IRIS CORPORATION BERHAD
199401016552 (302232-X)

ANNUAL REPORT 2024

INSIDE THIS REPORT

INNOVATIVE SOLUTIONS FOR TRUSTED IDENTITY

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REPORTS AND FINANCIAL STATEMENTS

OTHER INFORMATION

ANNUAL GENERAL MEETING

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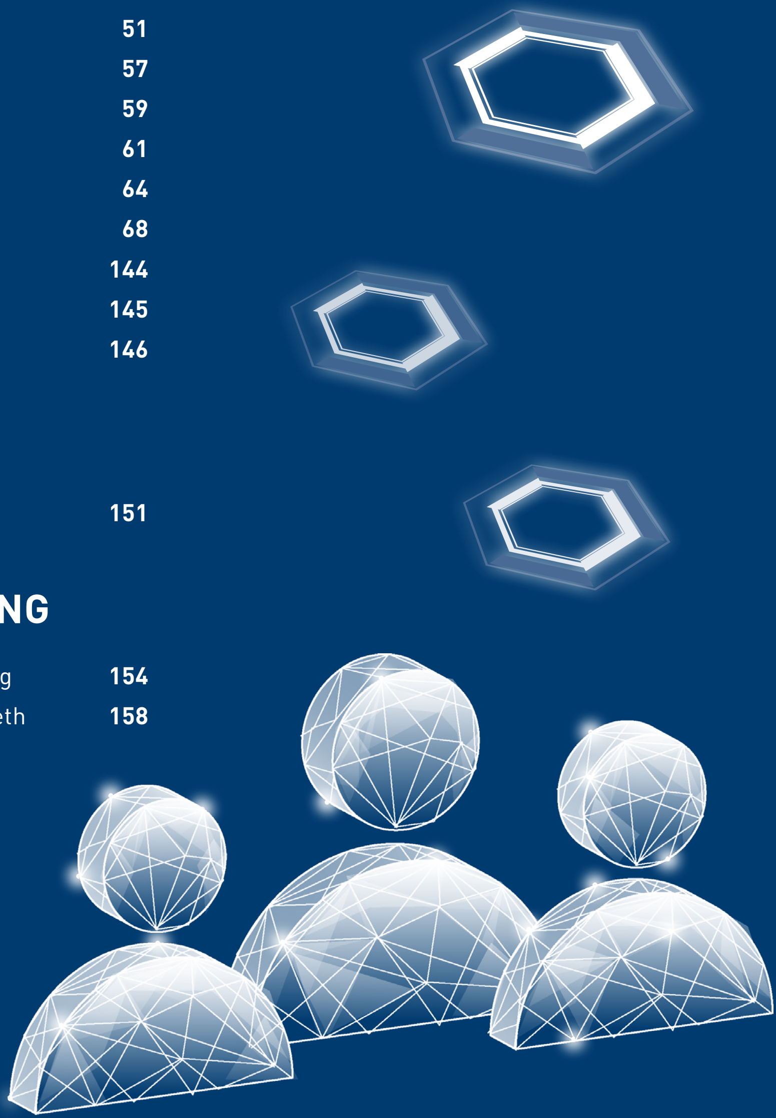

ANNUAL GENERAL MEETING

30th

Date : 25 September 2024

Time : 11.00 a.m.

Venue : Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur

IRIS CELEBRATES 30 YEARS OF SUCCESS AND INNOVATION

SINCE OUR INCEPTION IN 1994, IRIS CORPORATION BERHAD (ACE MARKET: IRIS) HAS BEEN COMMITTED TO EXCELLENCE, INNOVATION, AND CUSTOMER SATISFACTION, AND THIS MILESTONE MARKS A MOMENTOUS JOURNEY OF GROWTH AND SUCCESS. OVER THE YEARS, WE HAVE EXPANDED OUR GLOBAL FOOTPRINT TO 34 COUNTRIES, AND WE WILL CONTINUALLY INCREASE OUR CUSTOMER BASE WHILE WIDENING OUR INTERNATIONAL PRESENCE IN DIVERSE MARKETS.

IRIS™ Bringing Solutions to Life

MD™ MALAYSIA DIGITAL

IRIS is a Malaysia Digital (MD) status technology innovator and leading provider of Trusted Identification (ID) products and solutions. Backed by a committed team of innovators, we designed the world's first ePassport in 1998 and world's first multi-application eID (MyKad) in 2001 for the Government of Malaysia. With 30 years of experience and expertise, IRIS remains a dedicated end-to-end global integrated solutions provider for eID, ePassport, eVisa, Automated Border Control (ABC), smart cards, smart devices and other Trusted ID solutions that are highly reliable, secure, and holistic.

Qualified with multiple global ISO accreditations and honoured with numerous awards, IRIS innovates constantly by leveraging existing, disparate technologies and integrating them with innovative ideas to bring to life new solutions that will change the world for the better while promoting Malaysian innovations globally.

This is what IRIS is about. Changing the way we do things, for a sustainable and brighter tomorrow.

COMMITMENT TO SUSTAINABILITY

FSC®

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COMPANY OVERVIEW

VISION

Global leader in Trusted ID solutions that are

INNOVATIVE | RELEVANT | INTELLIGENT | SECURE

MISSION

To continuously deliver innovative and customised solutions with our Business Partners

IRIS TRUSTED ID SOLUTIONS PORTFOLIO

- eID & Digital Identity Solution
- ePassport Solution
- Border Control Solution
- Driver's License & Vehicle Registration Solution
- Voter ID & Management Solution
- eVisa Solution
- Smart Card Solution
- Secure Document & IRISeal Solution
- Smart Kiosks
- Smart Devices

GOVERNMENT

For 30 years, IRIS has successfully delivered innovative, proven and robust identity documents, secure systems and rapid national deployments for Trusted ID projects to governments around the world.

ENTERPRISE

IRIS secure identification systems and enterprise solutions help businesses add value, trim expenses, increase efficiency, provide autonomy and empowerment.

EXECUTIVE CHAIRMAN'S **MANAGEMENT DISCUSSION AND ANALYSIS**

Dear Valued Stakeholders,

Despite the challenges presented by the new business landscape and the global economic, social, and geopolitical volatility, IRIS has remained strong, robust and resilient as a key player in Trusted ID (Identification) products and solutions. From our humble beginnings in 1994, the Group has grown from strength to strength with our dedicated, diligent and resilient team collaborating with partners and suppliers to successfully deliver IRIS products and solutions to our customers around the world.

As we celebrate our 30 years anniversary, we are pleased to announce that the Group achieved Profit After Tax (PAT) of RM32.2 million in FY2024, a 47% increase compared to FY2023 PAT of RM21.9 million. The increase in PAT is due to higher revenue and disciplined cost management.

Through unwavering dedication, tenacity and a relentless pursuit of excellence, IRIS has successfully navigated challenges, adapted to changing political factors and managed business risks for the past 30 years.

In FY2024, the Group continued its relentless focus on ensuring the health, safety and wellbeing of our employees, manage cash flow by implementing prudent cost-saving measures and ensure business sustainability.

The Group endeavours to create a safe, healthy and trusting environment for our employees to motivate productivity and performance. Our Fire Safety Organisation (FSO) and Safety, Health, and Environment (SHE) teams are both equipped to handle emergencies and establish SHE guidelines for our work environment. During the year, numerous company-wide employee engagement activities were organised including a first aid training where employees learned about safety in the workplace and steps to take during an emergency. First aid training is important to enhance employee safety and health as a fast response can make a difference between life and death, particularly in incidences of choking, cardiac arrest, poisoning or anaphylactic shock.

Cost-saving measures continued to be a core focus in FY2024 to further improve our cash flow, productivity and efficiency. Our strategic initiatives encompassed a focus on enhancing manufacturing processes, reducing infrastructure expenses through the integration of cloud technology, streamlining the supply chain, and augmenting resource efficiency.

On the Environmental, Social and Governance (ESG), the Group is determined to maintain its responsible business leadership and raising its ESG compliance. In FY2024, we established the IRIS Sustainability Steering Committee to set our ESG strategy and the IRIS Sustainability Working Group to implement and monitor the ESG initiatives. Both committees ensure IRIS will manage our environmental impact, include more sustainable business practices and implement a good governance and performance culture to ensure we create positive impacts for all our stakeholders.

We also continue to manage our environmental responsibilities systematically via ISO 14001:2015 Environmental Management System (EMS) certification which includes the management of energy, water and waste. We have installed solar panels on our building rooftop to minimise the Group's carbon footprint by generating our own green power. By harnessing renewable energy, our rooftop solar will lower conventional energy consumption and mitigate greenhouse gas emissions.

PROFIT AFTER TAX

RM
32.2
million

+47%

in FY2024, a 47% increase compared to FY2023 PAT of RM21.9 million

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

As part of our ESG strategy, the Board recognises that we must uphold our commitment to practice the highest governance, integrity and ethical standards as trust and transparency are crucial to operating a robust business and creating sustainable value for all. The Group continues to enforce the Anti-Bribery and Anti-Corruption Policy, No Gift Policy, Whistleblowing Policy and Fit and Proper Policy to enhance business integrity and strengthen corporate governance.

GROUP FINANCIAL PERFORMANCE

In FY2024, our unwavering focus on delivering electronic Identification (eID) cards and ePassports for overseas projects, and smart cards in Malaysia, paid off resulting in revenue of RM371.1 million, a 6% increase compared to RM348.9 million in FY2023. The Group's Profit Before Tax (PBT) recorded a 23% increase to RM40.4 million in FY2024 as compared to RM32.8 million in FY2023 while post-tax margin increased to 9% in FY2024 as compared to 6% in FY2023.

We have strengthened our financial position as a result of better revenue and post-tax margin. In addition, the Group's Total Equity Attributable to the Owners of the Company improved by 9% to RM379.4 million from RM347.1 million in FY2023.

For FY2024, Trusted ID achieved a higher revenue of RM369.1 million as compared to FY2023 revenue of RM344.2 million driven by increased delivery of ePassports and eID cards. PBT for the division increased by 64% to RM 63.9 million as compared to PBT of RM38.9 million in FY2023.

The Sustainable Development division posted revenue of RM2 million and Loss After Tax (LAT) of RM2.6 million in FY2024 as compared to FY2023 revenue of RM4.7 million and PAT of RM22.8 million. This non-core business division's performance is mainly attributable to contribution from the closure of past completed projects.

The Group will continue to focus on strengthening its Trusted ID business to ensure sustainable future revenue and profit growth by improving IRIS suite of products and solutions, managing risks effectively and optimising costs.

Moving forward, the Group is expected to continue to derive revenues from its on-going Trusted ID projects in Africa and Asia regions. The Group will also continue its relentless efforts to expand its market share domestically and globally by pursuing new business opportunities.

GROUP REVENUE

RM
371.1
million

+6%

a 6% increase compared to RM348.9 million in FY2023

TRUSTED ID PROFIT BEFORE TAX

RM
63.9
million

+64%

a 64% increase compared to PBT of RM38.9 million in FY2023.

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Group Financial Summary 2024

Summary of financial information	FY2024 RM'000	FY2023 RM'000	FY2022 RM'000	FY2021 RM'000	FY2020 RM'000
REVENUE	**371,108**	348,871	210,987	106,618	229,587
Profit/(Loss) before taxation	**40,380**	32,840	4,192	(9,569)	18,393
Profit/(loss) after taxation	**32,244**	21,890	3,405	(12,865)	9,974
Total Equity attributable to owners of the company	**379,412**	347,121	325,350	314,123	282,557
Current assets	**447,436**	330,915	280,000	234,353	247,772
Non-current assets	**184,870**	197,601	229,011	229,532	236,547
Total assets	**632,306**	528,516	509,011	463,885	484,319
Current liabilities	**243,187**	173,226	170,066	152,957	193,154
Non-current liabilities	**11,570**	10,011	15,447	19,504	29,464
Total liabilities	**254,757**	183,237	185,513	172,461	222,618
Net assets	**377,549**	345,279	323,498	291,424	261,701

KEY RATIO	Basis					
Pre-tax profit/(loss) margin	(%)	**10.88%**	9.41%	1.99%	-8.98%	8.01%
Post-tax profit/(loss) margin	(%)	**8.69%**	6.27%	1.61%	-12.07%	4.34%
Basic earnings/(loss) per share	(sen)	**3.95**	2.68	0.44	(1.48)	1.84
Net assets per ordinary share attributable to owners of the Company	(sen)	**46.51**	42.56	39.88	40.80	38.60
Total borrowings to equity ratio	(%)	**0.89**	0.81	2.31	5.97	11.06

Note: The Basic earnings/(loss) per share and Net assets per ordinary shares for FY2023, FY2022, FY2021 and FY2020 have been restated to reflect the retrospective adjustment arising from consolidation of shares which was completed on 25 March 2024

STRENGTHENING TRUSTED ID

For the past 30 years, IRIS has delivered more than 106.5 million passports and more than 183.4 million eIDs and driving license cards around the world. Our successful journey is the outcome of clear and consistently implemented strategies and aligned goals that guide us in our daily work.

Since international travel has returned to normalcy after the pandemic, there has been an increase in demand for Automated Border Control (ABC) and ePassport solutions. Emergen Research projected that the global ABC market would reach USD6.74 billion by 2032. According to International Air Transport Association (IATA), world passengers will increase by 3.8% per year on average, resulting in over 4 billion additional passenger journeys in 2043 compared to 2023. ABC has emerged as a solution to speed up the border control process to enhance the traveller experience of passengers around the world.

In tandem with ABC market, Future Market Insights projected that the ePassport market will expand at a strong CAGR (Compound Annual Growth Rate) of 22.4%. The market is anticipated to cross revenue of USD383.2 billion by 2033.

eID market is also increasing and is expected to reach USD40 billion by the end of 2030 with a CAGR of 15% according to Verified Market Reports. The need for safe and trustworthy identification techniques has grown as the world moves more and more toward a digital paradigm; this has led to the expansion and significance of the eID market.

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

To capture these growing market opportunities, we have increased our participation in overseas and local industry events including ID4Africa, Identity Week Asia and CyberDSA Malaysia to meet with potential prospects, strengthen relationships with existing customers and increase IRIS brand visibility. These industry events help us keep a finger on the pulse of the latest industry trends and gain market insights to ensure IRIS stays relevant and competitive.

Smart devices market is another growth area that we are paying attention to. IRIS smart devices enhance the efficiency of businesses and organisations by swiftly and effortlessly scanning MyKad, minimising manual data input and automatically capturing accurate MyKad information. In FY2024, IRIS smart devices are well received domestically from banks, hospitals, insurance companies, money changers, legal firms and retail outlets.

IRIS has 30 years of experience and expertise in deploying Trusted ID solutions to 34 countries to date. We are not just suppliers; we are partners of growth to our clients around the world. We continue to keep clients at the core of everything that we do while cultivating long-term client relationships.

IRIS has been the sole supplier of ePassport solutions to Nigeria, Senegal and Guinea since 2003, 2007 and 2013 respectively and eID solutions to Tanzania and Senegal since 2011 and 2016. These long-term contracts reflect highly on IRIS' capabilities within the global Trusted ID industry and is a testament of confidence from international governments towards our expertise and experience.

In FY2024, IRIS continue to supply ePassports / Inlays to Guinea, India, Nigeria, Senegal and Solomon Islands. As a certified security printer and security supplier by Intergraf, IRIS has proven expertise in the development of secure and customised ICAO (International Civil Aviation Organisation) compliant ePassports. We collaborate with our customers to continuously enhance their ePassports by using the latest technologies and security design software.

We also continue to deliver various types of ID cards to Brunei, Bhutan, Canada, Malaysia, Senegal, Sri Lanka, Tanzania and Zanzibar. Based on a consistent and solid track record of delivering quality ID cards, IRIS secured new contracts to supply highly durable polycarbonate driving license ID cards to Sri Lanka and Arms cards to Royal Malaysian Police (PDRM). We were also awarded contracts extension to supply cards to Touch 'n Go for another 3 years and ID cards to Zanzibar.

We have renewed belief that our strategy and execution abilities position us well under existing competitive conditions. The Board and I are confident that we have the right blend of experiences, skills and backgrounds to support the management team in implementing our strategy to accelerate growth, remain competitive and support government's digital aspirations around the world.

Together, we are raring to go further towards providing Trusted ID solutions that are innovative, relevant, intelligent and secure.

To capture these growing market opportunities, we have increased our participation in overseas and local industry events including ID4Africa, Identity Week Asia and CyberDSA Malaysia to meet with potential prospects, strengthen relationships with existing customers and increase IRIS brand visibility.

We were also awarded contracts extension to supply cards to Touch 'n Go for another 3 years and ID cards to Zanzibar

EXECUTIVE CHAIRMAN'S **MANAGEMENT DISCUSSION AND ANALYSIS** *(Continued)*

CORPORATE DEVELOPMENTS

I would like to report on the following corporate developments exercise that were carried out during this financial year:

1. Disposal of 80% equity interest in subsidiary, IRIS Information Technology Systems Sdn Bhd

The company had on 10 Feb 2023 entered into a Shares Sale Agreement with Tass Tech Technologies Sdn. Bhd ("TTSB"), a company incorporated in Malaysia, for the disposal of 80% equity interest in a wholly-owned subsidiary, namely IRIS Information Technology Systems Sdn Bhd ("IITS") for a total cash consideration of RM70,000,000-00 only ("Disposal Consideration").

The Proposed Disposal was initially expected to be completed in May 2024 upon TTTSB settled its Tranche 2 Payment which was due on 29 February 2024 and Tranche 3 Payment which is due on 31 May 2024 respectively.

However TTTSB had failed to make any settlement for Tranche 2 Payment on or before 29 February 2024. In view of that, the Company had on 15 April 2024 ("Effective Termination Date") elected to effectively terminate the SSA. Pursuant to SSA, the deposit of RM7,000,000 shall be forfeited on the Effective Termination Date.

2. Corporate Proposal by IRIS Corporation Berhad on Share Capital Reduction & Share Consolidation

On 1 March 2024, the High Court approved the resolution for the capital reduction, which entailed reduction of the issued share capital of Company pursuant to Section 116 of the Companies Act 2016. The credit of RM430,000,000 arising from capital reduction was used to eliminate the accumulated losses of the Company; and

On 25 March 2024, the Company completed its share consolidation exercise which involved every four (4) existing ordinary shares in the Company held by shareholders into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 3,262,910,862 units to 815,727,624 units.

3. Joint Venture between IRIS Tech Ventures Sdn Bhd and Aitken Spence International Pte Ltd

On 22 April 2024, IRIS Tech Ventures Sdn Bhd ("ITV"), a wholly owned subsidiary of IRIS, has entered into a Shareholders' Agreement ("SA") with Aitken Spence International PTE LTD, a company incorporated and existing under the laws of Singapore ("ASI"), which is a wholly owned subsidiary of AITKEN SPENCE PLC ("AS").

The joint venture started off with offshore company which carry out business as a service provider of outsourcing of business processes in the Colombo Port City Special Economic Zone in Sri Lanka.

The equity shareholding in the joint venture is equally held by the shareholders in the JV.

NAVIGATING CHALLENGES AHEAD

As the inventor of the world's first ePassport, world's first multi-application eID card and world's first Border Control eGate, IRIS' commitment to innovation has been at the heart of its growth. The company's brand promise "Bringing Solutions to Life" underlies how IRIS as a technology innovator and solutions integrator, conducts business.

Technologies like Artificial Intelligence (AI), Augmented Reality and Internet of Things (IoT) are increasingly prevalent and will fundamentally transform our lives. While not all technologies are applicable in highly regulated industries such as ePassport/eID, some of them are relevant. For example, we are beginning to see AI feature more prominently, from AI powered identity registration to futuristic gadgets that bridge the gap between human and machine interaction. Adoption of such technologies will reshape every business, including IRIS.

As the Group navigate the challenges ahead, it's important to adapt to these technological advancements. In addition to integrating them into our solution offerings, we established collaborative partnerships with global technology companies to ensure we keep abreast of these developments and position ourselves to take full advantage of these technologies to stay ahead of competition, deliver innovation for customers and build an optimal mix of products and solutions that meet the demand for digitalisation.

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

We will continue our efforts to keep customers at the core of everything we do. The Group aims to further enhance its offerings, explore new market opportunities, and continue delivering exceptional value to our customers. For example, developing a unified backbone for our core solution, enhancing the User Interface (UI) and User Experience (UX) are some of the many ways we plan to increase the value of our solutions.

Moving into FY2025, we will continue with our prudent cost saving measures and focus on business sustainability. The Group will continue to develop a future-ready workforce, deliver customer-centric solutions and focus on sustainability to ensure that Economic, Environmental and Social (EES) considerations are integrated into the Group's business strategies. We will maintain all our ISO certifications, implement more sustainable business practices and create a safe, healthy and trusting environment for our employees to enhance productivity.

At IRIS, it's our vision to support governments and enterprises to make the world a safer, secure place and building a better tomorrow together. Our resilience, steadfastness and tenacity are driven by our ongoing strategy to create sustainable value to all our stakeholders. We are laser-focused on doing what we do best to move forward together into FY2025.

The Group will continue to develop a future-ready workforce, deliver customer-centric solutions and focus on sustainability to ensure that Economic, Environmental and Social (EES) considerations are integrated into the Group's business strategies.

NOTE OF APPRECIATION

I would like to thank my esteemed colleagues on the Board, Key Management and IRIS Employees for their invaluable contributions towards achieving the Group's strong performance in FY2024.

My gratitude goes out to every valued shareholder for your patience, continuous support and confidence in the Group over the years.

My deepest appreciation to all our loyal customers, supportive partners and suppliers for their trust in our ability to ride out challenging times to emerge stronger. You have been integral to our success throughout this remarkable 30-year journey. This anniversary signifies not only the years of hard work and determination but also the immense potential that lies ahead as we continue to revolutionise the Trusted ID landscape and achieve greater things.

We look forward to many more years of mutual growth, success and shared achievements.

DR. POH SOON SIM
EXECUTIVE CHAIRMAN

COMPANY OVERVIEW

OUR TRUSTED ID GLOBAL FOOTPRINT

Crafting Bespoke Identity Solutions For The World

Over the years, we have expanded our global footprint to 34 countries, and we will continually increase our customer base while widening our international presence in diverse markets.

AMERICAS

1 Bahamas
2 Canada
3 United States

AFRICA

4 Egypt
5 Guinea Conakry
6 Nigeria
7 Senegal
8 Somalia
9 Tanzania

EUROPE

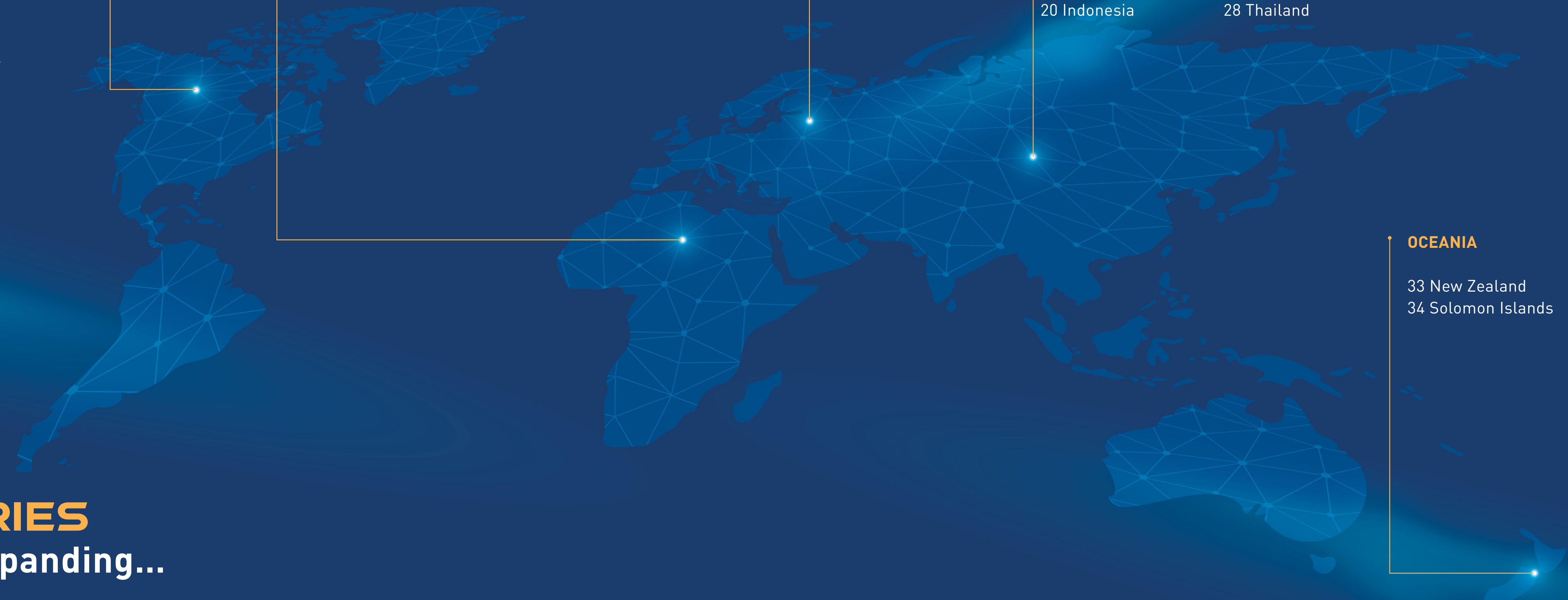
10 Italy
11 Netherlands
12 Norway

ASIA

13 Afghanistan
14 Bahrain
15 Bangladesh
16 Bhutan
17 Brunei
18 Cambodia
19 India
20 Indonesia
21 Kazakhstan
22 Malaysia
23 Maldives
24 Myanmar
25 Saudi Arabia
26 South Korea
27 Sri Lanka
28 Thailand
29 Türkiye
30 Turkmenistan
31 United Arab Emirates
32 Uzbekistan

OCEANIA

33 New Zealand
34 Solomon Islands



34 COUNTRIES and still expanding...

EVERY DAY, OUR EXPERIENCED, AGILE, AND ADAPTIVE TEAM DELIVERS BESPOKE, SECURE, AND COMPREHENSIVE IDENTITY SOLUTIONS TO SUIT THE NEEDS OF OUR CUSTOMERS AND ADD VALUE TO THEIR OPERATIONS AROUND THE WORLD.

As of March 2024, we have delivered more than...

106.5 million

pieces of ePassport and/or Inlay to 15 countries

183.4 million

pieces of eID and/or card-based driving licenses

236.6 thousand

contact/contactless card readers and devices sold to 28 countries

CORPORATE STRUCTURE

IRIS™
Bringing Solutions to Life

TRUSTED IDENTIFICATION DIVISION

- 100% IRIS Information Technology Systems Sdn Bhd
- 100% IRIS AdvanceTech Sdn Bhd
- 100% IRIS Project Management Sdn Bhd
- 100% IRIS RK Sdn Bhd
- 100% IRIS Corporation (Bangladesh) Limited
- 100% IRIS AMS Sdn Bhd
- 100% IRIS eServices Sdn Bhd
- 100% IRIS Technologies (M) Sdn Bhd
- 100% IRIS KM Sdn Bhd
- 100% Thetris ISS Sdn Bhd
- 100% IRIS Border Control Solutions Sdn Bhd
- 44.4% Multimedia Display Technologies Sdn Bhd

SUSTAINABLE DEVELOPMENT DIVISION

- 49% Warisan Atlet (M) Sdn Bhd
- 66.67% RB Biotech Sdn Bhd*
- 60% Endah Farm Sdn Bhd^
- 50% Ubud Tower Sdn Bhd

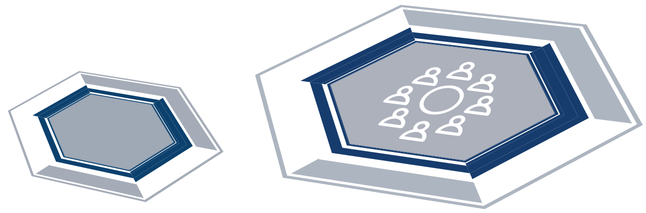
OTHER DIVISION

- 100% IRIS Tech Ventures Sdn Bhd
- 50% Port City BPO (Private) Limited

* Subsidiary of IRIS AdvanceTech Sdn Bhd
^ Associate of IRIS AdvanceTech Sdn Bhd

- Subsidiaries of IRIS Group
- Associated Companies of IRIS Group
- Joint Venture Company of IRIS Group

CORPORATE INFORMATION



BOARD OF DIRECTORS

Dr. Poh Soon Sim
Executive Chairman,
Non-Independent Executive Director

Dato' Dr. Abu Talib Bin Bachik
Senior Independent Non-Executive Director

Dato' Mohamed Khadar Bin Merican
Independent Non-Executive Director

Dato' Ng Wan Peng
Independent Non-Executive Director

Mr Ling Hee Keat
Independent Non-Executive Director

Haji Hussein Bin Ismail
Independent Non-Executive Director

H'ng Boon Harng
Group Finance Director,
Non-Independent Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Dato' Mohamed Khadar Bin Merican
(Chairman)
Dato' Dr. Abu Talib Bin Bachik
Dato' Ng Wan Peng
Haji Hussein Bin Ismail
Mr Ling Hee Keat

NOMINATION COMMITTEE

Dato' Dr. Abu Talib Bin Bachik
(Chairman)
Mr Ling Hee Keat
Haji Hussein Bin Ismail

REMUNERATION COMMITTEE

Mr Ling Hee Keat
(Chairman)
Dato' Mohamed Khadar Bin Merican
Dato' Ng Wan Peng

COMPANY SECRETARIES

Ms Wong Youn Kim (MAICSA 7018778)
Resigned on 1 July 2024
Ms Lim Li Heong (MAICSA 7054716)
Ms Wong Mee Kiat (MAICSA 7058813)
Appointed on 1 July 2024

AUDITORS

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Fax: +603 2282 9980

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CORPORATE OFFICE

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57000 Kuala Lumpur
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Fax: +603 8996 0442
Website: www.iris.com.my

SHARE REGISTRAR

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Bangsar South City, No. 8,
Jalan Kerinchi,
59200 Kuala Lumpur
Tel: +603 2783 9299
Fax: +603 2783 9222

PRINCIPAL BANKERS

- Standard Chartered Bank Malaysia Berhad
- RHB Bank Malaysia Berhad
- Hong Leong Bank Berhad
- Affin Bank Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Code: 0010
Stock Name: IRIS

BOARD OF DIRECTORS' **PROFILE**

DR. POH SOON SIM
Executive Chairman
Non-Independent Executive Director

Nationality: Malaysian
Age: 79
Appointed: 7 November 2018

Dr Poh was re-designated as the Executive Chairman on 30 August 2023.

Dr. Poh Soon Sim has been in private medical practice since year 1972. He was previously on the Board of Hong Leong Financial Group (HLFG) from 31 January 1991 to 25 November 2011. He was also a Member of the Board of Audit and Risk Management Committee, Remuneration Committee and Nomination Committee of HLFG. He was also a Director in Wing Tai Malaysia Berhad previously. He retired from Wing Tai Malaysia Berhad on 29 November 2017.

Currently, he is a Director of Hong Leong Company (Malaysia) Berhad, a public company incorporated in Malaysia.

DATO' DR. ABU TALIB BIN BACHIK
Senior Independent Non-Executive Director

Nationality: Malaysian
Age: 75
Appointed: 7 November 2016

Dato' Dr. Abu Talib graduated with a BSC and MSC from the Louisiana State University, United States of America and holds a Doctorate in Agriculture Science from the University Of Gent, Belgium.

He has wide experience in Operational and Management aspects, including Marketing, Business Development, Communications and Public Relations, when he was at the Multimedia Development Corporation ("MDeC") promoting the development of the Multimedia Super Corridor (MSC) from year 1999 to 2008.

Prior to joining MDeC, he was a research Scientist in the Malaysia Rubber Board (MRB). He has a wide experience in R&D in Agronomy and Soil Chemistry, and authored about 50 technical, scientific and research papers. In the Rubber Research Institute of Malaysia (RRIM), he held various administrative and management positions. In year 1997, he was appointed as the Deputy Director General (Development) of the Malaysian Rubber Board and held the position until he opted for early retirement in year 1999 when he joined MDeC.

Dato' Dr. Abu Talib currently serves as a member of Audit and Risk Management Committee and the Chairman for Nomination Committee of the Company.

DATO' MOHAMED KHADAR BIN MERICAN
Independent Non-Executive Director

Nationality: Malaysian
Age: 68
Appointed: 28 November 2018

Dato' Mohamed Khadar is a Fellow of the Institute of Chartered Accountants in England and Wales and is also a Chartered Accountant of the Malaysian Institute of Accountants.

He has had more than 35 years' experience in financial and general management. He served as an auditor and a consultant in an international accounting firm, before joining a financial services group. Dato' Mohamed Khadar has held various senior management positions in the then Pernas International Holdings Berhad, including as President and Chief Operating Officer. Dato' Mohamed Khadar was previously on the Board of RHB Capital Berhad, as its Independent Non-Executive Chairman, and on the Board of Astro Malaysia Holdings Berhad, as its Non-Independent Non-Executive Director.

Presently, he is also a director of Capital A Berhad, Tune Protect Group Berhad and BNP Paribas Malaysia Berhad.

Dato' Mohamed Khadar currently serves as the Chairman of the Audit and Risk Management Committee and is a member of the Remuneration Committee of the Company.

BOARD OF DIRECTORS' PROFILE *(Continued)*

DATO' NG WAN PENG
Independent Non-Executive Director

Nationality: Malaysian
Age: 61
Appointed: 1 February 2022

Dato' Ng Wan Peng is the Independent Non-Executive Director of Hong Leong Assurance Berhad, Fraser & Neave Holdings Berhad, Securemetric Berhad and Autocount Dotcom Berhad and Nano Malaysia Berhad, and a director of Digital Penang. She is a council member of SIDEC (Selangor Information Technology & Digital Economy Corporation) and UTAR (University Tunku Abdul Rahman).

Dato' Ng was Chief Operation Officer of Malaysia Digital Economy Corporation, championing the country's digital economy, from year 2009 until December 2020. She is a competent leader and highly motivated professional with more than 30 successful years in the corporate and public environment. Her areas of expertise are in strategy planning, digitalisation, business transformation, organisation development, process improvement and innovation management. She graduated from USM (Universiti Sains Malaysia) and is a HBS (Harvard Business School) Alumni.

Dato' Ng currently serves as a member of Audit and Risk Management Committee and Remuneration Committee of the Company.

MR LING HEE KEAT
Independent Non-Executive Director

Nationality: Malaysian
Age: 52
Appointed: 7 November 2018

Mr. Ling graduated with a Bachelor of Laws degree from the University of Bristol, England in year 1994 and was awarded the Degree of an Utter Barrister from Lincoln's Inn in year 1995. He started his career at HLG Securities, the stockbroking arm of the Hong Leong Group of companies before being appointed as an Executive Director of United Traders Securities where he headed the Research and Corporate Finance divisions from year 1997 to 2003. In year 1999, he was also appointed to the Board of SHH Resources Holdings Berhad, a furniture manufacturer listed on the Main Market of Bursa Malaysia as a Non-Executive Director. In May 2015, he was re-designated as the Deputy Chairman of that company, a position he held till December 2016.

In March 2019, he was appointed as an Independent Non-Executive Director of TrickleStar Limited, a company listed on the Catalyst Market in Singapore. In January 2023, he was appointed as the Chairman of the Board, a position he holds till today.

Mr. Ling is currently a Senior Associate at Leong Partnership Advocates and Solicitors, a boutique law firm focusing on corporate work. He is also a Certified Mediator with the Malaysian Bar Association.

Mr. Ling currently serves as the Chairman of Remuneration Committee and is a member of Audit and Risk Management Committee and Nomination Committee of the Company.

HAJI HUSSEIN BIN ISMAIL
Independent Non-Executive Director

Nationality: Malaysian
Age: 67
Appointed: 28 July 2017

Haji Hussein graduated with a Bachelor of Business Administration (Finance) and Diploma in Accountancy from Universiti Teknologi MARA.

He is an approved Tax Agent under the Ministry of Finance Malaysia and a Member of the Chartered Tax Institute of Malaysia. He is also an approved Company Secretary under the Companies Commission of Malaysia, Affiliate Member of The Malaysian Institute of Chartered Secretaries Administrators and a Member of the Institute of Approved Companies Secretaries.

He is currently the Director of Folks DFK & Co., a member firm of DFK international since year 2007. He joined Azman, Wong, Salleh & Co back in year 1979 and the firm was then merged into Folks DFK & Co. on 1 February 2006. He has vast experience in the full range of public accountancy services including audit, accountancy, taxation, secretarial, consultancy services and insolvency assignments covering wide range of clients.

Previously, he was the Non-Independent Non-Executive Chairman of Encorp Berhad from year 2017 – 2021, and also on the Board of Felda Investment Corporation Sdn. Bhd. from year 2017 – 2022.

Haji Hussein currently also serves as a member of Audit and Risk Management Committee and Nomination Committee of the Company.

BOARD OF DIRECTORS' PROFILE *(Continued)*

MR H'NG BOON HARNG
Group Finance Director,
Non-Independent Executive Director

Nationality: Malaysian
Age: 51
Appointed: 1 March 2021

Mr H'ng Boon Harng joined our Group in year 2017 and was appointed to the Board as Group Finance Director on 1 March 2021.

He has over 20 years of extensive experience in accounting and finance functions and started his career in one of the Big Four international accounting firms and later year joined public listed and private property development companies where he held managerial position in finance.

He graduated in Accountancy from University Kebangsaan Malaysia in year 1997 and later obtained his Association of Chartered Certified Accountants (ACCA) qualification in year 2002. He is currently a member of Malaysian Institute of Accountants (MIA) and fellow member of Association of Chartered Certified Accountants (ACCA).

Family Relationship with any Director and/or Major Shareholder	None of the Directors have family relationship with any other Directors and/or Major Shareholders of the Company.
Conflict of Interest	None of the Directors have any conflict of interest with the Company.
Conviction for Offences (within the past 5 years, other than traffic offences)	None of the Directors have any conviction for offences (other than traffic offence, if any) and have not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.
Number of Board Meetings attended in the financial year ended 31 March 2024	The details of the Directors' attendance at Board meetings are disclosed in the 'Corporate Governance Overview Statement' in this Annual Report.

KEY SENIOR MANAGEMENT TEAM

DR POH SOON SIM
Executive Chairman,
Non-Independent Executive Director

Please refer to the Board of Directors' Profile for the profile of Dr. Poh Soon Sim.

MR H'NG BOON HARNG
Group Finance Director,
Non-Independent Executive Director

Please refer to the Board of Directors' Profile for the profile of Mr H'ng Boon Harng.

MR CHIA JEN WEN
Acting Chief Executive Officer

Nationality: Malaysian
Age: 48

Mr Chia assumed his current role as Acting Chief Executive Officer of IRIS Corporation Berhad on 1 January 2023. He was appointed as Chief Operating Officer (Special Projects) of IRIS Corporation Berhad on 10 February 2022.

Started in year 2000, he has over 20 years of experience in consulting and senior management functions, covering IT consultancy and third-party testing, inspections and certifications (TIC) both locally and abroad.

Mr Chia holds an Upper Second-Class Bachelor's Degree in Mechanical Engineering from Universiti Malaya.

MR CHOONG CHOO HOCK
Chief Operating Officer

Nationality: Malaysian
Age: 62

Mr Choong Choo Hock joined our Group in year 2009. He has more than 3 decades of experience in the semiconductor sector and has held many leadership positions in IRIS, including Director of Operations and Group Director of Manufacturing. He is currently the Chief Operating Officer, Trusted ID.

In year 1984, he began his career as a Chemical Engineer with a Japanese conglomerate based in Singapore and later set up their Malaysian operations in year 1985 and progressed to being designated as Factory Manager. In year 1995, he joined a German Multinational where he was appointed in various senior management positions, serving the domestic and global market of the electronics and semiconductor industries.

Mr Choong graduated with a Bachelor of Science degree from the National University of Singapore

MR TEH TEONG WEE
Chief Technology Officer

Nationality: Malaysian
Age: 53

Mr Teh Teong Wee joined IRIS Corporation Berhad in year 2022 as Chief Technology Officer overseeing the Technology Division to drive all aspects of Trusted ID solutions and leverage on the core expertise of the organisation to design, configure and integrate solutions into a cohesive and efficient system to help our client's business needs and grow.

He has more than 25 years of vast experience and achievements in the IT industry starting his career in a local IT company before joining a US-based leading MNC in helping organisations across industry such as aviation, retail, semiconductor, telecommunications and financial in reaping the benefits of technology through large scale turnkey implementation, complex IT outsourcing and digitisation projects. He has held various leadership positions and managed various robust delivery teams in successful IT outsourcing program.

Mr Teh graduated with a Bachelor's Degree in Computer Science from University of Technology Malaysia (UTM).

SUSTAINABILITY STATEMENT

At IRIS Corporation Berhad (IRIS), sustainability is a core principle that guides our long-term success. We are committed to conducting business in an environmentally responsible, socially conscious, and ethically sound manner. This annual sustainability statement outlines our approach to stakeholder engagement and highlights our performance on key material matters.

The sustainability reporting landscape is constantly evolving, with new standards and methodologies emerging. IRIS remains committed to staying abreast of these changes and adapting our reporting practices accordingly. We adhere to the guidelines set forth by Bursa Malaysia for ACE market listed companies, ensuring our reporting remains comprehensive and transparent. Additionally, we reference the Global Reporting Initiative (GRI) Standards as a framework to identify and report on the Common Sustainability Matters (CSM) specified by Bursa Malaysia.

Demonstrating our continued dedication to ESG principles, IRIS was proudly accepted as a member of the ESG Association of Malaysia in early 2024. This membership signifies our commitment to sustainable and responsible business practices. The association's collaborative approach and focus on knowledge sharing align perfectly with our values, positioning us to work together and accelerate Malaysia's journey towards a more sustainable future.

Our commitment to a comprehensive approach to environmental management is reflected in our achievement of ISO 14001:2015 Environmental Management System (EMS) certification since 2020. The ISO 14001:2015 framework provides a structured approach for identifying, managing, and continually improving our environmental impacts. This certification demonstrates our ongoing efforts to inculcate environmental responsibility and transparency across our organisation.

SUSTAINABILITY
STATEMENT *(Continued)*

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is the continuous process of communication and collaboration with individuals and groups who are impacted by or can influence our business. We believe in maintaining open and transparent communication with our stakeholders, and value their input on our sustainability performance. This allows us to identify and address their expectations and concerns, and ultimately build stronger relationships.

Stakeholder Category	Interests & Expectations	Engagement Approach	Engagement Frequency
Investors and Shareholders	• Investment opportunities	Annual General Meeting	Annually
	• Long-term sustainability strategy & outlook	Extraordinary General Meeting	As required
	• Return on investment (ROI)	Quarterly and Annual Reports	Quarterly and annually
	• Dividends & rewards	Bursa announcements	As required
	• Governance on ESG risks/opportunities	Corporate website	Continuously
	• Transparency and disclosure	Social Media posts	Continuously
Customers	• Business outlook	Corporate website	Continuously
	• Market positioning	Social media interactions	Continuously
	• Transparency on product/service sustainability	Electronic Direct Mail (EDM)	Continuously
	• Quality of products/services	Customer satisfaction survey	Annually
	• Product information	Technology update sessions	As required
	• Ethical and sustainable practices	Technology transfer & training programmes	As required
		Attend tradeshows	As required
		Exhibition stand	As required
Employees	• Safe and healthy work environment	HR Connect	As required
	• Opportunities for professional/career growth and development	Performance management, reviews, and feedback	Annually
	• Work-life balance	Continuous Learning (Training)	Regularly
		Festive Celebration	As planned
		Sports Club activities	As planned
		CSR activities	As planned
Suppliers & Supply Chain Partners	• Local partnerships • Business relationships • Operational efficiencies • Sustainable & ethical procurement practices	Supplier Engagement	Continuously
	• Supply chain transparency and accountability	Supplier meetings	As required
Government & Regulatory Bodies	• Compliance with regulations and standards	Dialogue sessions with policymakers	When appropriate
	• Partnerships & collaborations	Regulatory audits	As required
	• Advocacy for supportive policies & regulations: nation building agenda	Meetings & briefings	As required
		Attending to queries	As required
		Attend events & tradeshows	When appropriate
		Exhibition stand	When appropriate

SUSTAINABILITY **STATEMENT** *(Continued)*

Stakeholder Category	Interests & Expectations	Engagement Approach	Engagement Frequency
Community/ Society	• Corporate Social Responsibility	Sponsorships	As planned
		Charitable works	As planned
		Community outreach programmes	When appropriate
		Blood donation	As planned
	• Job creation for locals	Internship positions	Continuously
Industry Associations and Peers	• Fostering innovation	Industry conferences and tradeshows	Continuously
	• Collaborating on industry-wide sustainability initiatives	Working group collaborations	When appropriate
	• Advocacy for common interests	Information sharing platforms and networks	When appropriate
	• Knowledge exchange & pursuit		
Technology & Business Partners	• Business collaboration	Technology compatibility assessments	When appropriate
	• Technology compatibility and integration	Electronic Direct Mail (EDM)	When appropriate
		Collaboration platforms and forums	Continuously

MATERIAL MATTERS

Recognising the growing importance of ESG factors, IRIS is committed to address material sustainability matters through alignment with the GRI Standards, a leading framework promoting transparency and comparability. This commitment is further solidified by adhering to Bursa Malaysia's Common Sustainability Matters (CSM) guidelines for ACE market listed companies in our sustainability statement.

SUSTAINABILITY STATEMENT *(Continued)*

Anti-Corruption

At IRIS, ethical business conduct is a cornerstone of our operations. We have a zero-tolerance policy in place for bribery and corruption. We will be initiating a comprehensive Anti-Bribery and Anti-Corruption (ABAC) training program with immediate effect for continued improvement. To further strengthen this commitment, we assess all our operations for risks related to corruption to proactively identify and mitigate potential issues annually.

This focus on ethical practices extends beyond training and assessments. We have established a robust framework of zero-tolerance policies, including a Fit and Proper Policy, Anti-Bribery and Anti-Corruption Policy, and Whistleblowing Policy. These clear guidelines raise awareness among all stakeholders – employees, contractors, and business partners – on how to identify, avoid, and refuse unethical or illegal activities. Furthermore, the guidelines encourage individuals to report any suspected violations through a safe and confidential channel.

We believe these policies are fundamental to IRIS' long-term success. They promote social responsibility, ensure fair treatment of all stakeholders, contribute to effective risk management, and build trust – a crucial element for sustainable business growth. By upholding these principles, we nurture a culture of integrity and transparency throughout our organisation.

Community / Society

We are dedicated to making a positive impact in the communities we operate within. Through discretionary CSR activities, we actively support charitable events and organisations, ensuring resources reach those in need. Every year, IRIS employees are encouraged to volunteer their time and talents to community development activities.

<table>
<tr><th>CSR Activity</th><th>Beneficiaries/Lives Impacted</th></tr>
<tr><td>Collaboration with Social Enterprise</td><td>400+ artisans employed with fair wages.
200+ women trained in marketable skills.
1,700+ Beneficiaries creating stronger communities.</td></tr>
<tr><td>Contribution to Jabatan Hal Ehwal Agama Islam Negeri Kelantan (JAHEAIK)</td><td>Ramadan celebration for one hundred (100) orphans at the "Program Semarak Ramadan Bersama Keluarga Dhuafa".</td></tr>
<tr><td>Employee Blood Donation</td><td><table><tr><th></th><th>FY2019</th><th>FY2022</th><th>FY2023</th></tr><tr><td>Total donors</td><td>154</td><td>57</td><td>66</td></tr></table></td></tr>
</table>

SUSTAINABILITY STATEMENT *(Continued)*

In sourcing for corporate gifts, we continue to partner with a social enterprise which empowers marginalised communities through sustainable practices. Together, we are working towards achieving specific United Nations (UN) Sustainable Development Goals, including reducing poverty, promoting gender equality, and fostering economic growth.

We also take a hands-on approach as we continue to collaborate with the National Blood Bank. Our employees actively participate annually organised blood donation drives. This direct involvement demonstrates our commitment to improve the lives of others – one (1) donation can potentially save up to three (3) lives.

Our internship programme is one of the pillars in IRIS' CSR focus. We invest in future talent to build a stronger workforce while providing valuable learning experiences. Empowering interns benefits both our company and the community, creating a path to a sustainable future. From FY2021 till FY2024, we have received 151 enthusiastic Protégés and interns to our team.

Diversity

We value the richness of diversity and its contribution to a stronger workforce. In FY2024, employed a total of 300 people, of which 93% had permanent employment contracts and 7% had fixed-term employment contracts.

300
people

of which 93% had permanent employment contracts and 7% had fixed-term employment contracts

Employees by gender for each employee category in FY2024 as of 31 March 2024

- Male **18%**
- Female **18%**

- Male **17%**
- Female **22%**

- Male **8%**
- Female **11%**

- Male **4%**
- Female **2%**

Employee Category	Female	Male	Female %	Male %
Non-Exec	54	55	18%	18%
Exec	65	52	22%	17%
Manager	33	25	11%	8%
GM & Above	5	11	2%	4%
Total	**157**	**143**	**52%**	**48%**
Grand Total	**300**		**100%**	

SUSTAINABILITY STATEMENT *(Continued)*

Employees by age group for each employee category in FY2024 as of 31 March 2024

- Age <30 **10**
- Age 31-40 **34**
- Age 41-50 **46**
- Age >50 **19**

- Age <30 **24**
- Age 31-40 **54**
- Age 41-50 **27**
- Age >50 **12**

- Age 31-40 **10**
- Age 41-50 **28**
- Age >50 **20**

- Age 41-50 **7**
- Age >50 **9**

Employee Category	Age <30	Age 31-40	Age 41-50	Age >50	Total
Non-Exec	10	34	46	19	109
Exec	24	54	27	12	117
Manager		10	28	20	58
GM & Above			7	9	16
Total	**34**	**98**	**108**	**60**	**300**
Percentage	**11%**	**33%**	**36%**	**20%**	**100%**

We actively promote a workplace that reflects the communities we serve, fostering a culture of inclusion where everyone feels valued and empowered. This translates to building a diverse talent pool through inclusive recruitment practices, cultivating an open and respectful work environment, and offering programs that promote diversity awareness and unconscious bias mitigation.

This commitment to diversity and inclusion is not just about creating a positive employee experience, it is also essential for our long-term success. A workforce that embraces a variety of backgrounds, experiences, and perspectives leads to greater creativity, innovation, and a better ability to serve the diverse needs of our customers across the globe.

SUSTAINABILITY STATEMENT *(Continued)*

Energy Management

Committed to environmental responsibility, IRIS strongly advocates energy efficiency. Regular energy audits and monitoring systems pinpoint areas for improvement. Investments in energy-saving technologies, from LED lighting to optimised equipment, contribute to lower energy consumption. Process optimisation and employee engagement through training and initiatives further our efforts.

This focus on energy efficiency translates to a reduced environmental footprint and positions us for a more sustainable future. We remain committed to ongoing improvement and exploring innovative solutions for responsible energy use.

ENVIRONMENTAL OBJECTIVES	TARGETS	MEASUREMENT METHODS	PERFORMANCE		
			FY2022	FY2023	FY2024
To reduce generation of hazardous waste	>3% reduction on yearly waste generation	Total annual volume of scheduled waste (kg) over total production output	<3%	>3%	**>3%**
To achieve zero (0) major chemical spillage	Zero (0) case	Number of reported incidents	Zero (0)	Zero (0)	**Zero (0)**
To achieve zero (0) environment related fine or violation	Zero (0) case	Number of fines or notices from Department of Environment (DOE)	Zero (0)	Zero (0)	**Zero (0)**

Our total energy consumption has fluctuated slightly over the past three years. While there was an increase in FY2023 to 6,445,207 KWh, we are encouraged by a decrease to 6,388,223 KWh in FY2024. We remain committed to ongoing energy management initiatives to further reduce our environmental impact and improve efficiency in the coming year.

Energy Consumption Records	FY2022	FY2023	FY2024
Total Energy Usage KW/H	5,231,036	6,445,207	**6,388,223**
Percentage of increase or decrease from previous FY		increased by 23.21% from FY2022	**decreased by 0.9% from FY2023**

In furtherance of our commitment to environmental stewardship, IRIS has proudly implemented a rooftop solar panel installation. This green energy initiative aligns perfectly with our long-term goal of minimising our environmental impact and contributing to the mitigation of global warming. By harnessing the power of renewable energy sources to power our facilities, this solar initiative signifies a significant step towards a more sustainable future. The installation is expected to result in a reduction in our reliance on conventional energy sources and a decrease in overall energy consumption.

SUSTAINABILITY STATEMENT *(Continued)*

Health & Safety

The health and safety of our employees is paramount at IRIS. We prioritise their well-being through broad safety protocols, preventative measures like risk assessments and training, and a system for reporting and investigating incidents. This proactive approach minimises potential risks and fosters a culture of safety awareness.

Our commitment extends beyond physical safety. We recognise the importance of employee well-being and offer programs promoting mental and emotional health. By creating a safe and healthy work environment, we empower our employees and foster a productive and engaged team.

Safety Records	FY2022	FY2023	FY2024
Work-related fatalities	0	0	0
Number of work-related accidents	0	1	1
Total employees	436	512	300

While we place great emphasis on a comprehensive safety culture, our current safety and health training focuses primarily on employees entrusted with operating specific machinery or handling hazardous materials. This targeted approach ensures those at highest risk are thoroughly equipped with the necessary knowledge and skills. We acknowledge the importance of expanding safety training to a wider employee base and are actively exploring cost-effective and scalable training solutions to achieve this goal in the coming year.

Labour Practices & Standards

We uphold international and national labour standards and ethical practices as core to our commitment to build a fair and rewarding workplace. This translates to respecting employee rights, fostering a diverse and inclusive environment, and investing in training and development opportunities.

Training Records	FY2022	FY2023	FY2024
Total Training Hours	1,615	3,585	3,746
Number of programmes	29	35	59

In line with our commitment to continuous improvement and employee development, IRIS has seen a steady increase in training hours provided to all employees since the conclusion of the pandemic. In FY2024, 242 employees or 81% out of the total 300 attended training courses.

This focus on employee upskilling and reskilling reflects our recognition that a capable and knowledgeable workforce is essential for achieving long-term sustainability goals. By investing in our people, we empower them to contribute more effectively to environmentally and socially responsible practices within IRIS.

In our production operations, we leverage the skills of contract and temporary workers alongside our core workforce to ensure a sustainable supply chain. We collaborate with our partnering agencies to maintain high social and labour standards throughout the process. This includes a focus on fair treatment, adherence to all relevant labour regulations, and the provision of safe working conditions for all personnel involved in production, regardless of employment status.

242 employees

or 81% out of the total 300 attended training courses.

SUSTAINABILITY STATEMENT *(Continued)*

Contract workers or temporary staff in FY2024 as of 31 March 2024

Core Employees	**66%**
Contract & temporary staff (monthly average)	**34%**

Core Employees	300	66%
Contract & temporary staff (monthly average)	158	34%
Total workers in IRIS	**458**	**100%**

Supply Chain Management

Our Supply Chain Management team recognises the importance of a sustainable supply network. We actively seek partners who share our commitment to environmentally and socially responsible practices. While our business relies on overseas suppliers for certain materials, we strive for a balanced approach. We collaborate closely with domestic suppliers whenever possible to support the local economy and minimise our global footprint. This delicate balance ensures a resilient and sustainable supply chain that meets our needs while promoting responsible practices throughout our network.

Data Privacy & Security

At IRIS, ensuring the security and privacy of our customers' and employees' data is paramount. We achieve this by adhering to the ISO/IEC 27001:2013 Information Security Management System (ISMS) framework. The ISMS framework prescribes a comprehensive set of security controls and best practices that we leverage to safeguard information entrusted to us. This structured approach complements our robust data governance practices and ensures a holistic data protection strategy. In FY2024, IRIS received zero complaints concerning breaches of customer privacy or losses of customer data.

We also foster a culture of data security and privacy through annual employee acknowledgements of our comprehensive policies and procedures, encompassing general security, corporate risk, and information security best practices.

ISMS SIRIM

UKAS MANAGEMENT SYSTEMS 074

CERTIFIED TO ISO/IEC 27001:2013
CERT. NO.: 00315

SUSTAINABILITY STATEMENT *(Continued)*

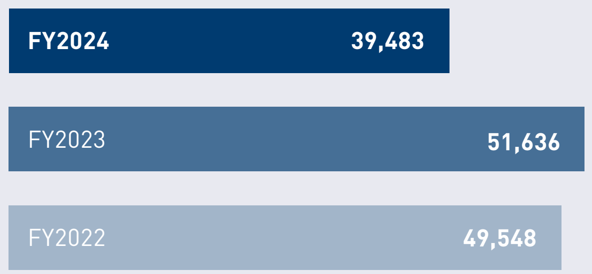
Water

Our dedication to water conservation has resulted in a substantial 23.5% reduction in water usage in FY2024. This achievement stems from a two-pronged approach.

On the production line, we are working on optimising appropriate processes to minimise water use. Beyond production, we are empowering employees through awareness campaigns highlighting simple yet impactful actions. Signages with water-saving tips reinforce these messages, and we explore incentives to encourage water-conscious behaviour. This combined approach has demonstrably reduced our water footprint, and we remain committed to continuous improvement.

Water Usage

Total water usage m^3



Waste Management

At IRIS, minimising hazardous waste generation is a core environmental responsibility. We achieve this through a multi-faceted approach. We continuously review and optimise production processes to minimise hazardous material use. This includes exploring safer alternatives and optimising equipment settings. For unavoidable hazardous waste, we prioritise responsible management through safe and compliant recycling or treatment by licensed partners.

Transparency is paramount, as we meticulously track waste data and adhere to all relevant environmental regulations. We actively engage with the Malaysian Investment Development Authority (MIDA) to implement sustainable waste management practices, achieving 100% compliance in FY2024.

Employee participation is crucial in minimising our environmental impact. We empower them through comprehensive training on safe handling, disposal procedures, and proper waste segregation. Clear labelling, processes and procedures ensure accurate identification and prevent contamination. We are exploring implementing incentive programs to further encourage employee participation in waste reduction and responsible recycling practices. This comprehensive strategy minimises our environmental impact and associated liability.

Hazardous Waste Generated	FY2022	FY2023	FY2024
Gross Weight (kg)	3,032	2,146	3,313
Percentage of increase or decrease		29.2% reduction from previous FY	54.3% increase from previous FY

SUSTAINABILITY STATEMENT *(Continued)*

We are committed to continuous improvement and remain dedicated to exploring innovative solutions for further hazardous waste reduction in the coming years. While we achieved a significant reduction in FY2023, a recent increase in FY2024 highlights the need for continued vigilance. We are actively investigating the reasons behind this rise to ensure a continued downward trend in hazardous waste generation.

Employee contribution of recyclables (recyclables diverted from landfills)	FY2022	FY2023	FY2024
Textiles	No contribution post pandemic	330 kg	315 kg
Plastic containers		617 pcs	166 pcs
Paper products		290 kg	51.5kg

Our recycling programme is experiencing a positive development. Data indicates a shift in this employee engagement, potentially signifying a rise in responsible waste management practices at the individual level. This trend could encompass increased material reuse, selection of products with minimal packaging, or participation in personal recycling programs implemented at home. This development aligns with our company's sustainability goals and reflects a growing emphasis on environmental awareness among our employees.

Conclusion

For IRIS, sustainability is an ongoing journey, not a destination. We are committed to continuous improvement in all aspects of our environmental, social, and governance (ESG) performance. Looking ahead, we plan to:

Continuous Stakeholder Engagement:
We recognise the importance of collaboration in achieving our sustainability goals. We will actively seek to expand our stakeholder engagement activities, fostering open communication and collaboration with employees, customers, suppliers, communities, and industry partners. By working together, we can identify new opportunities to minimise our environmental impact and create shared value.

Integrate Sustainability into Decision-Making:
We are committed to further integrating sustainability considerations into the core of our business strategy and decision-making processes. This will involve conducting comprehensive sustainability assessments throughout our value chain, from product design and sourcing to production, operations, and end-of-life management.

SUSTAINABILITY STATEMENT *(Continued)*

Climate change remains a critical global challenge. We recognise our responsibility to contribute to a low-carbon future. In accordance with the Greenhouse Gas Protocol (GHG Protocol), we are exploring the best methods for measuring and reducing our Scope 1, 2, and 3 emissions.

Scope 1 & 2 Emissions:
We plan to implement additional energy efficiency initiatives, explore renewable energy options, and optimise our operations to reduce direct and indirect energy-related emissions.

Scope 3 Emissions:
We acknowledge that a significant portion of our environmental footprint lies within our value chain. We are collaborating with our suppliers and partners to identify and implement strategies to reduce these indirect emissions.

By prioritising these focus areas, we are confident that we can make a meaningful contribution to a more sustainable future for all. We invite our stakeholders to join us on this journey, and we look forward to sharing our progress in future reports.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of IRIS Corporation Berhad ("IRIS" or "the Company") is fully dedicated to maintain high standards of corporate governance throughout the Group to safeguard and promote the interests of the shareholders and to enhance the long-term value of the Group.

This statement sets out the manner in which the Group has applied the principles and best practices as set out in the Malaysian Code on Corporate Governance 2021 ("MCCG 2021" or "the Code") as follows:

Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

Read more on page 30

Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT

Read more on page 39

Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Read more on page 41

The details of the Group's application for each practice set out in the MCCG 2021 during the financial year 2024 are disclosed in the Corporate Governance Report ("CG Report"). A copy of the CG Report is available on the Group's website at www.iris.com.my and announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Established Clear Functions Reserved for the Board and Those Delegated to Management

The Board functions on the principle that all significant and material matters are addressed by the Board as it is accountable for the Group's activities, strategies and financial performance. The Board is responsible for determining the strategic direction of the Group and creating value for shareholders.

The Board assumed the following principal responsibilities in discharging its functions:

- Review and approve the relevant policies, strategies and financial plans of the Group, and address the sustainability of the Group's businesses;
- Monitor financial performance including approval of the financial reports;
- Review the adequacy and integrity of the framework and processes for internal controls, risk management, finance reporting and compliance;
- Ensure that appropriate processes are in place in respect of succession planning for appointments to the Board and to principal officers positions; and
- Assume responsibility for good corporate governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES (CONT'D)

Established Clear Functions Reserved for the Board and Those Delegated to Management (Cont'd)

To ensure the effective discharge of its function and responsibilities, the Board delegates the day-to-day management of the Group and the implementation of the Board's decisions and policies to the Executive Chairman. The day-to-day operations of the Group, within the authorities delegated by the Board, are further distributed under the approved Limits of Authority ("LOA") to the Management, comprising Executive Chairman, Acting Chief Executive Officer, Group Finance Director, and C-suite of respective business segments and divisions. The principal responsibilities of the Management are as follows:

- Develop, coordinate and implement business and corporate strategies for the approval of the Board;
- Overseeing the day-to-day operations of the Group; and
- Provide the Board with relevant information, report, clarifications as and when required by the Board, to enable the Board to arrive at a decision.

The Board also delegates some of its stewardship responsibilities and risk management controls to properly constituted Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, with clearly defined terms of reference. By empowering these Committees to make recommendations on matters within their respective terms of reference, the Board is able to achieve operational efficiency and maintain control over major policies and decisions.

The functions of the Board Committees are as follows:

Type of Committee	Principal Functions
Audit and Risk Management Committee	To review and report on the Group's financial results, systems of internal control, risk management, related parties transactions and conflict of interests.
Nomination Committee	To assess and evaluate the effectiveness of the Board and its committee as a whole. To assess, evaluate and recommend to the Board on the appointment of new Board members and principal officers.
Remuneration Committee	To assess, review and recommend to the Board the Directors' and principal officers' remuneration and benefits package.

Reviewing and approving the Company's Strategic Plans

Together with the Management, the Board collectively bring a diverse range of skills and expertise to discharge their responsibilities effectively towards achieving the Group's business strategies and corporate goals, as well as providing advice and judgement for the benefit of the Group and its shareholders. The Board plays an active role in reviewing and adopting the Company's strategic plans by assessing, deliberating, and approving the Management's proposal on a strategic plan for the Group. In this regard, the Management will prepare and present to the Board the Group's Annual Business Plan and Budget for the Board's review and approval for the ensuing financial year at the Board Meeting.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES (CONT'D)

Overseeing the Conduct of the Company's business

The Board oversees the performance of the Company and the Group via the discussion and updates at the Board meeting. The Board would also make the necessary business decisions to adapt to changing circumstances. The Management is tasked with the responsibility to keep the Board informed on all matters which may materially affect the Group and its business. The Management is also required to present and brief the Board on the quarterly report of the Group's financial performance.

Qualified and Competent Company Secretaries

The Board is assisted by the qualified secretaries who are the members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary under the Companies Act 2016. The Company Secretaries facilitates the Board on the administration and compliance of the Company's matters within the framework of relevant laws and regulations.

Deliberations during the Board meetings were properly minuted and documented by the Company Secretaries. The Company Secretaries works closely with the Management to ensure that there are timely and appropriate information flows within and to the Board.

Board Charter

The Board Charter sets out the roles and responsibilities of the Board, Board Committees and the Management. It is available in the Group's website at www.iris.com.my. The Board will review the Board Charter from time to time and make necessary amendments to ensure the Board Charter remains consistent with the Board's objectives, current law and practices.

Whistleblowing Policy

The Whistleblowing Policy provides an avenue for whistleblowers to raise concerns in good faith, confidentially and professionally of any improprieties within the Group and acts as a guidance for employees, directors, stakeholders and/or any other party with a business relationship with the Group to report the improprieties without the fear of victimisation, reprisal, harassment or other unfair treatment as a results of their whistleblowing. This Policy aims to provide a framework to promote responsibility and secure whistleblowing without fear of adverse consequences. The Policy is available on the Company's website at www.iris.com.my.

Anti –Bribery and Anti-Corruption Policy

The Board has further strengthened the integrity, governance and anti-corruption framework of the Group by adopting and implementing the Anti-Bribery and Anti-Corruption Policy during the financial year under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION

The Board has seven (7) directors, comprising two (2) Non-Independent Executive Directors and five (5) Independent Non-Executive Directors. The Chairman is a Non-Independent Executive Director. The number of Independent Directors is in compliance with Rule 15.02 of the Listing Requirements of Bursa Malaysia for ACE Market, which requires 1/3 of the Board to comprise independent directors and at least one (1) board member is a woman.

Develop, maintain and review the criteria for recruitment and annual assessment of Directors

The Nomination Committee ("NC") consists of three (3) Independent Non-Executive Directors.

The primary responsibilities of the NC are as follows:
- i. To consider and make recommendation to the Board for the appointment of new directors and principal officers for the Company and the Group;
- ii. To recommend to the Board on the composition of Board Committees;
- iii. To perform an annual review on Board requirements for skill mix, experience and other relevant qualities including core competencies which Non-Executive Directors should bring to the Board;
- iv. To perform annual assessments on the effectiveness of the Board and the Board Committees as a whole; and
- v. Any other such functions as may be delegated by the Board from time to time.

Meetings of the NC are held as and when required, and at least once a year. The NC met twice in the financial year ended 31 March 2024.The NC carries out the evaluation exercise annually. The Management will assist the NC in the assessment through annual Board Committee Effectiveness Assessment, Directors' Self and Peer Assessment exercise.

During the financial year, the members of the NC reviewed and assessed the following:
- i. Board and Board Committees' performance and contributions in relation to the accountability, responsibilities, skills, experience and other qualities;
- ii. Board and Board Committees' ability to give input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process;
- iii. Non-Executive Directors and Executive Directors performance review based on their contributions and performance;
- iv. Assessment on independence of Independent Directors;
- v. Woman candidates to be appointed as Director;
- vi. Directors' training needs; and
- vii. Retirement and re-election of Directors.

Appointment Process

The Board, through the NC's annual appraisal, believes that the current composition of the Board brings the required mix of skills and core competencies required for the Board to discharge its duties effectively.

The Board appoints its members through a formal and transparent selection process which is consistent with the Constitution of the Company and the Fit and Proper Policy adopted by the Board. This process has been reviewed, approved and adopted by the Board. The NC strictly adheres to this process in recommending any new candidate for approval and appointment by the Board. The Company Secretary will ensure that all appointments are in compliance with applicable law and regulations.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION (CONT'D)

Re-election and Re-appointment of Director

In accordance with the Company's Constitution, all newly appointed Directors shall retire from office but shall be eligible for re-election by shareholders at the forthcoming Annual General Meeting following their appointments. The Constitution further provides that in every subsequent year, one-third of the Directors shall retire and be eligible for re-election, provided always that all Directors, except for a Managing Director (if any) appointed for a fixed period pursuant to the Constitution, shall retire once at least in every three (3) years but shall be eligible for re-election.

Gender Diversity

Although the Board has not formally adopted a Gender Diversity Policy, the Board acknowledges the importance of boardroom diversity and the recommendation of the Code pertaining to the establishment of a Gender Diversity Policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. The evaluation and selection criteria of a Director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member.

The Board currently has one (1) female director. The Board is of the view that its current composition provides the necessary knowledge, experience and competence to enable the Board as a whole to discharge their duties and responsibilities effectively.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% woman representation target at Board level as required, the Board provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

Assessment of Independent Directors

The NC reviews the independence of Directors annually in accordance with the guidelines stipulated in the Code. In this context, the NC reviews the disclosures of Directors interest in transactions, any other relationship with the Group and whether the Directors have any conflicting interest in other companies, which may impair their ability to exercise independent judgement.

The NC had reviewed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to act in the best interest of the Company.

Tenure of Independent Director

The Board takes the Code's recommendation that the tenure of Independent Directors should not exceed a cumulative term of nine (9) years, and in the event the term is exceeded, has justification or reasons as to why such directors are retained for annual shareholders' approval.

The NC and the Board will recommend and hold the view that the ability of an Independent Director to exercise his/her independent judgement is not affected by the length of his/her service as Independent Director. The suitability and ability of an Independent Director to carry out his/her roles and responsibilities effectively are very much a function of his/her calibre, experience and personal qualities, particularly of his/her integrity and objectivity in discharging his/her responsibilities in good faith, in the best interest of the Company and to vigilantly safeguard the interests of the shareholders of the Company. Restriction on tenure may cause loss of experience and expertise that are important contributions to the Board's efficiency.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION (CONT'D)

Separation of Positions of the Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer have been clearly segregated to ensure that there is a balance of power and authority. The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board, and provides oversight over operations of the Group. Chief Executive Officer of the Company have overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decision.

The Independent Directors are not related to the major shareholders and the Management of the Company, and are free from any relationship that could interfere with the exercise of their independent judgement or the ability to act in the best interest of the Company. In any case, if there is concern from any party on Board matters, it can be directed to any one of the Independent Directors.

The Directors from various professions have brought to the Board a wide range of experience, skills and knowledge that are necessary to direct and manage successfully the business and affairs of the Group towards enhancing business prosperity and corporate accountability. Information relating to the directors are set out in the 'Board of Directors' Profile' section in this Annual Report.

Time commitments

The Directors dedicated sufficient time to carry out their responsibilities.

During the financial year ended 31 March 2024, the Board met twelve (12) times, where it deliberated and considered various matters affecting the Group's operations including the Group's financial results, business and investment plans, the Group's budget and the Group's strategic direction.

Details of attendance of each Director who held office during the financial year ended 31 March 2024 are as follows:

Name of Directors	Total Meetings Attended By Directors
Dr. Poh Soon Sim (Re-designated as Executive Chairman on 30 August 2023)	11/12
Dato' Dr. Abu Talib Bin Bachik	12/12
Dato' Mohamed Khadar Bin Merican	11/12
Dato' Ng Wan Peng	12/12
Mr Ling Hee Keat	12/12
Haji Hussein Bin Ismail	9/12
Mr H'ng Boon Harng	12/12

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION (CONT'D)

Directors' training

Although the Board does not have a policy to require each of the Directors to attend numbers and types of training programme each year, the Directors, however, are encouraged to attend briefings, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfill their duties as Directors.

The training and seminar courses attended by the Directors during the financial year ended 31 March 2024 were as follows:

Name of Director	Course Attended/Participated
Dr. Poh Soon Sim	• Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)
Dato' Dr. Abu Talib Bin Bachik	• Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)
Dato' Mohamed Khadar Bin Merican	• Actuarial Briefing (Tune Protect Group) • Malaysia Cybersecurity Briefing (BNP Paribas) • Understanding the Cybersecurity Landscape (Asia School of Business) • Board Oversight of Climate Risks and Opportunities (Asia School of Business) • JC3 – Journey to Zero Conference 2023 (Joint Committee on Climate Change Malaysia) • Islamic Finance Training (BNP Paribas) • ABC Talk (Malaysian Anti-Corruption Commission) • Sustainability Training (BNP Paribas) • Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)

CORPORATE GOVERNANCE
OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION (CONT'D)

Directors' training (Cont'd)

Name of Director	Course Attended/Participated
Dato' Ng Wan Peng	• Cybersecurity (NHB – Mandiant, an America & Google) • Anti-Bribery and Corruption Refresher (Hong Leong Financial Group) • Crisis Management & Negotiation (Asia School of Business) • Understanding the Cybersecurity Landscape (Asia School of Business) • Sustainability Report Awareness (ASAP Advisory Ltd) • Sustainability Report – Sustainable Development Goals (ASAP Advisory Ltd) • Integrated Reporting and GRI (ASAP Advisory Ltd) • Talk: AI and the Future of Work & Panel; Building the Digital Economy through Urban Rejuvenation (Asia School of Business) • AML/CFT & TFS: Evolving Challenges & Expectations in Regulatory Compliance (Hong Leong Financial Group) • AOB's Conversation with Audit Committees (Securities Commission Malaysia's Audit Oversight Board (SC) • PLCT Chairperson Masterclass: Leading the Change – Mastering Climate Action as a Chairperson – Managing Scope 3 Emissions (Bursa Malaysia) • Merdeka Award Talk Series#1: Women in Leadership: Too hot to handle (Merdeka Award) • Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)
Mr Ling Hee Keat	• CTPI – The Board's Role in Talent Management (Singapore Institute of Directors) • Beyond the 9-year Rule (Singapore Institute of Directors) • Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)
Haji Hussein Bin Ismail	• Year 2024 Budget Highlight on Budget Proposals, E-Invoicing and Update on Indirect Taxes and Transfer Pricing Regulations (Folks Management Services) • Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)
Mr H'ng Boon Harng	• Bursa Malaysia Enhanced Sustainability Reporting Framework Training (ESG Malaysia)

CORPORATE GOVERNANCE **OVERVIEW STATEMENT** *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

3. REMUNERATION

The Remuneration Committee ("RC") consists of three (3) Independent Non-Executive Directors. The RC is authorised and established by the Board and is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of principal officers.

The policy practice on the remuneration by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors and principal officers of the quality required to manage the business of the Company and to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of the shareholders. The RC also ensures that the level of remuneration for principal officers are linked to their level of responsibilities and contributions to the effective functioning of the Company. The RC will review the remuneration annually with the assistance from the Management before recommending to the Board for approval.

Meetings of the RC are held as and when required, and at least once a year. The RC met once in the financial year ended 31 March 2024.

Remuneration package

The Company has complied with the Listing Requirements of the Bursa Malaysia for ACE Market on the disclosure of remuneration of Directors on a Group basis. The current remuneration policy comprises Directors' fees and Directors' meeting allowance, based on the number of meetings they are attending for the year, which requires shareholders' approval.

The aggregate remuneration of Directors' for the financial year ended 31 March 2024 are as follows:

Category	Salaries & Bonuses RM	Defined contribution plans and Socso RM	Benefit in Kind RM	Director fees RM	Meeting allowances RM	Total RM
Group and Company						
Executive Directors						
Dr. Poh Soon Sim	1,418,212	9,038	29,950	21,056	-	1,478,256
Mr H'ng Boon Harng	829,928	100,634	19,256	21,056	-	970,874
Non-Executive Directors						
Dato' Dr. Abu Talib Bin Bachik	-	-	-	106,732	15,500	122,232
Dato' Mohamed Khadar Bin Merican	-	-	-	112,116	13,000	125,116
Dato' Ng Wan Peng	-	-	-	102,942	14,000	116,942
Mr Ling Hee Keat	-	-	-	115,132	14,500	129,632
Haji Hussein Bin Ismail	-	-	-	104,832	14,000	118,832
Total	**2,248,140**	**109,672**	**49,206**	**583,866**	**71,000**	**3,061,884**

CORPORATE GOVERNANCE
OVERVIEW STATEMENT *(Continued)*

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

4. LIMITS OF AUTHORITY

Limits of Authority ("LOA") established the framework of authority and accountability within the Group. The LOA also facilitates decision-making at the appropriate level within the organisation's hierarchy as well as promotes good business practice and corporate governance across the Group.

The LOA outlines matters over which the Board will reserve its authority and those areas that are delegated to the Management. These limits cover, among others, capital expenditure, operating expenditure, contract commitments, authority over payments, undertaking and guarantees as well as other non-financial matters.

Principle B EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee ("ARMC") comprises five (5) Independent Non-Executive Directors. The ARMC is established to support and assist the Board in discharging its statutory duties and responsibilities relating to accounting and financial reporting practices of the Company and its subsidiaries as well as having an oversight of the Group's financial results, system of internal control, risk management, related party transactions and conflict of interests.

The ARMC will also meet with the External Auditors without the presence of any Executive Directors and/or employees at least twice in a financial year to discuss any matters that the Audit and Risk Management Committee members and the External Auditors may wish to discuss.

The Board is responsible to present a comprehensive assessment of the Group's position and prospects when it releases the financial statements to the shareholders, as well as ensuring the financial statements give a true and fair view of the operation results and finance state of affairs of the Group. The ARMC assists the Board to ensure accuracy and adequacy of all information for disclosure and compliance with accounting standards.

The composition and summary of activities during the financial year under review is set out in the 'Audit and Risk Management Committee Report' in this Annual Report.

The ARMC has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

Assessment of External Auditors

Through the ARMC, the Board maintains a transparent and professional relationship with the Group's External Auditors in seeking professional advice and ensuring compliance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle B EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK MANAGEMENT COMMITTEE (CONT'D)

Assessment of External Auditors (Cont'd)

The ARMC reviews the independence and objectivity of the External Auditors and the services provided. The External Auditors had provided a confirmation of their independence to the ARMC that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Upon completion of the assessment, the ARMC is satisfied that the External Auditors is competent and independent and recommended to the Board for the re-appointment of the External Auditors. The Board has in turn, recommended the same for shareholders' approval at this Annual General Meeting for the auditors' re-appointment.

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Sound Framework to Manage Risks

The Board has overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. This is achieved by identifying principal risks, ensuring the implementation of appropriate systems to manage these risks as well as review the adequacy and integrity of the internal control system.

The Board seeks regular assurance on the effectiveness of the internal control system through independent appraisals by the internal and external auditors.

The Board acknowledges the importance of such controls and the overview of risk management and internal control framework is set out in the 'Statement on Risk Management and Internal Control' in this Annual Report.

Internal Audit Function

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the operations of the Group. It helps to accomplish its objective to the Group by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Group has outsourced the internal audit function to an independent professional firm, Deloitte Business Advisory Sdn Bhd, which performs regular reviews with impartiality and due professional care, in accordance with the International Professional Practices Framework of the Institute of Internal Auditors in reviewing the adequacy as well as effectiveness of the Group's risk management and internal control systems.

Details of the internal audit function are set out in the 'Statement on Risk Management and Internal Control' and the 'Audit and Risk Management Committee Report' of this Annual Report respectively.

Risk Management Framework

The Board recognises that risk management, which includes creating a risk awareness culture, should be an integral part of the business operation. The Board, through the ARMC, has established an enterprise risk management ("ERM") framework with structured and systematic approaches in identifying, evaluating, monitoring, mitigating and managing enterprise risks.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

Principle C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

1. COMMUNICATION WITH STAKEHOLDERS

The Company recognises the importance of transparency and accountability to its shareholders and the need to have clear and effective communications with the Company's institutional investors, shareholders and other stakeholders. Communication is facilitated by a number of formal channels used to inform shareholders about the performance, business activities, financial performance, material information and corporate events of the Group. Shareholders, investors and various stakeholders can also access this information via the Company's website at www.iris.com.my.

In addition, in the annual general meeting, the Board will brief shareholders on the business and operations of the Group prior to tabling the motion on audited financial statements. Shareholders will be invited to raise questions concerning the financial statements. A briefing will also be given on other motions not in the ordinary courses of business of the agenda as and when needed before voting. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meetings and ensures their questions are responded to in a proper and systematic manner.

2. CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") is the principal forum for dialogue with the shareholders. At the AGM, the Board briefs the shareholders on the status of the Group's business and operations. Shareholders have the opportunity to ask questions on resolutions being proposed, the audited financial statement of the year and the operation of the Company and the Group as well as to communicate their expectations and concerns to the Company. An extraordinary General Meeting is held as and when shareholders' approvals are required on specific matters.

The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations. The Board will ensure sufficient and relevant information is given for each agenda items in the notice of meeting and/or Annual Report or circular accompanying the notice of meeting. The Company complied with Practice 13.1 of MCCG 2021 to send the Notice of AGM and related Circular at least 28 days before the AGM to allow sufficient time to the shareholders to review the Annual Reports and the papers supporting the resolutions proposed.

All resolutions set out in the Notice of AGM will be carried out by poll voting. Each shareholder can vote in person or by appointing a proxy/proxies to attend and vote on his/her behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and resolutions are properly recorded.

This Statement was approved by the Board on 23 July 2024.

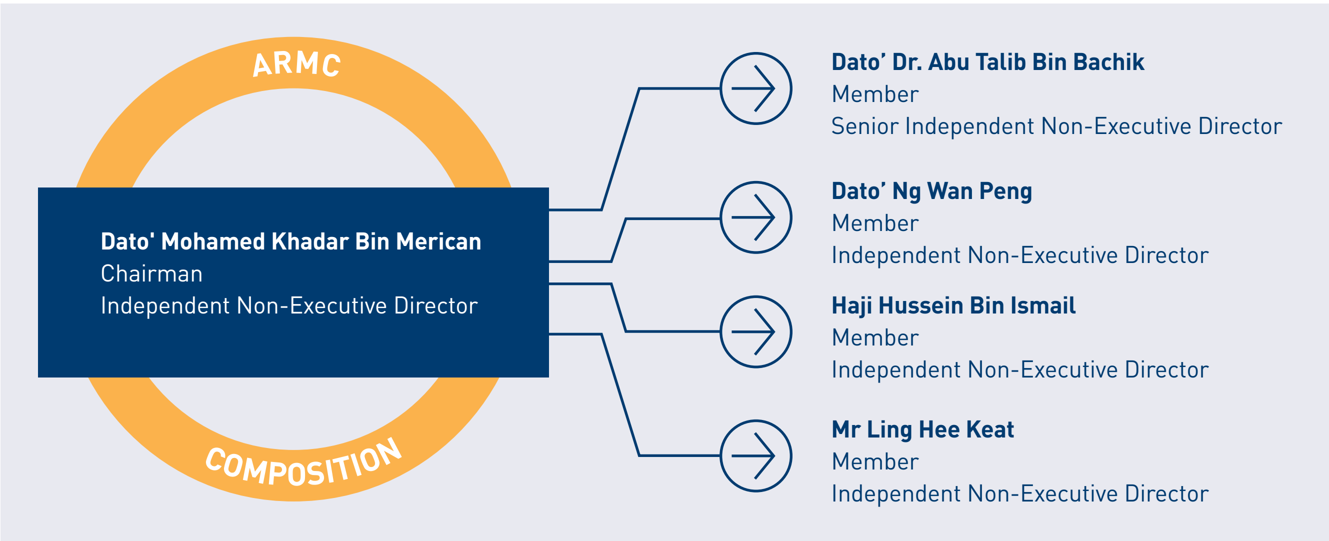
AUDIT AND RISK MANAGEMENT **COMMITTEE REPORT**

OBJECTIVES

The Audit and Risk Management Committee ("ARMC") had diligently discharged its duties and responsibilities in accordance with its Terms of Reference and in the course of its duties during the financial period, the ARMC is of the view that there were no material misstatements or losses, contingencies or uncertainties requiring separate disclosure in this report.

COMPOSITION

For the period under review, the composition of the ARMC was as follows:-



AUTHORITY

The ARMC is authorised by the Board of Directors ("the Board") to review any activity of the Group within its Terms of Reference and has full access to information and resources which it needs to discharge its duties.

ARMC MEETINGS

The ARMC held five (5) meetings during the period from 1 April 2023 to 31 March 2024. The attendance of the members of the ARMC at the meetings were as follows:

Name of ARMC members	Total meetings attended by members
Dato' Mohamed Khadar Bin Merican (Chairman)	5/5
Dato' Dr. Abu Talib Bin Bachik	5/5
Dato' Ng Wan Peng	5/5
Haji Hussein Bin Ismail	5/5
Mr Ling Hee Keat	4/5

AUDIT AND RISK MANAGEMENT **COMMITTEE REPORT** *(Continued)*

ARMC MEETINGS (CONT'D)

The Company Secretaries, or their representatives, were in attendance during the meetings. By invitation, the Management, Internal Auditors, External Auditors and other key personnel, where necessary, were invited to the meetings to assist with deliberations on matters within their purview.

ARMC meeting minutes were distributed to all the members of the Board. The Chairman of the ARMC regularly briefs the Board on the proceedings of the ARMC.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The ARMC carried out the following activities in accordance with its terms of reference during the financial year under review.

1. Financial Reporting

a. Reviewed the unaudited quarterly interim financial report of the Group before recommending to the Board for approval and authorisation for the release of the Group's unaudited quarterly interim financial report announcement to Bursa Malaysia Securities Berhad ("Bursa Malaysia").
b. Reviewed the audited financial statement for the financial year ended 31 March 2024 before recommending to the Board for approval.
c. Reviewed and discussed significant matters raised by Messrs. Baker Tilly Monteiro Heng PLT ("External Auditors"), including financial reporting issues and significant areas of judgement and estimations made by the Management, in accordance with the requirements set out in the Malaysian Financial Reporting Standards.
d. Discussed and deliberated significant changes and impact of new or proposed changes in accounting standards and regulatory requirements that would affect the Group and the Company.

2. External Audit

a. Reviewed with the External Auditors their Audit Planning Memorandum, which outlined the scope and timeline of the audit, risk assessment and audit approach and communication of key audit matters, prior to the commencement of the audit.
b. Reviewed the External Auditors' audit fees and recommended to the Board for approval.
c. Reviewed and discussed with the External Auditors their Audit Committee Memorandum for the financial year ended 31 March 2024. This memorandum covered significant audit findings, status of the audit, key audit matters, matters for control improvements and the expected audit opinion to be rendered by the auditors.
d. Assessed the independence, objectivity and suitability of the External Auditors and the services provided. The ARMC was satisfied with the assessment of the External Auditors and recommended to the Board for the re-appointment of the External Auditors at the forthcoming Annual General Meeting.
e. Met with the External Auditors twice, without the presence of Executive Directors and the Management, to review and discuss key issues and audit matters. There were no major concerns raised by the External Auditors at the meetings.

AUDIT AND RISK MANAGEMENT **COMMITTEE REPORT** *(Continued)*

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

3. Internal Audit

a. Reviewed the internal audit plan as proposed by the outsourced internal auditors, Messrs. Deloitte Business Advisory Sdn Bhd ("Internal Auditors"), for the financial year 2024 for the Group and the Company to ensure the adequacy of the scope and coverage of the work.
b. Reviewed the internal audit reports presented by the Internal Auditors on their findings and recommendations.
c. Reviewed the progress of the implementation of corrective action plans agreed by the Management on all significant audit issues.
d. Reviewed the status of outstanding audit recommendations as presented by the Internal Auditors.
e. Obtained confirmation on independence and objectivity from the Internal Auditors that the audit personnel were free from any relationship or conflicts of interest with the Group during the audit for the financial year under review.

4. Risk Management

a. Reviewed the adequacy of the risk management framework and recommended to the Board for approval.
b. Reviewed the framework for the Anti-Bribery and Anti-Corruption Policy and the necessary procedures under Section 17A (5) of the Malaysian Anti-Corruption Act 2009 and recommended to the Board for approval.
c. Reviewed the framework and necessary procedures for the Whistleblowing Policy of the Group and recommended to the Board for approval.
d. Reviewed and communicated the risk assessment results together with action plans to manage and/or mitigate these risks to the Board.

5. Others

a. Reviewed the Audit and Risk Management Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control ("SORMIC") and recommended to the Board for inclusion in the Annual Report for the financial year ended 31 March 2024.

INTERNAL AUDIT FUNCTION

The outsourced Internal Auditors are independent of the activities or operations of the Group. The Internal Auditors are empowered to audit the Group's business units, review the units' compliance with internal control procedures and to assist the ARMC and the Management in maintaining a sound system of internal controls. The ARMC has full access to the Internal Auditors for internal audit purposes.

During the financial year under review, the Internal Auditors carried out its audit in accordance with the internal audit plan and conducted follow-up audits on agreed management remedial actions on a quarterly basis. The key areas reviewed included Facilities and Maintenance Management, Sales and Marketing Planning and Management, Malaysian Anti-Corruption Commission ("MACC") Section 17A and Information Technology General Controls and Cyber Security.

The results of the internal audit findings and the recommendations for improvement, including corrective and preventive actions as well as targeted implementation dates, were discussed and agreed with the Management and subsequently presented to the ARMC on a quarterly basis for deliberation.

The cost incurred for internal audit services in respect of the financial year ended 31 March 2024 was approximately RM90,000.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

The Board of Directors ("the Board") of IRIS Corporation Berhad is committed to maintain sound risk management and internal control systems and to continually review the adequacy and effectiveness of the system to safeguard shareholders' investments and the Group's assets as well as control liabilities.

This Statement is made following Rule 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for ACE Market ("ACE LR"), Principle B of the Malaysian Code of Corporate Governance ("MCCG 2021") and is guided by the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers.

The Board is pleased to present the Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of risk management and internal control within the Group for the financial year ended 31 March 2024.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility in maintaining sound risk management and internal control systems for the group as a matter of good corporate governance. The risk management and internal control systems cover, inter alia, strategy, financial, operational, compliance controls and risk management procedures.

The Board has delegated the responsibility to review the adequacy and integrity of the Group's risk management and internal control systems to the Audit and Risk Management Committee ("ARMC").

By its nature, the risk management and internal control system have limitations in assuring the Group from making material misstatement and incurring losses. In this regard, the ARMC together with the Internal Auditors, continuously review the Group's risk management and internal control systems to ensure appropriate remedial action is taken to address any significant weaknesses.

This Statement does not cover associate companies or joint ventures which the Group does not have any direct operational control. Nevertheless, the Board appointed representatives or the boards of associate companies or joint ventures will oversee the business and operational activities, and update key matters and significant information to the Board.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations and has established an Enterprise Risk Management ("ERM") framework.

The ERM framework involves a systematic approach in identifying, assessing, monitoring, mitigating and managing risks that may affect the Group's achievement of its business objectives and strategies. On a day-to-day basis, the respective heads of departments in the Group are responsible for the timely identification, assessment, reporting and management of identified risks.

An Enterprise Risk Management Committee ("ERMC") is formed to assist the ARMC in risk management. The ERMC, comprising the Management and heads of departments, meets regularly and is tasked with carrying out the risk management activities. The activities of the ERMC are reported to the ARMC on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

INTERNAL CONTROL SYSTEM

The key elements of the system of internal controls are as follows:

- In order to avoid conflicts of interest, the Group implements segregation of duties through clear delegation of responsibilities and authority among Board Committees and the Management.
- Departmental units are required to prepare annual budgets. The compiled Group budget is required to be approved by the Board to ensure effective execution. Subsequently, the results are monitored against the budget to ensure appropriate remedial action plans are formulated to address the significant variances.
- Adequate reporting systems are in place for information relating to operating and financial performance, key business issues and annual financial statements being communicated to the Board and Management.
- The Group's internal policies and procedures are well documented in respective Standard Operating Procedures to ensure compliance with internal control.
- Periodic management meeting is carried out to review the operational and financial performance of the Group. This is to ensure that they are in line with the corporate objectives and strategies. The Management also formulates strategies, policies and procedures to address changes in the business environment and risks.
- A Limits of Authority ("LOA") Matrix is established as a framework of authority and accountability within the Group. This LOA also facilitates decision-making at the appropriate levels within the organisation's hierarchy.
- A strict Code of Conduct to govern the conduct of the Board members and all employees.
- The Group has adopted a Whistleblowing Policy which serves as an avenue for all employees, directors, stakeholders and/or any party with a business relationship with the Group, to raise concerns about misconduct or malpractice within the Group as well as ensuring the integrity of the process and information and also protecting the rights of informants.
- Adopting and regulating the Anti-Bribery and Anti-Corruption Policy which describes the Group's commitment to ensure zero-tolerance against any forms of bribery and corruption. The group is committed to conduct business with transparency, integrity and accountability.

INTERNAL AUDIT FUNCTION

The outsourced Internal Auditors, Messrs. Deloitte Business Advisory Sdn Bhd ("Internal Auditors") support the ARMC, and by extension, the Board, by providing independent assurance on the adequacy and effectiveness of the Group's internal control system. The Internal Auditors submits internal audit plans and reports to the ARMC. Included in the internal auditors reports are recommended corrective and preventive measures on risks identified, if any, for implementation by the Management.

The internal audit plan, which reflects the risk profile of the Group's major business segments, is reviewed by the ARMC. Upon recommendation from the ARMC, the Board will approve the internal audit plan.

The Board fully supports the internal audit function and through the ARMC, continuously reviews the adequacy and effectiveness of the risk management and internal control process.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

INTERNAL AUDIT FUNCTION (CONT'D)

The Internal Auditors independently reviews the risk prevention procedures and control processes implemented by the Management, and reports to the ARMC. The Internal Auditors also reviews the internal control in the key activities of the Group's businesses. The Internal Auditors adopts a risk based-approach and prepares its audit strategy and plan based on the risk profiles of the various business units of the Group.

The Internal Auditors also undertakes a review of the Group's compliance with recommended principles and best practices. The results and any corrective and preventive action that may be necessary are reported directly to the ARMC.

The ARMC reviews the risk monitoring and compliance procedures on a quarterly basis and ensures appropriate mix of techniques are adopted to obtain the level of assurance required by the Board. The ARMC considers reports from the Internal Auditors and from the Management, before making recommendations to the Board in strengthening the risk management, internal control and governance systems.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The Company's External Auditors, Messrs. Baker Tilly Monteiro Heng PLT, has reviewed this Statement pursuant to Rule 15.23 ACE LR. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is inconsistent with their understanding of the processes that the Board has adopted in the review of the adequacy and effectiveness of the Group's risk management and internal control system.

CONCLUSION

For the financial year under review, and up to the date of approval of this Statement, the Board is of the view that the Group's risk management and internal control systems are operating adequately and effectively in all material aspects to enable the Group to achieve its business objectives. There were no significant internal control weaknesses that have not been reported in this section, which led to material losses, contingencies or uncertainties that would require a separate disclosure in the Annual Report.

The Board has received assurance from the Executive Chairman, Acting Chief Executive Officer and Group Finance Director that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

This Statement was approved by the Board of Directors on 23 July 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of financial statements of the Group and of the Company, as at the end of each financial year, that give a true and fair view of the financial position in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 ("Act") in Malaysia.

In preparation of the financial statements for financial year ended 31 March 2024, the Directors have:

- considered appropriate applicable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements, on a going concern basis, with reasonable expectation that the Group and Company have adequate resources to continue in operational existence in the foreseeable future.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, and enabling them to ensure that the financial statements comply with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act in Malaysia.

The Directors have general responsibility for taking all steps as are reasonably open to them to safeguard the assets of the Group and the Company and to prevent and detect fraud and other irregularities.

ADDITIONAL COMPLIANCE **INFORMATION**

The information set out below is disclosed in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for ACE Market.

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no proceeds raised from any corporate proposals during the financial year ended 31 March 2024.

2. NON-AUDIT FEES

The detail of the audit and non-audit fees paid/payable for the financial year ended 31 March 2024 to the External Auditors or a firm or company affiliated to the External Auditors are set out below:

	Group RM'000	Company RM'000
Audit fees	495	325
Non-audit fees	45	45

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS'

For the financial year ended 31 March 2024, no contract of a material nature was entered into or subsisted between the Company and its Directors or major shareholders.

4. LIST OF PROPERTIES

For the financial year ended 31 March 2024, the list of the property as set out below:

Location	Description of land	Land Area (sq.ft.)	Built-up Area (sq.ft.)	Existing Use	Tenure / Lease Period	Age of building	Date of Acquisition	Net carrying value (RM'000)
H.S (D) 116023 & 116028 P.T, No. 13810 & 13811, Mukim Petaling, Daerah Kuala Lumpur	Land with a 4 and half storey building and car park facilities	188,179	328,459	Factory, warehouse and office	Sub-Lease (Term of 60 years, expiring on 16 July 2055)	27	17 July 1995	71,256

5. REVALUATION POLICY ON LANDED PROPERTIES

No valuation is carried out by the Company and its subsidiaries on landed properties during the financial year ended 31 March 2024. The latest valuation on the property of the Company was carried out by an independent firm of professional valuer on 29 June 2020.

Revaluation will be carried out when deemed appropriate by the directors or at least once in every 5 years.

6. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

There were no recurrent related party transaction of a revenue or trading nature made during the financial year ended 31 March 2024.

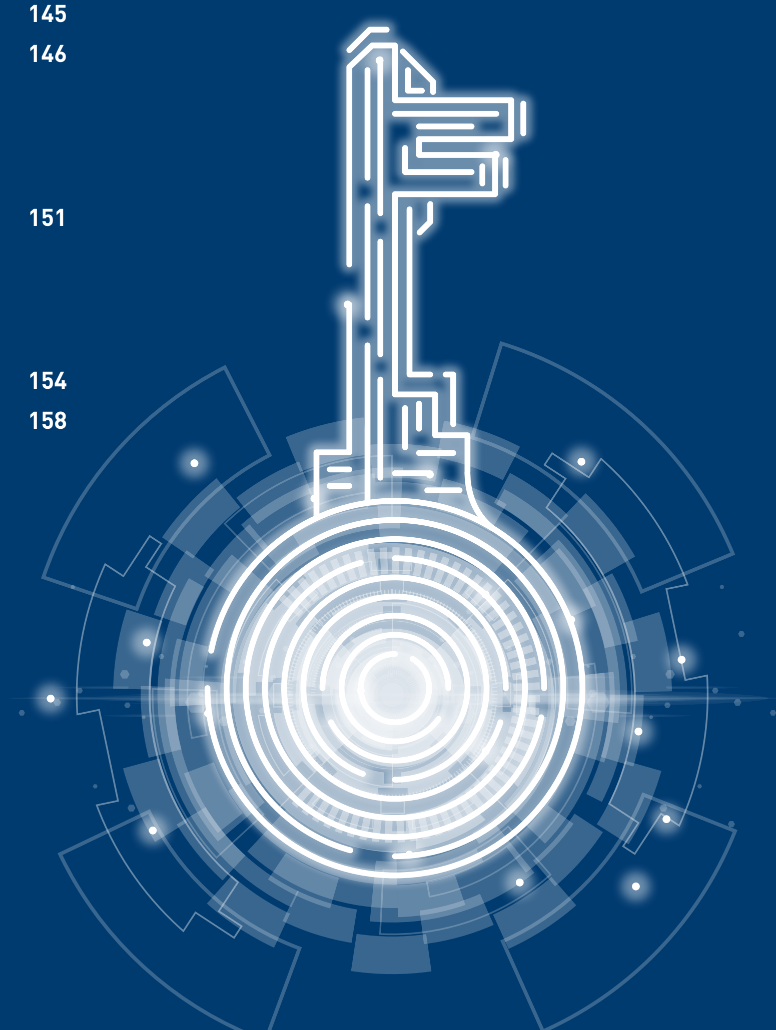
REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

REPORTS AND FINANCIAL STATEMENTS

OTHER INFORMATION

ANNUAL GENERAL MEETING

PROXY FORM



DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company are that of technology consulting and the implementation of trusted identification, payment, transportation and sustainable development.

The principal activities of the subsidiaries include provision of trusted identification related products, services, maintenance and business solution and consulting.

There have been no significant changes in the nature of the principal activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	32,244	14,008
Attributable to:		
Owners of the Company	32,247	14,008
Non-controlling interests	(3)	-
	32,244	14,008

DIVIDENDS

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2024.

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT *(Continued)*

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

The contingencies are disclosed in Note 28 to the financial statements.

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

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

DIRECTORS' REPORT *(Continued)*

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and the Company during the financial year were RM495,218 and RM325,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company had undertaken:

(i) On 1 March 2024, the High Court approved the resolution for the capital reduction, which entailed reduction of the issued share capital of Company pursuant to Section 116 of the Companies Act 2016. The credit of RM430,000,000 arising from capital reduction was used to eliminate the accumulated losses of the Company; and

(ii) On 25 March 2024, the Company completed its share consolidation exercise which involved every four (4) existing ordinary shares in the Company held by shareholders into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 3,262,910,862 units to 815,727,624 units.

The Company did not issue any debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS

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

Dr. Poh Soon Sim *
Dato' Dr. Abu Talib Bin Bachik
Dato' Mohamed Khadar Bin Merican
Dato' Ng Wan Peng
Ling Hee Keat
Hussein Bin Ismail
H'ng Boon Harng *

* *Directors of the Company and certain subsidiaries*

DIRECTORS' REPORT *(Continued)*

DIRECTORS (CONT'D)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Chia Jen Wen	
Siti Doreen Dazila Binti Syed Alias	(Appointed on 7 December 2023)
Junaidy Bin Yazid	(Resigned on 10 December 2023)

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	At 1.4.2023	Bought	Share consolidated ^	At 31.3.2024
Direct interests:				
Dr. Poh Soon Sim	68,000,000	4,500,000	(54,375,000)	**18,125,000**
Ling Hee Keat	110,800,000	-	(83,100,000)	**27,700,000**
H'ng Boon Harng	1,000,000	-	(750,000)	**250,000**
Indirect interests:				
Dr. Poh Soon Sim *	349,540,200	950,000	(262,867,650)	**87,622,550**

* *Deemed interests pursuant to Section 8 of the Companies Act 2016 in Malaysia via Poh Associates Sdn. Bhd. and Orientalgold Equity Sdn. Bhd. and by virtue of his son's direct shareholdings under Section 59 of the Companies Act 2016 in Malaysia.*

^ *On 25 March 2024, the Company completed its share consolidation exercise which involved the consolidation every four (4) existing shares in the Company held by shareholders into one (1) consolidated share of the Company.*

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT *(Continued)*

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 29 to the financial statements.

The directors' benefits of the Group and the Company during the financial year are as follows:

	Group and Company RM'000
Director of the Company	
Directors' fees	584
Directors' meeting allowances	71
Directors' remuneration:	
- salaries and other remuneration	2,248
- defined contribution plans and SOCSO	110
- estimated money value of benefits-in-kind	49
	3,062

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and certain officers of the Company and the subsidiaries were RM5,000,000 and RM78,556 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT *(Continued)*

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DR. POH SOON SIM
Director

H'NG BOON HARNG
Director

Date: 23 July 2024

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**78,659**	79,722	**78,920**	80,080
Intangible assets	7	**100,064**	110,310	**64**	310
Operating financial assets	8	**5,436**	6,817	**5,436**	6,817
Investment in subsidiaries	9	**-**	-	**77,935**	71,935
Investment in associates	10	**711**	752	**732**	752
Investment in joint ventures	11	**-**	-	**-**	-
Total non-current assets		**184,870**	197,601	**163,087**	159,894
Current assets					
Inventories	12	**29,209**	30,376	**26,177**	28,831
Operating financial assets	8	**1,380**	1,282	**1,380**	1,282
Trade and other receivables	13	**105,815**	97,529	**115,056**	136,510
Prepayments		**1,349**	1,680	**1,349**	1,680
Contract assets	14	**148,707**	9,258	**5,065**	7,902
Current tax assets		**510**	-	**-**	-
Cash and short-term deposits	15	**160,466**	91,980	**121,231**	74,548
		447,436	232,105	**270,258**	250,753
Assets of a disposal group classified as held for sale	16	**-**	98,810	**-**	6,000
Total current assets		**447,436**	330,915	**270,258**	256,753
TOTAL ASSETS		**632,306**	528,516	**433,345**	416,647

STATEMENTS OF FINANCIAL POSITION *(Continued)*
AS AT 31 MARCH 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	17	**180,759**	610,759	**180,759**	610,759
Other reserves	18	**29,253**	30,190	**8,569**	8,851
Retained earning/(Accumulated losses)		**169,400**	(293,828)	**21,151**	(423,139)
		379,412	347,121	**210,479**	196,471
Non-controlling interests		**(1,863)**	(1,842)	**-**	-
TOTAL EQUITY		**377,549**	345,279	**210,479**	196,471
Non-current liabilities					
Lease liabilities	6(b)	**79**	-	**79**	-
Deferred tax liabilities	19	**11,491**	10,011	**11,491**	10,011
Total non-current liabilities		**11,570**	10,011	**11,570**	10,011
Current liabilities					
Loans and borrowings	20	**3,210**	2,795	**3,210**	2,795
Current tax liabilities		**2,730**	7,835	**1,715**	7,015
Trade and other payables	21	**232,460**	130,699	**201,584**	197,800
Lease liabilities	6(b)	**72**	-	**72**	-
Contract liabilities	14	**4,715**	2,555	**4,715**	2,555
		243,187	143,884	**211,296**	210,165
Liabilities of a disposal group classified as held for sale	16	**-**	29,342	**-**	-
Total current liabilities		**243,187**	173,226	**211,296**	210,165
TOTAL LIABILITIES		**254,757**	183,237	**222,866**	220,176
TOTAL EQUITY AND LIABILITIES		**632,306**	528,516	**433,345**	416,647

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	22	**371,108**	348,871	**289,417**	242,197
Cost of sales		**(286,077)**	(265,110)	**(223,060)**	(171,252)
Gross profit		**85,031**	83,761	**66,357**	70,945
Other income		**18,139**	21,040	**10,899**	10,731
Administrative expenses		**(34,465)**	(38,344)	**(28,180)**	(35,461)
Net impairment (losses)/gain on financial instruments		**(1,917)**	101	**(7,930)**	93,299
Other expenses		**(25,839)**	(32,870)	**(19,050)**	(107,446)
Operating profit		**40,949**	33,688	**22,096**	32,068
Finance costs	23	**(528)**	(748)	**(458)**	(403)
Share of results of associates, net of tax		**(41)**	(100)	**-**	-
Profit before tax	24	**40,380**	32,840	**21,638**	31,665
Income tax expense	25	**(8,136)**	(10,950)	**(7,630)**	(10,816)
Profit for the financial year		**32,244**	21,890	**14,008**	20,849
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**26**	(129)	**-**	-
Other comprehensive income/(loss) for the financial year		**26**	(129)	**-**	-
Total comprehensive income for the financial year		**32,270**	21,761	**14,008**	20,849

STATEMENTS OF COMPREHENSIVE INCOME *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit/(Loss) attributable to:					
Owners of the Company		**32,247**	21,900	**14,008**	20,849
Non-controlling interests		**(3)**	(10)	**-**	-
		32,244	21,890	**14,008**	20,849
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**32,273**	21,771	**14,008**	20,849
Non-controlling interests		**(3)**	(10)	**-**	-
		32,270	21,761	**14,008**	20,849
Earnings per share attributable to owners of the Company (sen per share)					
Basic	26(a)	**3.95**	2.68		
Diluted	26(b)	**3.95**	2.68		

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

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

Group	Note	Share capital RM'000	Foreign currency translation reserve RM'000	Revaluation reserve RM'000	(Accumulated losses)/ Retained earning RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
		Attributable to the owners of the Company						
At 1 April 2023		**610,759**	**1**	**30,189**	**(293,828)**	**347,121**	**(1,842)**	**345,279**
Total comprehensive income/(loss) for the financial year								
Profit for the financial year		-	-	-	32,247	32,247	(3)	32,244
Other comprehensive income for the financial year		-	26	-	-	26	-	26
Total comprehensive income/(loss)		**-**	**26**	**-**	**32,247**	**32,273**	**(3)**	**32,270**
Transactions with owners								
Change in ownership interest in a subsidiary	9(b)	-	-	-	18	18	(18)	-
Capital reduction	17	(430,000)	-	-	430,000	-	-	-
Total transactions with owners		**(430,000)**	**-**	**-**	**430,018**	**18**	**(18)**	**-**
Realisation of revaluation reserve	18	-	-	(963)	963	-	-	-
At 31 March 2024		**180,759**	**27**	**29,226**	**169,400**	**379,412**	**(1,863)**	**377,549**

STATEMENTS OF CHANGES IN EQUITY *(Continued)*

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Attributable to the owners of the Company						
Group	Note	Share capital RM'000	Foreign currency translation reserve RM'000	Revaluation reserve RM'000	Accumulated losses RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2022		610,759	130	31,153	(316,692)	325,350	(1,852)	323,498
Total comprehensive income/(loss) for the financial year								
Profit for the financial year		-	-	-	21,900	21,900	(10)	21,890
Other comprehensive income for the financial year		-	(129)	-	-	(129)	-	(129)
Total comprehensive income/(loss)		-	(129)	-	21,900	21,771	(10)	21,761
Transactions with owners								
Shares subscribed by non-controlling interest of a subsidiary		-	-	-	-	-	20	20
Total transactions with owners		-	-	-	-	-	20	20
Realisation of revaluation reserve	18	-	-	(964)	964	-	-	-
At 31 March 2023		610,759	1	30,189	(293,828)	347,121	(1,842)	345,279

STATEMENTS OF CHANGES IN EQUITY *(Continued)*

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Attributable to the owners of the Company			
Company	**Note**	**Share capital RM'000**	**Revaluation reserve RM'000**	**(Accumulated losses)/ Retained earning RM'000**	**Total equity RM'000**
At 1 April 2022		610,759	9,134	(444,271)	175,622
Total comprehensive income for the financial year					
Profit for the financial year		-	-	20,849	20,849
Total comprehensive income		-	-	20,849	20,849
Realisation of revaluation reserve	18(b)	-	(283)	283	-
At 31 March 2023		**610,759**	**8,851**	**(423,139)**	**196,471**
Total comprehensive income for the financial year					
Profit for the financial year		**-**	**-**	**14,008**	**14,008**
Total comprehensive income		**-**	**-**	**14,008**	**14,008**
Transactions with owners					
Capital reduction	17	**(430,000)**	**-**	**430,000**	**-**
Total transaction with owners		**(430,000)**	**-**	**430,000**	**-**
Realisation of revaluation reserve	18(b)	**-**	**(282)**	**282**	**-**
At 31 March 2024		**180,759**	**8,569**	**21,151**	**210,479**

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

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

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Cash flows from operating activities					
Profit before tax		**40,380**	32,840	**21,638**	31,665
Adjustments for:					
Amortisation of intangible assets		**246**	1,266	**246**	1,266
Depreciation of property, plant and equipment		**5,605**	7,075	**4,514**	4,692
Effect of accretion of interest on operating financial assets		**(613)**	(704)	**(613)**	(704)
Finance costs		**528**	748	**458**	403
(Gain)/Loss on disposal of property, plant and equipment		**(114)**	- *	**(68)**	- *
Gain on termination of lease		**(105)**	-	**-**	-
Impairment loss on:					
- goodwill		**10,000**	18,268	**-**	-
- trade and other receivables		**3,302**	6	**11,481**	1,835
- investment in subsidiaries		**-**	-	**2,749**	93,008
- investment in associate		**-**	-	**20**	4,248
Interest income		**(3,523)**	(1,710)	**(2,430)**	(954)
Net provision/(reversal) of inventories written down		**150**	(2,138)	**(216)**	(2,083)
Property, plant and equipment written off		**1,281**	-	**3**	-
Reversal of impairment loss on trade and other receivables		**(1,385)**	(107)	**(3,551)**	(95,134)
Share of results of associates		**41**	100	**-**	-
Unrealised (gain)/loss on foreign exchange		**(12,363)**	14,208	**(7,026)**	9,856
Operating profit before changes in working capital		**43,430**	69,852	**27,205**	48,098
Changes in working capital:					
Contract assets/(liabilities)		**(36,024)**	(8,949)	**4,997**	(272)
Inventories		**1,017**	(9,864)	**2,870**	(9,677)
Operating financial assets		**1,896**	1,896	**1,896**	1,896
Trade and other payables		**38,475**	(5,623)	**4,235**	1,214
Trade and other receivables		**(2,465)**	(23,887)	**7,971**	(13,175)
Prepayments		**778**	2,995	**331**	(21)
Net cash from operations		**47,107**	26,420	**49,505**	28,063
Interest paid		**(452)**	(528)	**(446)**	(398)
Interest received		**3,523**	1,710	**2,430**	954
Income tax paid		**(11,491)**	(7,400)	**(11,450)**	(7,236)
Net cash generated from operating activities		**38,687**	20,202	**40,039**	21,383

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from investing activities					
Acquisition/addition in investment in subsidiaries		**-**	-	**(2,749)**	(93,078)
Repayment from subsidiaries		**-**	-	**10,012**	79,063
Proceeds from disposal of plant and equipment		**121**	147	**75**	-*
Proceeds from disposal of an associate		**-**	-*	**-**	-*
Purchase of property, plant and equipment	(a)	**(2,740)**	(983)	**(3,146)**	(911)
Placement of fixed deposits		**(780)**	(1,023)	**(693)**	(972)
Subscription of shares by non- controlling interests in a subsidiary		**-**	20	**-**	-
Net cash (used in)/from investing activities		**(3,399)**	(1,839)	**3,499**	(15,898)
Cash flows from financing activities					
Proceeds from bankers' acceptance	(b)	**415**	2,795	**415**	2,795
Repayment of unstructured loan	(b)	**-**	(7,500)	**-**	(7,500)
Payments of lease liabilities	(b)	**(996)**	(1,917)	**(79)**	(84)
Net cash (used in)/from financing activities		**(581)**	(6,622)	**336**	(4,789)
Net increase in cash and cash equivalents		**34,707**	11,741	**43,874**	696
Cash and cash equivalents at the beginning of the financial year		**104,801**	94,468	**60,062**	60,706
Effect of exchange rate changes on cash and cash equivalents		**2,335**	(1,408)	**2,116**	(1,340)
Cash and cash equivalents at the end of the financial year	15(a)	**141,843**	104,801	**106,052**	60,062

* *Represent amount less than RM1,000*

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

(a) Purchase of property, plant and equipment

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Purchase of property, plant and equipment	2,958	983	3,364	911
Financed by way of lease arrangement	(218)	-	(218)	-
Cash payments on purchase of property, plant and equipment	2,740	983	3,146	911

(b) Reconciliation of liabilities arising from financing activities:

		Non-cash					
	1.4.2023 RM'000	Transfer from disposal group classified as held for sale RM'000	Acquisition RM'000	Lease termination RM'000	Interest expenses RM'000	Cash flows RM'000	31.3.2024 RM'000
Group							
Lease liabilities	-	2,341	218	(1,488)	76	(996)	**151**
Bankers' acceptance	2,795	-	-	-	-	415	**3,210**
	2,795	2,341	218	(1,488)	76	(581)	**3,361**

		Non-cash			
	1.4.2022 RM'000	Transfer to disposal group classified as held for sale RM'000	Interest expenses RM'000	Cash flows RM'000	31.3.2023 RM'000
Group					
Lease liabilities	4,038	(2,341)	220	(1,917)	-
Bankers' acceptance	-	-	-	2,795	2,795
Unstructured loan	7,500	-	-	(7,500)	-
	11,538	(2,341)	220	(6,622)	2,795

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

(b) Reconciliation of liabilities arising from financing activities (Cont'd):

	1.4.2023 RM'000	Non-cash Acquisition RM'000	Non-cash Interest expenses RM'000	Cash flows RM'000	31.3.2024 RM'000
Company					
Lease liabilities	-	218	12	(79)	**151**
Bankers' acceptance	2,795	-	-	415	**3,210**
	2,795	218	12	336	**3,361**

	1.4.2022 RM'000	Non-cash Acquisition RM'000	Non-cash Interest expenses RM'000	Cash flows RM'000	31.3.2023 RM'000
Company					
Lease liabilities	79	-	5	(84)	-
Bankers' acceptance	-	-	-	2,795	2,795
Unstructured loan	7,500	-	-	(7,500)	-
	7,579	-	5	(4,789)	2,795

(c) Total cash outflows for leases as a lessee

During the financial year, the total cash outflows incurred for leases of the Group and Company amounting RM1,212,000 and RM202,000 (2023: RM2,219,000 and RM230,000) respectively.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

1. CORPORATE INFORMATION

IRIS Corporation Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

The registered office of the Company is located at Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at IRIS Smart Technology Complex, Lot 8 & 9, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur.

The principal activities of the Company are that of technology consulting and the implementation of trusted identification, payment, transportation and sustainable development.

The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

There have been no significant changes in the nature of the activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 23 July 2024.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new MFRS and amendments to MFRSs

The Group and the Company have adopted the following applicable new MFRS and amendments to MFRSs for the current financial year:

<u>New MFRS</u>
MFRS 17 Insurance Contracts

<u>Amendments to MFRSs</u>
MFRS 101 Presentation of Financial Statements
MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112 Income Taxes

The adoption of the above new MFRS and amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

Accordingly, the Group and the Company disclosed their material accounting policy information in these financial statements. However, the amendments did not result in changes to the accounting policies of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but are yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRSs		
MFRS 7	Financial Instruments: Disclosures	1 January 2024
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 16	Leases	1 January 2024
MFRS 101	Presentation of Financial Statements	1 January 2024
MFRS 107	Statement of Cash Flows	1 January 2024
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2025
MFRS 128	Investments in Associates and Joint Ventures	Deferred

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective (Cont'd)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below (Cont'd).

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 16 Leases

The amendments clarify how an entity should subsequently measure the leaseback liability that arise in a sale and leaseback transaction. Although MFRS 16 includes requirements on how to account for a sale and leaseback at the date the transaction takes place, it has not specified how to measure the sale and leaseback transaction when reporting after that date.

The amendments add subsequent measurement requirements for the right-of-use assets and lease liability arising from a sale and leaseback transaction by clarifying that a seller-lessee in a sale and leaseback transaction shall apply paragraphs 29 to 35 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 to the lease liability arising from the leaseback. The amendments will not change the accounting for leases other than those arising in a sale and leaseback transaction.

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective (Cont'd)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments/ improvements to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments/improvements to MFRSs that may be applicable to the Group and the Company are summarised below (Cont'd).

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including:

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.

- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

(c) The financial effects of the adoption of the applicable amendments to MFRSs that have been issued but are yet to be effective are currently still being assessed by the Group and the Company.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency, and has been rounded to the nearest thousand, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

(c) Associates

Investments in associates are accounted for in the consolidated financial statements using the equity method.

(d) Joint arrangements

The Group classifies its joint arrangements as disclosed in Note 11 as "joint venture" and accounts its interests using equity method as the Group has rights to the net assets of arrangements.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

<u>Debt instruments at amortised cost</u>

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial assets – subsequent measurement and gains and losses (Cont'd)

Debt instruments at fair value through other comprehensive income

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment (other than leasehold land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Leasehold land and buildings are measured at fair value, based on valuations by external independent valuers, less accumulated depreciation on buildings and any impairment losses recognised after the date of revaluation. Valuations are performed with sufficient regularity to ensure that the fair value of the leasehold land and buildings does not differ materially from the carrying amount. The gross carrying amount is restated and the difference compared to the revalued amount of asset is absorbed by the accumulated depreciation.

A revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve. However, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. If the asset's carrying amount is decreased as results of a revaluation, the decrease shall be recognised in profit or loss. However, the decrease shall be recognised in other comprehensive income to the extent of any credit balance existing in the revaluation reserve in respect of that asset.

The revaluation reserve is transferred to retained earnings as the assets are used. The amount of revaluation reserve transferred is the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Property, plant and equipment (Cont'd)

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

All other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Leasehold buildings	50 years
Office buildings	2 years
Office equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 years
Plant and machinery	3 to 13 years

3.5 Leases

Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and Note 6(a) to the financial statements and lease liabilities as separate lines in the statements of financial position and Note 6(b) to the financial statements.

<u>Short-term leases and leases of low value assets</u>

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

<u>Right-of-use asset</u>

The right-of-use assets (other than leasehold land that measures using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

<u>Lease liabilities</u>

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Intangible assets

Intangible assets, other than goodwill and licenses, that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Development costs	Straight-line	5 years
Intellectual properties	Straight-line	10 years to 20 years

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- raw materials: purchase costs on a weighted average cost basis.
- finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average cost basis.

3.8 Service concession arrangements

The Group and the Company entered into various public-to-private service concession arrangements to construct, operate and maintain infrastructures used to provide a public service for a specified period of time. Under these concession arrangements, the grantor controls significant residual interest in the infrastructure at the end of the concession period.

The service concession arrangements are accounted for based on the nature of the consideration as follows:

- the intangible asset model is used to the extent that the Group and the Company receive a right (a license) to charge users of the public service;
- the financial asset model is used when the Group and the Company have an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services; or
- when the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Service concession arrangements (Cont'd)

Financial assets model

The Group and the Company account for their service concession arrangements under the financial assets model as the Group and the Company have unconditional rights to receive cash or another financial asset from or at the direction of the grantor for the construction services. The consideration received and receivable is allocated by reference to the relative stand-alone selling prices of the various services delivered when the amounts are separately identifiable. The Group and the Company estimate the relative stand-alone selling prices of the services by reference to the costs of providing each service plus a reasonable profit margin.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at the amount of consideration to which the Group and the Company expect to be entitled. It is subsequently measured at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method.

Any asset carried under concession arrangements is derecognised when the contractual rights to the financial asset expire.

3.9 Revenue and other income

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Sale of goods

Revenue from manufactures and sales of goods are recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of the goods.

Sales are made with a credit term of 30 to 60 days, therefore, no element of financing is deemed present. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

Where consideration is collected from customer in advance for sale of good, a contract liability is recognised for the customer deposits. Contract liability would be recognised as revenue upon sale of goods to the customer.

Based on the terms of the contracts with certain customers, it is the Group's and the Company's obligation to repair or replace faulty products under different warranty terms to customers.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(b) Rendering of services

The Group and the Company provide maintenance services, technical support and other services to contract customers. Depending on contracts with customers, service contracts comprise multiple deliverables that require significant integration service will be accounted as a single performance obligation.

Whereas contracts with customers which include multiple distinct promises to customers will be accounted for as separate performance obligations. In the contract with customer contains more than one performance obligation, when the stand-alone selling price are not directly observable, they are estimated based on expected cost-plus-margin approach.

Based on the terms of the contracts with different customers, services are recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the actual costs incurred for work performed to-date plus a margin (an input method).

Sales are made with a credit term of 14 to 60 days, therefore, no element of financing is deemed present. The Group and the Company become entitled to invoice customers for services based on achieving a series of performance-related milestones.

The Group and the Company recognised a contract asset for any excess of revenue recognised to-date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to-date and any deposit or advances received from customers, then the Group and the Company recognise a contract liability for the difference.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(e) Construction and integration system contracts

Construction and integration system service contracts comprise multiple deliverables that require significant integration and customisation services and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the asset is transferred over time as the Group and the Company create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to-date plus a margin (an input method).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(e) Construction and integration system contracts (Cont'd)

Sales are made with a credit term of 30 to 60 days, therefore, no element of financing is deemed present. The Group and the Company become entitled to invoice customers based on achieving a series of performance-related milestones.

The Group and the Company recognised a contract asset for any excess of revenue recognised to-date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to-date and any deposit or advances received from customers, then the Group and the Company recognise a contract liability for the difference.

Based on the terms of the contracts with certain customers, defect liability period are usually 24 months from the date of certificate of practical completion as provided in the contracts with customers.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the value-in-use of the cash generating units to which goodwill is allocated. When value-in-use calculations are undertaken, the Group uses its judgement to decide the discount rates to be applied in the recoverable amount calculation and assumptions supporting the underlying cash flows projections, including forecast growth rates, inflation rates and gross profit margins. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for cash-generating unit, including sensitivity analysis, are disclosed in Note 7(a) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONT'D)

(b) Impairment of financial assets and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and their expected loss. The Group and the Company use judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's and the Company's history, existing market conditions as well as forward-looking estimates at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of receivables' actual default in the future.

The information about the impairment losses on the Group's and the Company's financial assets and contract assets are disclosed in Note 27(b)(i) to the financial statements.

(c) Revenue recognition for contract customers

The Group recognised contract revenue for a construction and integration system project in the profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs.

Significant judgement is required, in particular, with regards to the identification and separation of different performance obligations, the determination of progress towards satisfaction of performance obligations, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of identified contracts with customers. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

The contract revenue recognised is disclosed in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Group						
Cost/Valuation						
At 1 April 2023	67,000	23,990	558	70,774	16,000	178,322
Additions	-	207	165	2,368	218	2,958
Disposals	-	(12)	(139)	-	-	(151)
Derecognition	-	-	-	-	(4,977)	(4,977)
Transfer from disposal group classified as held for sale	-	3,327	595	-	4,977	8,899
Written off	-	(2,411)	-	-	-	(2,411)
At 31 March 2024	67,000	25,101	1,179	73,142	16,218	182,640
Accumulated depreciation and impairment loss						
At 1 April 2023	7,584	22,943	437	65,824	1,812	98,600
Depreciation charge for the financial year	1,896	851	109	1,395	1,354	5,605
Disposals	-	(5)	(139)	-	-	(144)
Derecognition	-	-	-	-	(3,594)	(3,594)
Transfer from disposal group classified as held for sale	-	1,377	502	-	2,765	4,644
Written off	-	(1,130)	-	-	-	(1,130)
At 31 March 2024	9,480	24,036	909	67,219	2,337	103,981
Carrying amounts						
At 31 March 2024	57,520	1,065	270	5,923	13,881	78,659

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Group						
Cost/Valuation						
At 1 April 2022	67,000	27,677	1,153	70,198	21,107	187,135
Additions	-	302	-	681	-	983
Disposals	-	(662)	-	(105)	-	(767)
Derecognition	-	-	-	-	(130)	(130)
Transfer to disposal group classified as held for sale	-	(3,327)	(595)	-	(4,977)	(8,899)
At 31 March 2023	67,000	23,990	558	70,774	16,000	178,322
Accumulated depreciation and impairment loss						
At 1 April 2022	5,688	23,438	724	64,539	2,530	96,919
Depreciation charge for the financial year	1,896	1,397	215	1,390	2,177	7,075
Disposals	-	(515)	-	(105)	-	(620)
Derecognition	-	-	-	-	(130)	(130)
Transfer to disposal group classified as held for sale	-	(1,377)	(502)	-	(2,765)	(4,644)
At 31 March 2023	7,584	22,943	437	65,824	1,812	98,600
Carrying amounts						
At 31 March 2023	59,416	1,047	121	4,950	14,188	79,722

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Company						
Cost/Valuation						
At 1 April 2023	67,000	23,985	1,174	70,756	16,000	178,915
Additions	-	534	243	2,369	218	3,364
Disposals	-	(8)	(54)	-	-	(62)
Written off	-	(3)	-	-	-	(3)
At 31 March 2024	67,000	24,508	1,363	73,125	16,218	182,214
Accumulated depreciation and impairment loss						
At 1 April 2023	7,584	22,941	696	65,802	1,812	98,835
Depreciation charge for the financial year	1,896	506	194	1,393	525	4,514
Disposals	-	(1)	(54)	-	-	(55)
Written off	-	*	-	-	-	-
At 31 March 2024	9,480	23,446	836	67,195	2,337	103,294
Carrying amounts						
At 31 March 2024	57,520	1,062	527	5,930	13,881	78,920

* *Represent amount less than RM1,000*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Company						
Cost/Valuation						
At 1 April 2022	67,000	23,820	1,174	70,180	16,130	178,304
Additions	-	230	-	681	-	911
Disposals	-	(65)	-	(105)	-	(170)
Derecognition	-	-	-	-	(130)	(130)
At 31 March 2023	67,000	23,985	1,174	70,756	16,000	178,915
Accumulated depreciation and impairment loss						
At 1 April 2022	5,688	22,278	536	64,517	1,424	94,443
Depreciation charge for the financial year	1,896	728	160	1,390	518	4,692
Disposals	-	(65)	-	(105)	-	(170)
Derecognition	-	-	-	-	(130)	(130)
At 31 March 2023	7,584	22,941	696	65,802	1,812	98,835
Carrying amounts						
At 31 March 2023	59,416	1,044	478	4,954	14,188	80,080

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation on leasehold land and leasehold buildings

Had the revalued leasehold land and leasehold buildings been carried at historical cost less accumulated depreciation, the net carrying amount of the leasehold land and buildings and that would have been included in the financial statement of the Group and the Company are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Leasehold buildings	**21,909**	22,955
Right-of-use assets - Leasehold land	**7,029**	7,154

Fair value information

	Group and Company	
	2024 RM'000	2023 RM'000
Level 3		
Leasehold land	**16,000**	16,000
Leasehold buildings	**67,000**	67,000

There is no transfer between the level of fair value hierarchy during the financial year ended 31 March 2024.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Leasehold land and leasehold buildings	Income approach	Estimated average rental rate per square feet per month RM1.90	The higher the estimated rental/average rental rate per square feet per month, the higher the fair value.

Valuation process applied by the Group and the Company

The fair value of leasehold land and leasehold buildings are determined based on the valuation performed by an external independent firm of professional valuers, Knight Frank Malaysia Sdn. Bhd., a member of the Institute of Valuers in Malaysia on 29 June 2020.

Highest and best use

In estimating the fair value of the leasehold land and leasehold buildings, the highest and best use of the leasehold land and leasehold buildings is their current use.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

The Group and the Company leases several assets which including leasehold land and office building as their office space and operation site.

The leasehold land has a remaining lease term of 31 years (2023: 32 years).

The lease of office building has remaining lease term of 2 years (2023: Nil).

The information about leases of the Group and the Company as lessees are presented below:

	Leasehold land (At valuation) RM'000	Office buildings (At cost) RM'000	Total RM'000
Group			
Cost/Valuation			
At 1 April 2022	16,000	5,107	21,107
Derecognition	-	(130)	(130)
Transfer to disposal group classified as held for sale	-	(4,977)	(4,977)
At 31 March 2023	16,000	-	16,000
Addition	-	218	218
Derecognition	-	(4,977)	(4,977)
Transfer from disposal group classified as held for sale	-	4,977	4,977
At 31 March 2024	16,000	218	16,218
Accumulated depreciation			
At 1 April 2022	1,359	1,171	2,530
Depreciation charge for the financial year	453	1,724	2,177
Derecognition	-	(130)	(130)
Transfer to disposal group classified as held for sale	-	(2,765)	(2,765)
At 31 March 2023	1,812	-	1,812
Depreciation charge for the financial year	452	902	1,354
Derecognition	-	(3,594)	(3,594)
Transfer from disposal group classified as held for sale	-	2,765	2,765
At 31 March 2024	2,264	73	2,337
Carrying amount			
At 31 March 2024	13,736	145	13,881
At 31 March 2023	14,188	-	14,188

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) Right-of-use assets (Cont'd)

The information about leases of the Group and the Company as lessees are presented below (Cont'd):

	Leasehold land (At valuation) RM'000	Office buildings (At cost) RM'000	Total RM'000
Company			
Cost/Valuation			
At 1 April 2022	**16,000**	**130**	**16,130**
Derecognition	**-**	**(130)**	**(130)**
At 31 March 2023	**16,000**	**-**	**16,000**
Additions	**-**	**218**	**218**
At 31 March 2024	**16,000**	**218**	**16,218**
Accumulated depreciation			
At 1 April 2022	**1,359**	**65**	**1,424**
Depreciation charge for the financial year	**453**	**65**	**518**
Derecognition	**-**	**(130)**	**(130)**
At 31 March 2023	**1,812**	**-**	**1,812**
Depreciation charge for the financial year	**452**	**73**	**525**
At 31 March 2024	**2,264**	**73**	**2,337**
Carrying amount			
At 31 March 2024	**13,736**	**145**	**13,881**
At 31 March 2023	14,188	-	14,188

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Minimum lease payment:		
Not later than 1 year	79	-
Later than 1 year and not later than 5 years	82	-
	161	-
Less: Future finance charges	(10)	-
Present value of minimum lease payments	151	-
Present value of minimum lease payments:		
Not later than 1 year	72	-
Later than 1 year and not later than 5 years	79	-
	151	-
Less: Amount due within 12 months	(72)	-
Amount due after 12 months	79	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Development costs RM'000	Intellectual properties RM'000	Total RM'000
Group				
Cost				
At 1 April 2023/31 March 2024	**129,689**	**16,451**	**40,391**	**186,531**
Accumulated amortisation and impairment loss				
At 1 April 2023	**19,689**	**16,345**	**40,187**	**76,221**
Amortisation charge for the financial year	**-**	**42**	**204**	**246**
Impairment loss for the financial year	**10,000**	**-**	**-**	**10,000**
At 31 March 2024	**29,689**	**16,387**	**40,391**	**86,467**
Carrying amounts				
At 31 March 2024	**100,000**	**64**	**-**	**100,064**
Cost				
At 1 April 2022/31 March 2023	129,689	16,451	40,391	186,531
Accumulated amortisation and impairment loss				
At 1 April 2022	1,421	16,303	38,963	56,687
Amortisation charge for the financial year	-	42	1,224	1,266
Impairment loss for the financial year	18,268	-	-	18,268
At 31 March 2023	19,689	16,345	40,187	76,221
Carrying amounts				
At 31 March 2023	110,000	106	204	110,310

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. INTANGIBLE ASSETS (CONT'D)

	Development costs RM'000	Intellectual properties RM'000	Total RM'000
Company			
Cost			
At 1 April 2023/31 March 2024	**16,451**	**40,391**	**56,842**
Accumulated amortisation			
At 1 April 2023	**16,345**	**40,187**	**56,532**
Amortisation charge for the financial year	**42**	**204**	**246**
At 31 March 2024	**16,387**	**40,391**	**56,778**
Carrying amounts			
At 31 March 2024	**64**	**-**	**64**
Cost			
At 1 April 2022/31 March 2023	16,451	40,391	56,842
Accumulated amortisation			
At 1 April 2022	16,303	38,963	55,266
Amortisation charge for the financial year	42	1,224	1,266
At 31 March 2023	16,345	40,187	56,532
Carrying amounts			
At 31 March 2023	106	204	310

(a) Goodwill on consolidation

Impairment of goodwill

The Group reviews the business performance based on the type of products and services of the strategic business units which represent its reportable operating segments. For the purpose of impairment testing, goodwill acquired through business combinations is allocated to the following Group's cash generating unit ("CGU") which is also reportable operating segment, which represent the lowest level within the Group at which goodwill is monitored for internal management purposes.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (Cont'd)

Impairment of goodwill (Cont'd)

The carrying amount of goodwill allocated to the CGU of the Group, according to operating segment is as follows:

	Group	
	2024 RM'000	2023 RM'000
Trusted identification	**100,000**	110,000

Goodwill is assessed at each reporting period regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of the CGU.

The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by the directors covering a three-year period to be more reflective of the recent new contracts entered or renewed by the Group and the Company.

As at 31 March 2024, an impairment loss of RM10,000,000 (2023: RM18,268,000) is recognised as the carrying amount of the CGU exceeded the recoverable amount. The impairment loss is fully allocated to goodwill and is recorded within other expenses line in profit or loss of the Group.

The value-in-use calculation is most sensitive to the following key assumptions:

	CGU	
	2024	2023
Average gross margin	**27%**	28%
Discount rate	**15%**	17%

These key assumptions have been used for the analysis of the CGU within the operating segments. The values assigned to the key assumptions represent directors' assessment of future trends in the trusted identification industry and are based on both external sources and internal sources (historical data).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (Cont'd)

Impairment of goodwill (Cont'd)

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

- Sales are based on the secured contracts with customers over the three-year projection period.
- Gross margin is the forecasted margin as a percentage of revenue over the three-year projection period.
- Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects directors' estimate of the risks specific to the CGU at the date of assessment.

(b) Development costs

The development costs principally comprise internally generated expenditure incurred for developing the devices and software where it is reasonably anticipated that the costs will be recovered through future activities.

(c) Intellectual properties

The intellectual properties mainly consist of trademarks, patents, licenses and copyright.

(d) Amortisation

All the amortisation of development costs and intellectual properties of the Group and the Company are included in cost of sales.

8. OPERATING FINANCIAL ASSETS

	Group and Company	
	2024 RM'000	2023 RM'000
At the beginning of the financial year	**8,099**	9,291
Add: Effect on accretion of interest from discounting	**613**	704
Less: Payment received	**(1,896)**	(1,896)
At the end of the financial year	**6,816**	8,099
Non-current	**5,436**	6,817
Current	**1,380**	1,282
	6,816	8,099

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

8. OPERATING FINANCIAL ASSETS (CONT'D)

The Group and the Company had entered into the following concession agreements:

Financial assets model

(a) The Group and the Company had entered into a concession agreement with the Government of Republic of Senegal on 3 September 2007 for the Built-Own-Transfer ("BOT") implementation of electronic passport system for a period of 20 years comprising 6 months of construction work and 19 years and 6 months of maintenance work and supply of products. Upon the expiry of the concession period, the Group and the Company are required to handover the facilities and infrastructure at no cost to the Government of Republic of Senegal in a well-maintained condition, fair of wear and tear.

(b) The Group and the Company had entered into a concession agreement with the Government of Republic of Guinea on 4 October 2013 for the establishment of information and management system of electronic passport, visa and permanent residence ID for a period of 15 years comprising of 6 months of construction work and 14 years and 6 months of maintenance work and supply of products. Upon the expiry of the concession period, the Group and the Company are required to handover the facilities and infrastructure at no cost to the Government of Republic of Guinea in a well-maintained condition, fair of wear and tear.

(c) The Group and the Company had entered into a concession agreement with the Government of Solomon Islands on 24 November 2015 for the establishment of information and management system of electronic passport and border control for a period of 20 years comprising of 6 months of construction work and 19 years and 6 months of maintenance work and supply of products. Upon the expiry of the concession period, the Group and the Company are required to handover the facilities and infrastructure at no cost to the Government of Solomon Islands in a well-maintained condition, fair of wear and tear.

The amount, being the financial assets arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. The interest at the rates ranging from 7.41% to 7.63% (2023: 7.41% to 7.63%) per annum repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession assets.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9. INVESTMENT IN SUBSIDIARIES

	Note	Company 2024 RM'000	Company 2023 RM'000
At cost			
Unquoted shares			
At the beginning of the financial year		**318,169**	231,091
Add: Additions during the financial year		**2,749**	93,078
Add: Transfer from disposal group classified as held for sale	16	**6,000**	-
Less: Transfer to disposal group classified as held for sale	16	**-**	(6,000)
At the end of the financial year		**326,918**	318,169
Less: Accumulated impairment losses			
At the beginning of the financial year		**246,234**	153,226
Add: Impairment loss during the financial year		**2,749**	93,008
At the end of the financial year		**248,983**	246,234
Carrying amounts			
At the end of the financial year		**77,935**	71,935

(a) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
IRIS Information Technology Systems Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification and information technology related products, services and business solutions.
IRIS Advancetech Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification and information technology related products.
IRIS Project Management Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification related products, services, maintenance and business solution.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows (Cont'd):

Name of company	Principal place of business/ country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
IRIS RK Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification and information technology related products, services and business solutions.
IRIS Corporation (Bangladesh) Limited +	Bangladesh	**100**	100	Provision of trusted identification services and maintenance.
IRIS AMS Sdn. Bhd.	Malaysia	**100**	100	Provision of attendance management solution and other trusted identification related products.
IRIS Tech Ventures Sdn. Bhd.	Malaysia	**100**	100	Investment holding.
IRIS eServices Sdn. Bhd.	Malaysia	**100**	100	Investment holding.
IRIS Technologies (M) Sdn. Bhd.	Malaysia	**100**	100	Dormant.
IRIS KM Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Thetris ISS Sdn. Bhd.	Malaysia	**100**	77.78	Dormant.
IRIS Border Control Solutions Sdn. Bhd.	Malaysia	**100**	-	Dormant.
RB Biotech Sdn. Bhd.	Malaysia	**66.67**	66.67	Dormant.
Warisan Atlet (M) Sdn. Bhd. ^	Malaysia	**49**	49	Dormant.
Subsidiary of IRIS Advancetech Sdn. Bhd.				
Endah Farm Sdn. Bhd.	Malaysia	**60**	60	Dormant.

\+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

^ *The Group has control over the subsidiary pursuant to MFRS 10 Consolidated Financial Statements, due to the parent company has significant representation on subsidiary's board of directors.*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Acquisition/Incorporation of subsidiaries

2024

(i) Acquisition of remaining 22.22% equity interest of Thetris ISS Sdn. Bhd.

On 10 June 2023, the Company acquired additional 20,000 shares representing 22.22% of the remaining issued and fully paid-up shares of RM1 each in Thetris ISS Sdn. Bhd. for a total consideration of RM1. Thetris ISS Sdn. Bhd. then become a wholly owned subsidiary of the Group and the Company.

Effect of the increase in the ownership interest is as follows:

	RM'000
Fair value of consideration transferred	- *
Increase in share of net liabilities (before intra-group elimination)	(18)
Excess charged directly to equity	(18)

* *Represent amount less than RM1,000*

(ii) Incorporation of wholly owned subsidiary, IRIS Border Control Solutions Sdn. Bhd.

On 12 July 2023, the Company incorporated a wholly owned subsidiary, IRIS Border Control Solutions Sdn. Bhd., which has 2 shares representing 100% of the issued and fully paid-up shares of RM1 each for a total consideration of RM2.

2023

(i) Acquisition of 77.78% equity interest of Thetris ISS Sdn. Bhd.

On 16 August 2022, the Company subscribed for 70,000 shares representing 77.78% of the issued and fully paid-up shares of RM1 each in Thetris ISS Sdn. Bhd. for a total consideration of RM70,000.

(c) Allotment of additional investment in subsidiaries

2024

(i) Allotment of shares in IRIS Tech Ventures Sdn. Bhd.

On 30 October 2023, the Company subscribed additional RM2,749,288 interest (representing 2,749,288 ordinary shares) in IRIS Tech Ventures Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Allotment of additional investment in subsidiaries (Cont'd)

2023

(i) Allotment of additional interest in IRIS Advancetech Sdn. Bhd.

On 2 June 2022, the Company subscribed additional RM24,758,000 interest (representing 24,758,000 ordinary shares) in IRIS Advancetech Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

(ii) Allotment of additional interest in IRIS AMS Sdn. Bhd.

On 2 June 2022, the Company subscribed additional RM17,250,000 interest (representing 17,250,000 ordinary shares) in IRIS AMS Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

(iii) Allotment of additional interest in IRIS KM Sdn. Bhd.

On 2 June 2022, the Company subscribed additional RM22,000,000 interest (representing 22,000,000 ordinary shares) in IRIS KM Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

(iv) Allotment of additional interest in IRIS RK Sdn. Bhd.

On 2 June 2022, the Company subscribed additional RM29,000,000 interest (representing 29,000,000 ordinary shares) in IRIS RK Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

(d) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Warisan Atlet (M) Sdn. Bhd.	Malaysia	**51**	51
RB Biotech Sdn. Bhd.	Malaysia	**33.33**	33.33
Endah Farm Sdn. Bhd.	Malaysia	**40**	40
Thetris ISS Sdn. Bhd.	Malaysia	**-**	22.22

(e) Summarised financial information of material non-controlling interests

The summarised financial information of the Group's and the Company's subsidiaries that have non-controlling interests has not been presented as the non-controlling interests in subsidiaries are not individually material to the Group.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. INVESTMENT IN ASSOCIATES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At cost				
Unquoted shares	**5,000**	5,000	**5,000**	5,000
Share of post-acquisition reserves, net of dividend received	**(4,289)**	(4,248)	**-**	-
	711	752	**5,000**	5,000
Less: Impairment losses	**-**	-	**(4,268)**	(4,248)
	711	752	**732**	752

Details of the associates are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities/nature of relationship
Multimedia Display Technologies Sdn. Bhd. ("MDT") + * #	Malaysia	**44.4**	44.4	Research, development, marketing and distribution of CRT/LCD display monitors and Radio Frequency Identity System (RFID). The activities contribute to the Group's trusted identification business segment.
Associate of IRIS Advancetech Sdn. Bhd.				
Ubud Tower Sdn. Bhd.	Malaysia	**50**	50	Dormant.

+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

* *The financial year end of this associate is not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management financial statements of the associate for the financial period ended 31 March 2024 have been used.*

The audited financial statements and auditors' report of the associates are not available. The management accounts have been used for the purpose of consolidation.

(a) Summarised financial information of material associate

Summarised financial information of the associates has not been presented as the associates and the share of results of associates are not individually material to the Group.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

10. INVESTMENT IN ASSOCIATES (CONT'D)

(b) Unrecognised share of losses of Ubud Tower Sdn. Bhd.

The Group has not recognised its share of losses of Ubud Tower Sdn. Bhd. amounting to RM3,787 (2023: RM3,370) because the Group's cumulative share of losses has exceeded its interest in the associates and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM31,376 (2023: RM27,589).

11. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At cost				
Unquoted shares	**39,037**	39,037	**39,037**	39,037
Share of post-acquisition reserves	**(30,493)**	(30,493)	**-**	-
	8,544	8,544	**39,037**	39,037
Less: Impairment losses	**(8,752)**	(8,752)	**(39,037)**	(39,037)
Add: Exchange differences	**208**	208	**-**	-
	-	-	**-**	-

Details of the joint ventures are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %	Principal activities
Plaman Resources Limited ("Plaman") +	New Zealand	51	51	Liquidated.
Subsidiary of Plaman Resources Limited				
Plaman Services Limited + #	New Zealand	100	100	Liquidated.
Plaman Services (Australia) Pty. Ltd. + #	Australia	100	100	Liquidated.
Plaman Services Corporation + #	United States of America	100	100	Liquidated.

+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*
# *The financial statements of the subsidiaries have not been consolidated in Plaman's financial statements as all the subsidiaries have liquidated.*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

11. INVESTMENT IN JOINT VENTURES (CONT'D)

Plaman Resources Limited ("Plaman"), a company incorporated in New Zealand, had on 13 June 2019, passed a shareholders' special resolution to wind up Plaman by way of voluntary liquidation and had appointed Conor McElhinney and Andrew Grenfell of the firm McGrath Nicol, of Auckland New Zealand as joint and several liquidators for the purpose of winding up of the affairs and distributing the assets of Plaman, where necessary.

The liquidation process was completed on 7 March 2024 and Plaman had been removed from New Zealand Companies Office on 24 April 2024.

The voluntary liquidation has no any material impact on the earnings and net assets of the Group and the Company as the investment in Plaman had been fully impaired in the previous financial years and the Company does not provide any corporate guarantee to Plaman.

The summarised financial information of Plaman was not presented for the current financial year as Plaman is not individually material to the Group.

12. INVENTORIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Raw materials	**8,774**	3,097	**8,774**	3,097
Work-in-progress	**9,075**	7,343	**9,075**	7,343
Finished goods	**11,360**	19,936	**8,328**	18,391
	29,209	30,376	**26,177**	28,831

The cost of inventories of the Group and of the Company recognised as an expense in cost of sales during the financial year was RM87,870,281 (2023: RM73,280,767) and RM69,085,948 (2023: RM47,408,540) respectively.

The cost of inventories of the Group and of the Company recognised in cost of sales in respect of net provision/(reversal) of written down inventories to net realisable value are:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net provision/(reversal) of inventories written down	**150,013**	(2,138,153)	**(215,508)**	(2,083,236)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. TRADE AND OTHER RECEIVABLES

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Current:					
Trade					
Third parties	(a)	**107,652**	105,595	**67,984**	77,650
Amount owing by a subsidiary		**-**	-	**5,157**	9,679
		107,652	105,595	**73,141**	87,329
Less: Accumulated impairment losses		**(15,859)**	(16,566)	**(14,256)**	(10,014)
		91,793	89,029	**58,885**	77,315
Non-trade					
Other receivables	(b)	**14,367**	14,857	**10,417**	10,847
Value added tax refundable		**3,190**	3,058	**2,596**	2,596
Withholding tax refundable		**7,567**	4,988	**7,567**	4,988
Deposits	(b)	**21,082**	21,333	**14,744**	14,124
Advances to suppliers		**4,686**	1,134	**4,686**	1,134
Amount owing by subsidiaries	(b)	**-**	-	**136,623**	145,171
Amount owing by associates	(b)	**59**	52	**59**	52
		50,951	45,422	**176,692**	178,912
Less: Accumulated impairment losses					
- other receivables	(b)	**(13,964)**	(13,964)	**(10,015)**	(10,015)
- value added tax refundable		**(2,596)**	(2,596)	**(2,596)**	(2,596)
- withholding tax refundable		**(2,765)**	(2,765)	**(2,765)**	(2,765)
- deposits	(b)	**(17,545)**	(17,545)	**(11,684)**	(11,684)
- amount owing by subsidiaries	(b)	**-**	-	**(93,402)**	(92,605)
- amount owing by associates	(b)	**(59)**	(52)	**(59)**	(52)
		(36,929)	(36,922)	**(120,521)**	(119,717)
		14,022	8,500	**56,171**	59,195
Total trade and other receivables		**105,815**	97,529	**115,056**	136,510

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit term offered by the Group and the Company ranging from 14 to 60 days (2023: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 April	**16,566**	20,217	**10,014**	10,458
Transfer from disposal group classified as held for sale	**267**	-	**-**	-
Charge for the financial year				
- Individually assessed	**3,295**	-	**8,444**	-
Reversal of impairment losses				
- Individually assessed	**(1,385)**	(107)	**(1,318)**	(104)
Written off for the financial year	**(3,253)**	(3,662)	**(3,253)**	(725)
Transfer to disposal group classified as held for sale	**-**	(267)	**-**	-
Exchange differences	**369**	385	**369**	385
At 31 March	**15,859**	16,566	**14,256**	10,014

Included in trade receivables is an amount owing of RM29,184,392 (2023: RM38,926,059) owing by a contract customer of which credit is enhanced by a security deposit received as disclosed in Note 21(c) to the financial statements.

The information about the credit exposures is disclosed in Note 27(b)(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables, deposits, amount owing by subsidiaries and associates

The non-trade amounts owing by subsidiaries and associates are unsecured, interest-free, repayable on demand and are expected to be settled in cash.

The reconciliation of movement in the Group's and the Company's impairment of other receivables, deposits and non-trade amount owing by subsidiaries and associates are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 April	**36,922**	41,222	**119,717**	217,218
Charge for the financial year	**7**	6	**3,037**	1,835
Reversal for the financial year	**-**	-	**(2,233)**	(95,030)
Written off for the financial year	**-**	(4,306)	**-**	(4,306)
At 31 March	**36,929**	36,922	**120,521**	119,717

14. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Contract assets relating to contract works with customers	**148,707**	9,258	**5,065**	7,902
Contract liabilities relating to contract works with customers	**(4,715)**	(2,555)	**(4,715)**	(2,555)

(a) The contract assets represent the Group's and the Company's rights to consideration for goods or services transferred but are yet to be billed. Contract assets are transferred to receivables when the Group and Company issue progress billings to the customers.

(b) The contract liabilities represent advance consideration received from the customers for the goods or services which are yet to fulfil the performance obligations.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) Significant changes in contract assets and liabilities balances

	2024		2023	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	**-**	**2,555**	-	2,634
Increases due to consideration received from customers, but revenue not recognised	**-**	**(4,715)**	-	(2,555)
Increases due to unbilled revenue recognised	**97,855**	**-**	66,607	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(17,474)**	**-**	(57,737)	-
Transfer from/(to) disposal group classified as held for sale	**59,068**	**-**	(59,068)	-
Company				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	**-**	**2,555**	-	2,634
Increases due to consideration received from customers, but revenue not recognised	**-**	**(4,715)**	-	(2,555)
Increases due to unbilled revenue recognised	**3,346**	**-**	6,183	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(6,183)**	**-**	(5,990)	-

(d) Revenue recognised in relation to contract assets and liabilities balances

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	**2,555**	2,634	**2,555**	2,634

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(e) Included in the contract assets of the Group is an amount of RM143,642,636 in relation to NIISe contract. As disclosed in Note 32 (iii) to the financial statements, the NIISe contract was terminated on 10 August 2023.

15. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	**61,624**	17,311	**41,409**	14,680
Short-term deposits placed with licensed banks	**98,842**	74,669	**79,822**	59,868
	160,466	91,980	**121,231**	74,548

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term deposits placed with licensed banks	**98,842**	74,669	**79,822**	59,868
Less: Pledged deposits and deposits with maturity period of more than three months	**(18,623)**	(14,486)	**(15,179)**	(14,486)
	80,219	60,183	**64,643**	45,382
Cash and bank balances	**61,624**	17,311	**41,409**	14,680
	141,843	77,494	**106,052**	60,062
Transfer to disposal group classified as held for sale (Note 16)	**-**	30,664	**-**	-
Less: Pledged deposits and deposits with maturity period of more than three months	**-**	(3,357)	**-**	-
	141,843	104,801	**106,052**	60,062

(b) Included in cash and bank balances and short-term deposits placed with licensed banks of the Group and of the Company are amounts of RM31,322,015 and RM14,995,208 (2023: RM14,485,825 and RM14,485,825) respectively pledged to licensed banks for bank guarantee facilities and credit facilities granted to the Group and the Company as disclosed in Note 20 to the financial statements and hence, are not available for general use.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

15. CASH AND SHORT-TERM DEPOSITS (CONT'D)

(c) The weighted average effective interest rates of the short-term deposits at the end of the reporting date ranged from 2.50% to 5.50% (2023: 1.60% to 5.50%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (2023: 30 to 365 days).

16. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 10 February 2023, the Company entered into a Shares Sale Agreement ("SSA") with Tass Tech Technologies Sdn. Bhd. ("TTTSB"), a company incorporated in Malaysia, for the proposed disposal of 80% equity interest in IRIS Information Technology Systems Sdn. Bhd. ("IITS"), for a total cash consideration of RM70,000,000. The assets and liabilities related to IITS have been presented as held for sale in the previous financial year.

On 15 April 2024, the Company terminated the SSA due to TTTSB had failed to make any settlement for Tranche 2 Payment on or before 29 February 2024. The details of the termination of the proposed disposal are disclosed in Note 33(b) to the financial statements. The termination of the SSA resulting in IITS ceased to be classified as held for sale. Consequently, the assets and liabilities related to IITS have been reclassified to respective line in the statements.

Below are the detail of assets and liabilities that presented as held for sale in previous financial year:

	Group 2023 RM'000
Assets of a disposal group classified as held for sale	
Property, plant and equipment & right-of-use assets	4,255
Trade and other receivables	3,596
Prepayment	447
Contract assets	59,068
Current tax assets	780
Cash and bank balances	30,664
	98,810
Liabilities of a disposal group classified as held for sale	
Trade and other payables	(27,001)
Lease liabilities	(2,341)
	(29,342)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

16. ASSETS/(LIABILITIES) OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONT'D)

The asset classified as held for sale on the Company's statement of financial position as at 31 March 2023 is as follows:

	Company 2023 RM'000
Assets:	
Investment in a subsidiary	6,000

17. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Ordinary shares Issued and fully paid up: (no par value)				
At 1 April	**3,262,910**	3,262,910	**610,759**	610,759
Capital reduction during the financial year	**-**	-	**(430,000)**	-
Share consolidation during the financial year	**(2,447,183)**	-	**-**	-
At 31 March	**815,727**	3,262,910	**180,759**	610,759

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

During the financial year, the Company had undertaken:

(i) On 1 March 2024, the High Court approved the resolution for the capital reduction, which entailed reduction of the issued share capital of Company pursuant to Section 116 of the Companies Act 2016. The credit of RM430,000,000 arising from capital reduction was used to eliminate the accumulated losses of the Company; and

(ii) On 25 March 2024, the Company completed its share consolidation exercise which involved every four (4) existing ordinary shares in the Company held by shareholders into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 3,262,910,862 units to 815,727,624 units.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

18. OTHER RESERVES

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Foreign exchange translation reserve	(a)	**27**	1	**-**	-
Revaluation reserve	(b)	**29,226**	30,189	**8,569**	8,851
		29,253	30,190	**8,569**	8,851

(a) Foreign exchange translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

(b) Revaluation reserve

The revaluation reserve represented surpluses which arose from the valuation of the property.

19. DEFERRED TAX LIABILITIES

Presented after appropriate offsetting as follows:

	Group and Company 2024 RM'000	Group and Company 2023 RM'000
Deferred tax liabilities	**(11,491)**	(10,011)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax relates to the following:

Group and Company	At 1 April 2023 RM'000	Recognised in profit or loss RM'000	At 31 March 2024 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(15,030)	554	**(14,476)**
Deferred tax assets:			
Other items	5,019	(2,034)	**2,985**
	(10,011)	(1,480)	**(11,491)**

Group and Company	At 1 April 2022 RM'000	Recognised in profit or loss RM'000	At 31 March 2023 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(15,105)	75	(15,030)
Deferred tax assets:			
Other items	1,999	3,020	5,019
	(13,106)	3,095	(10,011)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

19. DEFERRED TAX LIABILITIES (CONT'D)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Temporary differences on property, plant and equipment	**(19)**	(529)	**-**	-
Unabsorbed capital allowances	**14,982**	15,469	**-**	-
Unutilised tax losses	**86,774**	103,513	**-**	-
Impairment losses for trade receivables	**9,106**	10,014	**9,106**	10,014
Other items	**12,157**	14,116	**13,900**	14,116
	123,000	142,583	**23,006**	24,130
Potential deferred tax assets not recognised at 24% (2023: 24%)	**29,520**	34,220	**5,521**	5,791

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, any accumulated tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. The Finance Act 2021 was published on 31 December 2021 with extension of the time period for carrying forward unused tax losses to 10 years from existing 7 years. The 10 years expiry of the unutilised tax losses is as below:

	Group	
	2024 RM'000	2023 RM'000
Year of assessment		
2028	**60,007**	84,580
2029	**4,544**	10,933
2030	**959**	959
2031	**5,776**	5,776
2032	**919**	919
2033	**346**	346
2034	**14,223**	-
	86,774	103,513

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

20. LOANS AND BORROWINGS

	Group and Company	
	2024 RM'000	2023 RM'000
Current:		
Unsecured		
Bankers' acceptance	**3,210**	2,795

The bankers' acceptance bears effective interest rates is 4.96% (2023: 4.50% to 4.90%) per annum at the end of the financial year.

21. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current:					
Trade					
Third parties	(a)	**58,549**	27,486	**14,652**	24,300
Amount owing to subsidiaries	(b)	**-**	-	**-**	530
Accruals		**87,995**	22,954	**51,057**	19,620
		146,544	50,440	**65,709**	44,450
Non-trade					
Other payables		**25,779**	3,804	**1,674**	2,160
Sales and services tax and value added tax payable		**1,012**	642	**1,012**	627
Deposits	(c)	**38,036**	55,996	**37,092**	55,269
Accruals		**21,089**	19,817	**14,002**	15,749
Amount owing to subsidiaries	(b)	**-**	-	**82,095**	79,545
		85,916	80,259	**135,875**	153,350
Total trade and other payables		**232,460**	130,699	**201,584**	197,800

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

21. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from 30 to 90 days (2023: 30 to 90 days).

(b) Amount owing to subsidiaries

In previous financial year, the trade amount owing was subject to the normal trade credit terms ranging from 30 to 90 days. The amount owing was expected to be settled in cash.

The non-trade amounts owing represent unsecured, interest free advances, payments made on behalf, repayable on demand and are expected to be settled in cash.

(c) Deposits

Included in deposits of the Group and the Company is an amount of RM30,075,741 (2023: RM48,203,670) represents the security deposits made by a contract customer.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 27(b)(ii) to the financial statements.

22. REVENUE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue from contract customers:				
Sales of goods	**203,474**	159,168	**203,944**	148,740
Maintenance and services	**41,638**	16,845	**9,894**	16,679
Construction and integration system contract	**50,417**	95,659	**-**	-
Construction contracts	**1,995**	4,637	**1,995**	4,216
Concession arrangements *	**73,584**	72,562	**73,584**	72,562
	371,108	348,871	**289,417**	242,197

* These relate to construction revenue recognised in accordance with IC Interpretation 12 *Service Concession Arrangements* and MFRS 15 *Revenue from Contracts with Customers* in respect of the construction of public services pursuant to the concession arrangements as disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22. REVENUE (CONT'D)

(a) Disaggregation of revenue

The Group reports the following major segments: trusted identification and sustainable development in accordance with MFRS 8 *Operating Segments*. For disclosure of disaggregation of revenue, it disaggregates revenue into primary geographical markets, major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

For information about disaggregation of revenue into primary geographical market, refer to Note 30 to the financial statements.

	Trusted identification RM'000	Sustainable development RM'000	Total RM'000
Group			
2024			
Major goods or services:			
Sales of goods	203,445	29	203,474
Maintenance and services	41,638	-	41,638
Construction and integration system contract	50,417	-	50,417
Construction contracts	-	1,995	1,995
Concession arrangements	73,584	-	73,584
	369,084	2,024	371,108
Timing of revenue recognition:			
At a point in time	203,445	29	203,474
Over time	165,639	1,995	167,634
	369,084	2,024	371,108

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Trusted identification RM'000	Sustainable development RM'000	Total RM'000
Group			
2023			
Major goods or services:			
Sales of goods	159,096	72	159,168
Maintenance and services	16,845	-	16,845
Construction and integration system contract	95,659	-	95,659
Construction contracts	-	4,637	4,637
Concession arrangements	72,562	-	72,562
	344,162	4,709	348,871
Timing of revenue recognition:			
At a point in time	159,096	72	159,168
Over time	185,066	4,637	189,703
	344,162	4,709	348,871
Company			
2024			
Major goods or services:			
Sales of goods	**203,944**	**-**	**203,944**
Maintenance and services	**9,894**	**-**	**9,894**
Construction contracts	**-**	**1,995**	**1,995**
Concession arrangements	**73,584**	**-**	**73,584**
	287,422	**1,995**	**289,417**
Timing of revenue recognition:			
At a point in time	**203,944**	**-**	**203,944**
Over time	**83,478**	**1,995**	**85,473**
	287,422	**1,995**	**289,417**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

22. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Trusted identification RM'000	Sustainable development RM'000	Total RM'000
Company			
2023			
Major goods or services:			
Sales of goods	148,740	-	148,740
Maintenance and services	16,679	-	16,679
Construction contracts	-	4,216	4,216
Concession arrangements	72,562	-	72,562
	237,981	4,216	242,197
Timing of revenue recognition:			
At a point in time	148,740	-	148,740
Over time	89,241	4,216	93,457
	237,981	4,216	242,197

(b) Transaction price allocated to the remaining performance obligations

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less. Also, the Group and the Company do not disclose information about remaining performance obligations that have original expected durations of more than one year as it is impractical to disclose.

23. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expenses on:				
- bankers' acceptances	**171**	72	**171**	72
- lease liabilities	**76**	220	**12**	5
- term loan and unstructured loan	**-**	55	**-**	55
- others	**281**	401	**275**	271
	528	748	**458**	403

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

24. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration - statutory audit:				
- Baker Tilly Monteiro Heng PLT	**463**	442	**325**	325
- Member firm of Baker Tilly International	**32**	33	**-**	-
Other services				
- Baker Tilly Monteiro Heng PLT	**45**	10	**45**	10
Amortisation of intangible assets	**246**	1,266	**246**	1,266
Depreciation of property, plant and equipment	**5,605**	7,075	**4,514**	4,692
Directors' fees	**584**	554	**584**	554
Directors' meeting allowances	**71**	59	**71**	59
Directors' remuneration:				
- salaries and other remuneration	**2,248**	2,410	**2,248**	2,410
- defined contribution plans and SOCSO	**110**	205	**110**	205
Effect of accretion of interest on operating financial assets	**(613)**	(704)	**(613)**	(704)
Expenses relating to short-term leases	**188**	270	**122**	139
Expenses relating to lease of low value assets	**28**	32	**1**	7
(Gain)/Loss on disposal of property, plant and equipment	**(114)**	- *	**(68)**	- *
Gain on termination of lease	**(105)**	-	**-**	-
Impairment loss on:				
- goodwill on consolidation	**10,000**	18,268	**-**	-
- trade and other receivables	**3,302**	6	**11,481**	1,835
- investment in subsidiaries	**-**	-	**2,749**	93,008
- investment in associate	**-**	-	**20**	4,248
Interest income	**(3,523)**	(1,710)	**(2,430)**	(954)
Gain on disposal of investment in associate	**-**	- *	**-**	- *
(Gain)/Loss on foreign exchange:				
- realised	**12,874**	(10,129)	**13,248**	(9,582)
- unrealised	**(12,363)**	14,208	**(7,026)**	9,856
Net provision/(Net reversal of) inventories written down	**150**	(2,138)	**(216)**	(2,083)
Property, plant and equipment written off	**1,281**	-	**3**	-
Reversal of impairment loss on trade and other receivables	**(1,385)**	(107)	**(3,551)**	(95,134)
Staff costs:				
- salaries and other remuneration	**31,930**	44,408	**26,525**	25,881
- defined contribution plans	**3,673**	4,546	**2,403**	2,502

* *Represent amount less than RM1,000*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

25. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 March 2024 and 31 March 2023 are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Statements of comprehensive income				
Current income tax:				
- current year	**7,715**	12,352	**7,453**	12,218
- prior years	**(1,059)**	1,693	**(1,303)**	1,693
	6,656	14,045	**6,150**	13,911
Deferred tax:				
Origination of temporary differences	**1,480**	(3,095)	**1,480**	(3,095)
	1,480	(3,095)	**1,480**	(3,095)
Income tax expense recognised in profit or loss	**8,136**	10,950	**7,630**	10,816

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

25. INCOME TAX EXPENSE (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before tax	**40,380**	32,840	**21,638**	31,665
Tax at Malaysian statutory income tax rate of 24% (2023: 24%)	**9,691**	7,882	**5,193**	7,600
Adjustments:				
Income not subject to tax	**(582)**	(2,586)	**(147)**	(25,393)
Non-deductible expenses	**5,062**	9,714	**4,222**	27,510
Deferred tax not recognised on tax losses and temporary differences	**-**	(2,706)	**-**	(609)
Tax effect on share of results of associates	**10**	(24)	**-**	-
Utilisation of previously unrecognised tax losses	**(4,700)**	(2,813)	**(270)**	-
Adjustment in respect of income tax of prior years	**(1,059)**	1,693	**(1,303)**	1,693
Adjustment in respect of deferred tax of prior years	**24**	104	**24**	104
Adjustment in respect of revaluation reserves	**(304)**	(304)	**(89)**	(89)
Effect of changes in tax rate	**(6)**	(10)	**-**	-
Income tax expense	**8,136**	10,950	**7,630**	10,816

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

26. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit attributable for the financial year attributable to owners of the Company	**32,247**	21,900
	Unit'000	Unit'000
Weighted average number of ordinary shares for basic earnings per share*	**815,727**	815,727
Basic earnings per ordinary share (sen):	**3.95**	2.68

* *The weighted average number of ordinary shares has been restated for previous financial year arising from share consolidation from 4 existing ordinary shares in the Company into 1 ordinary share, resulting in the reduction in the number of shares from 3,262,910,862 to 815,727,624.*

(b) Diluted earnings per ordinary share

The basic and diluted earnings per ordinary shares are the same as the Company has no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
As at 31 March 2024		
Financial assets		
Group		
Operating financial assets	6,816	6,816
Trade and other receivables #	95,733	95,733
Cash and short-term deposits	160,466	160,466
	263,015	263,015
Company		
Operating financial assets	6,816	6,816
Trade and other receivables #	105,568	105,568
Cash and short-term deposits	121,231	121,231
	233,615	233,615
Financial liabilities		
Group		
Loans and borrowings	(3,210)	(3,210)
Trade and other payables *	(231,448)	(231,448)
	(234,658)	(234,658)
Company		
Loans and borrowings	(3,210)	(3,210)
Trade and other payables *	(200,572)	(200,572)
	(203,782)	(203,782)

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned (Cont'd):

	Carrying amount RM'000	Amortised cost RM'000
As at 31 March 2023		
Financial assets		
Group		
Operating financial assets	8,099	8,099
Trade and other receivables #	93,710	93,710
Cash and short-term deposits	91,980	91,980
	193,789	193,789
Company		
Operating financial assets	8,099	8,099
Trade and other receivables #	133,153	133,153
Cash and short-term deposits	74,548	74,548
	215,800	215,800
Financial liabilities		
Group		
Loans and borrowings	(2,795)	(2,795)
Trade and other payables *	(130,057)	(130,057)
	(132,852)	(132,852)
Company		
Loans and borrowings	(2,795)	(2,795)
Trade and other payables *	(197,173)	(197,173)
	(199,968)	(199,968)

Excluded prepayments, advances to suppliers, value added tax refundable and withholding tax refundable.
* *Excluded sales and service tax and value added tax payable.*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not use derivative financial instruments to hedge certain exposures and do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty
- relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

<u>Credit risk concentration profile</u>

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

	Group			
	2024		2023	
	RM'000	%	RM'000	%
Trade receivables				
Trusted identification	**90,310**	**37**	84,241	86
Others	**1,483**	**1**	4,788	5
	91,793	**38**	89,029	91
Contract assets				
Trusted identification	**148,707**	**62**	9,258	9
	240,500	**100**	98,287	100

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows: (Cont'd)

	Company			
	2024		2023	
	RM'000	%	RM'000	%
Trade receivables				
Trusted identification	**57,402**	**90**	72,527	84
Others	**1,483**	**2**	4,788	6
	58,885	**92**	77,315	90
Contract assets				
Trusted identification	**5,065**	**8**	7,902	10
	63,950	**100**	85,217	100

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables and contract assets have been grouped based on geographical region, shared credit characteristics and the days past due. The impairment losses also incorporate forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets are as follows:

	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
At 31 March 2024			
Group			
Contract assets	148,707	-	148,707
Trade receivables			
Current (not past due)	18,873	-	18,873
1 - 90 days past due	28,659	-	28,659
91 - 180 days past due	11,894	-	11,894
More than 181 days past due	32,367	-	32,367
Credit impaired (individually assessed)	15,859	(15,859)	-
	107,652	(15,859)	91,793
	256,359	(15,859)	240,500
Company			
Contract assets	5,065	-	5,065
Trade receivables			
Current (not past due)	12,720	-	12,720
1 - 90 days past due	16,858	-	16,858
91 - 180 days past due	4,485	-	4,485
More than 181 days past due	24,822	-	24,822
Credit impaired (individually assessed)	14,256	(14,256)	-
	73,141	(14,256)	58,885
	78,206	(14,256)	63,950

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets are as follows (Cont'd):

	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
At 31 March 2023			
Group			
Contract assets	9,258	-	9,258
Trade receivables			
Current (not past due)	5,389	-	5,389
1 - 90 days past due	34,117	-	34,117
91 - 180 days past due	13,302	-	13,302
More than 181 days past due	36,221	-	36,221
Credit impaired (individually assessed)	16,566	(16,566)	-
	105,595	(16,566)	89,029
	114,853	(16,566)	98,287
Company			
Contract assets	7,902	-	7,902
Trade receivables			
Current (not past due)	5,929	-	5,929
1 - 90 days past due	33,018	-	33,018
91 - 180 days past due	6,345	-	6,345
More than 181 days past due	32,023	-	32,023
Credit impaired (individually assessed)	10,014	(10,014)	-
	87,329	(10,014)	77,315
	95,231	(10,014)	85,217

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

For trusted identification segment, as there are a few customers from different countries with different credit risk characteristics, the Group and the Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings for individual country, where applicable.

Included in trade receivables of the Group and the Company are amounts totalling RM68,804,652 (2023: RM59,349,649) due from 3 (2023: 2) of its significant receivables.

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days to 60 days past due in making a contractual payment.

Some intercompany advances between entities within the Group are repayable on demand. For advances that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the advance is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the advance is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany advance.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than those as disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, lease liabilities, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds from operational collections to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Group					
At 31 March 2024					
Trade and other payables *	**231,448**	**231,448**	**-**	**-**	**231,448**
Bankers' acceptance	**3,210**	**3,210**	**-**	**-**	**3,210**
Lease liabilities	**151**	**79**	**82**	**-**	**161**
	234,809	**234,737**	**82**	**-**	**234,819**
At 31 March 2023					
Trade and other payables *	130,057	130,057	-	-	130,057
Bankers' acceptance	2,795	2,795	-	-	2,795
	132,852	132,852	-	-	132,852

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows (Cont'd):

		Contractual cash flows			
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	More than 5 years RM'000	Total RM'000
Company					
At 31 March 2024					
Trade and other payables*	**200,572**	**200,572**	**-**	**-**	**200,572**
Bankers' acceptance	**3,210**	**3,210**	**-**	**-**	**3,210**
Lease liabilities	**151**	**79**	**82**	**-**	**161**
	203,933	**203,861**	**82**	**-**	**203,943**
At 31 March 2023					
Trade and other payables*	197,173	197,173	-	-	197,173
Bankers' acceptance	2,795	2,795	-	-	2,795
	199,968	199,968	-	-	199,968

* *Excluded sales and services tax and value added tax payable.*

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as results of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales and purchases that are denominated in foreign currency) and the Group's net investments in foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Board of Directors has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. The Group and the Company do not hedge their foreign currency exposure. In addition, the Group and the Company also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets and liabilities not held in functional currencies				
Trade and other receivables				
US Dollar	**80,771**	90,050	**47,860**	68,671
Euro	**14,619**	1,820	**14,619**	1,820
Others	**-**	132	**-**	132
	95,390	92,002	**62,479**	70,623
Cash and short-term deposits				
US Dollar	**64,332**	15,065	**58,437**	13,948
Euro	**4,794**	9,627	**4,794**	9,627
Others	**665**	1,410	**665**	1,410
	69,791	26,102	**63,896**	24,985
Trade and other payables				
US Dollar	**(91,210)**	(84,986)	**(88,285)**	(82,859)
Euro	**(8,923)**	(2,971)	**(8,830)**	(2,883)
Others	**(3,477)**	(3,475)	**(3,454)**	(3,455)
	(103,610)	(91,432)	**(100,569)**	(89,197)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The Group's and the Company's principal foreign currency exposure relates mainly to United States Dollar ("USD") and Euro.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in rate	Effect on profit for the financial year RM'000	Effect on equity RM'000
Group			
31 March 2024			
US Dollar	**+10%**	**5,389**	**5,389**
	-10%	**(5,389)**	**(5,389)**
Euro	**+10%**	**1,049**	**1,049**
	-10%	**(1,049)**	**(1,049)**
Others	**+10%**	**(281)**	**(281)**
	-10%	**281**	**281**
31 March 2023			
US Dollar	+10%	2,013	2,013
	-10%	(2,013)	(2,013)
Euro	+10%	848	848
	-10%	(848)	(848)
Others	+10%	(193)	(193)
	-10%	193	193

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year. (Cont'd)

	Change in rate	Effect on profit for the financial year RM'000	Effect on equity RM'000
Company			
31 March 2024			
US Dollar	**+10%**	**1,801**	**1,801**
	-10%	**(1,801)**	**(1,801)**
Euro	**+10%**	**1,058**	**1,058**
	-10%	**(1,058)**	**(1,058)**
Others	**+10%**	**(279)**	**(279)**
	-10%	**279**	**279**
31 March 2023			
US Dollar	+10%	(24)	(24)
	-10%	24	24
Euro	+10%	856	856
	-10%	(856)	(856)
Others	+10%	(191)	(191)
	-10%	191	191

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group and the Company do not hedge their interest rate risk.

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (2023: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount Total	Fair value of financial instruments not carried at fair value			
		Fair value			
	RM'000	Level 1	Level 2	Level 3	Total
Group and Company					
31 March 2024					
Financial assets					
Operating financial assets	**6,816**	**-**	**-**	**6,816**	**6,816**
31 March 2023					
Financial assets					
Operating financial assets	8,099	-	-	8,099	8,099

Level 3 fair value

<u>Fair value of financial instruments not carried at fair value</u>

The fair value of operating financial assets is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

28. CONTINGENCIES

As disclosed in Note 32(iii) to the financial statements, the Group is currently involved in an arbitration proceeding with KDN arising from termination of NIISe contract. As the outcome of these litigations are not presently known, the financial impact cannot be estimated or ascertained with reasonable certainty. Should the outcome of the litigation be unfavourable to the Group, the Group will make the necessary provision.

29. RELATED PARTIES

(a) Identification of related parties

Parties are considered related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Joint ventures; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Company	
	2024 RM'000	2023 RM'000
Sales		
Subsidiaries	**8,228**	25,295
Purchases		
Subsidiary	**(1,139)**	(536)
Rental income		
Subsidiaries	**101**	111
Management fee paid		
Subsidiary	**(206)**	(217)
Purchase of assets		
Subsidiary	**(562)**	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)* FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

29. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short-term employee benefits	**4,521**	3,787	**4,204**	3,228
Post-employment employee benefits	**295**	328	**285**	279
	4,816	4,115	**4,489**	3,507

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 March 2024 and 31 March 2023.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total loans and borrowings divided by total equity. The gearing ratio as at the reporting date are as follows:

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total loans and borrowings	20	**3,210**	2,795	**3,210**	2,795
Total equity		**377,549**	345,279	**210,479**	196,471
Gearing ratio		**1%**	1%	**2%**	1%

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirement.

Gearing ratios are not governed by the MFRSs and their definitions and calculations may vary between reporting entities.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

31. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Executive Chairman, the Group Chief Executive Officer (or Acting Chief Executive Officer) and the Group Finance Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Products and services
Trusted identification division	e-Passports, e-Identification cards, banking cards, transportation and other related Trusted Identification's devices, equipments and services including consulting
Sustainable development division	Construction of buildings and modern integrated farms and provision of food and agro produce and equipment

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Executive Chairman, the Group Chief Executive Officer (or Acting Chief Executive Officer) and the Group Finance Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment asset is measured based on all assets (excluding investments in associates and joint ventures, deferred tax assets and tax recoverable) of a segment, as included in the internal reports that are reviewed by the Executive Chairman, the Group Chief Executive Officer (or Acting Chief Executive Officer) and the Group Finance Director.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Executive Chairman, the Group Chief Executive Officer (or Acting Chief Executive Officer) and the Group Finance Director. Hence, no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

31. SEGMENT INFORMATION (CONT'D)

	Note	Trusted identification division RM'000	Sustainable development division: Property development & construction sub-division RM'000	Sustainable development division: Food & agro technology sub-division RM'000	Adjustments and eliminations RM'000	Total RM'000
2024						
Revenue:						
Revenue from external customers		369,084	1,995	29	-	371,108
Inter-segment revenue	A	-	-	-	-	-
		369,084	1,995	29	-	371,108
Results						
Operating results		85,410	1,897	29	-	87,336
Interest income		3,523	-	-	-	3,523
Other operating income		1,455	781	17	-	2,253
Depreciation and amortisation		(5,989)	-	-	138	(5,851)
Finance costs		(528)	-	-	-	(528)
Impairment loss on goodwill on consolidation		(10,000)	-	-	-	(10,000)
Net impairment (losses)/gain on financial instruments		1,378	(3,295)	-	-	(1,917)
Unrealised gain on foreign exchange		12,363	-	-	-	12,363
Administrative and operating expenses	B	(23,642)	(1,603)	(190)	-	(25,435)
Reportable segment profit/(loss)		63,970	(2,220)	(144)	138	61,744
Unallocated corporate expenses	B	-	-	-	(21,323)	(21,323)
Share of results of associates and joint ventures		(41)	-	-	-	(41)
Segment profit/(loss)		63,929	(2,220)	(144)	(21,185)	40,380
Income tax expense		(7,875)	(261)	-	-	(8,136)
Profit/(Loss) for the financial year	B	56,054	(2,481)	(144)	(21,185)	32,244
Assets:						
Investments in associates		711	-	-	-	711
Addition to capital expenditure		2,958	-	-	-	2,958
Segment assets	C	734,389	1,609	-	(103,692)	632,306

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

31. SEGMENT INFORMATION (CONT'D)

	Note	Trusted identification division RM'000	Sustainable development division: Property development & construction sub-division RM'000	Sustainable development division: Food & agro technology sub-division RM'000	Adjustments and eliminations RM'000	Total RM'000
2023						
Revenue:						
Revenue from external customers		344,162	4,637	72	-	348,871
Inter-segment revenue	A	-	-	-	-	-
		344,162	4,637	72	-	348,871
Results						
Operating results		79,879	8,987	72	-	88,938
Interest income		1,710	-	-	-	1,710
Other operating income		10,373	-	8,957	-	19,330
Depreciation and amortisation		(8,388)	-	-	47	(8,341)
Finance costs		(748)	-	-	-	(748)
Impairment loss on goodwill on consolidation		(18,268)	-	-	-	(18,268)
Net impairment (losses)/gain on financial instruments		(3)	104	-	-	101
Unrealised loss on foreign exchange		(14,208)	-	-	-	(14,208)
Administrative and operating expenses	B	(11,386)	4,857	(25)	-	(6,554)
Reportable segment profit		38,961	13,948	9,004	47	61,960
Unallocated corporate expenses	B	-	-	-	(29,020)	(29,020)
Share of results of associates and joint ventures		(100)	-	-	-	(100)
Segment profit		38,861	13,948	9,004	(28,973)	32,840
Income tax expense		(10,770)	(180)	-	-	(10,950)
Profit for the financial year	B	28,091	13,768	9,004	(28,973)	21,890
Assets:						
Investments in associates		752	-	-	-	752
Addition to capital expenditure		983	-	-	-	983
Segment assets	C	633,659	5,088	-	(110,231)	528,516

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

31. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment revenue, profit or loss, assets and other material items are as follows:

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

B Reconciliation of profit or loss

	2024 RM'000	2023 RM'000
Unallocated other corporate expenses	**(21,323)**	(29,020)

C Reconciliation of assets

	2024 RM'000	2023 RM'000
Investments in associates	**711**	752
Inter-segment assets	**(104,403)**	(110,983)
	(103,692)	(110,231)

Disaggregation of revenue by geographical information

Revenue information based on the geographical location of customers are as follows:

	Trusted identification RM'000	Property development & construction RM'000	Food & agro-technology RM'000	Total RM'000
Group				
31 March 2024				
Malaysia	**76,228**	**1,995**	**29**	**78,252**
Asia	**58,560**	**-**	**-**	**58,560**
Oceania	**5,242**	**-**	**-**	**5,242**
Africa	**228,933**	**-**	**-**	**228,933**
North America	**121**	**-**	**-**	**121**
	369,084	**1,995**	**29**	**371,108**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

31. SEGMENT INFORMATION (CONT'D)

Disaggregation of revenue by geographical information (Cont'd)

Revenue information based on the geographical location of customers are as follows: (Cont'd)

	Trusted identification RM'000	Property development & construction RM'000	Food & agro-technology RM'000	Total RM'000
Group				
31 March 2023				
Malaysia	141,438	4,637	72	146,147
Asia	20,576	-	-	20,576
Oceania	6,349	-	-	6,349
Africa	175,663	-	-	175,663
North America	136	-	-	136
	344,162	4,637	72	348,871

Geographical information

Non-current assets (excluding deferred tax assets and financial instruments) information based on the geographical location of customers are as follows:

	Group	
	2024 RM'000	2023 RM'000
Non-current assets		
Malaysia	**179,434**	190,784

Information about major customers

The following are major customers with revenue equal to or more than 10% of Group revenue:

	Group		
	2024 RM'000	2023 RM'000	Segments
Customer A	**108,170**	31,594	Trusted identification
Customer B	**65,749**	54,596	Trusted identification
Customer C	**50,466**	95,659	Trusted identification
Customer D	**26,559**	51,765	Trusted identification
	250,944	233,614	

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

32. MATERIAL LITIGATIONS

(i) In the High Court of Malaya at Kuala Lumpur; IRIS Corporation Berhad ("Plaintiff") against nine (9) former members of the Board of Directors ("Defendants")

The Company had on 24 April 2019 commenced legal proceedings in the Kuala Lumpur High Court ("High Court") against the Former Directors of the Company concerning the Company's investment in Border Control Solutions Limited ("BCS"). The Company brought this action for loss suffered from the Former Directors of IRIS' failure to discharge their respective fiduciary duty, duty of fidelity and/or duty to exercise reasonable care, skill and diligence as directors of the Company at that material time.

The Company sought the following reliefs against the Former Directors of the Company jointly and severally:

(a) The sum of RM11,721,050 being the total amount paid by the Company for the subscription of the BCS's shares which is equivalent to total sum of GBP2.05 million (by reference to the conversion rates prevailing on the respective dates of payments);
(b) The sum of RM482,172 being the total amount paid by the Company to Joseph Vijay Kumar ("JVK") as consultant fees which is equivalent to total sum of GBP84,000 (by reference to the conversion rates prevailing on the respective dates of payments);
(c) Pre-judgment interest on the sums awarded in (a) and (b) above pursuant to section 11 of the Civil Law Act 1956;
(d) Post-judgment interest on the sums awarded in (a) and (b) above at the rate of 5% per annum from the date of judgment until the date of full and final realisation;
(e) Alternative to (a) and (b) above, general damages to be assessed;
(f) Interest on the general damages awarded in (e) above;
(g) Costs; and/or
(h) All other relief which this Honourable Court deems fit and just.

Item (a) and (b) above had been fully impaired/expense off to profit or loss in the previous financial year.

On 18 August 2022, the High Court dismissed the claims by the Plaintiff against the Defendants.

The High Court awarded costs in the sum of RM85,000 to Tan Sri Razali, Datuk Tan, YAM Tunku Dato' Seri Shahbuddin and Dato' Hamdan. While a sum of RM85,000 was awarded collectively to Dato' Eow, Chan Feoi Chun, Syed Abdullah and Datuk Nik Azman.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

32. MATERIAL LITIGATIONS (CONT'D)

(i) In the High Court of Malaya at Kuala Lumpur; IRIS Corporation Berhad ("Plaintiff") against nine (9) former members of the Board of Directors ("Defendants") (Cont'd)

The Company had on 12 September 2022 filed an appeal to the Court of Appeal against the decision of the High Court.

The e-review date which was fixed on 25 September 2023 and the hearing of the appeal which was fixed on 9 October 2023 had been vacated by the Court of Appeal.

The Registrar has now fixed the Case Management on 17 September 2024 and new hearing date of appeal is fixed on 30 September 2024.

(ii) Notice of Arbitration; S5 Systems Sdn. Bhd. against IRIS Information Technology Systems Sdn. Bhd.

On 29 June 2022, the Company's wholly owned subsidiary, IRIS Information Technology Systems Sdn. Bhd. ("IITS") received a Notice of Arbitration ("NOA") dated 29 June 2022 from S5 Systems Sdn. Bhd. ("S5"), for arbitral proceedings in relation to earlier intentions of S5 having a joint venture role in the National Integrated Immigration System ("NIISe") project ("Project") awarded by Kementerian Dalam Negeri to IITS.

In the NOA, S5 alleges that such preliminary intentions were binding and that IITS is in breach of the same in subcontracting or engaging third parties to carry out works under the Project.

S5 also sought for damages in lieu of specific performance, interest, and costs of the arbitration proceedings to be borne by IITS.

IITS has since responded to the NOA submitted by S5 via its Response to Notice of Arbitration dated 29 July 2022.

The Arbitral Tribunal had since presided over 2 procedural meetings on 31 May 2023 and 6 July 2023 on the procedural framework and timetable on which the matter will progress.

The Arbitration stands at pre-hearing stage where parties are in the midst of complying with all pre-hearing requirements under the procedural framework and timetable endorsed by the Arbitral Tribunal.

The parties have mutually agreed to withdraw the Arbitration and the Arbitral Tribunal has granted an Arbitral Order for withdrawal on 6 March 2024, and the Arbitral Order is in the process of being formalised.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

32. MATERIAL LITIGATIONS (CONT'D)

(iii) Notice of Arbitration; IRIS Information Technology Systems Sdn. Bhd. ("IITS") against Kementerian Dalam Negeri ("KDN")

On 10 August 2023, KDN had issued a letter to terminate the NIISe Contract. IITS has on 24 November 2023, via its solicitors, filed a Notice of Arbitration ("NOA") under the Asian International Arbitration Centre ("AIAC") Arbitration Rules 2023 to refer the disputes with KDN arising from and in connection with the NIISe Contract to the AIAC for arbitration.

The Parties have agreed on the appointment of the Arbitrator.

(iv) Writ of Summons and Statement of Claim; Tec D Distribution (Malaysia) Sdn. Bhd. ("Tec D") against IRIS Information Technology Systems Sdn. Bhd. ("IITS") and IRIS Corporation Berhad ("ICB")

Tec D had on 5 December 2023 commenced legal action in Kuala Lumpur High Court against IITS (1st Defendant) and ICB (2nd Defendant) respectively claiming for an outstanding sum of RM30,139,099 together with late payment interest in relation to the supply of computer hardware and/or software and/or programs and/or services for NIISe Project.

The Defendants have filed and served their respective Statement of Defence on 4 January 2024. The 2nd Defendant has filed a Notice of Application for Striking-Out on 19 January 2024. The Plaintiff has filed a Notice of Application for Summary Judgment against 1st Defendant on 23 January 2024. The Plaintiff filed its Reply to the Defendants' Defence on 29 January 2024.

The Court has dismissed the 2nd Defendant's Notice of Application for Striking Out and the Plaintiff's Notice of Application for Summary Judgment respectively on 13 May 2024 and fixed full trial dates on 17 January 2028 – 20 January 2028 and 24 January 2028.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Capital reduction and share consolidation

(i) On 1 March 2024, the High Court approved the resolution for the capital reduction, which entailed reduction of the issued share capital of Company pursuant to Section 116 of the Companies Act 2016. The credit of RM430,000,000 arising from capital reduction was used to eliminate the accumulated losses of the Company; and

(ii) On 25 March 2024, the Company completed its share consolidation exercise which involved every four (4) existing ordinary shares in the Company held by shareholders into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 3,262,910,862 units to 815,727,624 units.

(b) Termination of the proposed disposal of a subsidiary, IRIS Information Technology Systems Sdn. Bhd. ("IITS")

On 10 February 2023, the Company entered into a Shares Sale Agreement ("SSA") with Tass Tech Technologies Sdn. Bhd. ("TTTSB"), a company incorporated in Malaysia, for the proposed disposal of 80% equity interest in IITS, for a total cash consideration of RM70,000,000. The Company had on 10 August 2023, upon TTTSB request, granted TTTSB a further extension of time to settle Tranche 2 Payment on or before 29 February 2024. TTTSB had failed to make any settlement for Tranche 2 Payment on or before 29 February 2024.

In view of the above, the Company had on 15 April 2024 ("Effective Termination Date") elected to effectively terminate the SSA. Pursuant to the SSA, the deposit of RM7,000,000 shall be forfeited on the Effective Termination Date.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **DR. POH SOON SIM** and **H'NG BOON HARNG**, being two of the directors of **IRIS CORPORATION BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 57 to 143 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2024 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DR. POH SOON SIM
Director

H'NG BOON HARNG
Director

Kuala Lumpur

Date: 23 July 2024

STATUTORY DECLARATION
(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **H'NG BOON HARNG**, being the director primarily responsible for the financial management of **IRIS CORPORATION BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 57 to 143 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

H'NG BOON HARNG
Director
MIA Membership No.: 15998

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 23 July 2024.

Before me,

Commissioner for Oaths
HADINUR MOHD SYARIF W761

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IRIS Corporation Berhad, which comprise the statements of financial position as at 31 March 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 57 to 143.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Key Audit Matters (Cont'd)

Group

Goodwill (Note 4(a) and 7(a) to the financial statements)
The Group's goodwill amounted to RM100,000,000 as at 31 March 2024. The goodwill is tested for impairment annually. In performing the impairment assessment, the Group has identified the trusted identification segment as the cash generating unit to which the goodwill is allocated. We focused on this area because the assessment requires significant judgements by the directors on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flows projections which include future sales, forecast growth rate, inflation rate, gross profit margins and operating expenses. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.
Our response: Our audit procedures focused on evaluating the cash flow forecasts and the Group's forecasting procedures which included, among others: • reviewing the valuation methodology adopted by the Group in accordance with the requirements of MFRS 136 *Impairment of Assets*; • comparing the actual results with previous budgets to assess the performance of the business; • reviewing the key assumptions which include consideration of the current economic and business environment to assess their reasonableness and the achievability of the forecasts; and • testing the mathematical accuracy of the impairment assessment.

Group and Company

Trade and other receivables and contract assets (Note 4(b), 13 and 14 to the financial statements)
The Group and the Company have significant trade and other receivables and contract assets as at 31 March 2024. We focused on this area because the directors made significant judgements over assumptions about risk of default and impairment losses provided. In making the assumptions, the directors selected inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.
Our response: Our audit procedures included, among others: • discussing with the Group's and the Company's management on the recoverability of the trade and other receivables and contract assets; • understanding the major contracts and agreements with the customers, if any; • obtaining confirmation of balances from selected receivables; • checking subsequent receipts, customer correspondences and consideration of the level of activities with the customers on the recoverability with significantly past due balances; and • understanding the reasonableness and calculation of impairment losses provided as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Key Audit Matters (Cont'd)

Revenue recognition for contract customers (Note 4(c), 14 and 22 to the financial statements)
The Group and the Company recognised contract revenue of a construction and integration system contract by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that contract costs incurred for work performed to-date bear to the estimated total contract costs. Significant judgement is required, in particular, with regards to the identification and separation of different performance obligations, the determination of progress towards satisfaction of performance obligations, the extent of the contract costs incurred, the estimated total contract revenue and costs, as well as the recoverability of identified contract with customer. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.
Our response: Our audit procedures included, among others: • reading the terms and conditions of agreements with customer; • understanding the Group's and the Company's process in preparing and updating project budgets and the calculation of the progress towards anticipated satisfaction of a performance obligation; • comparing the Group's and the Company's computed progress towards complete satisfaction of performance obligation for the identified project; and • checking the mathematical computation of recognised revenue for the project during the financial year.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Responsibilities of the Directors for the Financial Statements (Cont'd)

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2025 J
Chartered Accountant

Kuala Lumpur

Date: 23 July 2024

ANALYSIS OF SHAREHOLDINGS AS AT 24 JUNE 2024

SHARE CAPITAL

Total Number of Issued Shares	:	815,727,624 Ordinary Shares
Issued Share Capital	:	RM 180,758,803
Class of Shares	:	Ordinary Shares
Voting Rights	:	Every member of the Company, present in person or by proxy, shall have one (1) vote for each share held

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	1,488	7.154	55,808	0.006
100 to 1,000	3,835	18.439	1,877,070	0.230
1,001 to 10,000	10,486	50.418	41,293,650	5.062
10,001 to 100,000	4,336	20.848	128,562,575	15.760
100,001 to less than 5% of issued shares	651	3.130	509,943,421	62.513
5% and above of issued shares	2	0.009	133,995,100	16.426
Total	**20,798**	**100.000**	**815,727,624**	**100.000**

STATEMENT OF DIRECTORS' SHAREHOLDINGS

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Dr Poh Soon Sim	18,125,000.00	2.222	87,622,550.00	^10.742
Dato' Mohamed Khadar Bin Merican	-	-	-	-
Dato' Dr. Abu Talib Bin Bachik	-	-	-	-
Dato' Ng Wan Peng	-	-	-	-
Mr. Ling Hee Keat	27,700,000.00	3.396	-	-
Haji Hussein Bin Ismail	-	-	-	-
Mr. H'ng Boon Harng	250,000.00	0.031	-	-

Notes:-

^ *Deemed interest by virtue of his shareholdings in Poh Associates Sdn Bhd and Orientalgold Equity Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 and deemed interest by virtue of his son direct shareholdings pursuant to Section 59 of the Companies Act, 2016.*

ANALYSIS OF SHAREHOLDINGS AS AT 24 JUNE 2024 *(Continued)*

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct		Indirect	
Name of Shareholders	No. of Shares	%	No. of Shares	%
Dr Poh Soon Sim	18,125,000	2.222	87,622,550	^10.742
Dato' Seri Robin Tan Yeong Ching	61,422,550	7.530	-	-
Orientalgold Equity Sdn Bhd	86,322,550	10.582	-	-

Notes:-

^ *Deemed interest by virtue of his shareholdings in Poh Associates Sdn Bhd and Orientalgold Equity Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 and deemed interest by virtue of his son direct shareholdings pursuant to Section 59 of the Companies Act, 2016.*

THIRTY (30) LARGEST SHAREHOLDERS AS AT 24 JUNE 2024

No.	Name of Shareholders	No. of Shares	%
1	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ORIENTALGOLD EQUITY SDN. BHD.	86,322,550	10.582
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ROBIN TAN YEONG CHING (PB)	47,672,550	5.844
3	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. EXEMPT AN FOR INTER-PACIFIC ASSET MANAGEMENT SDN BHD	28,180,000	3.454
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR REGIONAL EQUITIES SDN BHD	19,603,400	2.403
5	TIRAM TRAVEL SDN BHD	18,780,925	2.302
6	POH SOON SIM	17,250,000	2.114
7	NG CHAI GO	17,002,475	2.084
8	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	16,829,500	2.063
9	MCS MICROSYSTEMS SDN BHD	16,333,333	2.002
10	TEO TONG KOOI	15,732,000	1.928
11	ROBIN TAN YEONG CHING	13,750,000	1.685
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LING HEE KEAT	12,700,000	1.556
13	SETAPAK HEIGHTS DEVELOPMENT SDN. BHD.	11,250,000	1.379
14	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR LOW KANG HAI RICHARD	10,750,000	1.317

ANALYSIS OF SHAREHOLDINGS AS AT 24 JUNE 2024 *(Continued)*

No.	Name of Shareholders	No. of Shares	%
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STUART SAW TEIK SIEW	7,639,600	0.936
16	MAYBANK NOMINEES (ASING) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MULTI TECHNOLOGIES LIMITED (PW-M01299) (426725)	7,570,139	0.928
17	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED (CLIENT ACCOUNT)	7,500,000	0.919
18	MOHD JOHAR BIN ARIF	7,117,025	0.872
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG CHAI GO (SMART)	7,000,900	0.858
20	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SELVA KUMAR A/L VEERAPPAN	5,475,000	0.671
21	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOO WENG SENG (7003217)	5,352,800	0.656
22	ARQGATE SDN BHD	5,000,000	0.612
23	NG CHAI GO	4,561,025	0.559
24	HLB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KANG HAI RICHARD (SIN 9131-9)	4,500,025	0.551
25	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	4,340,750	0.532
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR REGIONAL EQUITIES SDN BHD (8125381)	4,121,600	0.505
27	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR IBRAHIM BIN HAMZAH	3,627,500	0.444
28	ZULKIFLI BIN ISMAIL	3,522,675	0.431
29	CITIGROUP NOMINEES (ASING) SDN BHD CBHK PBGSGP FOR SUNNYVALE HOLDINGS LTD	3,250,000	0.398
30	MD YUSOFF BIN ABDUL GHAFFAR	3,058,750	0.374
	TOTAL	**415,794,522**	**50.972**

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING (30TH AGM)

NOTICE IS HEREBY GIVEN THAT the Thirtieth (30th) Annual General Meeting ("AGM") of the Company will be held at Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 25 September 2024 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification to transact the following businesses:

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2024 together with the Reports of the Directors and the Auditors thereon.	**Please refer to Explanatory Note 1**
2.	To re-elect the following Directors who retire pursuant to Clause 97 of the Company's Constitution:	
	(a) Dr. Poh Soon Sim	Ordinary Resolution 1
	(b) Dato' Ng Wan Peng	Ordinary Resolution 2
3.	To approve the Directors' fees and allowances of up to RM950,000.00 from 30th AGM until the next Annual General Meeting.	Ordinary Resolution 3
4.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 4

Special Business

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

5.	**AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND SECTION 76 OF THE COMPANIES ACT, 2016**	Ordinary Resolution 5
	"**THAT** subject always to the Companies Act, 2016 ("Act"), Company's Constitution, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.	**Please refer to Explanatory Note 2**

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING (30TH AGM) *(Continued)*

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company and to be offered with new shares ranking equally to the existing issued shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

Any Other Business

6. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Constitution.

BY ORDER OF THE BOARD,

MS LIM LI HEONG (MAICSA 7054716)
SSM Practising Certificate No. 202008001981

MS WONG MEE KIAT (MAICSA 7058813)
SSM Practising Certificate No. 202008001958

Company Secretaries

Kuala Lumpur
30 July 2024

NOTES:

1. A member of the Company entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Registrar of Companies.

2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.

3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

4. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

NOTICE OF THIRTIETH
ANNUAL GENERAL MEETING (30TH AGM) *(Continued)*

5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act, 1991 there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.

7. The duly completed Form of Proxy must be deposited at the registered office of the Company at Acclime Corporate Services Sdn Bhd, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy.

8. **General Meeting Record of Depositors**

   For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Clause 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 September 2024. Only a depositor whose name appears on the Record of Depositors as at 19 September 2024 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

EXPLANATORY NOTES

1. **Item 1 of the Agenda - Audited Financial Statement for the Financial Year Ended 31 March 2024**

   The Audited Financial Statements are for discussion only as the approval of the shareholders is not required pursuant to the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

2. **Ordinary Resolution 3 – Directors' Fees and Allowances**

   Pursuant to Section 230(1) of the Act, the fees and any allowances payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at AGM on the payment of Directors' fees and allowances for the period commencing from 26 September 2024 until the next Annual General Meeting in year 2025.

   The Directors' fees and allowances consist of:-
   • Monthly fixed fee for duties as Director; and
   • Meeting allowance for each each Board and Board Committee meeting attended.

   The Directors' fees and allowances are estimated not to exceed RM950,000.00. This calculation is based on the estimated number of Directors and the number of schedule Board and Board Committee meetings until the next AGM in year 2025.

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING (30TH AGM) *(Continued)*

3. **Ordinary Resolution 5 - Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The Proposed Ordinary Resolution 5, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last AGM held on 20 September 2023 which will lapse at the conclusion of this AGM.

Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the last AGM as the need does not arise for any fundraising activity for the purpose of investment, acquisition or working capital.

The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company and will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under General Mandate which this will result in a dilution to their shareholding percentage in the Company.

STATEMENT ACCOMPANYING NOTICE OF **THIRTIETH ANNUAL GENERAL MEETING**

1. The Directors who are standing for re-election at the Thirtieth Annual General Meeting of the Company pursuant to the Constitution of the Company are: -

   (a) Dr. Poh Soon Sim (Clause 97)

   (b) Dato' Ng Wan Peng (Clause 97)

   The Board of Directors, taking into the recommendation of Nomination Committee, supported the abovementioned Directors of their re-election as Director at the Thirtieth Annual General Meeting of the Company.

   Based on the assessment and evaluation conducted by the Nomination Committee, the retiring Director met the performance criteria required of an effective and a high-performance Board.

   The details of the above Directors seeking re-election are set out in the 'Board of Directors' section as disclosed on pages 14 to 16 of the Annual Report.

IRIS CORPORATION BERHAD
Registration No. 199401016552 (302232-X)
(Incorporated in Malaysia)

PROXY FORM

I/We ______________________________ NRIC No./Company No. ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

____

being a member/members of **IRIS CORPORATION BERHAD,** hereby appoint the following person(s) or failing him, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Thirtieth (30th) Annual General Meeting ("AGM") of the Company will be held at Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 25 September 2024 at 11.00 a.m. and any adjournment thereof:-

NO.	NAME OF PROXY, NRIC NO. & ADDRESS	NO. OF SHARES TO BE REPRESENTED BY PROXY
1.	Name :	
	NRIC No. :	
	Address :	
	HP number:	
	Email address:	
2.	Name :	
	NRIC No. :	
	Address :	
	HP number:	
	Email address:	

NO.	RESOLUTIONS		FOR	AGAINST
1.	Re-election of Dr. Poh Soon Sim as Director	*Ordinary Resolution 1*		
2.	Re-election of Dato' Ng Wan Peng as Director	*Ordinary Resolution 2*		
3.	Approval of the Directors' fees and allowances of up to RM950,000.00 from 30th AGM until the next Annual General Meeting	*Ordinary Resolution 3*		
4.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	*Ordinary Resolution 4*		
5.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016	*Ordinary Resolution 5*		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast on the Resolutions specified in the Notice of Meeting. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

Number of shares		CDS A/C No.	

______________________ ______________________
Date Signature of member(s)/Seal

Fold this flap for sealing

NOTES:

1. A member of the Company entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Registrar of Companies.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act, 1991 there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.
7. The duly completed Form of Proxy must be deposited at the registered office of the Company at Acclime Corporate Services Sdn Bhd, Level 5, Tower 8, Avenue 5, Horizon 2, Bangsar South City, 59200 Kuala Lumpur not less than twenty-four (24) hours before the time for holding the meeting or any adjournment thereof. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy.
8. **General Meeting Record of Depositors**

   For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Clause 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 September 2024. Only a depositor whose name appears on the Record of Depositors as at 19 September 2024 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

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AFFIX
STAMP

The Company Secretary

IRIS Corporation Berhad
Level 5, Tower 8, Avenue 5, Horizon 2
Bangsar South City, 59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

www.iris.com.my

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