

THIS PROSPECTUS HAS BEEN SEEN AND APPROVED BY THE DIRECTORS AND PROMOTERS OF IQ GROUP HOLDINGS BERHAD ("IQGHB") AND OFFERORS ("AS DEFINED HEREIN) AND THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED HEREIN AND CONFIRM HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT HEREIN FALSE OR MISLEADING. THE DIRECTORS OF IQGHB HEREBY ACCEPT FULL RESPONSIBILITY FOR THE CONSOLIDATED PROFIT FORECAST INCLUDED IN THIS PROSPECTUS AND CONFIRM THAT THE CONSOLIDATED PROFIT FORECAST HAS BEEN PREPARED BASED ON THE ASSUMPTIONS MADE.

MALAYSIAN INTERNATIONAL MERCHANT BANKERS BERHAD, BEING THE ADVISER, MANAGING UNDERWRITER AND UNDERWRITER, ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE AND OFFER FOR SALE AND IS SATISFIED THAT THE CONSOLIDATED PROFIT FORECAST (FOR WHICH THE DIRECTORS OF IQGHB ARE FULLY RESPONSIBLE) PREPARED FOR INCLUSION IN THIS PROSPECTUS HAVE BEEN STATED BY THE DIRECTORS OF IQGHB AFTER DUE AND CAREFUL ENQUIRY AND HAVE BEEN DULY REVIEWED BY THE REPORTING ACCOUNTANTS.

THE SECURITIES COMMISSION ("SC") HAS APPROVED THE PUBLIC ISSUE AND OFFER FOR SALE, AND THAT THE APPROVAL OF THE SC SHALL NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE AND OFFER FOR SALE.

THE SC SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF IQGHB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS DOCUMENT, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, INVESTORS WHO ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

BURSA MALAYSIA SECURITIES BERHAD ("BURSA SECURITIES") SHALL NOT BE LIABLE FOR ANY NON-DISCLOSURE ON THE PART OF IQGHB AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS CORRECTNESS OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS. ADMISSION TO THE OFFICIAL LIST OF THE MAIN BOARD OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC ISSUE AND OFFER FOR SALE, IQGHB OR OF ITS ORDINARY SHARES.

A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES' WEBSITE AT WWW.BURSAMALAYSIA.COM.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the entire enlarged issued and paid-up share capital of IQGHB on the Main Board of Bursa Securities is as follows:-

Events	Indicative Date
Issue of Prospectus/Opening date of the Public Issue and Offer for Sale	16 September 2005
Closing date of the Public Issue and Offer for Sale	27 September 2005
Tentative balloting date of applications	29 September 2005
Tentative date for allotment of Public Issue Shares	4 October 2005
Tentative listing date of IQGHB on Bursa Securities	10 October 2005

THIS TIMETABLE IS TENTATIVE AND IS SUBJECT TO SUCH CHANGE(S) WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES. THE APPLICATION PERIOD WILL REMAIN OPEN UNTIL 5.00 PM ON 27 SEPTEMBER 2005 OR SUCH FURTHER DATE OR DATES AS THE DIRECTORS OF IQGHB AND THE MANAGING UNDERWRITER MAY, IN THEIR ABSOLUTE DISCRETION DECIDE. SHOULD THE CLOSING DATE OF THE APPLICATIONS BE EXTENDED, THE DATES OF THE BALLOTING, ALLOTMENT AND LISTING OF IQGHB'S ENTIRE ISSUED AND PAID-UP SHARE CAPITAL ON THE MAIN BOARD OF BURSA SECURITIES MIGHT BE EXTENDED ACCORDINGLY. ANY CHANGES TO THE CLOSING DATE FOR THE APPLICATIONS WILL BE PUBLISHED IN A WIDELY CIRCULATED DAILY ENGLISH AND BAHASA MALAYSIA NEWSPAPERS WITHIN MALAYSIA THREE (3) DAYS BEFORE THE ORIGINAL CLOSING DATE.

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DEFINITIONS (cont'd)

Except where the context otherwise requires, the following definitions apply throughout this Prospectus:-

“£”	:	UK Pound Sterling
“¥”	:	Japanese Yen
“µm”	:	Micro meter
“Acquisitions”	:	The IQM Acquisition and the Cash Acquisitions, collectively
“ADA”	:	Authorised Depository Agent
“ADA Code”	:	ADA (Broker) Code
“AFTA”	:	ASEAN Free Trade Area
“ASEAN”	:	Association of South East Asian Nations
“ASIC”	:	Application Specific Integrated Circuit
“ATM”	:	Automated Teller Machine
“Bursa Securities”	:	Bursa Malaysia Securities Berhad (635998-W)
“Cash Acquisitions”	:	The acquisitions by IQGHB of 100% equity interest of IQM’s subsidiary companies, namely IQC, IQE, IQJ and IQGL for a nominal cash consideration of RM1.00, each totalling RM4
“CCD”	:	Charge couple device
“CDS”	:	Central Depository System
“China”	:	People’s Republic of China
“CMOS”	:	Complementary metal oxide semiconductor
“COB	:	Chip-on-Board
“CD”	:	Compact disc
“Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“Directors”	:	Directors of IQGHB
“DIP”	:	Dual Inline Plastic
“DIY”	:	Do-it-yourself
“EEPROM”	:	Electrically erasable programmable read-only memory
“Electronic Share Application”	:	Application for Public Issue Shares through a Participating Financial Institution’s ATM
“EPS”	:	Earnings per share
“ESOS”	:	The employees share options scheme of IQGHB
“ESOS Option(s)” or “Option(s)”	:	The right of an option holder to subscribe for new IQGHB Shares pursuant to a contract constituted by the acceptance of an offer in the manner indicated in the ESOS By-Laws pursuant to the ESOS
“ESOS Share(s)”	:	The new Shares to be issued pursuant to the exercise of the ESOS Option(s)

DEFINITIONS (*cont'd*)

“FIC”	:	Foreign Investment Committee
“GP Margin”	:	Gross profit margin
“Hi-Fi”	:	High-Fidelity
“HKD”	:	Hong Kong Dollars
“Hong Kong”	:	Hong Kong Special Administrative Region
“ICT”	:	In-circuit testing
“IP”	:	Ingress protection
“IPO”	:	Initial public offering of the Public Issue Shares and Offer Shares, collectively
“IPO Price”	:	RM1.80 per Share, being the issue price for the Public Issue Shares and the offer price for the Offer Shares
“IPO Shares”	:	Public Issue Shares and Offer Shares, collectively
“IQC”	:	Dong Guan Zhong Jia Electronics Co. Ltd., a wholly-owned subsidiary company of IQGHB
“IQE”	:	IQ (Europe) Limited, a wholly-owned subsidiary company of IQGHB
“IQGHB” or the “Company”	:	IQ Group Holdings Berhad (636944-U)
“IQGHB Group” or the “Group”	:	IQGHB and its subsidiary companies, namely IQM, IQE, IQJ, IQGL and IQC
“IQGHB share(s)”	:	Ordinary share(s) of RM1.00 each in IQGHB
“IQJ”	:	IQ Japan Co., Ltd., a wholly-owned subsidiary company of IQGHB
“IQGL”	:	IQ Group Limited, a wholly-owned subsidiary company of IQGHB
“IQM”	:	IQ Group Sdn Bhd (177711-D), a wholly-owned subsidiary company of IQGHB
“IQM Acquisition”	:	The acquisition by IQGHB of the entire issued and paid-up share capital of IQM comprising 25,500,000 ordinary shares of RM1.00 each for a total purchase consideration of RM71,993,998 satisfied by the issuance of 71,993,998 new ordinary shares of RM1.00 each in IQGHB at the issue price of RM1.00 per share
“IQM Group”	:	IQM and its former subsidiary companies before the Cash Acquisitions, namely, IQE, IQJ, IQGL and IQC
“Latest Practicable Date”	:	As at 1 September 2005, being the latest practicable date prior to the printing of this Prospectus.
“LED”	:	Light emitting diode
“Listing Requirements”	:	The Listing Requirements of Bursa Securities, including any amendments thereto that may be made from time to time

DEFINITIONS (cont'd)

“MIDA”	:	Malaysian Industrial Development Authority
“MIH”	:	Malaysian Issuing House Sdn Bhd (258345-X)
“MIMB”	:	Malaysian International Merchant Bankers Berhad (10209-W)
“MITI”	:	Ministry of International Trade and Industry
“NTA”	:	Net tangible asset
“NTD”	:	New Taiwan Dollar
“OEM(s)”	:	Original equipment manufacturer(s)
“Offer Shares”	:	The 11,101,200 ordinary shares of RM1.00 each in IQGHB, which are the subject of the Offer for Sale
“Offer for Sale”	:	The offer for sale by the Offerors of 11,101,200 IQGHB shares at an offer price of RM1.80 per share to the Bumiputera investors to be approved by MITI
“Offeror(s)”	:	The offerors of the Offer Shares are as follows:-

Offerors	No. of Offer Shares
Sensorlite Limited	4,344,350
Graham Arthur Clancy	2,668,013
Sensorlite (M) Sdn Bhd	1,439,880
Framework Associates Limited	1,403,883
Chang Su-Chu	622,537
Kenneth Ian MacKay	622,537
Total	11,101,200

“Participating Financial Institution(s)”	:	Refers to the participating financial institution(s) for Electronic Share Application as listed in Section 15.5(ii)(o) of this Prospectus
“PAT”	:	Profit after tax
“PBT”	:	Profit before tax
“PCB”	:	Printed circuit board
“PCBA”	:	PCB assembly
“PE Multiple”	:	Price-earnings multiple
“Pink Form Allocation”	:	The allocation of the 7,900,000 Public Issue Shares to the eligible Directors, employees of the IQGHB Group and person who have contributed to the success of the IQGHB Group, pursuant to the Public Issue
“PIR”	:	Passive infrared
“Public Issue”	:	The public issue of 13,006,000 new ordinary shares of RM1.00 each in IQGHB at an issue price of RM1.80 per share to the Malaysian public, eligible Directors, employees and persons who have contributed to the success of the IQGHB Group
“Public Issue Shares”	:	The 13,006,000 new ordinary shares of RM1.00 each in IQGHB, which are the subject of the Public Issue

DEFINITIONS (cont'd)

“Public Listing”	:	The listing of and quotation for the entire enlarged issued and paid-up share capital of IQGHB comprising 85,000,000 IQGHB Shares on the Main Board of Bursa Securities
“PVC”	:	Polyvinyl chloride
“QA”	:	Quality assurance
“QC”	:	Quality control
“R&D”	:	Research and development
“RF”	:	Radio frequency
“RFID”	:	RF identification
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“RMB”	:	Renminbi
“ROC”	:	Registrar of Companies, Malaysia
“SARS”	:	Severe Acute Respiratory Syndrome
“SC”	:	Securities Commission
“SGD”	:	Singapore Dollar
“Share(s)”	:	Ordinary share(s) of RM1.00 each
“SMD”	:	Surface Mounted Device
“Underwriter(s)”	:	MIMB, EONCAP Securities Sdn Bhd (<i>formerly known as Leong & Company Sdn Bhd</i>), PM Securities Sdn Bhd and TA Securities Holdings Berhad, collectively
“Underwriting Agreement”	:	The underwriting agreement dated 15 August 2005 entered into between IQGHB, the Managing Underwriter and the Underwriters for the underwriting of 13,006,000 Public Issue Shares
“UK”	:	United Kingdom
“US”	:	United States of America
“USD”	:	The United States of America Dollar

Words denoting the singular number only shall, where applicable include the plural and vice-versa, and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

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CORPORATE DIRECTORY**BOARD OF DIRECTORS**

Name	Address	Occupation	Nationality
Chen, Wen-Chin also known as Kent Chen <i>(Executive Chairman)</i>	No. 2, Lorong 11 Changkat Minden 11700 Glugor Penang	Company Director	Taiwanese
Graham Arthur Clancy <i>(Managing Director)</i>	Lingfield, 44, Knutsford Road Row of Trees, Alderley Edge Cheshire SK97SF UK	Company Director	British
Daniel John Beasley <i>(Executive Director)</i>	7, Sunnymead, Bromsgrove Worcestershire, B60 2JW UK	Company Director	British
Mat Zaid Bin Ibrahim <i>(Non-Independent Non-Executive Director)</i>	Kg. Wakaf Tengah Mengabang Telipot 21030 Kuala Terengganu Terengganu Darul Iman	Company Director	Malaysian
Ng Hai Suan @ Ooi Hoay Seng <i>(Independent Non-Executive Director)</i>	55, Medan Tembaga Island Park 11600 Penang	Company Director	Malaysian
Dato' Hong Tok Hiang @ Fang Chok Seong <i>(Independent Non-Executive Director)</i>	2288, Jalan Mahkota 05100 Alor Star Kedah Darul Aman	Company Director	Malaysian
YB Ustaz Khazan Bin Che Mat <i>(Alternate Director to Mat Zaid Bin Ibrahim)</i>	No. 32, Kg Padang Kemunting Batu Rakit 21020 Kuala Terengganu Terengganu Darul Iman	Company Director	Malaysian

AUDIT COMMITTEE

Name	Position	Directorship in IQGHB
Ng Hai Suan @ Ooi Hoay Seng	Chairman	Independent Non-Executive Director
Dato' Hong Tok Hiang @ Fang Chok Seong	Member	Independent Non-Executive Director
Graham Arthur Clancy	Member	Managing Director

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CORPORATE DIRECTORY (cont'd)

- COMPANY SECRETARIES**
- : Khoo Lay Tatt (MAICSA 7029262)
107-17-3, Gambier Heights
Persiaran Bukit Gambir 1
11700 Penang
Telephone : 604-228 8155
 - How Wee Ling (MAICSA 7033850)
Block 4-11-01
Solok Gangsa
11600 Penang
Telephone : 604-228 8155
- REGISTERED OFFICE**
- : 3rd Floor, Wisma Wang
251-A, Jalan Burma
10350 Penang
Telephone : 604-228 8155
Facsimile : 604-269 2386
Email : penang@pfa.com.my
- HEAD/MANAGEMENT OFFICE**
- : Plot 149, Jalan Sultan Azlan Shah
Taman Perindustrian Bayan Lepas
Fasa 1 (FTZ), Bayan Lepas
11900 Penang
Telephone : 604-644 6677
Facsimile : 604-644 9677
Email : headoffice@iq-group.com
Website : www.iq-group.com
- PRINCIPAL BANKERS**
- : HSBC Bank Malaysia Berhad (127776-V)
1, Downing Street
10300 Penang
Telephone : 604-262 9441
 - RHB Bank Berhad (6171-M)
Commercial Banking Business Centre
1st Floor, No 44, Lebuhr Pantai
Georgetown
10300 Penang
Telephone : 604-263 0291
- AUDITORS AND REPORTING ACCOUNTANTS**
- : Deloitte KassimChan (AF0080)
4th Floor, Wisma Wang
251-A, Jalan Burma
10350 Penang
Telephone : 604-228 8255
- SOLICITORS FOR THE LISTING EXERCISE**
- : Ong And Manecksha
Suite 503, 5th Floor
Penang Plaza, Jalan Burma
10050 Penang
Telephone : 604-227 5811
- ISSUING HOUSE**
- : Malaysian Issuing House Sdn Bhd (258345-X)
27th Floor, Menara Multi-Purpose
Capital Square
No. 8, Jalan Munshi Abdullah
50100 Kuala Lumpur
Telephone : 603-2693 2075

CORPORATE DIRECTORY (cont'd)

- SHARE REGISTRAR** : PFA Registration Services Sdn Bhd (19234-W)
Level 13, Uptown 1
No. 1, Jalan SS21/58
Damansara Uptown
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone : 03-7725 4888
- ADVISER AND
MANAGING UNDERWRITER** : Malaysian International Merchant Bankers Berhad (10209-W)
12th Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
Telephone : 603-2691 0200
- UNDERWRITERS** : Malaysian International Merchant Bankers Berhad (10209-W)
12th Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
Telephone : 603-2691 0200
- EONCAP Securities Sdn Bhd (8789-P)
(formerly known as Leong & Company Sdn Bhd)
19th Floor, Wisma Cyclecarri
288, Jalan Raja Laut
50350 Kuala Lumpur
Telephone : 03-2694 6188
- PM Securities Sdn Bhd (66299-A)
5th Floor, MUI Plaza
Jalan P. Ramlee
50250 Kuala Lumpur
Telephone: 03-2146 3000
- TA Securities Holdings Berhad (14948-M)
Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Telephone : 03-2072 1277
- INDEPENDENT BUSINESS AND
MARKET RESEARCH CONSULTANTS** : Vital Factor Consulting Sdn Bhd (266797-T)
75C & 77C, Jalan SS22/19
Damansara Jaya
47400 Petaling Jaya
Selangor Darul Ehsan
Telephone : 603-7728 0248
- FOREIGN EXPERTS** : GuanDong ZhongJian Development Law Firm
4/F, Guancheng Administration Centre
191, DongchengWest R.D
Dongguan, Guangdong
People Republic of China
Telephone : 86-769-2322 961
- McCombie & Co
Business Solicitors
The Old Chapel
43, Westfield Road
Leeds LS3 1NQ
United Kingdom
Telephone : 44-113-2452 600

CORPORATE DIRECTORY *(cont'd)*

Midosuji Legal Profession Corporation
Attorneys At Law
Osaka Toyota Building Suite 208
4-3-11, Minamimemba
Chuo-ku, Osaka
Japan
Telephone : 816-6251 7266

Hunte & Co Law Chambers
3rd Floor, Omar Hodge Building
Wickhams Cay
Road Town, Tortola
British Virgin Islands
Telephone : 284-495-0232

LISTING SOUGHT

: Main Board of Bursa Securities

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1.0 INFORMATION SUMMARY

THIS INFORMATION SUMMARY IS ONLY A SUMMARY OF THE SALIENT INFORMATION ON THE GROUP AND THE IPO. INVESTORS SHOULD READ AND UNDERSTAND THE WHOLE PROSPECTUS PRIOR TO DECIDING WHETHER OR NOT TO INVEST IN THE SHARES OF THE COMPANY. THE INFORMATION SUMMARY SET OUT BELOW IS DERIVED FROM THIS PROSPECTUS AND SHOULD BE READ TOGETHER WITH THE FULL TEXT OF THIS PROSPECTUS.

1.1 History and Principal Activities

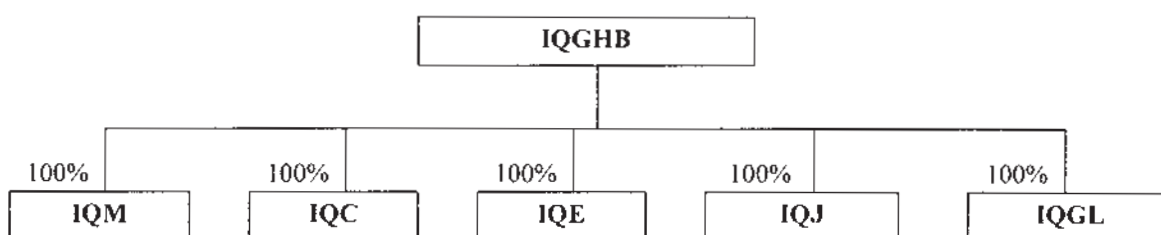
IQGHB was incorporated in Malaysia under the Companies Act, 1965 on 13 December 2003 as a private limited company. The Company was subsequently converted to a public limited company on 20 August 2004 and it assumed its present name on the same date.

IQGHB is principally an investment holding and provides management services to its subsidiary companies whilst the principal activities of its subsidiary companies are as follows:-

Name of Subsidiary Company	Principal Place of Business	Principal Activities
IQM	Malaysia	Design and manufacture of PIR sensor lighting, motion sensors, wireless video and RF products
IQC	China	Manufacture of PIR sensor lighting and motion sensors
IQE	UK	Sales, marketing and distribution of PIR sensor lighting and motion sensors
IQJ	Japan	Sales, marketing and distribution of PIR sensor lighting and motion sensors
IQGL	Taiwan	Distribution of PIR sensor lighting and motion sensors

As at the date of this Prospectus, the IQGHB does not have any associate company.

The Group's existing corporate structure is as follows:-



Detailed information on the Group's history and principal activities are set out in Section 4.1 of this Prospectus.

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1.0 INFORMATION SUMMARY (cont'd)**1.2 Promoters, Substantial Shareholders, Directors and Key Management**

The direct and indirect beneficial equity interests of the promoters, substantial shareholders, Directors and key management of IQGHB in IQGHB upon listing (based on their respective shareholdings as at the Latest Practicable Date) are as follows:-

1.2.1 Promoters

Name	Nationality/ Place of Incorporation	Principal Activities/ Designation	<---- Direct ---->		<---- Indirect ---->	
			No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	Taiwanese	Executive Chairman	400,001 ^(a)	0.47	34,087,740 ^(b)	40.10
Graham Arthur Clancy	British	Managing Director	6,585,364 ^(a)	7.75	-	-
Sensorlite Limited	British Virgin Islands	Investment holding	34,087,740	40.10	-	-

Notes:-

- (a) Assuming the allocation of Public Issue Shares to eligible Directors of the IQGHB Group have been subscribed in full based on their respective Pink Form Allocations.
- (b) Deemed interested through his shareholding in Sensorlite Limited. Upon listing of IQGHB, Chang Su-Chu who is the wife of Chen, Wen-Chin also known as Kent Chen holds another 1,494,584 IQGHB Shares representing 1.76% of the enlarged issued and paid-up share capital of IQGHB.

1.2.2 Substantial Shareholders

Name	Nationality/ Place of Incorporation	Principal Activities/ Designation	<---- Direct ---->		<---- Indirect ---->	
			No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	Taiwanese	Executive Chairman	400,001 ^(a)	0.47	34,087,740 ^(b)	40.10
Graham Arthur Clancy	British	Managing Director	6,585,364 ^(a)	7.75	-	-
Sensorlite Limited	British Virgin Islands	Investment holding	34,087,740	40.10	-	-
Yayasan Islam Terengganu	Malaysia	To assist Majlis Agama and Adat Melayu Terengganu in the efforts to disseminate and expand the teachings of Islam throughout the state	14,398,800	16.94	-	-

Notes:-

- (a) Assuming the allocation of Public Issue Shares to eligible Directors of the IQGHB Group have been subscribed in full based on their respective Pink Form Allocations.
- (b) Deemed interested through his shareholding in Sensorlite Limited. Upon listing of IQGHB, Chang Su-Chu who is the wife of Chen, Wen-Chin also known as Kent Chen holds another 1,494,584 IQGHB Shares representing 1.76% of the enlarged issued and paid-up share capital of IQGHB.

1.0 INFORMATION SUMMARY (cont'd)**1.2.3 Directors**

Name	Nationality	Designation	<----- Direct ----->		<----- Indirect ----->	
			No. of Shares	%	No. of Shares	%
Chen, Wen-Chin also known as Kent Chen	Taiwanese	Executive Chairman	400,001 ^(a)	0.47	34,087,740 ^(b)	40.10
Graham Arthur Clancy	British	Managing Director	6,585,364 ^(a)	7.75	-	-
Daniel John Beasley	British	Executive Director	280,000 ^(a)	0.33	-	-
Mat Zaid Bin Ibrahim	Malaysian	Non-Independent Non-Executive Director	40,000 ^(a)	0.05	-	-
Ng Hai Suan @ Ooi Hoay Seng	Malaysian	Independent Non-Executive Director	40,000 ^(a)	0.05	-	-
Dato' Hong Tok Hiang @ Fang Chok Seong	Malaysian	Independent Non-Executive Director	40,000 ^(a)	0.05	-	-
YB Ustaz Khazan Bin Che Mat	Malaysian	Alternate Director to Mat Zaid Bin Ibrahim	-	-	-	-

Notes:-

- (a) Assuming the allocation of Public Issue Shares to eligible Directors of the IQGHB Group have been subscribed in full based on their respective Pink Form Allocations.
- (b) Deemed interested through his shareholding in Sensorlite Limited. Upon listing of IQGHB, Chang Su-Chu who is the wife of Chen, Wen-Chin also known as Kent Chen holds another 1,494,584 IQGHB Shares representing 1.76% of the enlarged issued and paid-up share capital of IQGHB.

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1.0 INFORMATION SUMMARY (cont'd)**1.2.4 Key Management**

Name	Nationality	Designation	<--- Direct --->		<--- Indirect --->	
			No. of Shares	%	No. of Shares	%
Beverley Marshall Crute	British	Business Director of IQE	160,000 ^(a)	0.19	-	-
Martin Charles Connor	British	Managing Director of IQE	280,000 ^(a)	0.33	-	-
Chen, Ming-Yun	Taiwanese	Managing Director of IQC	160,000 ^(a)	0.19	3,275,727 ^(b)	3.85
Loo Weng Keong	Malaysian	Group General Manager of IQGHB	320,000 ^(a)	0.38	-	-
Chee Ting Ting	Malaysian	Financial Controller of IQGHB	320,000 ^(a)	0.38	-	-
Foong Kin Wah	Malaysian	Managing Director of IQM	50,000 ^(a)	0.06	-	-
Choong Bee Gnoh	Malaysian	Business Development Director of IQM	120,000 ^(a)	0.14	-	-
Chan Wing Chong	Malaysian	R&D Manager of IQM	120,000 ^(a)	0.14	-	-
Teh Tat Jin	Malaysian	Engineering and QA Manager of IQM	84,000 ^(a)	0.10	-	-
Chin Thai Khec	Malaysian	Logistics Manager of IQM	120,000 ^(a)	0.14	-	-
Eroothayaraja Valentine a/l Anthony Dass	Malaysian	Management Information System Manager of IQM	96,000 ^(a)	0.11	-	-
Teoh Teng Teong	Malaysian	Finance and Human Resource Manager of IQM	12,000 ^(a)	0.01	-	-

Notes:-

- (a) Assuming the allocation of Public Issue Shares to eligible Directors and employees of the IQGHB Group have been subscribed in full based on their respective Pink Form Allocations.
- (b) Deemed interested through his shareholding in Framework Associates Limited.

Save as disclosed above, none of the key management of the IQGHB Group has any direct and/or indirect shareholdings in IQGHB prior to the Public Issue.

Detailed information on the promoters, substantial shareholders, Directors, as well as the key management are set out in Section 5.0 of this Prospectus.

1.0 INFORMATION SUMMARY (cont'd)**1.3 Proforma Consolidated Income Statements**

The following table is a summary of the proforma consolidated income statements of the IQGHB Group for the last five (5) financial years ended 31 March 2005, prepared based on the assumption that the current structure of the Group has been in existence throughout the financial years under review. The proforma consolidated income statements are prepared for illustrative purposes and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Section 8.1 of this Prospectus.

Financial Year Ended 31 March	<-----Proforma Group----->				
	2001 RM'000	2002 RM'000	2003 RM'000	2004 RM'000	2005 RM'000
Revenue	89,560	89,947	112,776	110,388	138,587
Earnings before interest, taxation, depreciation and amortisation	11,549	8,012	19,951	22,891	26,196
Interest expense	(333)	(441)	(326)	(155)	(15)
Depreciation expenses	(3,073)	(3,455)	(3,794)	(4,107)	(4,503)
Amortisation of development cost	-	(225)	(572)	(623)	(1,024)
Share of profits and losses of associated corporations and joint ventures	-	-	-	-	-
PBT and exceptional items	8,143	3,891	15,259	18,006	20,654
Exceptional items	-	-	-	-	(1,760)
PBT and minority interests (A)	8,143	3,891	15,259	18,006	18,894
Taxation	(2,619)	(1,070)	(1,767)	(2,938)	(2,301)
Profit from ordinary activities	5,524	2,821	13,492	15,068	16,593
Extraordinary items	-	-	-	-	-
Minority interests	-	-	-	-	-
PAT (B)	5,524	2,821	13,492	15,068	16,593
Number of shares assumed to be in issue ('000) (C)	71,994	71,994	71,994	71,994	71,994
Gross EPS (sen) (A)/(C)	11.31	5.40	21.19	25.01	26.24
Net EPS (sen) (B)/(C)	7.67	3.92	18.74	20.93	23.05
Other Disclosure					
R&D costs	2,072	2,424	5,014	6,009	4,025

1.0 INFORMATION SUMMARY (cont'd)*Notes:-*

- (i) *The proforma consolidated income statement of IQGHB Group has been prepared based on the audited financial statements of the subsidiary companies and assuming that the effective shareholdings in subsidiary companies held by IQGHB have been in effect throughout the financial years under review.*
- (ii) *For the financial year ended 31 March 2002, IQGHB Group managed to maintain its sales at the level registered in the financial year ended 31 March 2001 of about RM90 million. The reduction in selling price by about 5% to 10% for certain customers and for certain models of its lighting products was partially offset by the market expansion by a subsidiary company, IQE which concentrated more on the sales of its high priced models. Another subsidiary company, IQJ managed to secure a major customer who purchased in higher volume but at a lower profit margin. Consequently, gross profit and gross profit margin decreased during the financial year as compared to the previous financial year. The setting-up of two new subsidiary companies namely IQC and IQGL in the previous year caused a substantial increase in operating expenses, thus the pre-tax profit margin of the Group has dropped from 9.09% in the financial year ended 31 March 2001 to 4.33% in the financial year ended 31 March 2002.*
- (iii) *For the financial year ended 31 March 2003, selling price for its products tapered in view of the stiff competition in the market. However, revenue improved remarkably from RM90 million in the financial year ended 31 March 2002 to RM112.8 million in the financial year ended 31 March 2003 due to the boom in housing market in UK. With new house building being buoyant, most new houses have some form of outside lighting fitted as standard thereby leading to higher general spending on DIY lighting as well as other new product ranges. Moreover, IQGHB Group managed to reduce its cost of sales as a result of a slight decrease in purchase price of raw materials coupled with the implementation of cell manufacturing system in IQM which had increased production efficiency and hence resulted in cost reduction. The gain on foreign exchange due to the strengthening of Sterling Pound against Ringgit Malaysia also had a favourable impact on the net profit of IQGHB Group, resulting in an improvement in pre-tax profit margin to 13.53% in the financial year ended 31 March 2003.*
- (iv) *For the financial year ended 31 March 2004, notwithstanding the slight decrease in revenue from RM112.8 million in the financial year ended 31 March 2003 to RM110.4 million in the financial year ended 31 March 2004, gross profit improved. The decrease in revenue was largely attributed to the decrease in customer orders in UK as a result of the drop in IQ representation in a major customer's catalogues and the destocking exercise of another major customer prior to the launch of new product line in financial year ended 31 March 2005. In its efforts to counter the declining customer orders, several new models of PIR sensor lighting products such as MPT-MD1190SA-B, RAB-STL-360-BR, MM-MS90V2-MSV and PK-DC9V-SDT were introduced during the financial year. The slight shift in the product mix with more sales of stand alone sensor modules without lightings and door chime products which have higher margins resulted in the overall improvement in the profit margin during the financial year.*
- (v) *For the financial year ended 31 March 2005, as a result of IQGHB Group's effort to diversify the range of the products and increase their market penetration and regional coverage, the Group's revenue improved by 26% to RM138.6 million in the financial year ended 31 March 2005 as compared to preceding year. Although the IQGHB Group faced competitive pricing in the market, the Group managed to maintain its major customers such as B&Q plc (UK), Novar ED&S (UK) and Massive Lighting Products NV (Europe) due to the Group's continuing product innovation and differentiation as well as stringent quality control on its products. However, the Group's other operating income decreased tremendously due mainly to the decrease in gain on foreign exchange on its sales proceeds. Besides, during the financial year, IQM paid a commercial settlement sum to one of its customers, Massive Lighting Products NV (Europe) amounting to RM1.76 million as compensation for a legal case involving patent infringement of infrared motion detector. As such, the pre-tax profit margin dropped from 16.31% in the financial year ended 31 March 2004 to 13.63% in the financial year ended 31 March 2005.*

1.0 INFORMATION SUMMARY (cont'd)

- (vi) *There were no extraordinary items or exceptional items in respect of all the financial years under review except for the commercial settlement sum paid by IQM amounting to approximately RM1.76 million to one of its customers, Massive Lighting Products NV (Europe) as compensation for a legal case involving patent infringement of infrared motion detector during the financial year ended 31 March 2005.*
- (vii) *The effective tax rate of IQGHB Group for the financial year ended 31 March 2001 reflects an effective tax rate which was higher than the Malaysian statutory income tax rate of 28% mainly due to the losses of certain subsidiary companies which cannot be set off against the profit of the other subsidiary companies for income tax purposes. The effective tax rates for the financial years ended 31 March 2002 to 2005 were lower than the Malaysian statutory income tax rate of 28% mainly due to the profit of IQC being exempted from income tax for two years starting from the first cumulative profit-making year and will be subject to income tax at a reduction of 50% of the standard tax rate for the following three years and also utilisation of carry forward tax losses of the other subsidiary companies.*
- (viii) *The gross EPS have been calculated by dividing the proforma consolidated PBT by the number of IQGHB Shares assumed in issue, based on the existing paid-up ordinary share capital of the Company before the Public Issue.*
- (ix) *The net EPS have been calculated by dividing the proforma consolidated PAT by the number of IQGHB Shares assumed in issue, based on the existing paid-up ordinary share capital of the Company before the Public Issue.*

Details of the proforma consolidated income statements of IQGHB Group are set out in Section 8.1 of this Prospectus.

1.4 Audit Qualifications

The financial statements of the IQGHB Group were not subject to any audit qualifications for the past five (5) financial years ended 31 March 2005.

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1.0 INFORMATION SUMMARY (cont'd)**1.5 Proforma Consolidated Balance Sheets**

The proforma consolidated balance sheets of the IQGHB Group as at 31 March 2005 as set out below have been prepared for illustrative purposes only to show the effects of the transactions described below based on the assumption that the respective transactions have been completed on 31 March 2005 and should be read together with the notes and assumptions to the proforma consolidated balance sheets set out in Section 8.8 herein:-

	(A)	(B)	(C)	
	Audited as at 31.03.2005 RM'000	Proforma Group After Acquisitions RM'000	Proforma Group After (A), Public Issue and Utilisation of Proceeds RM'000	Proforma Group After (B), and After Full Exercise of ESOS Options RM'000
NON-CURRENT ASSETS				
Property, plant and equipment	-	26,281	37,686	37,686
Development costs	-	4,223	7,818	7,818
CURRENT ASSETS				
Inventories	-	25,858	25,858	25,858
Trade receivables	-	28,914	28,914	28,914
Other receivables and prepaid expenses	4	2,598	1,616	1,616
Tax recoverable	-	1,579	1,579	1,579
Amount owing by a related company	-	37	37	37
Short-term deposits with a licensed bank	-	3,500	3,500	3,500
Cash and bank balances	*	5,643	12,336	35,286
Total Current Assets	4	68,129	73,840	96,790
CURRENT LIABILITIES				
Trade payables	-	10,855	10,855	10,855
Other payables and accrued expenses	11	8,045	8,045	8,045
Amount owing to directors	-	96	96	96
Hire purchase payables	-	148	148	148
Tax liabilities	-	808	808	808
Total Current Liabilities	11	19,952	19,952	19,952
NET CURRENT (LIABILITIES)/ASSETS	(7)	48,177	53,888	76,838
	(7)	78,681	99,392	122,342
SHARE CAPITAL	*	71,994	85,000	97,750
SHARE PREMIUM	-	-	7,705	17,905
ACCUMULATED LOSSES	(7)	(7)	(7)	(7)
SHAREHOLDERS' EQUITY	(7)	71,987	92,698	115,648
NEGATIVE GOODWILL	-	4,634	4,634	4,634
LONG-TERM AND DEFERRED LIABILITIES				
Hire purchase payables	-	4	4	4
Deferred tax liabilities	-	1,187	1,187	1,187
Provision for retirement allowance	-	869	869	869
Total long-term and deferred liabilities	-	2,060	2,060	2,060
	(7)	78,681	99,392	122,342
Number of shares ('000)	0.002	71,994	85,000	97,750
NTA (RM'000)	(7)	67,764	84,880	107,830
NTA per share (RM)	(3.500)	0.94	1.00	1.10

Note:-

* Comprises two (2) Shares.

1.0 INFORMATION SUMMARY (cont'd)**1.6 Summary of Material Risk Factors**

Applicants for the IPO Shares should carefully consider the following risk factors summarised from Section 3.0 of this Prospectus (which may not be exhaustive), in addition to other information contained elsewhere in this Prospectus before applying for the IPO Shares. The order in which the risk factors are presented should not be construed as a ranking of the risk factors.

- (i) No prior market for IQGHB Shares;
- (ii) Control by substantial shareholders;
- (iii) Business risks;
- (iv) Competition and new market entrants;
- (v) Dependence on major customers;
- (vi) Dependence on major suppliers;
- (vii) Foreign exchange risks;
- (viii) Cyclical or seasonal sales;
- (ix) Dependency on key personnel;
- (x) Insurance coverage;
- (xi) Political, economic, social and regulatory considerations;
- (xii) Patents and technology know-how;
- (xiii) Implication of the AFTA;
- (xiv) Security risk and system/business disruption;
- (xv) Rapid technology change;
- (xvi) Shortage of skilled labour;
- (xvii) Foreign operations;
- (xviii) Profit forecast;
- (xix) Forward looking statements; and
- (xx) Delay in or failure of the listing.

Further details of these risk factors are set out in Section 3.0 of this Prospectus.

1.7 Principal Statistics Relating to the IPO**1.7.1 Share Capital**

	RM
<i>Authorised:-</i>	
150,000,000 ordinary shares of RM1.00 each	150,000,000
	=====
<i>Issued and Fully Paid-up:-</i>	
71,994,000 ordinary shares of RM1.00 each	71,994,000
<i>To be Issued Pursuant to the Public Issue:-</i>	
Public Issue of 13,006,000 new ordinary shares of RM1.00 each	13,006,000

<i>Enlarged Share Capital Upon Listing</i>	85,000,000
<i>To be Issued Pursuant to Full Exercise of ESOS Options:-</i>	
To be issued pursuant to the full exercise of ESOS Options*	12,750,000

	97,750,000
	=====
<i>Offer Shares To Be Offered Pursuant to the Offer for Sale:-</i>	
Offer for Sale of 11,101,200 ordinary shares of RM1.00 each	11,101,200

Note:-

- * *The Company had on 9 September 2005 established the ESOS, which entails the granting of the Options to the eligible Directors and employees of the IQGHB Group. During the existence of the ESOS, the Company may issue up to 15% of its issued and paid-up share capital at any one time pursuant to the ESOS.*

1.0 INFORMATION SUMMARY (cont'd)**1.7.2 IPO Price** RM1.80

The factors taken into consideration in determining the IPO Price of the IPO Shares are set out in Section 2.8 of this Prospectus.

1.7.3 Proforma Consolidated NTA as at 31 March 2005

Proforma consolidated NTA after the IPO* RM84,880,000
(after deducting estimated listing expenses of RM2,700,000)

Proforma consolidated NTA per ordinary share of RM1.00 each RM1.00
(based on the enlarged issued and paid-up share capital*)

* *Before exercise of any Options under the ESOS.*

Details of the proforma consolidated NTA are set out in Section 8.8 of this Prospectus.

1.7.4 Consolidated Profit Forecast**Financial Year Ending 31 March 2006** **RM'000**

Revenue	140,370
	=====
PBT	19,899
Taxation	(2,625)

PAT	17,274
Minority interests	-

PAT after minority interests	17,274
	=====

Basic EPS

Weighted average number of IQGHB Shares assumed in issue*	('000)	78,497
Gross EPS	(sen)	25.35
Net EPS	(sen)	22.01
Gross PE Multiple	(times)	7.1
(Based on Issue/Offer Price of RM1.80 per Share)		
Net PE Multiple	(times)	8.2
(Based on Issue/Offer Price of RM1.80 per Share)		

Fully diluted EPS

Weighted average number of IQGHB Shares assumed in issue [#]	('000)	84,872
Gross EPS	(sen)	23.44
Net EPS	(sen)	20.35
Gross PE Multiple	(times)	7.7
(Based on Issue/Offer Price of RM1.80 per Share)		
Net PE Multiple	(times)	8.8
(Based on Issue/Offer Price of RM1.80 per Share)		

Notes:-

* *The weighted average number of IQGHB Shares assumed to be in issue during the financial year for the purpose of calculating the basic EPS is arrived at on the assumption that the Public Issue Shares are issued on 30 September 2005.*

The weighted average number of IQGHB Shares assumed to be in issued during the financial year for the purpose of calculating the diluted EPS is arrived at on the assumption that both the Public Issue Shares and the ESOS Shares are issued on 30 September 2005.

Further notes and assumptions on the consolidated profit forecast of the IQGHB Group are set out in Section 8.4 of this Prospectus.

1.0 INFORMATION SUMMARY (cont'd)**1.7.5 Dividend Forecast****Financial Year Ending 31 March 2006**

Gross dividend (tax exempt) per Share	(sen)	9.00
Net dividend (tax exempt) per Share	(sen)	9.00
Gross dividend yield (based on the Issue/Offer price of RM1.80 per Share)	(%)	5.00
Net dividend yield (based on the Issue/Offer price of RM1.80 per Share)	(%)	5.00
Net dividend cover (based on the PAT after minority interests)	(times)	2.3

Dividend for the financial year ending 31 March 2006 is expected to be declared and paid to the entitled shareholders of IQGHB during the financial year ending 31 March 2007. Further details on the dividend policy of IQGHB are set out in Section 8.7 of this Prospectus.

1.8 Class of Shares

There is only one (1) class of shares in the Company, namely, ordinary shares of RM1.00 each. The IPO Shares rank *pari passu* in all respects with the existing issued and fully paid-up ordinary shares of the Company, including voting rights and the rights to all dividends and other distributions that may be declared subsequent to the date of the issue and allotment of the IPO Shares.

The ESOS Shares upon allotment, rank *pari passu* in all respects with the existing issued and paid-up Shares of the Company except that the ESOS Shares so allotted shall not be entitled to any dividend, rights, allotment or other distribution unless the ESOS Shares so allotted have been credited into the relevant CDS accounts before the entitlement date and will be subject to all the provisions of the Articles of Association of the Company relating to the transfer, transmission or otherwise of the Shares of the Company.

Further details on the IQGHB Shares are set out in Section 2.5 and 13.1 of this Prospectus.

1.9 Utilisation of Proceeds

The Public Issue is expected to raise a total gross proceeds of RM23,410,800, which will be utilised by IQGHB in the following manner:-

	RM'000
Investment in the application of new technology/developing new products and enhancing existing products:-	
(i) Purchase of plant and equipment	11,405
(ii) R&D expenditure	3,595
Working capital	5,711
Estimated listing expenses	2,700
Total	<u>23,411</u>

The Offer for Sale will raise gross proceeds amounting to RM19,982,160 which will be accrued entirely to the Offerors. There is no minimum subscription in respect of the Offer for Sale as the entire 11,101,200 Offer Shares have been reserved for Bumiputera investors approved by MITI.

The proceeds received by the Company upon the exercise of the ESOS Options shall be utilised by the Company for purposes of working capital.

Further details of the above utilisation of proceeds are set out in Section 2.9 of this Prospectus.

1.0 INFORMATION SUMMARY (cont'd)**1.10 Material Litigation, Working Capital, Borrowings, Material Contingent Liabilities and Material Capital Commitments****(i) Material Litigation**

As at the Latest Practicable Date, neither IQGHB nor any of its subsidiary companies are engaged in any material litigation either as plaintiff or defendant and the Directors of the IQGHB Group are not aware of any proceedings pending or threatened against the Company or its subsidiary companies or of any facts likely to give rise to any proceedings which might materially or adversely affect the position or business of the IQGHB Group.

(ii) Working Capital

The Directors of IQGHB are of the opinion that, after taking into consideration the cashflow forecast including the proceeds from the Public Issue and the banking facilities currently available to the Group, the Group will have adequate working capital for a period of twelve (12) months from the date of issue of this Prospectus.

(iii) Borrowings

As at the Latest Practicable Date and as disclosed in Section 8.10 of this Prospectus, the total outstanding bank borrowings of IQGHB amounted to approximately RM114,306.

(iv) Material Contingent Liabilities

As at the Latest Practicable Date, the Directors of IQGHB are not aware of any contingent liabilities which, upon becoming enforceable, may have a material impact on the profit or net assets value of the Group.

(v) Material Capital Commitments

Save as disclosed below, as at the Latest Practicable Date, there are no material commitments incurred or known to be incurred by the Group, which may have a substantial impact on the results or the financial position of the Group.

	RM'000
Approved but not contracted for	-
Contracted but not provided for	210

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2.0 DETAILS OF THE IPO

2.1 Introduction

This Prospectus is dated 16 September 2005. A copy of this Prospectus has been registered by the SC. A copy of this Prospectus, together with the application form, has been lodged with the ROC and neither the SC nor the ROC takes any responsibility for its contents.

Approvals have been obtained from the SC for the listing scheme of IQGHB vide its letter dated 27 January 2005, details of which are disclosed in Section 4.3 of this Prospectus. The approval of the SC shall not be taken to indicate that the SC recommends the Public Issue and Offer for Sale. Investors are advised to make their independent assessment of IQGHB and should rely on their own evaluation to assess the merits and risks of any investment in the Company.

Approval in-principle from Bursa Securities was obtained on 25 May 2005 for admission to the Official List of the Main Board of Bursa Securities and for permission to deal in and for the listing of and quotation for the entire issued and paid-up shares of the Company, including the IPO Shares, which are the subject of this Prospectus on the Main Board of Bursa Securities. These Shares will be admitted to the Official List of the Main Board of Bursa Securities and official quotation will commence after receipt of confirmation from the Depository that all CDS Accounts of the successful applicants have been duly credited and notices of allotment have been despatched to all successful applicants.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act, 1991, Bursa Securities has prescribed IQGHB Shares as prescribed securities which are required to be deposited into the CDS. In consequence thereof, the IQGHB Shares issued through this Prospectus will be deposited directly with the Depository and any dealings in IQGHB Shares will be carried out in accordance with the aforesaid Act and the Rules of the Depository. No share certificates will be issued to successful applicants.

Acceptance of the applications for the IPO Shares will be conditional upon permission being granted by Bursa Securities to deal in and for the quotation for the entire issued and fully paid-up share capital of IQGHB on the Main Board of Bursa Securities within six (6) weeks from the date of issue of this Prospectus or such longer period as may be specified by the SC provided that the Company is notified by or on behalf of Bursa Securities within the aforesaid timeframe. Accordingly, monies paid in respect of any application received for the Public Issue and Offer for Sale will be returned in full, without interest if the said permission for listing is not granted.

Pursuant to Listing Requirements, the Company needs at least 25% of the issued and paid-up share capital of the Company to be held by a minimum number of one thousand (1,000) public shareholders holding not less than one hundred (100) Shares each upon admission of the Company to the Main Board of Bursa Securities. The Company is expected to achieve this at the point of listing. In the event that the above requirement is not met pursuant to the Public Issue and Offer for Sale, the Company may not be allowed to proceed with its listing on the Main Board of Bursa Securities. In the event thereof, monies paid in respect of all applications received for the Public Issue and Offer for Sale will be returned in full without interest.

In the case of an application by way of application form, an applicant should state his/her CDS Account number in the space provided in the application form. In the case of an application by way of Electronic Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application and the applicant shall furnish his/her CDS account number if the instructions on the ATM screen at which he/she enters his/her Electronic Share Application requires him/her to do so. A corporation or institution cannot apply for the Issue/Offer Shares by way of Electronic Share Application.

No person is authorised to give any information or to make any representation not contained herein in connection with the Public Issue and/or Offer for Sale and if given or made, such information or representation must not be relied upon as having been authorised by IQGHB, Offerors and/or the Advisers. Neither the delivery of this Prospectus nor any Public Issue and/or Offer for Sale made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of IQGHB or the Group since the date hereof.

2.0 DETAILS OF THE IPO (cont'd)

The distribution of this Prospectus and the sale of the IPO Shares are subject to Malaysian laws and the Company, Offerors and the Advisers take no responsibility for the distribution of this Prospectus and the sale of the IPO Shares outside Malaysia. This Prospectus does not constitute and may not be used for the purpose of an invitation to subscribe for the IPO Shares in any jurisdiction in which such invitation is not authorised or lawful, or to any person to whom it is unlawful to make such offer or invitation. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

Investors should rely on their own evaluation to assess the merits and risks of the investment. In considering the investment, investors who are in any doubt as to the action to be taken should consult their stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.

2.2 Opening and Closing of Application

The application for the IPO will open at 10.00 am on 16 September 2005 and will remain open until 5.00 p.m. on 27 September 2005 or for such further period or periods as the Directors of IQGHB and the Managing Underwriter, in their absolute discretion may mutually decide. Any extension to the closing date for the application will be published in a widely circulated daily English and Bahasa Malaysia newspapers within Malaysia three (3) days before the original closing date. Late applications will not be accepted.

2.3 Tentative Date of Listing

Events	Tentative Dates
Issue of Prospectus/Opening date of the Public Issue and Offer for Sale	16 September 2005
Closing date of the Public Issue and Offer for Sale	27 September 2005
Tentative balloting date of applications	23 September 2005
Tentative date for allotment of Public Issue Shares	4 October 2005
Tentative listing date of IQGHB on Bursa Securities	10 October 2005

2.4 Purposes of the IPO

The purposes of the Public Issue and Offer for Sale are as follows:-

- (a) to provide an opportunity for the eligible Directors, employees and persons who have contributed to the success of the IQGHB Group and the Malaysian investing public and institutions to participate in the equity and in the continuing growth of the Group by way of equity participation;
- (b) to obtain listing of and quotation for the entire issued and paid-up share capital of IQGHB on the Main Board of Bursa Securities;
- (c) to enable the IQGHB Group to gain access to the capital market to tap new sources of debt and equity funds for future growth plans;
- (d) to enable IQGHB to enhance Bumiputera equity participation in the Company so as to comply with the aspirations of the National Development Policy; and
- (e) to enhance the Group's corporate profile and assist the Group in expanding its customer base.

2.0 DETAILS OF THE IPO (cont'd)**2.5 Number and Class of Securities to be Issued/Offered**

	RM
Authorised:-	
150,000,000 ordinary shares of RM1.00 each	150,000,000 =====
Issued and Fully Paid-up:-	
71,994,000 ordinary shares of RM1.00 each	71,994,000
To be Issued Pursuant to the Public Issue:-	
Public Issue of 13,006,000 new ordinary shares of RM1.00 each	13,006,000 -----
Enlarged Share Capital Upon Listing	85,000,000
To be Issued Pursuant to Full Exercise of the ESOS Options:-	
To be issued pursuant to the full exercise of ESOS Options*	12,750,000 -----
Enlarged share capital assuming full exercise of ESOS Options	97,750,000 =====
Offer Shares to be Offered Pursuant to the Offer for Sale:-	
Offer for Sale of 11,101,200 ordinary shares of RM1.00 each	11,101,200

Note:-

* The Company had on 9 September 2005 established the ESOS which entails the granting of Options to the eligible Directors and employees of the IQGHB Group. During the existence of the ESOS, the Company may issue up to 15% of its issued and paid-up share capital at any one time pursuant to the ESOS.

IPO Price per Share**RM1.80**

The IPO Price of RM1.80 per Share is payable in full upon application.

There is only one (1) class of Shares in the Company, namely, ordinary shares of RM1.00 each. The IPO Shares rank pari passu in all respects with the existing issued and fully paid-up ordinary shares of the Company including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of issue and allotment of the Public Issue Shares.

The ESOS Shares upon allotment, rank pari passu in all respects with the existing issued and paid-up Shares of the Company except that the ESOS Shares so allotted shall not be entitled to any dividend, rights, allotment or other distribution unless the ESOS Shares so allotted have been credited into the relevant CDS accounts before the entitlement date and will be subject to all the provisions of the Articles of Association of the Company relating to the transfer, transmission or otherwise of the Shares of the Company.

Subject to any special rights attaching to any Shares which may be issued by the Company in the future, the holders of ordinary shares in the Company shall, in proportion to the amount paid-up on the ordinary shares held by them, be entitled to share in the whole of the profits paid out by the Company as dividends, distributions and the whole of any surplus in the event of liquidation of the Company in accordance with the Articles of Association of the Company.

At any general meeting of the Company, each shareholder shall be entitled to vote in person or by proxy or by attorney or by other duly authorised representative. On a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have one (1) vote, and in the case of a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have one (1) vote for each ordinary share held. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

2.0 DETAILS OF THE IPO (cont'd)**2.6 Particulars of the Public Issue Shares and Offer Shares**

The Public Issue Shares and Offer Shares are subject to the terms and conditions of this Prospectus and upon acceptance, will be allotted in the following manner:-

(a) Malaysian Public

5,106,000 Public Issue Shares (representing 6.01% of the enlarged issued and paid-up share capital of IQGHB after the IPO) to be made available for application by the Malaysian citizens, companies, co-operatives, societies and institutions, and to the extent possible, 30% of the Public Issue Shares to be allocated for Bumiputera individuals, companies, societies and institutions.

(b) Eligible Directors, Employees and Persons Who Have Contributed to the Success of the IQGHB Group

7,900,000 Public Issue Shares (representing 9.29% of the enlarged issued and paid-up share capital of IQGHB after the IPO) to be reserved for eligible Directors, employees and persons who have contributed to the success of the IQGHB Group ("Pink Form Allocation").

(c) Approved Bumiputera Investors

11,101,200 Offer Shares (representing 13.06% of the enlarged issued and paid-up share capital of IQGHB after the IPO) to be reserved for Bumiputera investors approved by MITI.

The entire 13,006,000 Public Issue Shares under sub-paragraphs 2.6(a) and (b) have been fully underwritten. Any Public Issue Shares not subscribed for under paragraph 2.6(b) will first be made available to identified investors by way of private placement failing which they shall be made available for application by the Malaysian public. Any balance unsubscribed Shares shall, thereafter be taken up by the Underwriters in accordance with the terms and conditions in the Underwriting Agreement.

The 11,101,200 Offer Shares in respect of paragraphs 2.6(c) need not, and will not, be underwritten.

2.7 Details on the Pink Form Allocation

Details of the Pink Form Allocation as mentioned in Section 2.6(b) above are as follows:-

- (a) There are fourteen (14) eligible Directors of the IQGHB Group who will be allocated in aggregate 2,450,000 IQGHB Shares as follows:-

Director of IQGHB	Directorship in IQGHB	Total No. of IQGHB Shares
Chen, Wen-Chin also known as Kent Chen	Executive Chairman	400,000
Graham Arthur Clancy	Managing Director	360,000
Daniel John Beasley	Executive Director	280,000
Mat Zaid Bin Ibrahim	Non-Independent Non-Executive Director	40,000
Ng Hai Suan @ Ooi Hoay Seng	Independent Non-Executive Director	40,000
Dato' Hong Tok Hiang @ Fang Chok Seong	Independent Non-Executive Director	40,000
Total		1,160,000

2.0 DETAILS OF THE IPO (cont'd)

Director of Subsidiary Companies of IQGHB	Directorship in IQGHB Group	Total No. of IQGHB Shares
Chee Ting Ting	Alternate Director to Chen, Wen-Chin also known as Kent Chen, Executive Director of IQM	320,000
Foong Kin Wah	Managing Director of IQM	50,000
Choong Bee Gnoh	Business Development Director of IQM	120,000
Haji Ibrahim @ A. Aziz Bin Yaacob	Non-Executive Director of IQM	40,000
Martin Charles Connor	Managing Director of IQE	280,000
Beverley Marshall Crute	Business Development Director of IQE	160,000
Chen, Ming-Yun	Managing Director of IQC	160,000
Chen, Chih-Hung	Director of IQC	160,000
Total		1,290,000

(b) The allocation of the remaining Public Issue Shares to the eligible employees of the IQGHB Group has been determined by the Directors of IQGHB based on the following criteria:-

- (a) at least eighteen (18) years old;
- (b) job position;
- (c) length of service; and
- (d) confirmed employees and employed for not less than six (6) months as at 30 September 2004.

Based on the above criteria, there are 225 employees who are eligible to participate in the Pink Form Allocation as at the Latest Practicable Date. The employees of IQC, who are Chinese nationals are not eligible to participate in the Pink Form Allocation as they are not able to remit funds outside China.

2.8 Basis of Arriving at the IPO Price of Issue/Offer Shares

The IPO price of RM1.80 per Share was determined and agreed upon by the Company and MIMB, as Adviser and Managing Underwriter, based on various factors including:-

- (a) the Group's financial and operating history as outlined in Sections 8.0 and 4.0, respectively of this Prospectus, respectively;
- (b) the forecast net PE Multiple of 8.2 times based on the forecast basic net EPS for the financial year ending 31 March 2006 of 22.01 sen;
- (c) the future plans and prospects of the IQGHB Group and the home security industry as outlined in Section 4.9 and 4.6 of this Prospectus;
- (d) the proforma consolidated NTA per IQGHB Share (assuming the Acquisitions and IPO are implemented as at 31 March 2005) of RM1.00 per Share; and
- (e) the prevailing market conditions.

Applicants of the IPO Shares should note that the market price of IQGHB Shares upon listing on the Main Board of Bursa Securities is subject to the vagaries of market forces and other uncertainties which may affect the market price of IQGHB Shares being traded. Investors should also bear in mind the Risk Factors as set out in Section 3.0 of this Prospectus before deciding on whether or not to invest in the IQGHB Shares.

2.0 DETAILS OF THE IPO (cont'd)**2.9 Utilisation of Proceeds**

The total gross proceeds of RM23,410,800 to be raised from the Public Issue will be utilised by the Company in the following manner:-

Details	Notes	Estimated Timeframe of Utilisation from Receipt of Proceeds Upon Listing	RM'000
Investment in the application of new technology/ developing new products and enhancing existing products:-			
- Purchase of plant and equipment	(a)	within 3 years	11,405
- R&D expenditure	(a)	within 3 years	3,595
Working capital	(b)	within 2 years	5,711
Estimated listing expenses	(c)	within 3 months	2,700
			23,411

Notes:-

(a) *The Group plans to allocate RM15 million of the proceeds raised to invest in application of new technology, development of new products and enhancement of existing products such as video door entry, outdoor decorative lighting, domestic security/alarm products and security lighting products. The proceeds is also to be utilised for the purchase of plant and equipment such as mould/tooling for new products, jig & fixture, test equipments, software, computers, renovations and workstations for R&D facilities purposes and various R&D equipments.*

Any variation in the actual amount spent from the allocated amount will be adjusted to the allocation for working capital of the IQGHB Group.

(b) *The working capital funds will be used to fund the day-to-day operating expenses of IQGHB Group which include amongst others, salaries and wages, utilities, office expenditures, travelling expenses, motor vehicles related expenses, professional fees, audit fees and secretarial fees.*

(c) *The details of estimated listing expenses are as follows:-*

Estimated Listing Expenses	RM'000
<i>Fees payable to the authorities (SC, Bursa Securities and ROC)</i>	<i>130</i>
<i>Issuing house fee and disbursements</i>	<i>100</i>
<i>Advertisement and translation of Prospectus</i>	<i>210</i>
<i>Printing of application forms, envelopes and Prospectus</i>	<i>160</i>
<i>Estimated professional fees</i>	<i>1,200</i>
<i>Underwriting commission, management fee and brokerage</i>	<i>550</i>
<i>Contingencies *</i>	<i>350</i>
Total	2,700

Note:-

**Any unutilised proceeds will be allocated for working capital purposes.*

There is no minimum subscription in respect of the Public Issue.

The Offer for Sale will raise gross proceeds amounting to RM19,982,160 which will be accrued entirely to the Offerors. There is no minimum subscription in respect of the Offer for Sale as the entire 11,101,200 Offer Shares have been reserved for Bumiputera investors approved by MITI.

The proceeds received by the Company upon the exercise of the ESOS Options shall be utilised by the Company for purposes of working capital of the IQGHB Group.

2.0 DETAILS OF THE IPO *(cont'd)*

2.10 Financial Impact from the Utilisation of Proceeds

Part of the proceeds to be raised from the Public Issue will be allocated for investment in the application of new technology, developing new products and enhancing the existing products of the Group, thereby is expected to enhance the Group's market penetration and revenue sustainability. By funding the continuing R&D efforts, the Group is expected to be able to maintain its competitive advantages and spur further growth prospects. With the IPO, the Group's cashflow position will also be strengthened. This in turn would contribute positively to the future profitability of the Group. The impact of the IPO on the consolidated balance sheets of the IQGHB Group is reflected in the proforma consolidated balance sheets of IQGHB in Sections 1.4 and 8.8 of this Prospectus.

The proceeds to be received upon exercise of the ESOS Options would also provide the Company with additional working capital over the period of the ESOS.

2.11 Brokerage and Underwriting Commission

Brokerage is payable by the Company in respect of the Public Issue Shares at the rate of 1% of the issue price of RM1.80 per Share in respect of successful applications bearing stamps of MIMB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Association of Merchant Banks in Malaysia or MIH.

The Underwriters have agreed to underwrite the entire 13,006,000 Public Issue Shares, which are available for subscription by the Malaysian public and eligible Directors, employees and persons who have contributed to the success of IQGHB Group. Any of the 7,900,000 Public Issue Shares not taken up by the eligible Directors, employees and persons who have contributed to the success of the IQGHB under Section 2.6(b) of this Prospectus will first be made available to identified investors by way of private placement failing which they shall be made available for application by the Malaysian public. Any balance unsubscribed Shares shall, thereafter be taken up by the Underwriters in accordance with the terms and conditions in the Underwriting Agreement.

Underwriting commission is payable by the Company to the Underwriters at the rate of 2.0% of the Public Issue price of RM1.80 per Share which are required to be underwritten. In addition, the Managing Underwriter will receive a management fee of 0.5% of the value of the Public Issue Shares underwritten payable by the Company.

2.12 Salient Terms of the Underwriting Agreement

Note: Unless stated, all capitalised terms shall bear the same meanings as prescribed in the Underwriting Agreement.

The following are some of the Clauses of the Underwriting Agreement, including escape clauses, which may allow the Underwriters to withdraw from their obligations under the said agreement after the opening of the IPO:-

Clause 6 (Conditions)

“6.1 Details

“The obligations of the Underwriters to underwrite the Underwritten Shares under this Agreement are conditional on the performance by the Company of its obligations under this Agreement and on:

6.1.1 The Managing Underwriter being provided with the reports or confirmations and the Underwriters being satisfied at the Closing Date that:

6.1.1.1 there has been no material change or any development which is likely to result in a material adverse change in the financial position, business operations or conditions (financial or otherwise) of the Group taken as a whole from that subsequent to the date of this Agreement; or

2.0 DETAILS OF THE IPO (cont'd)

- 6.1.1.2 *there has not occurred any event or the discovery of any facts or circumstances which would render any representation, warranty or undertaking in Clause 11 (Representations, Warranties and Undertakings) untrue or inaccurate or result in a breach of this Agreement by the Company;*
- 6.1.2 *The Managing Underwriter receiving a certificate in the form or substantially in the form contained in Schedule 3 (Certificate) of this Agreement dated the Closing Date signed by all the Directors of the Company stating that, to the best of their knowledge and belief, having made all reasonable enquiries, there has been no such change, development or occurrence as referred to in Clause 11 (Representations, Warranties and Undertakings) of this Agreement;*
- 6.1.3 *The issue of the Prospectus not later than 2 months from the Agreement Date or such later date as the Underwriters and the Company may from time to time agree;*
- 6.1.4 *The registration of the Prospectus and such other documents as may be required in accordance with the SCA in relation to the Offer For Sale and Public Issue with the SC and its lodgment with the Registrar of Companies of the CCM by the Issue Date;*
- 6.1.5 *The approval of SC and Bursa Securities referred to in Clause 2.2 (Approvals) to the admission of the Company to the Official List and the listing of and quotation for its entire issued and paid up share capital being obtained on terms acceptable to the Underwriters remaining in full force and effect and that all conditions precedent to the approvals (except for any which can only be complied with after the Offer For Sale and Public Issue has been completed) have been complied with;*
- 6.1.6 *The Managing Underwriter being satisfied that the Company will, following completion of the Offer For Sale and Public Issue be admitted to the Official List and all its share capital listed and quoted on the Bursa Securities without undue delay;*
- 6.1.7 *The Underwriters being satisfied with the arrangements of the Company to pay the expenses referred to in Clause 10 (Fees and Commission);*
- 6.1.8 *The Managing Underwriter receiving a copy certified by a director or secretary of the Company to be a true and accurate copy and in full force and effect of a resolution of the Directors in the form and substance acceptable to the Managing Underwriter:*
- 6.1.8.1 *approving the Issue Documents, this Agreement and the transactions contemplated by it;*
- 6.1.8.2 *authorising a person to sign and deliver this Agreement on behalf of the Company;*
- 6.1.8.3 *authorising the issuance of the Issue Documents;*
- 6.1.9 *This Agreement being signed by all parties and stamped;*
- 6.1.10 *The Offer For Sale and Public Issue not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority of Malaysia or any condition imposed by the regulators in approving the Offer For Sale and Public Issue and all consents, approvals, authorisations or other orders required by the Company and/or the Offeror under such laws for or in connection with the Offer For Sale and Public Issue and/or listing of and quotation for the entire issued and paid-up share capital of the Company on the Bursa Securities have been obtained and are in force on the Closing Date or the Managing Underwriter being reasonably satisfied that the same will be in force on the Closing Date;*

2.0 DETAILS OF THE IPO (cont'd)

- 6.1.11 *The Managing Underwriter being satisfied that the Company and/or the Offeror has complied with and that the Offer For Sale and Public Issue is in compliance with the policies, guidelines and requirements of the Bursa Securities, SC and all revisions, amendments and/or supplements thereto; and*
- 6.1.12 *The Offer For Sale and Public Issue being approved by the shareholders of the Company in an Extraordinary General Meeting."*
- 6.1.13 *The Offer For Sale is fully subscribed by and paid for by the Bumiputera Investors approved by MITI.*

6.2 Waiver

The Managing Underwriter may, after consultation with and approval of the majority of the Underwriters (in terms of number of Underwritten Shares committed), waive all or any of the Conditions except for any required by a mandatory rule of law or a mandatory requirement of governmental, public or regulatory authorities in connection with this Agreement without prejudice to the other underwriters' powers, rights and remedies under this Agreement.

6.3 Non satisfaction

In the event any of the conditions set out in Clause 6.1 (Details) is not fulfilled or complied to the satisfaction of the Underwriters by the Closing Date provided that any of the Underwriters may at its discretion with respect only to its own obligation waive compliance with any of the provisions of Clause 6.1 (Details), the Managing Underwriter (as agent of the Underwriters) after consultation with the Underwriters and the Company shall be entitled to terminate this Agreement and in such event the provisions of Clause 14 (Termination) shall apply but without prejudice to the rights of the Managing Underwriter and the Underwriters under Clause 10 (Fees and Commission) and the rights to recover the costs and expenses which has been incurred by the Managing Underwriter and the Underwriters."

Clause 14 (Termination)

- "14.1 Notwithstanding anything contained in this Agreement, the Underwriters and/or the Managing Underwriter (as the case may be) may by notice in writing to the Company given at any time before the Closing Date, terminate, cancel and withdraw their Underwriting Commitment if:*
- 14.1.1 *there is any breach by the Company of any of the representations, warranties or undertakings contained in Clause 11 (Representations, Warranties and Undertakings) or which is contained in any certificate, statement or notice provided under or in connection with this Agreement, which is not capable of remedy or, if capable of remedy, is not remedied within such number of days as stipulated in the notice of such breach given to the Company; or*
- 14.1.2 *there is failure on the part of the Company to perform any of its obligations contained in this Agreement, including the non-listing and non-quotation of the entire issued and paid-up share capital of the Company on the Main Board of the Bursa Securities; or*
- 14.1.3 *there is withholding of information of a material nature by the Company from the Underwriters which is required to be disclosed pursuant to this Agreement which, in the opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on the business or operations of the Group, the success of the Offer For Sale and Public Issue, or the distribution or sale of the Shares issued under the Offer For Sale and Public Issue and the distribution or sale of the Offer Shares (whether in the primary market or in respect of dealings in the secondary market) or the listing of the Company on the Bursa Securities or market conditions generally or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms; or*

2.0 DETAILS OF THE IPO (cont'd)

- 14.1.4 *there shall have occurred, or happened any material and adverse change in the business or financial condition of the Company or the Group; or*
- 14.1.5 *there shall have occurred, or happened any of the following circumstances:*
- 14.1.5.1 *any material change, or any development involving a prospective change, in national or international monetary, financial, economic or political conditions (including but not limited to conditions on the stock market, in Malaysia or overseas, foreign exchange market or money market or with regard to inter-bank offer or interest rates both in Malaysia and overseas) or foreign exchange controls or the occurrence of any combination of any of the foregoing; or*
- 14.1.5.2 *any new law, regulation, directive, policy or ruling or any change in existing laws, regulations, directives, policies or rulings or any change in the interpretation or application thereof by any court or other competent authority which would prohibit or impede the obligations of the Managing Underwriter and/or all or any of the Underwriters under this Agreement; or*
- 14.1.5.3 *any government requisition or other occurrence of any nature whatsoever which in the reasonable opinion of the Underwriters affects or will affect the business and/or financial position of the Company; or*
- 14.1.5.4 *any event or series of events beyond the reasonable control of the Underwriters including (without limitation) acts of government, acts of God, acts of terrorism, strikes, lock-outs, fire, explosion, flooding, civil commotion, sabotage, acts of war or accidents which has or is likely to have the effect of making any material part of this Agreement incapable of performance with its terms or which prevents the processing of applications and/or payments pursuant to the Offer For Sale and Public Issue or pursuant to the underwriting of the Underwritten Shares; which, in the reasonable opinion of the Underwriters, would have or can reasonably be expected to have, a material adverse effect on, and/or materially prejudice the business or the operations of the Company or the Group as a whole, the success of the Offer For Sale and Public Issue, or the listing of the Company on the Bursa Securities or market conditions generally or which has or is likely to have the effect of making any material part of this Agreement incapable of performance in accordance with its terms.*
- 14.2 *Upon any such notice(s) being given pursuant to Clause 14.1 (Termination), the Underwriters shall be released and discharged of their respective obligations without prejudice to their rights under this Agreement, and where the Underwriters have terminated, cancelled or withdrawn their Underwriting Commitments pursuant to Clause 14.1 (Termination), this Agreement shall be of no further force or effect and no party shall be under any liability to any other parties in respect of this Agreement, save and except that the Company shall remain liable in respect of its obligations and liabilities under Clause 10 (Fees and Commission), under Clause 11 (Representations, Warranties and Undertakings) and under Clause 12 (Costs and Expenses) for the payment of costs and expenses already incurred up to the date of or in connection with such termination and under Clause 8.3.2 (Prospectus and Listing) for the payment of any taxes, duties or levies, and for any antecedent breach and/or the return to the Underwriters any moneys advanced under this Agreement within 3 days of receipt of such notice. The Company shall also refund to the Underwriters the subscription monies and/or purchase consideration, as the case may be, if any, paid by the Underwriters pursuant to their subscription and/or purchase, as the case may be, of the Unsubscribed Underwritten Shares pursuant to Clause 9.2 and such payment shall be made via the Company within 14 days from the date of the notice of stating this Agreement is terminated."*

2.0 DETAILS OF THE IPO (cont'd)

Clause 15 (Undertakings and Authority of the Underwriters and the Managing Underwriter)

"15.1 Each of the Underwriters severally undertakes with and represents and warrants to the Company that:

15.1.1 it will duly observe and comply with all applicable laws and regulations in each jurisdiction in which it may offer or sell the Underwritten Shares;

15.1.2 its obligations under this Agreement constitute legal, valid and binding obligations of each of the Underwriters enforceable by the Company against each of the Underwriters in accordance with the terms of this Agreement;

15.1.3 subject to compliance by the Company with the terms of this Agreement, it will each consent to the inclusion of their names in the Prospectus in the form and context in which it appears in the Prospectus.

15.2 Each Underwriter severally authorizes the Managing Underwriter to exercise and carry out all the discretions, authorities, powers and duties where conferred on it as agent for the Underwriters by this Agreement together with such powers reasonably incidental to them and this authority shall apply notwithstanding that the Managing Underwriter may have a conflict of interest or interest in relation to the exercise of its discretions, authorities, powers and duties conferred on it.

15.3 The Company may rely on all consents, waivers, exercises of discretion and any other acts of the Managing Underwriter when acting as agent for the Underwriters as being duly and expressly authorized by the Underwriters.

15.4 The Managing Underwriter will notify each Underwriter and provide such Underwriter with a copy of any communication between the Company and the Managing Underwriter when acting in its capacity as agent for the Underwriters on any matter related to this Agreement.

15.5 The Managing Underwriter shall have the right and absolute discretion to round up or down and deal with fractional numbers or odd lots of Unsubscribed Underwritten Shares to the nearest board lot of 100 Shares (so far as possible) to be underwritten by the Underwriters in accordance with their respective percentages as set out in column 4 of Schedule 2 in the event of an undersubscription of the Underwritten Shares and the Managing Underwriter shall give notice of such rounding up or down (if any) to the Underwriters ('the Rounding-up Notice') together with the Underwriting Notice pursuant to Clause 9.2 (Underwriting Obligations) of this Agreement."

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3.0 RISK FACTORS

Before making an investment decision and applying for the IPO Shares, potential investors should carefully consider the following risk factors (which are not exhaustive) in addition to all the other relevant information contained elsewhere in this Prospectus.

3.1 No Prior Market for IQGHB Shares

Prior to this Public Issue and Offer for Sale, there has been no public market for IQGHB Shares. The IPO Price has been determined after taking into consideration a number of factors, including but not limited to IQGHB's financial history and operating conditions, its prospects and the outlook for the industry in which IQGHB operates. There can be no assurance that the IPO Price will correspond to the price at which IQGHB Shares will trade on the Main Board of Bursa Securities upon or subsequent to its listing or that an active market for IQGHB Shares will develop or, if developed, that such market will be sustained.

3.2 Control by Substantial Shareholders

Upon completion of the IPO, the substantial shareholders of IQGHB comprising Chen, Wen-Chin also known as Kent Chen, Graham Arthur Clancy and Sensorlite Limited will effectively and collectively hold 48.32% equity interest in IQGHB. In addition, another substantial shareholder of IQGHB, namely Yayasan Islam Terengganu, will hold 16.94% equity interest in IQGHB after the IPO. Accordingly, they will be able to control the outcome of certain matters requiring the votes of the shareholders of the Company unless they are required to abstain from voting by law, covenants and/or by the relevant authorities or the proposal requires a special resolution to be passed which requires at least 75% majority vote. Details of the shareholdings of the said substantial shareholders of IQGHB are set out under Section 5.1.3 of this Prospectus. The structure of the Group is such that members of the Board of Directors and management have its own independent functions but overall decisions are made on a collective basis. There are certain control procedures in place to ensure business decisions are made on rational and independent basis and not through undue influence by any one party. In addition, in compliance with the Listing Requirements, the Company has appointed two (2) independent non-executive directors as a step towards achieving good corporate governance to ensure that any future transactions involving related parties, if any, are entered into on arm-length terms.

3.3 Business Risks

The Group is not isolated from general business risks as well as risks inherent in the manufacturing industry and those specific to the sensor lighting industry. For example, the Group may be affected by a general downturn in the global, regional and national economy, specifically the economies of Malaysia, Japan, China and Europe, entry of new players, constraints in skilled labour supply, changes in the law and tax legislation affecting the industry, increased production costs, changes in business and credit conditions, fluctuations in foreign exchange rates and introduction of new technologies.

Although the Group seeks to limit these risks through, inter-alia, maintaining good business relationships with its customers and suppliers, diversifying customer base, conducting in-house R&D, increasing automation to reduce dependency on labour, and efficient cost control, increasing product range, no assurance can be given that a change in any of these factors will not have a material adverse effect on the Group's business in the future.

3.4 Competition and New Market Entrants

The Directors of IQGHB believe that IQGHB Group is one (1) of two (2) manufacturers of sensor lighting and motion sensors currently operating in Malaysia. As the IQGHB Group is primarily export-oriented, local competitive conditions do not have a major impact on IQGHB Group's business.

Barriers to entry as a PIR-based products manufacturer in Malaysia are high as the manufacture of PIR based products requires relatively high technical skills, continuous R&D and moderate set-up costs. In addition, Malaysia's domestic market size is relatively small and is therefore not particularly attractive to new market entrants.

3.0 RISK FACTORS (cont'd)

Nevertheless, the Directors are of the view that the Group does face competition from various foreign companies, a large proportion of which are based in Taiwan and China. China's lower cost of production could create pressure on selling prices for PIR product manufacturers. However, PIR products are becoming increasingly more technologically sophisticated and therefore are difficult to replicate at low cost. Furthermore, the ability of the Group to create tangible product differentiation effectively minimises the threat of low price competition.

The demand for PIR products mainly comes from more affluent countries like the US, European nations and Japan. In these countries, PIR products are commonly sold through hardware, DIY and electrical appliance stores. Many of these specialised retailers are large chain stores which measure the success of suppliers on the basis of profit per square foot of store space. Often, competition therefore is limited to obtaining one off promotional activity.

The Group's strategy is to continuously create tangible product differentiation and to constantly exceed customers' needs and requirements.

Although the management of IQGHB Group will continue to adopt the appropriate strategies supportive of maintaining its competitive advantage, there can be no assurance that competition will not become stiffer and/or there will be no new market entrants and thus there is no assurance that the Group will be able to sustain its existing pricing and cost structures or maintain its market share in the future.

3.5 Dependence on Major Customers

The Group's major customers comprise manufacturers, distributors and retailers mainly from overseas. As at 31 March 2005, IQGHB Group has a customer base of fifty-eight (58) clients. IQGHB Group depends on some of its larger customers such as B&Q plc. based in UK, which accounted for 21.3% of the Group's revenue for the financial year ended 31 March 2005. The Directors of IQGHB are of the view that the Group's relationship with B&Q plc will not have any adverse impact on the Group based on the following factors:-

- B&Q plc has been a customer of IQGHB Group for eight (8) years, indicating a long-term and stable relationship. This long term association provides a firm foundation for continuing business;
- B&Q plc has over 300 retail outlets in the UK, and is one of the largest retailers of DIY supplies. Its market leadership in the UK and extensive distribution network will ensure continuing demand for IQGHB Group's tried and tested products; and
- B&Q plc is a subsidiary of Kingfisher plc with a revenue of £7.70 billion for the financial year ended 29 January 2005. The financial strength of its parent company will ensure stability for B&Q plc.

Additionally, all of IQGHB Group's top ten (10) customers have been in business with the Group for four (4) years or more. Two (2) of its top ten (10) customers have been dealing with the Group for fifteen (15) years (details of which are set out in Section 4.7 of this Prospectus). These long-standing relationships with overseas customers serve as an endorsement for the quality of IQGHB Group's products. This also indicates IQGHB Group has a stable and sustainable customer base providing the basis for future growth. The top ten (10) customers of the IQGHB Group account for 83.64% of the Group's total revenue for the financial year ended 31 March 2005.

Although a significant portion of the Group's revenue during the said period had been generated from the top ten (10) customers, the revenue contributions from its customers are actually spread quite evenly. The Directors of IQGHB have also been actively diversifying its customer base through marketing of its products and capturing other potential customers and new potential markets from overseas. Further, the Group also jointly undertakes R&D initiatives with some of its customers, which have in turn resulted in a strong customer-supplier relationship and thus forms the basis of continuous relationship in the future.

Despite these mitigating measures, no assurance can be given that any future changes in the relationship or loss of its major customers will not have a material impact on the Group's business.

3.0 RISK FACTORS *(cont'd)*

3.6 Dependence of Major Suppliers

As mentioned in Section 4.8 of this Prospectus, the top ten (10) suppliers of the Group account for approximately 45.90% of the Group's total purchases for the financial year ended 31 March 2005. The Group is not solely dependent on any one (1) major supplier and has established a wide network of suppliers. Within this network, the Group enjoys long term relationships with most of its suppliers.

Although the Group seeks to limit its risk by establishing a suitably wide network of qualified suppliers to supply quality parts at competitive prices to the Group, there is no assurance that the loss of any major supplier of the Group will not affect the operations and performance of the Group in the future.

3.7 Foreign Exchange Risks

For the financial year ended 31 March 2005, 99.81% of the Group's total sales were denominated in USD, ¥ and £, whilst 86.50% of the Group's total raw materials imported were denominated in USD, HKD, RMB, Singapore Dollar, Euro, NTD, ¥ and £.

On 21 July 2005, Bank Negara Malaysia announced that with immediate effect the exchange rate of the Ringgit will be allowed to operate on a managed float, with its value determined by economic fundamentals. Bank Negara Malaysia will monitor the exchange rate against trade-weighted index of Malaysia's major trading partners. Promoting stability of the exchange rate continues to be a primary objective of policy.

As such, the Group will be exposed to foreign exchange rate fluctuations. To mitigate against this risk, the Group places a proportion of its export proceeds into multi-currency bank accounts to facilitate payments in the corresponding foreign currency.

Notwithstanding Bank Negara Malaysia's policy of promoting the stability of the exchange rate and the Group's efforts, there can be no assurance that fluctuations in the exchange rate of the Ringgit will not have an adverse effect on the future financial performance of the Group.

3.8 Cyclical or Seasonal Sales

The IQGHB Group's products are generally subject to seasonal factors as follows:-

- retail consumer purchase of PIR security lighting normally peaks during winter months; and
- retail consumer purchase of PIR decorative outdoor lighting normally peaks during summer months.

The purchasing pattern for security lighting products in the commercial and industrial sectors does not have the same seasonality. This, to a certain extent, helps to balance peak production periods.

The seasonality is also slightly moderated by the fact that it is less pronounced in Japan, which accounted for 13.75% of total Group's revenue for the financial year ended 31 March 2005.

During periods of lower production, IQGHB Group concentrates on producing non-seasonal products such as decorative and general lighting products. The Group also builds a certain level of PIR motion sensor stock which also helps to smoothen out the peak production periods.

However, there is no assurance that any adverse changes in these seasonal factors will not have a material impact on the Group's future performance.

3.9 Dependency on Key Personnel

The Group believes that its continued success will depend on the abilities and continuous efforts of its existing Directors and key management. The loss of any key member of the Group may, to a certain extent, affect the Group's continued ability to maintain and improve its performance. The average length of service of the Group's executive directors is approximately ten (10) years. The average years of service of the Group's key management is approximately eight (8) years. This indicates that turnover among key personnel is relatively low and that the Group has enjoyed stability over the past years in retaining key personnel. The opportunities for eligible Directors and employees of the Group to participate in the Pink Form Allocation and the ESOS are also expected to instil greater loyalty among the key personnel of the Group.

3.0 RISK FACTORS *(cont'd)*

In addition, ongoing efforts are being made by the Group to groom the younger members of the management team to assume higher responsibilities, hence providing a smooth transition should changes occur. The Group continuously strives to attract and retain skilled personnel by creating promotion opportunities within the Group. However, there can be no assurance that such measures will always be successful in retaining key personnel. Any failure to recruit or retain the key personnel may materially and adversely affect the Group's overall business and operating results.

3.10 Insurance Coverage

The IQGHB Group is exposed to risks of fire and other emergencies. At present, the Directors of IQGHB believe that as part of their risk management practice, all the IQGHB Group's raw materials, finished products and other assets are adequately insured against unforeseen events such as fire and theft, etc. Although the IQGHB Group seeks to limit these risks, there can be no assurance that the insurance coverage would be adequate for replacement cost of all the assets or any consequential loss arising from the damage or loss of the assets.

3.11 Political, Economic, Social and Regulatory Considerations

Adverse developments in political, economic, social and regulatory conditions in Malaysia or other countries where IQGHB operates or markets its products, including China, Taiwan, Japan and UK, could materially and adversely affect the future prospects of the Group. Political, economic, social and regulatory uncertainties include risks of war, terrorism, sabotage, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

Whilst the IQGHB Group will continue to take effective measures such as prudent financial management and efficient operating procedures, there is no assurance that changes in such political, economic and social regulatory factors will not materially affect the Group's performance in the future.

3.12 Patents and Technology Know-How

The nature of the business of the Group as an Original Design Manufacturer ("ODM") depends, to a large extent, on its trade secrets and proprietary know-how. As such, it needs to protect the ideas, concepts, production and documentation relating to its proprietary technologies.

As at the Latest Practicable Date, IQGHB Group owns four (4) patents, covering two (2) technologies as set out in Section 4.4.4(i) of this Prospectus. The issuing authorities for the patents held are the National Intellectual Property Right Bureau (China), the Bureau of Intellectual Property, Taiwan (Republic of China) and the United States Patent and Trademark Office (US). The Group is currently awaiting approvals for another nineteen (19) patents applications covering ten (10) new technologies.

Notwithstanding the Group's continuing efforts in R&D, it may nevertheless be exposed to risk of infringement of patents owned by others. In 1994, an action was taken out in the Regional Court Munich 1, Lenbachplatz 7 80316 Munich Germany by Dr Maul & Partner GmbH ("the Plaintiff") against METRO Grosshandels GmbH ("1st Defendant"), OBI Heimwerkermarkt GmbH & Co. ("2nd Defendant") and HEV Heimwerkermarkt Verwaltungs GmbH ("3rd Defendant") (the 1st Defendant, the 2nd Defendant and the 3rd Defendant are hereinafter collectively referred to "the Defendants") for patent infringement of infrared motion detector ("Product").

The Plaintiff was successful in obtaining judgement against the Defendants on 22 January 2004 ("the Judgement"). The Defendants made an appeal to the Regional Court Munich on the Judgement. There was an oral hearing held on 1 July 2004, however, the appeal court upheld the Judgement.

The Defendants were the customers of Massive Lighting Products NV, Europe ("Massive"), one of the long-term customers of the IQGHB Group. The Plaintiff had taken legal action against the Defendants which were the customers of Massive as they were selling the lighting products that contained the infrared motion detectors to which this case relates. Despite that the Plaintiff has not instituted any legal proceedings or claims directly against Massive or the IQGHB Group, Massive had agreed to indemnify the Defendants.

3.0 RISK FACTORS (cont'd)

On 9 November 2004, an out of court settlement was entered into between the Plaintiff and Massive, whereby Massive had agreed to compensate the Plaintiff for a sum of Euro504,600. Whilst IQM was not contractually liable to compensate Massive for the losses it suffered pursuant to the said legal case, after taking into consideration that Massive is one of the Group's long term and valued customers, IQM had agreed with Massive to bear part of the commercial settlement amounting to Euro 355,000 (or RM1,760,267, computed based on the foreign exchange rate of Euro 1.00 to RM4.96). Massive had, in turn confirmed that the Plaintiff have no further claims against Massive and that Massive has no further claims against IQM in relation to the patent infringement case. The Directors of IQGHB affirm that the settlement by the IQGHB Group has effectively strengthened its relationship with Massive. Apart from the aforesaid settlement sum paid to Massive, there are no other financial impact or other impact on the IQGHB Group arising from the said legal case.

Messrs Ong and Manecksha via its legal opinion letter dated 22 December 2004 is in the opinion that whilst the Plaintiff could have sued the IQGHB Group for infringement of its patent, it is however, unlikely that the Plaintiff will succeed as the suit, which was filed in Germany did not include the IQGHB Group. The patent owned by the Plaintiff was not registered in Malaysia under the Patents Act, 1983. Thus, an action in Malaysia against the IQGHB Group would not be possible. Even if the said patent was so registered in Malaysia, proceedings for infringement of patents may not be instituted after five (5) years from the act of infringement which occurred since 1994. Such action would have been statutorily barred under Section 59 of the Patents Act, 1983. Further, IQGHB Group is not using the process patented to produce a product similar to that of the Plaintiff or making the same product as that upon which a patent has been granted. The Directors of IQGHB, after considering the legal opinion from Messrs Ong and Manecksha dated 22 December 2004, concur that it is not likely that the Plaintiff will succeed in taking any legal action directly against the IQGHB Group. In addition, the patent which was registered in Germany had expired in 2002.

The Directors of IQGHB have confirmed that as at the Latest Practicable Date, there are no legal action pending or threatened against the IQGHB Group for patent infringement. Whilst the IQGHB Group will continue to take effective measures to protect the ideas, concepts, production and documentation relating to its proprietary technologies, there is no assurance that the Group can successfully secure patents for all its designs and technologies and that the Group will not potentially infringe the patent rights of other patents owners which may materially affect the Group's future business and performance.

3.13 Implication of the AFTA

Under the AFTA initiated by the ASEAN countries, namely Malaysia, Thailand, Singapore, Indonesia, the Philippines and Brunei, a comprehensive programme of regional tariff reduction has been laid out. The AFTA aims to promote economic co-operation and increase competitiveness by reducing inter-regional barriers in the ASEAN region. The Common Effective Preferential Tariff ("CEPT") has been proposed for goods traded within the ASEAN region.

Although the implementation of AFTA may potentially increase competition for the products of the IQGHB Group, especially from lower cost producing countries, the Directors of IQGHB are of the view that this may also offer new opportunities for the IQGHB Group as the IQGHB Group may be able to procure cheaper raw materials from the region thereby enabling the IQGHB Group to price its products more competitively. The IQGHB Group may also have the opportunity to export their products to other ASEAN countries without trade restrictions. However, no assurance can be given that the advent of AFTA will have positive impact on the IQGHB Group in the future.

3.14 Security Risk and System/Business Disruption

The Group is operating in a R&D intensive environment where its operations are susceptible to various security risks such as industrial espionage. In response to this threat, the Group has set up a number of security measures to prevent unauthorised access to its premises, R&D facilities and computer files and therefore minimising the risk of any potential security breaches. However, there can be no assurance that in the future, there will not be any security breaches that may materially affect the operations and hence the performance of the Group.

3.0 RISK FACTORS *(cont'd)*

Other potential risks which may affect the Group's business include fire, power supply disruption, recurrence of the SARS virus etc. The Group has in place the following risk management policies, practices and plans as follows:-

- (i) Safety committee consisting representatives from various sections/departments of the IQGHB Group to manage, train and ensure work procedures are carried out safely;
- (ii) The factory premises are guarded twenty-four (24) hours a day, seven (7) days a week;
- (iii) The Group conducts regular fire drills, exercises and training; and
- (iv) In the unlikely event of an unforeseen disaster, IQM has the back-up of a full and externally audited Disaster Recovery Plan.

3.15 Rapid Technology Change

To a certain extent, the Group is subject to the risks related to rapid technological change which may render the Group's products obsolete. The Group seeks to minimise this risk by actively and continuously pursuing technological innovation. This is evident through the Group's emphasis on R&D, which is aimed at new product development, process and product improvement and new materials development. In addition, the Company has also proposed to allocate an additional RM15 million of the proceeds from the Public Issue to finance the on-going R&D activities of the Group. Please refer to Section 4.4.9 of this Prospectus for the R&D strategies of the IQGHB Group. Notwithstanding the above R&D efforts, there can be no assurance that any changes in new technologies will not have a material adverse impact on the future business of the Group.

3.16 Shortage of Skilled Labour

Skilled labour in the areas such as assembly, manual insertion and operation of automatic insertion are critical parts of the manufacturing and assembly processes. Shortages in such skilled labour would have an impact on the IQGHB Group's operations and business. According to the Directors and management of IQGHB Group, the Group has not experienced any significant shortage of such types of skilled labour thus far. Notwithstanding the above, there can be no assurance that the Group will be able to continue to attract and retain skilled labour for its manufacturing operations.

3.17 Foreign Operations

Presently, IQGHB has four (4) subsidiary companies incorporated and based overseas including China, UK, Japan and Taiwan. Like any other foreign investments, the investment of IQGHB in IQC, IQE, IQJ and IQGL will be subject to the respective policies on foreign investment of the governments of China, UK, Japan and Taiwan. In addition, the ability of the foreign subsidiary companies of IQGHB to repatriate the profits or dividends arising from IQGHB's investments abroad will largely depend on the relevant legislations relating to the repatriation of profits prevailing at the point of repatriation.

For the past five (5) financial years ended 31 March 2005, the abovementioned foreign subsidiaries of IQGHB had not declared nor paid any dividends as their profits have been reinvested into their respective businesses. The Directors of IQGHB do not expect the said companies to declare and pay any dividend for the financial year ending 31 March 2006. Nevertheless, any dividend payment by these foreign subsidiaries for the future financial years would depend on their future profits, cashflow position, availability of tax credits (if applicable) and the then prevailing policies on repatriation of profits of the respective host countries.

There can be no assurance that any changes in the government policies with respect to foreign investments and repatriation of profits in those countries will not materially and adversely affect the rights and/or performance of the IQGHB Group with respect to its investments abroad. The experts' reports on the host country pertaining to policies and foreign investments and repatriation of profits are set out in Section 12.0 of this Prospectus.

3.0 RISK FACTORS *(cont'd)*

3.18 Profit Forecast

This Prospectus contains the consolidated profit forecast of the IQGHB Group for the financial year ending 31 March 2006, which is based on assumptions that are subject to various uncertainties and contingencies. The Directors have considered the assumptions used in the preparation of the profit forecast to be reasonable. Due to the subjective judgements and inherent uncertainties in arriving at the said profit forecast and events and circumstances frequently do not occur as expected, there can be no assurance that the consolidated profit forecast of IQGHB Group contained herein will be achieved and actual results may be materially different from those shown or expected. Investors will be deemed to have read and understood the nature of the assumptions and uncertainties underlying the consolidated profit forecast contained herein.

3.19 Forward Looking Statements

Certain statements in this Prospectus are made based on historical data, which may not be reflective of the future results, and others are forward looking in nature which are subject to various uncertainties and contingencies.

All forward looking statements are based on estimate and assumptions made by the Directors and although believed to be reasonable are subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievement expressed or implied in such forward looking statements. Such factors include, inter alia, general economic and business conditions, competition, the impact of new laws and regulations affecting IQGHB and the industry, changes in interest rates and changes in foreign exchange rates. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable at this time, there can be no assurance that such expectations will prove to be correct.

3.20 Delay In or Failure of the Listing

There is a risk that the listing exercise may be delayed or failed should any of the following events occur:-

- (i) The Underwriters exercise their rights provided under the Underwriting Agreement to discharge themselves from their obligations thereunder;
- (ii) The Bumiputera investor(s) approved by the MITI fail(s) to subscribe for the respective portion of the Offer Shares allocated to them; and
- (iii) The Company is unable to meet the public spread requirement, that is at least 25% of the total number of shares for which listing is sought must be held by a minimum number of one thousand (1,000) public shareholders holding not less than one hundred (100) Shares each.

Although the Directors of IQGHB will continue to ensure compliance with the various listing requirements and will endeavour to avoid the above events from occurring, no assurance can be given that the above mentioned events will not occur. In the event if the abovementioned events occur, there will be no assurance they will not cause a delay in or cause a failure of the listing of IQGHB on the Main Board of Bursa Securities.

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