department. Alternatively, the whistleblower shall report to Senior Independent Non-Executive Director, Mr. Tan Boon Hoe for issues implicating Management. The emails of the Group Managing Director and Senior Independent Non-Executive Director are stated in the said policy.</p> <p>Apart from that, whistleblowing reports shall be referred directly to the Chairman of Audit Committee, prior to channeling them to the Board of Directors. The Board reserves the right to make final decision on whistleblowing report.</p> <p>The whistleblowing policy is made available on the Company's website.</p> <p>In line with Paragraph 15.16 of the Main Market Listing Requirements, where an Audit Committee is of the view that a matter reported by it to the Board of Directors of a listed issuer has not been satisfactorily resolved resulting in a breach of these Requirements, the Audit Committee must promptly report such matter to the Exchange.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

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| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The latest Board Charter dated 26 November 2021 outlines the roles and responsibility of Board in relation to the governance of sustainability, including setting the company’s sustainability strategies, priorities and targets. The Board together with the senior management developed and implemented company strategies, business plans, major plans of action and risk management.</p> <p>The Sustainability Statement included in Annual Report described the Company’s management of material economic, environmental and social risks and opportunities. Under Governance Structure Section of the said Statement, Board is also responsible to review and monitor the implementation of the Group’s overall strategic plan, with the support from the Chief Executive Officer or Managing Director who oversees the implementation of sustainability strategies and monitors the management of the Group’s sustainability performance.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>To ensure a clear communication to the internal and external stakeholders, the Sustainability Statement which disclosed in Annual Report consisted the following information:</p> <ul style="list-style-type: none"> • Sustainability approach with implementation of sustainability initiatives guided by Sustainability Policy; • Governance structure in place to manage the economic, environmental and social risks and opportunities (“sustainability matters”); • Stakeholder engagement through multiple engagement channels to identify the key concerns and how the Company responded the concerns; • Use of Stakeholder Prioritisation Matrix and conduct of Materiality Assessment as recommended by the Bursa Malaysia Sustainability Reporting Guidelines and Toolkits; and • The value created for business and stakeholders (e.g. Management efforts, statistical results compared to previous years and description of continuous improvement made). | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>Regular updates were provided to the Board members on sustainability issues and requirements.</p> <p>In relation of the climate-related risks and opportunities, the Company as a manufacturing plant is well aware of the responsibility towards mitigating negative impacts which may create to the operating environments and stakeholders. The Company continue to take pride in upkeeping energy and waste management practices for reduction of energy consumption and pollution. The statistical performance compared with previous financial years was illustrated in the Sustainability Statement of Annual Report.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company’s material sustainability risks and opportunities.

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| Application | : | Applied | |
| Explanation on application of the practice | : | <p>Annual performance assessment on the Board, Board Committees and individual directors was based on the criteria: (a) Competence (b) Time commitment (c) Integrity (d) Character (e) Experience (f) Contribution and (g) Performance.</p> <p>The Board has evaluated its performance in addressing the company’s material sustainability risks and opportunities via Evaluation Questionnaire Relating to ESG or Sustainability.</p> <p>The annual performance evaluation of the Senior Management includes the appraisal related Sustainability initiatives and Key Performance Indicators.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.

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| Application | : | Adopted |
| Explanation on adoption of the practice | : | The Group Factory Operations Director, Albert Lim Eng Keat is the Sustainability Officer who identified to lead the development and formulation of both long and short terms objectives, policies, planning, programs and performance measures including sustainability matters. On the other hand, as stated in the Governance Structure Section of Annual Report, a Sustainability Working Group (“SWG”) is established and chaired by the Sustainability Officer. The SWG are supported by the Head of Department from various business functions such as Research & Development (R&D), Facility, Manufacturing (“MFG”) Operations, Business Development, Project Management, Quality, Human Resource, Management Information System (“MIS”) and Finance of IQ-group’s key operating entities located in Malaysia. They are responsible to implement and monitor sustainability initiatives across the Group’s day-to-day operations, whilst also lead the Group’s sustainability reporting process as prescribed by the local stock exchange. |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

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| Application | : | Applied | |
| Explanation on application of the practice | : | The Terms of References of Nomination Committee outlined its role to 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. An annual performance assessment on individual directors, Board Committees and the Board as a whole is required to be conducted based on the criteria such as competence, time commitment and performance prior to the annual re-election of a director. | |
| Explanation for departure | : | | |
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| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.

| Application | : | Departure | | | | | | | | | | | | | | | | | | | | | |
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| Explanation on application of the practice | : | | | | | | | | | | | | | | | | | | | | | | |
| Explanation for departure | : | <p>The Board of Directors of the company currently consists of six (6) members; including a women director; of whom three (3) are Executive Directors, two (2) are Independent Non-Executive Directors and one (1) is Non-Independent Non-Executive Director. Board composition is shown below:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Directorship</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Executive Chairman</td> <td>Chen, Wen-Chin also known as Kent Chen</td> </tr> <tr> <td>2</td> <td>Managing Director / Chief Executive Officer</td> <td>Daniel John Beasley</td> </tr> <tr> <td>3</td> <td>Executive Director</td> <td>Chen, Yi-Chung</td> </tr> <tr> <td>4</td> <td>Non-Independent Non-Executive Director</td> <td>Dato' Yoon Chon Leong</td> </tr> <tr> <td>5</td> <td>Senior Independent Non-Executive Director</td> <td>Tan Boon Hoe</td> </tr> <tr> <td>6</td> <td>Independent Non-Executive Director</td> <td>Teresa Tan Siew Kuan</td> </tr> </tbody> </table> <p>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.</p> <p>The departure from this practice is due to the redesignation of an Independent Non-Executive Director to Non-Independent Non-Executive Director as a result of 12 years tenure limit imposed under the enhance Listing Requirement.</p> <p>Although the present structure does not jeopardize the position of the Board in making independent deliberation and decisions to the best interest of the company, the Board intends to restore the previous Board structure with at least half of the Board comprises Independent Directors when a suitable candidate is found.</p> | No | Directorship | Name | 1 | Executive Chairman | Chen, Wen-Chin also known as Kent Chen | 2 | Managing Director / Chief Executive Officer | Daniel John Beasley | 3 | Executive Director | Chen, Yi-Chung | 4 | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | 5 | Senior Independent Non-Executive Director | Tan Boon Hoe | 6 | Independent Non-Executive Director | Teresa Tan Siew Kuan |
| No | Directorship | Name | | | | | | | | | | | | | | | | | | | | | |
| 1 | Executive Chairman | Chen, Wen-Chin also known as Kent Chen | | | | | | | | | | | | | | | | | | | | | |
| 2 | Managing Director / Chief Executive Officer | Daniel John Beasley | | | | | | | | | | | | | | | | | | | | | |
| 3 | Executive Director | Chen, Yi-Chung | | | | | | | | | | | | | | | | | | | | | |
| 4 | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | | | | | | | | | | | | | | | | | | | | | |
| 5 | Senior Independent Non-Executive Director | Tan Boon Hoe | | | | | | | | | | | | | | | | | | | | | |
| 6 | Independent Non-Executive Director | Teresa Tan Siew Kuan | | | | | | | | | | | | | | | | | | | | | |

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

| | | |
|--------------------|--|--|
| Measure : | | |
| Timeframe : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

| Application | : | Applied | | | | | | | | | | | | | | | |
|--|---|--|--|------------------------------------|------|--|------------------------------------|---|---|--------------|------------|-----|---|------------------------------------|----------------------|--------------|------|
| Explanation on application of the practice | : | <p>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. Alternatively, the Board may seek to retain the long serving Directors as Independent Directors by seeking annual shareholders' approval.</p> <p>Presently, no Independent Directors have exceeded the cumulative term of nine years as outlined below:</p> <table border="1"><thead><tr><th>No</th><th>Directorship</th><th>Name</th><th>Appointed Date as Independent Director</th><th>Years of Serving at end of FY 2024</th></tr></thead><tbody><tr><td>1</td><td>Senior Independent Non-Executive Director</td><td>Tan Boon Hoe</td><td>2 Nov 2020</td><td>3.4</td></tr><tr><td>2</td><td>Independent Non-Executive Director</td><td>Teresa Tan Siew Kuan</td><td>1 March 2023</td><td>1.08</td></tr></tbody></table> <p>During the financial year 2024, the Nomination Committee assessed the independence of the Independent Directors with reference to the extract of Practice Note 13 of the Listing Requirements. Independent Directors were abstained from deliberation on their own assessments. The Board Committee was satisfied with independent status of Independent Directors.</p> | No | Directorship | Name | Appointed Date as Independent Director | Years of Serving at end of FY 2024 | 1 | Senior Independent Non-Executive Director | Tan Boon Hoe | 2 Nov 2020 | 3.4 | 2 | Independent Non-Executive Director | Teresa Tan Siew Kuan | 1 March 2023 | 1.08 |
| No | Directorship | Name | Appointed Date as Independent Director | Years of Serving at end of FY 2024 | | | | | | | | | | | | | |
| 1 | Senior Independent Non-Executive Director | Tan Boon Hoe | 2 Nov 2020 | 3.4 | | | | | | | | | | | | | |
| 2 | Independent Non-Executive Director | Teresa Tan Siew Kuan | 1 March 2023 | 1.08 | | | | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | | | | | |
| Measure | : | | | | | | | | | | | | | | | | |
| Timeframe | : | | | | | | | | | | | | | | | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

Note: To qualify for adoption of this Step Up practice, a listed issuer must have a formal policy which limits the tenure of an independent director to nine years without further extension i.e. shareholders' approval to retain the director as an independent director beyond nine years.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>In line with Paragraph 15.08A (3) of the Main Market Listing Requirements, the criteria in appointing Directors were indicated in the Board Charter to endorse the Board diversity. As stated in the said policy, the Board takes into consideration and aims to make good use of the differences in the skills, regional and industry experience, background, race, gender and other qualities of its directors.</p> <p>The Board strives to ensure that there is no discrimination on the basis of, but not limited to, race, age, ethnicity, gender, nationality, political affiliation, religious affiliation, marital status, education physical ability or geographic region when deciding on the composition of the Board. In addition, the Terms of References of Nomination Committee had stated the following:</p> <ul style="list-style-type: none">• 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;• Review the participation of women in senior management to ensure there is healthy talent pipeline; and• Conduct annual performance assessments on individual directors, Board Committees and the Board as a whole based on the criteria such as competence, time commitment and performance. <p>In line with Paragraph 15.06 of the Main Market Listing Requirements, the Directors are not holding more than 5 directorships in listed issuers.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Terms of Reference of Nominating Committee (“NC”) states that the NC shall make recommendations to the Board on the appointment of new Executive and Non-Executive Directors, including making recommendations to the composition of the Board generally as well as maintain the balance between Executive and Non-Executive Directors appointed to the Board.</p> <p>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 suitably qualified candidates:</p> <ul style="list-style-type: none"> • Directors’ registry; • Industry and professional associations; • Open advertisements; and • Independent search firms. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>For financial year 2024, there was no appointment of new Director. While for the reappointment of Director, the Directors' Profile for all Board Committee are clearly stated in the Annual Report. The key information includes the following:</p> <ul style="list-style-type: none">• Name, age, gender, nationality, qualification, working experience and occupation, directorship;• Any conflict of interest that they have with the Company;• Family relationship with any director and/or major shareholder of the Company; and• Any convictions for Offences within the past 5 years other than traffic offences. <p>Upon the recommendation from the Nomination Committee, the Board supported the appointment and reappointment of the Directors, subject to the shareholders' approval at the forthcoming 21st AGM.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

| Application | : | Applied | | | | | | | | | | | | | | | | | |
|--|-------------------|--|-----------------------|--|----|----------|--------------|------|---|----------|------------------------------------|----------------------|---|-------------------|---|--------------|---|--|-----------------------|
| Explanation on application of the practice | : | <p>Presently, the Nomination Committee is chaired by the Independent Non-Executive Director, Teresa Tan Siew Kuan. The Nomination Committee comprises of Non-Executive Directors, with a majority being Independent Directors. The composition of the Nomination Committee is outlined below:</p> <table border="1"> <thead> <tr> <th>No</th> <th>Position</th> <th>Directorship</th> <th>Name</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Chairman</td> <td>Independent Non-Executive Director</td> <td>Teresa Tan Siew Kuan</td> </tr> <tr> <td>2</td> <td rowspan="2">Committee Members</td> <td>Senior Independent Non-Executive Director</td> <td>Tan Boon Hoe</td> </tr> <tr> <td>3</td> <td>Non-Independent Non-Executive Director</td> <td>Dato' Yoon Chon Leong</td> </tr> </tbody> </table> <p>In line with Paragraph 15.08A of the Main Market Listing Requirements, a Terms of Reference of Nomination Committee is established with clear roles and duties which includes the selection and assessment of Directors. The Terms of Reference of Nomination Committee is made available on the Company's website.</p> | | | No | Position | Directorship | Name | 1 | Chairman | Independent Non-Executive Director | Teresa Tan Siew Kuan | 2 | Committee Members | Senior Independent Non-Executive Director | Tan Boon Hoe | 3 | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong |
| No | Position | Directorship | Name | | | | | | | | | | | | | | | | |
| 1 | Chairman | Independent Non-Executive Director | Teresa Tan Siew Kuan | | | | | | | | | | | | | | | | |
| 2 | Committee Members | Senior Independent Non-Executive Director | Tan Boon Hoe | | | | | | | | | | | | | | | | |
| 3 | | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | | | | | | | | | | | | | | | | |
| Explanation for departure | : | | | | | | | | | | | | | | | | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | | | | | | | | | | | | | | | | | |
| Measure | : | | | | | | | | | | | | | | | | | | |
| Timeframe | : | | | | | | | | | | | | | | | | | | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

| | | | |
|--|---|---|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>The Board acknowledges the importance of gender diversity and takes cognisant of the recommendation in the Malaysian Code on Corporate Governance 2021 to have at least 30% women Directors.</p> <p>The Board currently has one (1) women Director on Board, which represents 16.7% women directors. The Board is mindful that there is still much room to enhance the current gender representation. Based on the current size of the Group, the size of the existing board has enough members possess the relevant collective knowledge, skills, experience and resources required for conducting the board.</p> | |
| | | Please provide an alternative practice and explain how the alternative practice meets the intended outcome. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Nomination Committee ("NC") Report is incorporated in the Annual Report and NC is tasked to 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.</p> <p>The Board acknowledges the importance of gender diversity and recognises the benefit it can bring. During the financial year, the company has appointed a woman representation at Board. The company will consider appointing more women representation at Board and Senior Management level when suitable candidates are identified.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation.

| | |
|--|--|
| <i>Note: For a Large Company to qualify for adoption of this practice, it must undertake annual board evaluation and engage an independent expert at least every three years to facilitate the evaluation.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : The Terms of Reference of Nomination Committee stipulated that the Board committee shall conduct annual performance assessments on the Board, Board Committees and individual directors based on the following criteria: (a) Competence (b) Time commitment (c) Integrity (d) Character (e) Experience (f) Contribution; and (g) Performance. The abovementioned was also disclosed in the Annual Report. In conducting the annual performance assessment, all members of the Board were required to fill up the following types of forms: <ul style="list-style-type: none">• Board and Board Committee Evaluation Form; and• Board Member Evaluation Form. As stated in the Annual Report, during the financial year, 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 was 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. The NC recommended the training programmes for Directors with considerations on the results from the annual assessment of Directors conducted. |
| Explanation for departure | : |

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

| | | |
|--------------------|--|--|
| Measure : | | |
| Timeframe : | | |

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | The Company has formalised the Remuneration Policy and Procedure for Directors and Senior Management. As stated in the said policy, the Remuneration Committee and the Board will review it periodically as to ensure that it is in line with the current market practices. A copy of the Remuneration Policy and Procedure is available for reference on Company's website. |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

| Application : | Applied | | | | | | | | | | | | | | | |
|---|--|---|-----------------------|--------------|------|---|----------|---|--------------|---|------------------|--|-----------------------|---|------------------------------------|----------------------|
| Explanation on application of the practice : | <p>The Board has established its Remuneration Committee to oversee the implication of remuneration policies. The Board Committee is led by the Senior Independent Non-Executive Director and the composition of the Board Committee is tabulated below:</p> <table border="1"><thead><tr><th>No</th><th>Position</th><th>Directorship</th><th>Name</th></tr></thead><tbody><tr><td>1</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td><td>Tan Boon Hoe</td></tr><tr><td>2</td><td rowspan="2">Committee Member</td><td>Non-Independent Non-Executive Director</td><td>Dato' Yoon Chon Leong</td></tr><tr><td>3</td><td>Independent Non-Executive Director</td><td>Teresa Tan Siew Kuan</td></tr></tbody></table> <p>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.</p> <p>The Board Committee discussed and reviewed the remuneration packages of Executive Directors and Senior Executive as well as Directors' fees to the Board for approval. The respective Directors were abstained from deliberation on the Director's fees.</p> <p>The Terms of Reference of Remuneration Committee is made available at Company's website.</p> | No | Position | Directorship | Name | 1 | Chairman | Senior Independent Non-Executive Director | Tan Boon Hoe | 2 | Committee Member | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | 3 | Independent Non-Executive Director | Teresa Tan Siew Kuan |
| No | Position | Directorship | Name | | | | | | | | | | | | | |
| 1 | Chairman | Senior Independent Non-Executive Director | Tan Boon Hoe | | | | | | | | | | | | | |
| 2 | Committee Member | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | | | | | | | | | | | | | |
| 3 | | Independent Non-Executive Director | Teresa Tan Siew Kuan | | | | | | | | | | | | | |
| Explanation for departure : | | | | | | | | | | | | | | | | |

Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.

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| Measure : | | |
| Timeframe : | | |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | In line with the Code, the Directors' remuneration is disclosed on named basis. Details of Directors' remuneration received from the Company and the Group for the financial year ended 31 March 2024 are shown in the table below. |

| No | Name | Directorate | Company ('000) | | | | | | | Group ('000) | | | | | | |
|----|---|--|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-----------------|
| | | | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total | Fee | Allowance | Salary | Bonus | Benefits-in-kind | Other emoluments | Total |
| 1 | Chen, Wen-Chin also known as Kent Chen | Executive Director | 63.65 | 0 | 528.92 | 0 | 14.21 | 64.98 | 671.76 | 63.65 | 0 | 528.92 | 0 | 14.21 | 64.98 | 671.76 |
| 2 | Daniel John Beasley | Executive Director | 63.65 | 96.00 | 1,101.10 | 225.64 | 233.17 | 156.50 | 1,876.06 | 63.65 | 96.00 | 1,101.10 | 225.64 | 233.17 | 156.50 | 1,876.06 |
| 3 | Chen, Yi-Chung | Executive Director | 66.95 | 0 | 0 | 0 | 0 | 0 | 66.95 | 66.95 | 0 | 356.39 | 30.93 | 0 | 37.86 | 492.13 |
| 4 | Charlie Ong Chye Lee | Independent Director | 16.48 | 0 | 0 | 0 | 0 | 0 | 16.48 | 16.48 | 0 | 0 | 0 | 0 | 0 | 16.48 |
| 5 | Tan Boon Hoe | Independent Director | 108.21 | 0 | 0 | 0 | 0 | 0 | 108.21 | 108.21 | 0 | 0 | 0 | 0 | 0 | 108.21 |
| 6 | Dato' Yoon Chon Leong | Non-Executive Non-Independent Director | 101.85 | 0 | 0 | 0 | 0 | 0 | 101.85 | 101.85 | 0 | 0 | 0 | 0 | 0 | 101.85 |
| 7 | Teresa Tan Siew Kuan | Independent Director | 66.95 | 0 | 0 | 0 | 0 | 0 | 66.95 | 66.95 | 0 | 0 | 0 | 0 | 0 | 66.95 |
| 8 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 9 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 10 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 11 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 12 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 13 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 14 | Input info here | Choose an item. | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

| | | | |
|--|---|--|--|
| Application | : | Departure | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | <p>The Board is of the view that it is inappropriate to disclose the remuneration of Senior Management as such disclosure may give rise to recruitment and retention issue as well as confidentiality and security concern.</p> <p>The detailed remuneration of named basis of 3 Senior Management had been disclosed under Practice 8.1. The Board believes that the non-disclosure of the top 5 Senior Management remuneration will not affect the interest of the shareholders.</p> | |
| | | Please provide an alternative practice and explain how the alternative practice meets the intended outcome. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

| No | Name | Position | Company | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 2 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 3 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 4 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |
| 5 | Input info here | Input info here | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. | Choose an item. |

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

| | | |
|--|---|-------------|
| Application | : | Not Adopted |
| Explanation on adoption of the practice | : | |

| No | Name | Position | Company ('000) | | | | | |
|----|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|
| | | | Salary | Allowance | Bonus | Benefits | Other emoluments | Total |
| 1 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 2 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 3 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 4 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |
| 5 | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here | Input info here |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>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.</p> <p>In addition, the Terms of Reference of the Audit Committee stipulated that the Chairman of Audit Committee has to be an Independent Non-Executive Director. This practise is consistent with the Paragraph 15.10 of Main Market Listing Requirements.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations.
The company’s financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | The Terms of Reference of Audit Committee (“AC”) has outlined that the Former key audit partner shall observe a cooling-off period of at least three (3) years, before being appointed as a member of the AC. | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee’s findings and recommendations. The company’s financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial statements.

| | | |
|--|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board formalised the policies and procedures on the types of non-audit services that may be provided by External Auditors under Policy on Non-Audit Services. During the year, the Audit Committee reviewed and approved the non-audit fees of the External Auditor.</p> <p>During the year, the Chairman of the Audit Committee resolved that the Committee was satisfied with the performance of the External Auditor and thus, recommended to re-appoint the External Auditor for the financial year 2024.</p> <p>The External Auditors confirmed their independence and adherence to professional requirements in accordance with the By-Laws (on Professional Ethics, conduct and Practice) of the Malaysia Institute of Accountants (“By-Laws”).</p> <p>The Board assessed the suitability, objectivity and independence of the External Auditor using the External Auditor Evaluation Form.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations.
The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors.

| | | | | | |
|--|---|---|-------------------|---|-----------------------|
| Application | : | Adopted | | | |
| Explanation on adoption of the practice | : | The Audit Committee of the Company comprises of Non-Executive Directors with majority being Independent Directors and not less than 3 members, which is in line with the Paragraph 15.09 of Main Market Listing Requirements. The composition was presented in the table below: | | | |
| | | No | Position | Directorship | Name |
| | | 1 | Chairman | Senior Independent Non-Executive Director | Tan Boon Hoe |
| | | 2 | Committee Members | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong |
| | | 3 | | Independent Non-Executive Director | Teresa Tan Siew Kuan |

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

| Application : | Applied | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|-----------------------|--------------|------|---|----------|---|--------------|---|-------------------|--|-----------------------|---|------------------------------------|----------------------|------|---------------|------------|--|--|--|
| Explanation on application of the practice : | <p>The Audit Committee comprises of one (1) Senior Independent Non-Executive Director, one (1) Independent Non-Executive Director and one (1) Non-Independent Non-Executive Director. Two out of three members of Audit Committee are the members of Malaysian Institute of Accountants. The composition of the Board Committee is in line with the Paragraph 15.09 of Bursa's Main Market Listing Requirements and presented in the table below:</p> <table border="1"><thead><tr><th>No</th><th>Position</th><th>Directorship</th><th>Name</th></tr></thead><tbody><tr><td>1</td><td>Chairman</td><td>Senior Independent Non-Executive Director</td><td>Tan Boon Hoe</td></tr><tr><td>2</td><td rowspan="2">Committee Members</td><td>Non-Independent Non-Executive Director</td><td>Dato' Yoon Chon Leong</td></tr><tr><td>3</td><td>Independent Non-Executive Director</td><td>Teresa Tan Siew Kuan</td></tr></tbody></table> <p>The qualification and background of the members of Audit Committee are presented below:</p> <table border="1"><thead><tr><th>Name</th><th>Qualification</th><th>Background</th></tr></thead><tbody><tr><td>Tan Boon Hoe (Chairman; Senior Independent Non-Executive Director)</td><td><ul style="list-style-type: none">Member of Malaysian Institute of AccountantsMember of Malaysian Institute of Certified Public Accountants</td><td><ul style="list-style-type: none">Partner of an accounting practiceWorking experience in auditing, due diligence, advisory and other related services</td></tr></tbody></table> | No | Position | Directorship | Name | 1 | Chairman | Senior Independent Non-Executive Director | Tan Boon Hoe | 2 | Committee Members | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | 3 | Independent Non-Executive Director | Teresa Tan Siew Kuan | Name | Qualification | Background | Tan Boon Hoe (Chairman; Senior Independent Non-Executive Director) | <ul style="list-style-type: none">Member of Malaysian Institute of AccountantsMember of Malaysian Institute of Certified Public Accountants | <ul style="list-style-type: none">Partner of an accounting practiceWorking experience in auditing, due diligence, advisory and other related services |
| No | Position | Directorship | Name | | | | | | | | | | | | | | | | | | | |
| 1 | Chairman | Senior Independent Non-Executive Director | Tan Boon Hoe | | | | | | | | | | | | | | | | | | | |
| 2 | Committee Members | Non-Independent Non-Executive Director | Dato' Yoon Chon Leong | | | | | | | | | | | | | | | | | | | |
| 3 | | Independent Non-Executive Director | Teresa Tan Siew Kuan | | | | | | | | | | | | | | | | | | | |
| Name | Qualification | Background | | | | | | | | | | | | | | | | | | | | |
| Tan Boon Hoe (Chairman; Senior Independent Non-Executive Director) | <ul style="list-style-type: none">Member of Malaysian Institute of AccountantsMember of Malaysian Institute of Certified Public Accountants | <ul style="list-style-type: none">Partner of an accounting practiceWorking experience in auditing, due diligence, advisory and other related services | | | | | | | | | | | | | | | | | | | | |

| <p>Dato' Yoon Chon Leong (Committee Member; Non-Independent Non-Executive Director)</p> | <ul style="list-style-type: none"> • Degree in Electrical Engineering from Monash University, Melbourne | <ul style="list-style-type: none"> • 30 years working with Hewlett-Packard and Agilent Technologies in various capacities, of which 20 years were in Research & Development • Started a management consulting practice focusing on strategic business development, R&D management and entrepreneur incubation, with clients including major multinational companies • Working with MIDA and Crest to create a business environment for the development of more local technology based small and medium sized companies • Key member of the Penang Science Cluster to develop young engineering talent • Director and coach for a few entrepreneurial start-up companies | | | | | | | | | | | | | | | | | | |
|---|--|--|----|-------|-------------|---|------------------------------------|--------------|---|---|--------------|---|--|----------------------|---|---|----------------------|---|---|----------------------|
| <p>Teresa Tan Siew Kuan (Member; Independent Non-Executive Director)</p> | <ul style="list-style-type: none"> • Member of Malaysian Institute of Accountants • Member of Australian Society of Certified Practising Accountants | <ul style="list-style-type: none"> • Over 30 years working experience in audit and accounting firms, merchant/ investment banks, a fund management company, a university college and a manufacturing company | | | | | | | | | | | | | | | | | | |
| <p>In line with Paragraph 15.08 of Main Market Listing requirements, the training programmes and seminars attended by the members of the Board was included in the annual report. In exceptional circumstances where any director has not attended any training during the financial year, valid justifications was provided for the non-attendance of such director. The training/ briefing records of the Audit Committee members were tabulated as below:</p> | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th data-bbox="469 1528 532 1564">No</th> <th data-bbox="532 1528 1021 1564">Title</th> <th data-bbox="1021 1528 1382 1564">Participant</th> </tr> </thead> <tbody> <tr> <td data-bbox="469 1564 532 1600">1</td> <td data-bbox="532 1564 1021 1600">Seminar Percukaian Kebangsaan 2023</td> <td data-bbox="1021 1564 1382 1600">Tan Boon Hoe</td> </tr> <tr> <td data-bbox="469 1600 532 1667">2</td> <td data-bbox="532 1600 1021 1667">Mandatory Accreditation Programme Part II: Leading For Impact (LIP)</td> <td data-bbox="1021 1600 1382 1667">Tan Boon Hoe</td> </tr> <tr> <td data-bbox="469 1667 532 1734">3</td> <td data-bbox="532 1667 1021 1734">Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers</td> <td data-bbox="1021 1667 1382 1734">Teresa Tan Siew Kuan</td> </tr> <tr> <td data-bbox="469 1734 532 1801">4</td> <td data-bbox="532 1734 1021 1801">Baker Tilly Malaysia Tax & Budget Webinar</td> <td data-bbox="1021 1734 1382 1801">Teresa Tan Siew Kuan</td> </tr> <tr> <td data-bbox="469 1801 532 1900">5</td> <td data-bbox="532 1801 1021 1900">Seminar Developments & Impacts of ESG on Corporate Malaysia</td> <td data-bbox="1021 1801 1382 1900">Teresa Tan Siew Kuan</td> </tr> </tbody> </table> | | | No | Title | Participant | 1 | Seminar Percukaian Kebangsaan 2023 | Tan Boon Hoe | 2 | Mandatory Accreditation Programme Part II: Leading For Impact (LIP) | Tan Boon Hoe | 3 | Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers | Teresa Tan Siew Kuan | 4 | Baker Tilly Malaysia Tax & Budget Webinar | Teresa Tan Siew Kuan | 5 | Seminar Developments & Impacts of ESG on Corporate Malaysia | Teresa Tan Siew Kuan |
| No | Title | Participant | | | | | | | | | | | | | | | | | | |
| 1 | Seminar Percukaian Kebangsaan 2023 | Tan Boon Hoe | | | | | | | | | | | | | | | | | | |
| 2 | Mandatory Accreditation Programme Part II: Leading For Impact (LIP) | Tan Boon Hoe | | | | | | | | | | | | | | | | | | |
| 3 | Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers | Teresa Tan Siew Kuan | | | | | | | | | | | | | | | | | | |
| 4 | Baker Tilly Malaysia Tax & Budget Webinar | Teresa Tan Siew Kuan | | | | | | | | | | | | | | | | | | |
| 5 | Seminar Developments & Impacts of ESG on Corporate Malaysia | Teresa Tan Siew Kuan | | | | | | | | | | | | | | | | | | |

| | | | |
|--|---|--|----------------------|
| | 6 | Tax Seminar on Budget 2024 | Teresa Tan Siew Kuan |
| | 7 | Budget 2024 highlights, e-invoice and transfer pricing | Teresa Tan Siew Kuan |
| Explanation : for departure | | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure : | | | |
| Timeframe : | | | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>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.</p> <p>During the financial year ended 31 March 2024, the Management has updated the risk register and identify the key risks faced by the Company as well as document the internal control mechanism.</p> <p>The key elements of the Group's systems of internal control are as follows:</p> <ul style="list-style-type: none"> • Policies and procedures for key processes are documented and communicated to employees for application across the Group; • Conduct budgeting on annual basis and compared with actual performance on monthly basis. A detailed explanation of any major variances is documented; • Financial results are reviewed quarterly by the Board and the Audit Committee; • Implementation of whistleblowing policy; • Implementation of Anti-Bribery and Corruption Policy; • Insurance and physical safeguards over major assets; and • Continuous quality improvement initiatives to ensure accreditation such as ISO certification. <p>In line with Paragraph 15.29 of Main Market Listing Requirements, the corruption risk is included in the annual risk assessment.</p> |
| Explanation for departure | : | |
| <p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

| | | |
|---|---|---|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>Based on the Risk Management and Internal Control Statement stated in the Annual Report, the Board disclosed the features of Enterprise Risk Management ("ERM") and key elements of the Group's systems of internal control as mentioned in Practice 10.1.</p> <p>The features of ERM includes:</p> <ul style="list-style-type: none">• Identification of the specific risks faced by the Group• 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. <p>During the year, the Board Committee reviewed the effectiveness of risk management and internal control system.</p> <p>In addition, in line with Paragraph 15.15 of Main Market Listing Requirements, an Audit Committee Report is included with the following:</p> <ul style="list-style-type: none">• Composition of the Audit Committee;• Number of Audit Committee meetings held during the financial year and details of attendance of each member;• A summary of the work of the Audit Committee in the discharge of its functions and duties and how it has met its responsibilities; and• A summary of the work of the internal audit function. |
| Explanation for departure | : | |

| | | |
|--|---|--|
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

| | |
|--|-------------|
| Application : | Not Adopted |
| Explanation on adoption of the practice : | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>The Board has outsourced its internal audit function to KPMG Management & Risk Consulting Sdn Bhd, which reports directly to the Audit Committee. As stipulated in the Terms of Reference of Audit Committee, one of the responsibilities of the Audit Committee is to oversee the internal audit activities. The Audit Committee is called upon to perform the following</p> <ul style="list-style-type: none"> • Review the adequacy of the scope, functions, competency and resources of the internal audit function; • Review the internal audit programme, processes, results of the internal audit programme, processes or investigation undertaken; • Review any appraisal or assessment of the performance of the internal audit function. <p>The Terms of Reference of Audit Committee is made available on the Company’s website.</p> <p>The scope of internal audit was approved by the Audit Committee. In financial year 2024, the Board Committee reviewed the internal audit report prepared by KPMG Management & Risk Consulting Sdn Bhd.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

| Application | : | Applied | | | | | | |
|---|------------------------------|--|--------------------|------------------------------|-------------------|-----|--------------|-----|
| Explanation on application of the practice | : | <p>As mentioned in Practice 11.1, the internal audit function is outsourced to KPMG Management & Risk Consulting Sdn Bhd (“KPMG”).</p> <p>The internal audit engagement by KPMG is headed by an Executive Director, namely, En. Mohd Khaidzir Shahari, who is a professional member of ACMA, MIA, CGMA and CIA. He has accumulated more than 25 years of experience with extensive audit, accounting, quality assessment review, risk management engagements and consulting experience.</p> <p>All the personnel deployed by KPMG are free from any relationships or conflicts of interest, which could impair their objectivity and independence during the course of the work.</p> <p>There was a total of 5 personnel who were deployed by KPMG 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:</p> <table border="1"><thead><tr><th>Expertise category</th><th>Percentage of total auditors</th></tr></thead><tbody><tr><td>Bachelor’s degree</td><td>60%</td></tr><tr><td>Professional</td><td>40%</td></tr></tbody></table> <p>The internal audit work was carried out in accordance with a framework set by a recognised professional body i.e. International Professional Practices Framework (“IPPF”) issued by Institute of Internal Auditors (“IIA”), 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.</p> <p>The abovementioned information was also disclosed under the Risk Management and Internal Control Statement in the Annual Report.</p> | Expertise category | Percentage of total auditors | Bachelor’s degree | 60% | Professional | 40% |
| Expertise category | Percentage of total auditors | | | | | | | |
| Bachelor’s degree | 60% | | | | | | | |
| Professional | 40% | | | | | | | |

| | | |
|--|--|--|
| Explanation for departure : | | |
| | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure : | | |
| Timeframe : | | |

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The Board has established "Corporate Disclosure Policy" to provide shareholders with informative, accurate and timely material information concerning the Company to the public. Furthermore, the Board determined the authorised spokesperson, who are the Group Executive Chairman and Managing Director/ Chief Executive Officer to convey the public information on behalf of the Company.</p> <p>The Corporate Disclosure Policy outlines the following matters to ensure information related to the Company are fairly accessed by stakeholders:</p> <ul style="list-style-type: none">• Material information required for immediate disclosure;• Public dissemination channels;• Market rumours;• Response to unusual market activity;• Insider trading;• Promotional disclosure activity; and• Confidential information. <p>During the year, the Board reviewed the required reports and statements for the inclusion into the Company's Annual Report 2024.</p> <p>The summary of key matters discussed at the Annual General Meeting and announcements made to the Exchange are made available on the Company's website. These are in line with the Paragraph 9.21 of Main Market Listing Requirements.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

| | | | |
|--|---|---|--|
| Application | : | Not applicable – Not a Large Company | |
| Explanation on application of the practice | : | | |
| Explanation for departure | : | Not Applicable to the Company as the Company does not fall within the definition of “large companies”. | |
| | | Please provide an alternative practice and explain how the alternative practice meets the intended outcome. | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | Please explain the measure(s) the company has taken or intend to take to adopt the practice. | |
| Timeframe | : | Choose an item. | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

| | | | |
|--|---|---|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>According to the latest Board Charter dated 26 November 2021, the Notice of Annual General Meeting (“AGM”) is required to be dispatched at least 21 days before the AGM date and sufficient time shall be allocated during the AGM for dialogue with shareholders to address issues concerning the Group.</p> <p>For the AGM 2023, the notice of AGM was despatched on 28 July 2023, which was 31 days prior the AGM held on 29 August 2023. The said notice specified the place, day, hour of the meeting and given to all shareholders. This is in compliance with the Practice 13.1 and Main Market Listing Requirements Section 7.15 which requires at least 14 days of notice before the meeting for passing ordinary resolution while at least 21 days where any special resolution is to be proposed.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.

| | | | |
|--|---|--|--|
| Application | : | Applied | |
| Explanation on application of the practice | : | <p>All Directors attended the Annual General Meeting 2023. The Executive Director/ Chief Executive Officer were responsible for answering the questions relating to operations raised by shareholders. The Chair of respective Board Committees responded to the specific questions that were related to their roles and responsibilities, where relevant.</p> <p>Apart from that, the External Audit Engagement Partner from Deloitte PLT was invited to the AGM.</p> | |
| Explanation for departure | : | | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | | |
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate—

- voting including voting in absentia; and
- remote shareholders’ participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>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.</p> <p>In accordance with Paragraph 8.29A of the Listing Requirements, all resolutions set out in the notice of the 20th AGM were put to vote by poll-voting. The Poll Administrator and the results of the poll would be verified by Asia Securities Sdn Bhd as Independent Scrutineers.</p> <p>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.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |
| Measure | : | |
| Timeframe | : | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company’s financial and non-financial performance as well as the company’s long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

| | |
|--|--|
| <i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : <p>The 20th AGM of the Company dated 29 August 2023 discussed the following:</p> <ul style="list-style-type: none"> • IQ Group’s business updates; • Re-election of Board Committee and external auditor; • Director remuneration matters; • Proposed renewal of share buy-back authority; and • Proposed renewal of shareholders’ mandate for recurrent related party transactions. <p>All the members who were virtually present in the AGM could vote, raise query or seek clarifications relevant to the proposed agenda of the meeting. Members were also allowed to pose questions in the query box throughout the AGM.</p> <p>Executive Director/Chief Executive Officer answered the questions during Question and Answer (“Q&A”) session. Questions that had not been able to be addressed during the AGM were answered via emails after the meeting.</p> |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.

| | | |
|--|---|--|
| Application | : | Applied |
| Explanation on application of the practice | : | <p>The 20th AGM of the Company was held virtually through live streaming. The Remote Participation and Voting (“RPV”) Facilities was available on Tricor Investor & Issuing House Services Sdn Bhd’s TIIH Online Website to support the voting process.</p> <p>The Chairman also informed that as a contingency should his internet connection became unstable, the Independent Director, Mr. Tan Boon Hoe would represent him to continue the agenda of Meeting, to ensure that the 20th AGM was conducted smoothly. The quorum was determined by the number of members logged-in at the start of the meeting.</p> <p>To have an interactive and meaningful engagement, the shareholders can submit the questions prior to the meeting. Additionally, it was allowable to pose questions in real time submission via the query box throughout the AGM.</p> <p>Executive Director/Chief Executive Officer answered the questions during Question and Answer (“Q&A”) session. Questions that had not been able to be addressed during the AGM were answered via emails after the meeting.</p> |
| Explanation for departure | : | |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | | |

| | | | |
|------------------|---|--|--|
| Measure | : | | |
| Timeframe | : | | |

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

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| <i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting.</i> | |
| Application | : Applied |
| Explanation on application of the practice | : Minutes of the AGM 2023 had been published on the Company's website on 14 September 2023, which was 16 days from the date of AGM held (i.e. 29 Aug 2023). This is also in accordance with the Section 9.21 of the Main Market Listing Requirement, which requires a listed issuer to publish a summary of the key matters discussed at the annual general meeting, as soon as practicable after the conclusion of the annual general meeting on the Company's website. |
| Explanation for departure | : |
| <i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i> | |
| Measure | : |
| Timeframe | : |

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

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