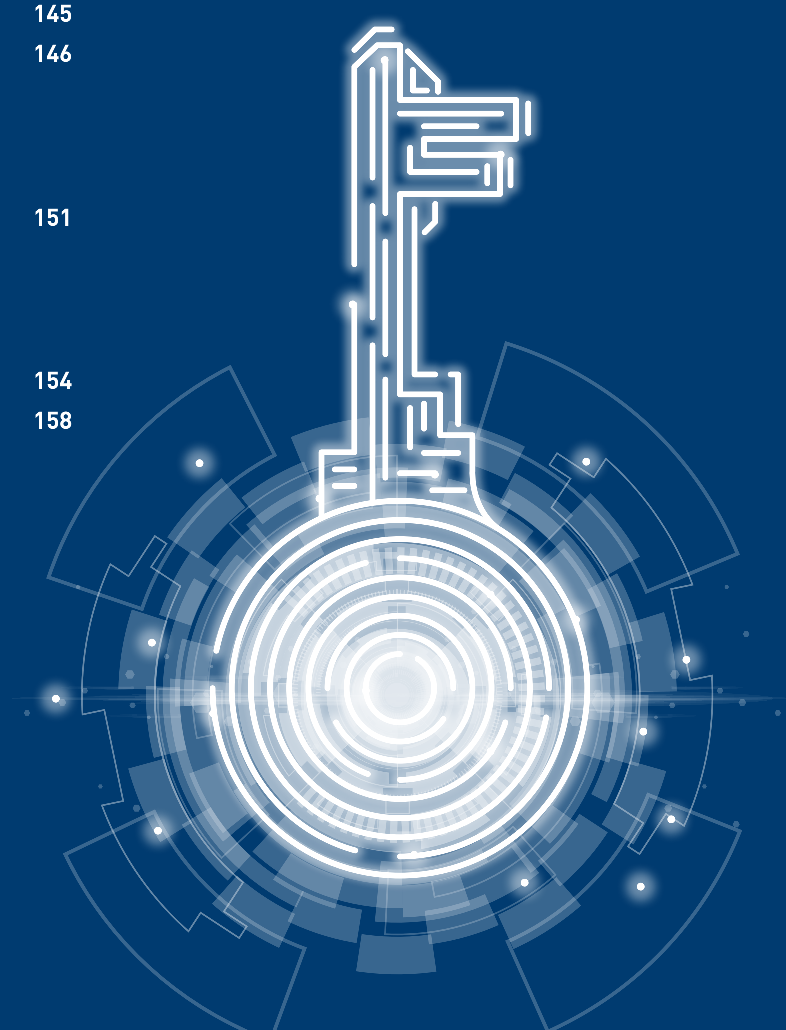
REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

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

		Group		Company	
	Note	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

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 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

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 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		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	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

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 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:

New MFRS

MFRS 17	Insurance Contracts

Amendments to MFRSs

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.

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).

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.

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

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.

Short-term leases and leases of low value assets

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.

Right-of-use asset

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.

Lease liabilities

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.

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

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.

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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	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	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.

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

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)

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

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.

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)

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.

Credit risk concentration profile

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)

			Sustainable development division			
	Note	Trusted identification division RM'000	Property development & construction sub-division RM'000	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