

embracing

PR

GRESS



IRIS[®]
Bringing Solutions to Life

IRIS CORPORATION BERHAD
(302232-X)

ANNUAL REPORT 2015

IRIS CORPORATION BERHAD
[302232-X]

IRIS SMART TECHNOLOGY COMPLEX
TECHNOLOGY PARK MALAYSIA
BUKIT JALIL
57000 KUALA LUMPUR, MALAYSIA

TEL +603 8996 0788
FAX +603 8996 0441

www.iris.com.my

IRIS[®]
Bringing Solutions to Life



contents

CORPORATE REVIEW

2	Operations Review	50	Statement on Corporate Governance
18	Chairman's Statement	60	Audit Committee Report
24	Our Global Footprint	64	Statement on Risk Management and Internal Control
26	Corporate Profile	66	Statement of Directors' Responsibilities
26	Corporate Structure	67	Additional Compliance Information
28	Group Financial Summary		
29	Corporate Information		
32	Profile of Directors		
37	Key Management Team		
38	Our Passionate Team		
40	Calendar of Events		
44	Corporate Social Responsibility		
48	Awards & Recognition		

FINANCIAL STATEMENTS

72	Directors' Report
78	Statement by Directors
78	Statutory Declaration
79	Independent Auditors' Report
81	Statements of Financial Position
83	Statements of Profit or Loss and Other Comprehensive Income
85	Statements of Changes in Equity
89	Statements of Cash Flows
92	Notes to the Financial Statements

OTHER INFORMATION

166	Statistics on Shareholdings
174	Notice of Twenty-First Annual General Meeting
177	Statement Accompanying Notice of Twenty-First Annual General Meeting

PROXY FORM

A person wearing a red cap and a large backpack is riding a bicycle through a field. The sun is low on the horizon, creating a strong lens flare effect. The background shows a line of trees under a clear sky.

PROGRESSING WITH SUSTAINABILITY

AT IRIS, SUSTAINABILITY MEANS PROFITABLE, RESPONSIBLE OPERATIONS THAT DO NOT COMPROMISE THE HEALTH OF THE ENVIRONMENT OR ECONOMY OF FUTURE GENERATIONS. IRIS' DEVOTION TO THE 3PS OF SUSTAINABILITY (PROFIT, PEOPLE AND PLANET) FUELS OUR UNRELENTING COMMITMENT TO CREATING LONG-TERM VALUE IN ALL ASPECTS OF OUR BUSINESS.

WE HAVE NOT ONLY INCORPORATED SOCIAL, ECONOMIC AND ENVIRONMENTAL RISKS AND BENEFITS INTO OUR BUSINESS PROCESSES AND DECISION-MAKING, WE ALSO MAINTAIN CAREFUL BALANCE BETWEEN OUR APPROACHES AND OUR CORPORATE VALUES.

operations review

FY 2015 was a particularly challenging year for Trusted Identification Division. Despite the fiercely competitive market, volatile environment, severe Ebola epidemic in Africa and delayed budgetary disbursements by donors to Tanzania in 2014, the division recorded RM337.12 million in revenue.

Demonstrating the sheer resilience of our committed IRIS team, this division successfully implemented and delivered trusted identification solutions for our overseas projects including:

- Collection of MRP enrolment data and related services incidental to, and distribution of MRP among Bangladeshi citizens in Kingdom of Saudi Arabia and United Arab Emirates
- Contract Signing Ceremony for Additional Equipment and Services between IRIS and the Government of Bangladesh
- Extension of Maldivian passport issuance and integration with Secure Electronic Encoded Document System (SEEDS) (contract between IRIS & OeSD)
- Supply of more than 1 million units of Nigerian ePassports
- Delivery of over 2.5 million Tanzanian eID cards. Delivery will increase significantly for FY 2016 as donors released USD44 million in March 2015 to Tanzania

Domestically, the notable projects that we have secured include Facial Live Capture Project implementation at nine Urban Transformation Centres (UTCs) nationwide from Jabatan Imigresen Malaysia (JIM) and the supply of MyKid and MyTentera cards from Jabatan Pendaftaran Negara (JPN).

As we continue to grow, this division remains focused on quality and innovation. To date, the division has filed over 40 inventions including:

- 2010/0245,034 : Method of reading Machine Readable Zone (MRZ) using Secure Access Module (SAM) for electronic chip based travel document or identification document.
- PI 2011005352: Machine –Readable Passport with a Polycarbonate (PC) Datapage and Method for Making the Same.

Trusted Identification



TANZANIA'S EID DATA ENTRY CENTRE IN DAR ES SALAAM, TANZANIA.

IDENCRAFT, END-TO-END SECURE SOLUTIONS FOR ENROLMENT, PERSONALIZATION AND ISSUANCE OF SECURE CREDENTIALS.

According to Allied Business Intelligence (ABI) Research, opportunities continued migration to electronic passports will be further boosted by the introduction of new security specifications by ICAO. Global shipments of ePassports are expected to rise to 175 million units in 2019 which represents a compound annual growth rate of 7.6%.

Similarly, with increased concern for safety and security in the market, IRIS is also continuously creating innovative multi-modal biometric solutions, incorporating fingerprint, facial image and iris recognition into IRIS' solutions. For instance, ePassports and eIDs are supplemented with digital photos and fingerprints of their holders whereas smart eGates are developed incorporating fingerprints, facial image and iris to identify the traveller.

This innovative solution is currently the best solution for any industry, especially government solutions where high accuracy and security is required for positive identification. Multi-modal biometrics further promote higher accuracy, increased and reliable recognition, enhanced security, eliminate spoofing and has higher user acceptance whilst ensuring maximum level of accurate authentication. Moving forward, the broad acceptance of multi-modal biometrics ensure it will become the next technical standard.

According to TechSci Research, the global biometrics market is anticipated to reach USD20 billion by 2018. In another recent study by Strategic Defence Intelligence (SDI), e-governance is set to drive the government biometrics market to USD6.9 billion by 2024, almost doubling from USD3.6 billion in 2014. In terms of technology, fingerprint identification is expected to account for 43% of the biometrics market. With a share of 26%, facial recognition comes second and iris identification is third with 13.2%.

For these reasons, the division foresees significant growth opportunity in Trusted Identification. With our experience, expertise and innovative products and solutions, the division is well-equipped to leverage on the above market opportunities to improve revenue and increase market share.



WE DESIGN, DEVELOP, MANUFACTURE & DELIVER END-TO-END TRUSTED IDENTIFICATION SOLUTIONS.

RELIABLE AND DURABLE ELECTRONIC COVER (ECOVER) FOR ELECTRONIC PASSPORT (EPASSPORT).



operations review

continued



OFFERING VARIOUS PAYMENT CARD TYPES: CREDIT, DEBIT, CHARGE, PREPAID AND ATM CARDS.

SECURE, CONVENIENT AND RELIABLE PAYMENT CARD SOLUTIONS.



Payment & Transportation

For FY 2015, the Payment and Transportation Division has achieved solid growth with total revenue amounting to RM38.4 million, a 2% increase from RM37.8 million in FY 2014. This can be attributed to rapid urbanization, increased demand for better transportation infrastructure and the continued transition from plastic cards to chip cards.

In the Payment business, we have achieved steady growth for FY 2015, which was supported by successful initiatives and breakthroughs on expanding the existing customer base alongside with strong internal capabilities and increased capacities. Early this year, IRIS has been assessed and approved by American Express® to emboss and personalize AMEX branded credit or charge cards. With the new accreditation by American Express along with the current certification by international credit card institutions MasterCard and Visa, IRIS is now able to offer a wider choice of EMV products within its secure high-quality EMV card manufacturing and personalization facilities.

In FY 2015, the division is supplying EMV card and personalization solutions to Maybank, Bank Simpanan Nasional, HSBC, Bank Muamalat and Bank of China.

Bank Negara Malaysia has mandated that the current signature-based credit cards be migrated to chip and pin-based to enhance the security of e-payment transactions. Based on this requirement, it is expected that there are more than 10 million cards to be migrated from July 2015 to December 2016. Beyond this, it is expected that more than 30 million cards need to be replaced by December 2017.

CONTACTLESS PAYMENT CARDS PRODUCED
FOR TOUCH 'N GO.

ELECTRONIC TICKETING MACHINE, ETM-M8000.



In addition to payment solutions, IRIS in a joint venture with Global Blue, introduced GST refund services to Malaysian retailers. According to research made by Global Blue a foreign customer spends seven times more than a domestic customer. As outlined in the Tourism NKEA (National Key Economic Area), Malaysia targets 36 million of tourist arrivals and RM168 billion in receipts by 2020.

In response to the needs of transport operators and local authorities to skilfully manage multi-modal, multi-operators and interoperable public transportation projects, IRIS has the right, reliable, integrated and multi-modal ticketing solutions that can be adapted for different projects. We offer a comprehensive transportation and transit ticketing system that includes cutting edge software, ticket/token vending machines/kiosks, contact/contactless cards and readers and point of sale systems. The security and reliability of our Automatic Fare Collection (AFC) solution can help to safeguard transit and bus operators against ticket fraud and improve their profitability immediately.

For FY 2015, we continue to put the customer first by ensuring the transport ticketing system is planned and designed around their needs and expectations, which significantly improves our customer service levels. Some of the notable projects that we've managed to secure include:

- Supply, Delivery, Installation, Testing, Commissioning and Warranty of One Hundred Twenty (120) units of Electronic Ticketing Machine (ETM) for RapidBus
- Supply of 150,000 MyRapid cards to Prasarana Malaysia Berhad
- Supply of 550,000 tokens to Prasarana Malaysia Berhad
- Supply of 4 million cards and 4 units of IRIS Initializer Machine to Touch 'n Go Sdn Bhd

With strong domestic market presence, technology leadership and quality solutions, the Payment and Transportation Division is well positioned to tap into the market opportunities for sustainable profitable growth.

operations review

continued

Farming in the South East Asia region has become increasingly sophisticated over the last decade. The demand for eco-friendly and sustainable systems for farming provides good growth opportunity for the Food & Agro Technology Division.

In addition, rising incomes and the growing population in the developing world is spurring demand for food. According to the United Nations, in the period 2005-2030, food demand is projected to increase by 50% fuelled by a projected global population growth of 27%.

In Malaysia, the population grew 53% in 20 years - from 18 million in 1990 to over 30 million in 2015 with over 33 million predicted by the end of this decade. In 2020, some 75% will live in Kuala Lumpur and other major cities in Malaysia.

To address these challenges, IRIS has developed a solution by transforming urban spaces like rooftops into an urban farm with vegetables, fruits and fish. Better known as City EcoFarm, the multi-crop farm utilizes IRIS Sustainable Integrated Farming methodology and IRIS Autopot system.

Food & Agro Technology



SAFE, GOOD FOOD WITH IRIS AUTOPOT SYSTEMS.

FOOD FOREST FARM SELLS OVER 70 FRESHLY HAND-PICKED FARM PRODUCE VARIETIES TO PREMIUM SUPERMARKETS IN KLANG VALLEY AND SINGAPORE.

Each City EcoFarm embodies all that is good about urban rooftop farming — an attempt to respond to the scarcity of land or underutilized space, greening of concrete jungles, feeding city dwellers, localizing food production, bringing communities together and sharing knowledge. It invites us to imagine what would be possible if this became a part of our cities and food production chain.

The division also had an exciting breakthrough in the past year – our self-contained SmartPot for home use is now available in retail outlets across the Klang Valley. We are in the process of growing our reach to encompass the entire country.

In addition to our Rimbunan Kaseh and Sentuhan Kasih programmes, we have also successfully delivered new projects with various private and government linked agencies, the most recent being the latest addition to our proud family of farms in Chuping, Perlis.

This year has also seen us streamline our operations to achieve significant cost savings. Our journey from small-scale farmers to large-scale nationwide commercial farming has seen us face challenges and emerge with new found expertise on not just the farming components but also on project delivery. We are now continually fine tuning & tweaking our farm components to maximize value to stakeholders.

The result from such exercises has seen us eliminate low-value crops & livestock to focus on high value crops and fishes in addition to improving the harvest yields. We have also increased our consistency in producing agricultural produce that meets the ever discerning consumer's demand. Our JV farm in Sigar Highlands, Food Forest Farm, is successfully growing high quality and pesticide-free farm produce for premium markets using IRIS Autopot System.

For FY 2015, the unpredictable weather extremes in Malaysia with devastating flood and long droughts coupled with high pre-operating set-up expenses and long gestation period for Rimbunan Kaseh's farms, impacted the revenue and profit for this division. However, this division is poised for positive growth due to strong market demand for its products and has implemented various initiatives to mitigate operational risks, increase farm production and streamline operations.



IRIS CITY ECOFARM ON THE ROOFTOP OF
IRIS SMART TECHNOLOGY COMPLEX.

IRIS SMARTPOTS ARE ON SALE ACROSS THE KLANG VALLEY.



operations review

continued

FOOD WASTE-TO-FERTILIZER PLANT, WEINAN, CHINA.

WASTE-TO ENERGY INCINERATION PLANT, PHUKET, THAILAND.



Environment & Renewable Energy

As a turnkey provider, the Environment & Renewable Energy division offers technology-driven solutions that address the challenges of diminishing resources and preserving the environment for future generations.

Over the years, we have partnered with governments and municipalities to provide waste-management and renewable energy solutions. Our solutions offer a sustainable and environmentally-friendly alternative to unsanitary landfills. In addition to mitigating rising levels of urban waste, the processing plants can also generate clean, renewable energy in return.

In Phuket, our waste-to-energy incineration plant continues to operate, converting 700 tonnes of municipal waste per day into 9MW of electricity into the local grid. The plant is the first successful waste-to-energy facility in Thailand, and has been operating since 2013.

THE COMPLETED 200 TONNES PER DAY SERTIK SANITARY
LANDFILL IN BENTONG, PAHANG.

PHUKET WASTE TO ENERGY TURBINE ROOM.



In Weinan, China, our food waste-to-fertilizer plant has the capacity to process up to 450 tonnes of food waste per day into organic fertilizer. The division is now in talks to further expand the project by manufacturing and supplying the machinery to build more plants in China.

The growth potential for this division is high since the Food and Agriculture Organization of the United Nations estimates that "a third of all the food produced in the world is never consumed," totaling about 1.3 billion tons of waste a year. In China, newfound wealth and cultural practices present a challenge in controlling the tremendous waste. While reduction of waste is the primary concern, innovative methods to convert waste into useful products have recently been developed. Our organic waste digester prevents food waste from releasing harmful greenhouse gases, while producing useful organic fertilizer as the end product.

Locally, we have constructed our first sanitary landfill in Bentong, Pahang. The 100 acre site was cleared and rebuilt to include new treatment and containment systems, and resumed operations in August 2014.

In FY 2015, this division reported revenue of RM43.9 million, an increase of 17% in revenue from RM37.6 million in FY 2014. Although the revenue increased, this division recorded a loss of RM22 million mainly due to the disposal of Amata Waste-to-Energy Incineration Plant (incurred loss of RM5.1 million), higher expenses due to Phuket plant's upgrades and additional investments to expand the Weinan plant.

operations review

continued

Industrialised Building System (IBS) is the adoption of building industrialisation and prefabrication of components in building construction. IBS is defined as a construction technique in which components are manufactured in a controlled environment (on or off-site), transported, positioned and assembled into a structure with minimal additional site work.

The IRIS KOTO IBS division is focused on innovating, designing, manufacturing and distributing building materials and components that continue to speed up and simplify construction.

In Malaysia, the use of IBS as a method of construction is evolving. Undoubtedly, the benefits of IBS as a modern method of construction are numerous and far reaching. A few of these benefits include reduced construction time, improved site management, and decreased wastage.

KOTO Industrialised Building Systems



KOMPLEKS PERUMAHAN
KAKITANGAN FELDA IN FELDA
CHINI TIMUR, PAHANG - 5
BLOCKS OF 4 STOREY WALK-UP
APARTMENTS COMPLETED USING
IRIS KOTO IBS AS INFILL WALLS.

FY 2015 revenue from the division increased by 44% to RM9.63 million. This can be attributed to supplying privately-held construction projects, fulfilment of Rimbunan Kaseh and Sentuhan Kasih FELDA projects, and various property development projects, especially in Oceania.

Malaysia's construction industry at RM102.2 billion contributes almost 10% to the nation's GDP. We are navigating a strategic roadmap which ensures that we optimise and flex our manufacturing and distribution abilities to capture larger market share. At the same time, we are working with other IRIS divisions and industry partners to deliver on a tactical goals set by the management of IRIS.

With the unveiling of the 11th Malaysia Plan projecting robust double-digit growth of 11.1% in the infrastructure and residential subsectors of the construction industry, we look forward to replenishing our order book and broadening our customer base.

We are also ramping up product development and strengthening our product line-up as IRIS KOTO IBS steadily gains mainstream acceptance and visibility in the industry segment and markets in which we operate. In particular, we are excited about forging new and stronger ties with property developers as well as building and construction players in the private sector.



NEW DESIGN, AFFORDABLE HOME IN DESA RIMBUNAN KASEH BATU HAMPAR, REMBAU, NEGERI SEMBILAN - SINGLE STOREY, 1000 SQ. FT. WITH 3 BEDROOMS AND 2 BATHROOMS.

CARNATION VILLA IN GEREHU HEIGHTS, PAPUA NEW GUINEA – SINGLE STOREY, 1500 SQ. FT. WITH 4 BEDROOMS AND 3 BATHROOMS.



operations review

continued



HOMES AND MODERN INTEGRATED FARM IN DESA RIMBUNAN KASEH
BATU HAMPAR, REMBAU IN NEGERI SEMBILAN.

HOMES & MODERN INTEGRATED FARM IN SENTUHAN KASIH
FELDA CHINI TIMUR IN PAHANG.



Sustainable Development

The Malaysian property development sector plays an important role in generating wealth for the country. In addition, the building and construction industry is catalysed by major capital expenditure projects driven by government's Economic Transformation Programme (ETP) and public-private partnership (PPP) mega-projects.

The 2005 World Summit on Social Development identified the three pillars of sustainability to be economic development, social development and environmental. IRIS' Sustainable Development division has an important part to play in the balanced development of social and economic infrastructures as well as the preservation of environments. The division oversees both international and Malaysian property turnkey and development projects.

In Malaysia, we began by transforming rural spaces into pockets of sustainable communities through what is now internationally known and recognised as the Rimbunan Kaseh Smart Village template. To date, IRIS has helped the government of Malaysia implement 5 locations with 4 more currently under construction. Each Rimbunan Kaseh is designed to catalyse and stimulate socio-economic growth, job creation, entrepreneurial activities, and improve connectivity.

ARTIST'S IMPRESSION OF GEREHU HEIGHTS NEIGHBOURHOOD IN PORT MORESBY, PAPUA NEW GUINEA.



In Kuala Lumpur, we are teaming up with Technology Park Malaysia (TPM) Corp Sdn Bhd, a government agency under the Ministry of Science, Technology and Innovation (MOSTI), to jointly invest, develop, construct and manage a 28.89 acre development for residential student accommodations. The JV has proposed an initial investment sum estimated at RM130 million for the first phase of the project on a parcel of land in Phase 3 TPM Bukit Jalil.

In Papua New Guinea (PNG), development continues in Gerehu Heights, a 290-villa gated and guarded community in Port Moresby featuring use of IRIS KOTO IBS while plans are underway to construct Ilimo City, a satellite township initiative in PNG's Central Province.

In all our projects, we are delivering sustainable designs that provide stakeholder profitability, employee well-being, environmental stewardship and operating cost reduction.

Project implementations In FY 2015 increased the division's revenue by 40% to RM105 million.

operations review

continued

IRIS Education division, through the rebadged and refreshed Seri Stamford College Sdn Bhd (Seri Stamford), remains wholly dedicated to providing superior quality education and training for industry-relevant skills.

Seri Stamford has a well-earned reputation of producing employable graduates who meet the demands of job markets across all industries.

April 2015 marked the unveiling of the Malaysia Higher Education Blueprint 2015-2025 by the Malaysian Ministry of Education. As a comprehensive plan for the development and growth of the higher education sector, the blueprint sets out to create a higher education system that ranks among the world's leading higher education systems and enables Malaysia to compete globally. Seri Stamford is well poised to join the evolution.

Having relocated its flagship campus from Petaling Jaya to Plaza Menjalara, Kuala Lumpur, Seri Stamford now operates in the heart of the bustling Bandar Menjalara township adjacent to established neighbourhoods of Desa ParkCity, Bandar Sri Damansara, Taman Tun Dr Ismail and Damansara Perdana.

Education



GROUP PHOTO - ACADEMIC BOARD OF SERI STAMFORD COLLEGE.

NEW LIBRARY AND RESOURCE CENTRE AT SERI STAMFORD COLLEGE, PLAZA MENJALARA CAMPUS IN BANDAR MENJALARA, KUALA LUMPUR.



In FY 2015, the division recorded RM4.25 million in revenue and incurred higher costs for operations mainly due to expenses for relocation, renovation and fitting out academic, administrative and community facilities at Seri Stamford.

Seri Stamford is a MyQUEST 6-STAR rated Private College with strong partnerships with many international institutions of higher learning to bring more international twinning courses to students across the affordability spectrum. Recent collaborations include a knowledge exchange and development with the Institute for Business and Information Kosgoro 1957 of Indonesia [IBI-Kosgoro57] and the introduction of Keiser University, USA as a new partner university. We continue to expand our network of global partnerships to build and offer enriching learning experiences for all our students.

Moving forward, we expect to recruit students through our strong local and global associations – in particular, we anticipate intakes from FELDA, Papua New Guinea, Indonesia and our African partner nations.



NEW INTAKE OF SERI STAMFORD COLLEGE STUDENTS AT PLAZA MENJALARA CAMPUS.

SERI STAMFORD BUILDING AT PLAZA MENJALARA.







PROGRESSING WITH RESILIENCE

AT IRIS, WE ARE EMBRACING NOT ONLY PROGRESS BUT CHANGE. WE KNOW THAT GROWTH REQUIRES A GREATER APPETITE FOR RISK AND WE ARE FLEXIBLE ENOUGH TO REORIENT OURSELVES TO CONTINUE DELIGHTING OUR CUSTOMERS. IRIS CONTINUES TO THRIVE IN CONSTANTLY VOLATILE BUSINESS ENVIRONMENTS AND FACE OUR HURDLES HEAD-ON WITH AN OPTIMISM, TENACITY AND RESILIENCE.

chairman's statement

Dear Shareholders

Financial Year 2015 (FY 2015) was a grueling year for the IRIS Group. Uncertainties in the global economy coupled with irrational competition combined to present an extremely challenging operating environment.



TAN SRI RAZALI BIN ISMAIL
Chairman

Despite these significant challenges, IRIS displayed remarkable resilience, demonstrated unwavering dedication and focus to delivering technology-driven solutions that will enrich lives and change the world for the better. We are committed to sustainability by improving business performance, product innovation, community action and environmental stewardship.

The Board and IRIS Management team know that in order to position IRIS for market leadership in all its businesses, we need to continue to innovate, improve and differentiate our businesses. Each of IRIS' seven business divisions has in place proprietary innovations, passionate and talented team and exponential growth potential. Thus, the IRIS Group is well-positioned to expand our businesses organically and to address challenges that the Group will face in FY 2016.

GROUP RESULTS

Several factors, many beyond our control, impacted our revenue and increased our costs. These included the severe Ebola virus epidemic in Africa, unpredictable weather extremes in Malaysia with devastating floods and long droughts, and the delayed budgetary disbursements by donors to Tanzania.

Due to challenging operating environment and fiercely competitive market, IRIS recorded a slight decline of 2% in revenue from RM573.2 million in FY 2014 to RM564.5 million, mainly because of revenue decrease in Trusted Identification Division.

The Group recorded a loss before taxation of RM17.2 million from profit of RM35 million in FY 2014, mainly due to higher pre-operating costs in relation to the Bangladesh MRP Passport Outsourcing Project and Malaysia GST TRS implementation (the revenue of these projects will be generated

in the next FY), loss from disposal of Amata Waste-to-Energy Incineration Plant, higher charges related to impairment of goodwill and impairment loss on receivables. Loss after taxation was RM23.7 million in FY 2015, compared to profit after taxation of RM18.6 million in FY 2014.

Despite the challenging market environment, delayed donor assistance in Tanzania and fears over the Ebola epidemic which impacted our Guinea ePassport project, the Trusted Identification division recorded a revenue of RM337.12 million and successfully delivered over 1 million units of Nigerian ePassports and over 2.5 million Tanzanian eID cards, demonstrating the sheer resilience of our dedicated IRIS team. Domestically, this division secured new projects to supply MyKid and MyTentera cards to Jabatan Pendaftaran Negara [JPN] and continue to have steady income from the Malaysia ePassport and Malaysia driving license projects.

This division's revenue is expected to increase with recurring income from existing international and domestic contracts and growth opportunity in trusted identification since the global biometrics market is anticipated to reach USD20 billion by 2018, according to TechSci Research.

The Payment and Transportation Division continues to grow with an increase of 2% in revenue from RM37.8 million in FY 2014 to RM38.4 million due to strong demand for our quality banking cards, payment cards and Automatic Fare Collection [AFC] products and solutions.

Both IRIS' traditional core businesses, Trusted Identification and Payment & Transportation Divisions remain as the highest revenue contributor representing 67% with combined revenues of RM376.8 million.

The Sustainable Development Division's revenue increased by 40% from RM75.1 million in FY 2014 to RM105 million, due to an increase in projects delivery. Although there were unpredictable weather extremes in Malaysia, the division successfully delivered five Rimbunan Kaseh projects for the Government of Malaysia with four more currently under construction. Our maiden venture in Papua New Guinea [PNG] will be another growth opportunity as we expect to generate revenues from the 290-villas for the Gerehu Heights Project and Ilimo City, a satellite township project in PNG.

IRIS KOTO IBS [Industrialized Building System] Division achieved 43% revenue increase mainly by supplying panels for IRIS Sustainable Development's projects. Together, Sustainable Development and IRIS KOTO IBS Divisions generated RM114.6 million of revenue in FY 2015. Two years ago, these businesses represented 14.9% of our revenue. Today, that has risen to 20.3% of IRIS' revenue.

The Food & Agro Technology Division's revenue and profit was affected by severe weather condition in Malaysia, delay in Rimbunan Kaseh's farm projects' operations and high pre-operating set-up expenses for Rimbunan Kaseh's farms.

The Education Division, through the rebadged and refreshed Seri Stamford College Sdn Bhd [Seri Stamford], recorded a revenue of RM4.25 million in FY 2015. This divisions' loss was mainly due to Seri Stamford's high one-time relocation, renovation and set-up costs at its new facilities at Plaza Menjalara, Kepong. This division has strong positive trajectory growth as we capitalize on our strong local and global associations to recruit students from FELDA, Papua New Guinea, Indonesia and our African partner nations.

The Environment & Renewable Energy Division recorded an increase of 17% in revenue from RM37.6 million to RM43.9 million in FY 2015. Its Waste-to-Energy Incineration plant in Phuket, Thailand is now generating steady positive revenue to the Group after initial disruptions to its operations due to upgrading works. This division also incurred loss from the disposal of Amata Waste-to-Energy Incineration Plant and higher expenses due to Phuket plant's upgrades.

In its pursuit for growth, the Group takes cognizance of the associated risks and will ensure the necessary risk mitigating initiatives are put in place to manage such risks. For example, to mitigate credit risk, we are shortening trade cycles, implementing diligent debt collection processes and tightening credit application procedures. We are also mitigating operational risk by continuously improving product and service delivery cycles in customer service and by implementing stricter inventory control.

Since simplification is the catalyst for improvement in operating performance, we will run IRIS in a simpler, faster and more accountable way and focus on efficiency, speed and market impact. We aim to increase revenues by bringing new products and solutions to the market faster, by undertaking initiatives to secure more new projects and by expediting projects implementation.

As we end one difficult year and brace ourselves to face another equally challenging year ahead, we are cognisant of the potential challenges. We are already implementing more cost containment measures to drive down operating and administrative costs and executing more intense and targeted efforts to further increase efficiencies.

chairman's statement

continued

GROUP RESULTS (CONTINUED)

The Board remains confident that IRIS will perform with our resilient business model and continue to leverage on our Global Footprint in 35 countries. To ensure sustainable profitability, we will continue to strengthen our market position, accelerate business innovation and align what is good for our business with what is good for society and the planet.

CORPORATE DEVELOPMENTS

Corporate proposals reported during FY 2015 were:

- (a) Acquisition of issued and paid-up share capital of Seri Stamford College Sdn Bhd (formerly known as Stamford College [PJ] Sdn Bhd) and Stamford College [Malacca] Sdn Bhd

The Company had on 26th May 2014 paid the consideration sum of RM2,250,000, being the balance sum of the total cash consideration of RM2,250,000 for the acquisition of 51% of fully paid-up ordinary shares of Seri Stamford College Sdn Bhd (formerly known as Stamford College [PJ] Sdn Bhd) ["SSC"] and Stamford College [Malacca] Sdn Bhd ["SCM"]. SSC and SCM hereby become the subsidiaries of the Company and their principal activities are involved in educational field.

- (b) Disposal of the entire issued and paid-up share capital of Epoch Energy Technology Sdn Bhd

The Company had on 2nd June 2014 entered into a Share Sale Agreement ("Agreement") with Armada Setiajaya Sdn Bhd (Company No. 1090617) for the disposal of its entire 11,257,000 ordinary shares ("Sale Shares") in its subsidiary Epoch Energy Technology Sdn Bhd ("Epoch") for a total cash consideration of RM3,000,000 and Epoch ceased to be a subsidiary of the Company.

- (c) Divestment of Versatile Creative Berhad of 25% equity interests

IRIS Healthcare Sdn Bhd ("IHSB"), a wholly-owned subsidiary of the Company, had on 18th September 2014 disposed 27,660,770 ordinary shares of Versatile Creative Berhad ("VCB") to Rica Holdings Sdn Bhd ("RHSB"), representing 25% equity interest in VCB for a disposal consideration of approximately RM15.2 million. Pursuant thereto, the Company equity interests in VCB were diluted from 71,470,815 VCB shares (64.6%) to 43,810,045 VCB shares (39.6%). Accordingly, VCB ceased to be a subsidiary of IHSB.

- (d) Acquisition of issued and paid-up share capital of IRIS Global Blue TRS Malaysia Sdn Bhd (formerly known as Global Blue TFS Malaysia Sdn Bhd)

IRIS Information Technology Systems Sdn Bhd ("IITS"), a wholly-owned subsidiary of the Company, had on 10th September 2014 acquired 51% of the issued and fully paid-up shares of RM1.00 each in IRIS Global Blue TRS Malaysia Sdn Bhd ("IGB") (formerly known as Global Blue TFS Malaysia Sdn Bhd) for a total cash consideration of RM51. IGB's day-to-day operations are currently managed by the Global Blue SA, a company incorporated in Switzerland and Global Blue SA holds the remaining 49% equity interests in IGB. IGB is now an associate of the Company and its business activity is to undertake the business of providing the Goods and Services Tax ("GST") Refund Services to foreign travelers in Malaysia.

- (e) Acquisition of issued and paid-up share capital of Northern Shine Holding Limited

The Company had on 31st October 2014 acquired 10 ordinary shares, representing 100% equity interests in Northern Shine Holdings Limited ("NSH"), a company incorporated under the laws of the British Virgin Island, for a total cash consideration of USD4,950,000 (or equivalent to RM17,577,000). NSH's principal business is involved in investment holding.

- (f) Disposal of IPE Insulation [M] Sdn Bhd

IRIS Koto [M] Sdn Bhd, a subsidiary of the Company, had on 31st March 2015 disposed of its entire shareholdings of 900 ordinary shares representing 90% of the issued and paid-up ordinary shares of IPE Insulation [M] Sdn Bhd ("IPE") for a total cash consideration of RM1,500,000.00. IPE ceased to be a subsidiary of the Company.

- (g) Acquisition of Plaman Resources Limited

The Company had on 20th March 2015 completed the acquisition of 700 ordinary shares, representing 70% equity interests in Plaman Resources Limited ("PRL"), a company incorporated in New Zealand, for a total cash consideration of approximately AUD5.65 million (or equivalent to RM16,501,192). PRL's principal business is involved in mining business.

COMMITMENT TO QUALITY AND EXCELLENCE

The IRIS Group's dedication to continuous quality and excellence has long been a key contributing factor to the long-term success of the Group and the Group continues to receive external recognition and accolades on this. In FY 2015, the notable awards and certifications that were received by the Group included the following:

- Malaysia's Best Employer Brand 2015
- American Express Global Certification Programme for Plastic Card Embossing and Personalisation 2015
- Mastercard Global Vendor Certification for Card Manufacturing and Personalisation 2015
- Visa Approved Global Vendor Certification for Card Manufacturing and Personalisation 2015

The IRIS Group is also delighted and honoured that Datuk Tan Say Jim, the IRIS Group Managing Director and CEO, was bestowed The Peak Magazine's Innovation Award in 2014. Datuk Tan's well-deserved recognition by The Peak Magazine highlights our bold growth and innovation as an organization.

The IRIS Group recognizes the importance of delivering consistent service and product quality. These awards reaffirm our strong commitment and we will continue our relentless pursuit of the delivery of excellence to all our stakeholders.

THE BOARD

On 4 June 2015, Datuk Noor Ehsanuddin Bin Hj Mohd Harun Narrashid and Datuk Nik Azman Bin Mohd Zain have been appointed as Non-Independent Non-Executive Directors.

On behalf of the Board of Directors, I am pleased to welcome Datuk Noor Ehsanuddin Bin Hj Mohd Harun Narrashid and Datuk Nik Azman Bin Mohd Zain to the Board of IRIS Corporation Berhad.

Datuk Noor Ehsanuddin Bin Hj Mohd Harun Narrashid graduated with a Degree in Civil Engineering and Mechanics from Southern Illinois University, Carbondale, USA and has vast experience in management and engineering and also a Member of Parliament for the Kota Tinggi constituency.

He is currently the Director in FELDA, FELDA Global Ventures Holdings Berhad, MSM Malaysia Holdings Berhad, Encorp Berhad and FELDA Investment Corporation Sdn Bhd.

Datuk Nik Azman Bin Mohd Zain graduated with a Bachelor of Science (Hons) from University Malaya and Master of Administration from Roth Graduate School of Business, Long Island University in New York, and has extensive experience in management and consulting skills and also serves as an integral member of the panel of judges and moderator for the Prime Minister's SME Innovation Award.

He is currently the Director in FELDA Investment Corporation Sdn Bhd.

Datuk Kamaruddin Bin Taib has retired from the Board during the last Annual General Meeting while Muhammad Sufi Bin Mahbub has resigned from the Board and Datuk Faizoull Bin Ahmad has vacated his Board seat during the year. The Board would like to record its appreciation for the invaluable contributions these gentlemen had made during their tenure with the Group.

SPECIAL THANKS

In summary, FY 2015 has been a challenging year for the IRIS Group. Thanks to supportive customers, suppliers, steadfast partners, resilient IRIS employees stationed at home and abroad, IRIS was able to navigate the challenging business conditions with optimism, tenacity and resilience.

I feel incredibly proud to be part of the IRIS Group that has so much determination and drive, and have overcome every challenge with unbridled passion and dedication to thrive in the toughest of times. My heartfelt thanks to all our employees for their commitment, passion and resilience.

On behalf of the Board, I would like to extend my deepest gratitude and appreciation to all stakeholders for their unwavering support and confidence in IRIS. As we forge ahead, I am confident that the Group will continue to accomplish its objectives of generating strategic growth and build a long-term sustainable future for our businesses.

TAN SRI RAZALI BIN ISMAIL
CHAIRMAN





PROGRESSING WITH STRENGTH

BY FOCUSING ON HIGHER-GROWTH EMERGING MARKETS, WE ARE COLLABORATING WITH MORE AND MORE GOVERNMENTS AND PARTNERS ACROSS THE GLOBE. OUR INTERNATIONAL REACH OF 35 NATIONS IS POWERED BY OUR MULTI-FACETED APPROACH WHICH CONSIDERS EACH COUNTRY'S UNIQUE PROFILE AND GOALS.

our global
footprint

**NORTH
AMERICA**

Bahamas, Canada,
United States



Customer Satisfaction in
35
COUNTRIES
worldwide

96.1
million

As of March 2015,
we have delivered more
than 96.1 million pieces of
eID and/or Card-based
driving licenses

76.9
million

As at March 2015, we
have delivered more
than 76.9 million pieces
of ePassport and/or
Inlay to 13 countries



**197
thousand**

As at March 2015, more than 197 thousand of contact/contactless card readers and devices sold to 28 countries

**1.71
million**

As of March 2015, more than 1.71 million sq. ft of residential/commercial/school spaces were built using IRIS KOTO IBS Panels

**608
acres**

As of March 2015, 608 acres of rural space have been transformed by IRIS Sustainable Development Division in Malaysia

corporate profile

Established in 1994, headquartered in Kuala Lumpur, Malaysia, listed on Bursa Malaysia [ACE Market] since 2002 and MSC-status technology innovator, system integrator and manufacturer, IRIS envisions a sustainable future for all. To fulfil our vision of a sustainable future, we embarked on a journey to discover, develop and deploy a portfolio of products and solutions that will enrich lives and change the world for the better. One of our greatest assets is our dedicated team that has made its mark for being both experienced as well as very agile, adapting our products and solutions to suit the needs of our customers globally.

IRIS is a technology integrator and innovator with sustainable, comprehensive solutions for trusted identity, secure payments, transportation, waste management, renewable energy, building solutions, food security, agriculture, sustainable development and education.

Our core values of Passion, Assertion, Genuineness, Innovation and Compassion are what drive our 7 business divisions to continually work towards providing viable, innovative and sustainable solutions to everyday problems.

Enriching Lives, Sustainable Future

IRIS envisions a sustainable future for all. To fulfil a vision of a sustainable future, we embarked on a journey to discover, develop and deploy a portfolio of products and solutions that will enrich lives and change the world for the better.

EMBRACING PROGRESS

**TRUSTED
IDENTIFICATION,
PAYMENT AND
TRANSPORTATION
DIVISIONS**

**ENVIRONMENT
AND RENEWABLE
ENERGY DIVISION**

**FOOD AND
AGRO
TECHNOLOGY
DIVISION**

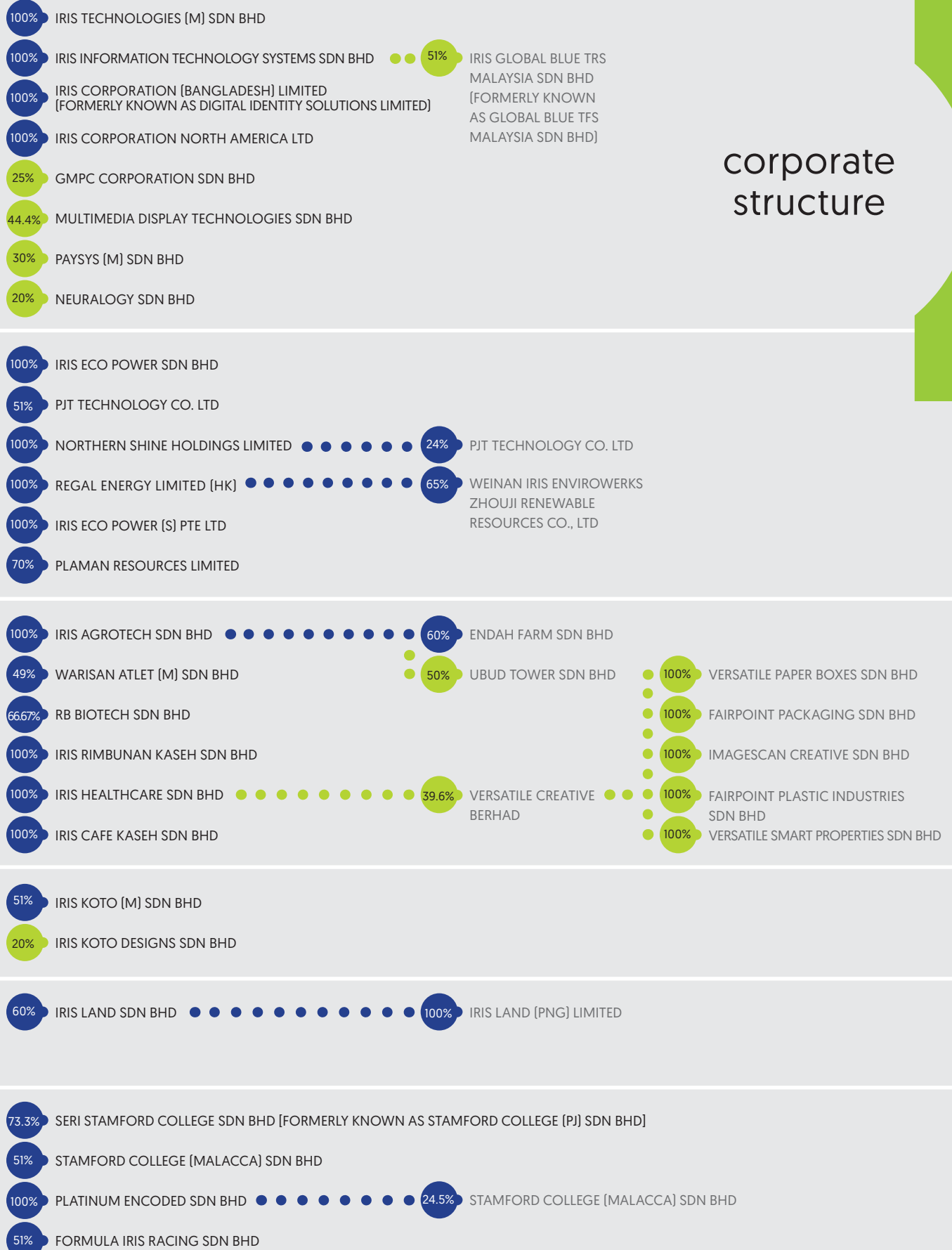
**KOTO INDUSTRIALISED
BUILDING SYSTEMS
DIVISION**

**SUSTAINABLE
DEVELOPMENT
DIVISION**

**EDUCATION
DIVISION**

- Subsidiaries of IRIS Group
- Associate companies of IRIS Group

corporate structure



group financial summary

Summary of Financial information	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2010 RM'000	2009 RM'000
REVENUE	564,491	573,237	537,066	483,790	366,110	331,728
[Loss]/Profit before taxation	(17,253)	35,085	34,029	58,077	42,587	30,421
[Loss]/Profit after taxation	(23,698)	18,635	18,436	40,844	28,031	15,581
Total Equity attributable to owners of the company	546,862	550,141	416,059	402,678	346,524	308,373
Non-current assets	612,741	586,373	505,519	313,330	315,257	275,236
Current assets	709,056	720,202	586,441	473,235	370,327	274,750
Total assets	1,321,797	1,306,575	1,091,960	786,565	685,584	549,986
Current liabilities	574,133	606,594	518,009	295,934	216,896	197,072
Non-current liabilities	181,042	92,862	116,751	88,953	122,164	44,541
Total liabilities	755,175	699,456	634,760	384,887	339,060	241,613
Net assets	566,622	607,119	457,200	401,678	346,524	308,373

Key Ratio	Basis	2015	2014	2013	2012	2010	2009
Pre-tax [loss]/profit margin	[%]	-3.06%	6.12%	6.34%	12.00%	11.63%	9.17%
Post-tax [loss]/profit margin	[%]	-4.20%	3.25%	3.43%	8.44%	7.66%	4.70%
Basic [loss]/earnings per share	[sen]	(1.02)	1.38	1.34	2.91	1.98	1.11
Net assets per share	[sen]	26.80	28.75	26.39	25.56	24.45	21.79
Total borrowings to equity ratio	[%]	88.60	69.68	65.67	37.34	57.47	44.59

corporate information

BOARD OF DIRECTORS

TAN SRI RAZALI BIN ISMAIL

Chairman, Independent Non-Executive Director

YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU
BESAR BURHANUDDIN

Vice Chairman, Independent Non-Executive Director

DATUK TAN SAY JIM

Group Managing Director & Chief Executive Officer

DATO' HAMDAN BIN MOHD HASSAN

Deputy Managing Director

DATO' EOW KWAN HOONG

Executive Director

SYED ABDULLAH BIN SYED ABD KADIR

Independent Non-Executive Director

CHAN FEOI CHUN

Independent Non-Executive Director

DATUK NOOR EHSANUDDIN BIN HJ MOHD

HARUN NARRASHID

Non-Independent Non-Executive Director

DATUK NIK AZMAN BIN MOHD ZAIN

Non-Independent Non-Executive Director

AUDIT COMMITTEE

YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU
BESAR BURHANUDDIN

Chairman

SYED ABDULLAH BIN SYED ABD KADIR

CHAN FEOI CHUN

COMPANY SECRETARIES

DATO' EOW KWAN HOONG [MIA 3184]

JOANNE TOH JOO ANN [LS 0008574]

YAP SIT LEE [MAICSA 7028098]

AUDITORS

Crowe Horwath

Level 16, Tower C, Megan Avenue II

12 Jalan Yap Kwan Seng

50450 Kuala Lumpur

Tel: +603 2788 9999 Fax: +603 2788 9998

REGISTERED OFFICE

Level 18, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel: +603 2264 8888 Fax: +603 2282 2733

CORPORATE OFFICE

IRIS Smart Technology Complex

Technology Park Malaysia, Bukit Jalil

57000 Kuala Lumpur

Tel: +603 8996 0788 Fax: +603 8996 0442

Website: www.iris.com.my

SHARE REGISTRAR

Tricor Investor Services Sdn Bhd

Level 17, The Gardens North Tower

Mid Valley City, Lingkaran Syed Putra

59200 Kuala Lumpur

Tel: +603 2264 3883 Fax: +603 2282 1886

PRINCIPAL BANKERS

Standard Chartered Bank Malaysia Berhad

Malayan Banking Berhad

OCBC Bank (Malaysia) Berhad

MIDF Amanah Investment Bank Berhad

HSBC Bank Malaysia Berhad

Hong Leong Bank Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Code: 0010

Stock Name: IRIS



PROGRESSING WITH PASSION

WE CONTINUE TO UNLOCK, HARNESS AND NURTURE THE POTENTIAL IN OUR TALENTED WORKFORCE TO MEET INCREASINGLY NEW, COMPLEX SOCIAL AND COMMERCIAL DEMANDS. WITH THE RIGHT PEOPLE HAVING THE RIGHT SKILLS IN THE RIGHT PLACES, IRIS TEAMS MOVE SEAMLESSLY TOWARD SUCCESS IN MANY INDUSTRIES AND GEOGRAPHIES.



profile of directors

DATUK TAN SAY JIM

DATO' HAMDAN
BIN MOHD HASSAN



TAN SRI RAZALI
BIN ISMAIL

YAM TUNKU DATO'
SERI SHAHABUDDIN
BIN TUNKU BESAR
BURHANUDDIN

SYED ABDULLAH
BIN SYED ABD KADIR

CHAN FEOI CHUN

DATO' EOW
KWAN HOONG



DATUK NOOR
EHSANUDDIN BIN
HJ MOHD HARUN
NARRASHID

DATUK NIK AZMAN
BIN MOHD ZAIN

profile of directors

continued

TAN SRI RAZALI BIN ISMAIL

Chairman

Independent Non-Executive Director

Tan Sri Razali, a Malaysian aged 76, was appointed to the Board on 2 May 2002. He retired from government in 1998, after 10 years as Malaysia's Permanent Representative to the United Nations ("UN") and earlier postings. At the UN, Tan Sri Razali served in various capacities: Group of 77, UN Security Council, Commission on Sustainable Development and President of the General Assembly developing positions on development, sustainability, governance, UN reforms, and on the political/security and he continues his involvement in these subjects in Malaysia and outside. He was the UN Secretary-General's Special Envoy for Myanmar 2000-2005.

Tan Sri Razali has been Chairman of IRIS Corporation Berhad since 2002. He is also the Chairman of Cypark Resources Berhad and Allianz Malaysia Berhad inter alia, and until recently Pro Chancellor of Universiti Sains Malaysia. He heads an NGO foundation, Yayasan Chow Kit, on displaced children; sits on the Board of the Razak School of Government, and is Chairman of the Global Movement of Moderates Foundation.

YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU BESAR BURHANUDDIN

D.K, S.P.T.J., AO [AUSTRALIA]

Vice Chairman

Independent Non-Executive Director

A Malaysian aged 80, was appointed to the Board on 11 February 1998. He graduated with a Bachelor of Science [Economics] from Queens University of Belfast.

He began his career with Esso Malaysia Limited as an economic analyst and moved into the finance industry as a Manager within Malayan Banking Group. Currently, he is the Executive Chairman and co-founder of Strateg Group which is a leading technology provider offering scalable integrated solutions. He has been instrumental in localizing the company and expanding it to countries in the Asia Pacific region.

Amongst the many accolades bestowed on Tunku are the Darjah Kerabat Terengganu Yang Amat Mulia Darjah Yang Pertama [D.K], the Darjah Seri Paduka Tuanku Ja'afar Yang Amat Terpuji Negeri Sembilan [S.P.T.J], Honorary Officer (AO) in the General Division of the Order of Australia [for his service to Australian-Malaysian relations] and Austrade's International Award 2000 for outstanding contribution to Australia's international trade by a foreign individual based outside of Australia.

He is the Honorary Life Chairman of the Malaysian Australian Business Council and is the immediate past Chairman of the Selangor Turf Club.

Tunku is also the Chairman of Axis REIT Managers Berhad, Berjaya Assets Bhd, DHL Worldwide Express [M] Sdn Bhd, Jotun [M] Sdn Bhd, Rotol Group Sdn Bhd and Vision Four Sdn Bhd.

YAM Tunku Dato' Seri Shahabuddin currently serves as the Chairman of Audit Committee, Remuneration Committee and Nomination Committee.

DATUK TAN SAY JIM

Group Managing Director & Chief Executive Officer

A Malaysian aged 57, was appointed to the Board on 30 June 1996. He is the co-founder, Group Managing Director and Group Chief Executive Officer of IRIS Corporation Berhad. He is an associate member of the Chartered Institute of Management Accountants, UK.

He began his career with UMW Holdings Berhad and he was the Group Finance Manager when he left the company in 1986.

Prior to joining IRIS Corporation Berhad, he was with the Lion Group of Companies as the Group Treasurer, a post he held till 1997.

In 1 December 2010, Datuk Tan was recognized as Ernst & Young Technopreneur of the Year, the prestigious business award pays tribute to exemplary business-building by an entrepreneur within the technology industry.

DATO' HAMDAN BIN MOHD HASSAN

Deputy Managing Director

A Malaysian aged 56, was appointed to the Board on 17 October 2011. He graduated with a Diploma in Computer Science from Universiti Teknologi MARA and Advance Diploma in Computer Programming from City & Guilds, UK.

Dato' Hamdan began his career with Bank Simpanan Nasional Berhad as Programmer Analyst in 1985, and was part of the Senior Management team responsible for the Computer Network Management System Department prior to his early retirement from the bank in 2002.

In 2002, he joined a property development company – CY Hitech Development Sdn Bhd as Executive Chairman. He left in 2004 and joined Ukay Spring Development Sdn Bhd as Executive Director and was responsible for the development of 56 acres of land in Bukit Antarabangsa. He then left in 2006 to join Metroworld Development Sdn Bhd as Group Executive Director and was involved in the development of a high end condominium project at Jalan Damai off Jalan Ampang, Kuala Lumpur. He held the position until 2009.

He is currently the Director and Shareholder of IRIS Land Sdn Bhd, a subsidiary of IRIS Corporation Berhad and is also a Director for several private limited companies involved in sand dredging and reclamation works.

DATO' EOW KWAN HOONG

Executive Director

Dato' Eow Kwan Hoong aged 62, a Malaysian was appointed to the Board on 2 May 2002. He is also a member of the Remuneration Committee.

Dato' Eow is a member of the Malaysian Institute of Accountants and a Fellow member of the Chartered Institute of Management Accountants (CIMA), United Kingdom. In 2013, he was elected by CIMA members in South East Asia to serve as a Council member of CIMA UK for a three year term.

He joined the Lion Group as an Accounts Manager in 1982. After serving the Group for 17 years and holding the post of Group Chief Accountant, he left in April 1998 to join IRIS Corporation Berhad as the Chief Operating Officer. Currently, he sits on the Board of Versatile Creative Berhad. In addition, he also sits on the Boards of Lion Forest Industries Berhad, Lion AMB Resources Berhad and several Malaysian private limited companies.

SYED ABDULLAH BIN SYED ABD KADIR

Independent Non-Executive Director

A Malaysian aged 61, was appointed to the Board on 7 May 1998. He graduated with a Bachelor of Science [Engineering Production] and a Bachelor of Commerce [Economics] Double Degree from University of Birmingham, United Kingdom in 1977.

He has 10 years of vast experience in banking and financial services with Bumiputra Merchant Bankers, holding the position of General Manager immediately prior to his departure from the bank. He then left in 1994 to join Amanah Capital Partners Berhad, a public listed subsidiaries involved in, inter alia, discount house, money broking, unit trusts, finance and fund management operations, a post he held as General Manager till February 1996.

He is currently also a Director of YTL Corporation Berhad, YTL Power International Berhad, YTL E-Solutions Berhad, Versatile Creative Berhad and Stenta Films (M) Sdn Bhd. He is also an alternate trustee in Perdana Leadership Foundation.

Syed Abdullah is currently a member of Audit Committee, Remuneration Committee and Nomination Committee.

CHAN FEOI CHUN

Independent Non-Executive Director

A Malaysian aged 62, was appointed to the Board on 23 January 2009. He graduated with a Master of Business Studies [Banking & Finance] from University College Dublin, Ireland and a graduate of the Institute of Chartered Secretaries and Administrators, UK.

He is a fellow member of Chartered Institute of Management Accountants (CIMA), UK and a Chartered Global Management Accountant. He is currently the Chairman of the CIMA South East Asia Regional Board. He is also a Chartered Accountant of The Malaysian Institute of Accountants (MIA).

He has gained extensive experience of 35 years from the international working experience in Britain and Thailand; in areas of financial management and business re-engineering.

Prior to joining IRIS Corporation Berhad, he held senior management positions in financial services Group of MBF Holdings and various senior positions in PJD Berhad Group of Companies.

Currently, he is the Executive Director of Swiss-Garden International Vacation Club Berhad, an Independent Director and Audit Committee member of Versatile Creative Berhad and a Non-Independent Non-Executive Director and Audit Committee member of Perisai Petroleum Teknologi Berhad.

Mr. Chan currently serves as member of Audit Committee and Nomination Committee.

profile of directors

continued

DATUK NOOR EHSANUDDIN BIN HJ MOHD HARUN NARRASHID

Non-Independent Non-Executive Director

A Malaysian aged 52, was appointed to the Board on 4 June 2015. He graduated with a Degree in Civil Engineering and Mechanics from Southern Illinois University, Carbondale, USA.

Datuk Noor Ehsanuddin began his career as an engineer, working for several private companies including Milford Haven Automation Sdn Bhd and Alfa Laval Sdn Bhd. He then joined Behnmas [M] Sdn Bhd as Director in 1990 until 2005. He was then appointed as a Director at Daya Reka Nusantara Development Sdn Bhd in 2006.

In 2008, he was appointed as the Director of Seranta [FELDA] in the Prime Minister's Department and he is now a Member of Parliament for the Kota Tinggi constituency.

He is currently a Director of the Federal Land Development Authority ("FELDA"), FELDA Global Ventures Holdings Berhad, MSM Malaysia Holdings Berhad, Encorp Berhad and FELDA Investment Corporation Sdn Bhd.

DATUK NIK AZMAN BIN MOHD ZAIN

Non-Independent Non-Executive Director

A Malaysian aged 65, was appointed to the Board on 4 June 2015. He graduated with a Bachelor of Science (Hons) from University Malaya and Master of Business Administration from Roth Graduate School of Business, Long Island University in New York.

Datuk Nik Azman started his career with Unilever after his undergraduate study in The Technical Department of the Company. Post-MBA, he spent two years with Exxon Mobil as a Financial Analyst in the Financial Reporting Department of the Company. From Exxon, he joined SGV (now Deloitte) in 1978 as an Assistant Consultant in the Firm's Management Consulting Division. He was a Partner of the Firm in 1982.

He became the Partner-in-Charge of Malaysia's Consulting operation in 1990. In 2007 when Deloitte Malaysia became a member of Deloitte SEA Cluster (comprising Malaysia, Singapore, Thailand, Indonesia, Vietnam, Brunei, Philippines and Guam), he was chosen to head Consulting for the Cluster.

Outside Consulting and the office, he serves, for a number of years, as an integral member of the panel of judges who presided over SME Corp-Deloitte's Enterprise 50 Award and moderator for Prime Minister's SME Innovation Award. He also serves and leads the panel of judges for the selection of Malaysian CEO of the Year-an annual award programme of Business Times-Maybank-American Express.

He is currently the Director in FELDA Investment Corporation Sdn Bhd.

Notes

1. Save as disclosed above, none of the Directors have any family relationship with any other directors and/or other major shareholders of the Company.
2. None of the Directors have conflict of interest with the Company.
3. None of the Directors has been convicted of any offence within the past ten years other than traffic offences, if any.
4. The attendance of the Directors at Board of Directors' Meetings is disclosed in Corporate Governance Statement.

key management team

DATUK TAN SAY JIM
Group Managing
Director & CEO

**DATO' LEE
KWEE HIANG**
Executive Director
Manufacturing
Technology

YAP HOCK ENG
Executive Director
Software Technology



**DATO' EOW
KWAN HOONG**
Executive Director
Finance



**DATO' HAMDAN BIN
MOHD HASSAN**
Deputy Managing
Director
Trusted Identification
and Payment &
Transportation



**DATO' CHEAH
TENG LIM**
Chief Executive
Officer
Sustainable
Development



**LAWRENCE SIAW
SENG CHEE**
Chief Executive
Officer
Property Development



**DATO' VINCENT
LEONG JEE WAI**
Managing Director
Food & Agro
Technology and
Education



SU THAI PING
Managing Director
Environment &
Renewable Energy



CHOONG CHOO HOCK
Chief Operating Officer
Koto Industrialised
Building Systems

our passionate team

EMPLOYEES ACTIVITIES
[APRIL 2014 – MARCH 2015]

Much of the Group's success today is attributable to the passion, assertiveness and skill of our over 1,000 strong and focused employees who work seamlessly with the Group's key stakeholders to deliver sustainable performance for the Group.

Our employees are also deeply rooted with a sense of commitment to serve with a spirit of camaraderie, respect and humility.

To drive sustainable performance, in addition to enhancing staff well-being, IRIS will continue to provide effective training and coaching to up-skill staff competency and productivity.

23
APR 2014

vitagen
wellness day



1-4
MAY 2014

LEISURE TRIP TO
HO CHI MINH CITY, VIETNAM



12
JUNE 2014

blood
donation

27
NOV 2014

FIRE DRILL



18-19
OCT 2014

IRIS GREEN HUNT,
CAMERON HIGHLAND



10
JAN 2015

BADMINTON
TOURNAMENT



22
JAN 2015

PANTAI HOSPITAL
AMPANG HEALTH
TALK AND HEALTH
SCREENING



24
JAN 2015

PING PONG
TOURNAMENT

ON-GOING
PROGRAM



7
FEB 2015

volleyball
tournament



training &
teambuilding activities



28
FEB 2015

IRIS
telematch
day



calendar of events

VISITORS
(2014 – 2015)

15 APRIL 2014

Members of
Parliament Republic
of Kenya

8 MAY 2014

Working visit by
delegates from the
National Speaker
Seminar to the
Rimbunan Kaseh
Serkam, Melaka

19 MAY 2014

Graduating DES/DCA
Students' Lunch

23 MAY 2014

American Hotel and
Lodging Educational
Institute (AH&LEI)

29 MAY 2014

Keiser University
and Stamford
College MOA
Signing Ceremony

11 JUNE 2014

YB Datuk Abdul
Rahman Dahlan,
Minister of Urban
Wellbeing,
Housing and Local
Government

20 AUGUST 2014

The Honorable
Minister
Phiwayinkhosi
Mabuza (MP), Minister
of Housing and
Urban Development,
Kingdom of
Swaziland

1 OCTOBER 2014

Ministry of Lands,
Housing and Urban
Development,
Republic of Kenya

3 OCTOBER 2014

Regional Representative
Office, Trade and
Investment KwaZulu-Natal
Province, Republic of
South Africa

7 OCTOBER 2014

YB Dato' Norol Azali, Dun &
MP Guai Pahang

10 OCTOBER 2014

- MSL Logistics Uganda
- Students from
Sunway College

14 OCTOBER 2014

- AGIT Indonesia
- CIDB Malaysia

27 OCTOBER 2014

JKR Negeri Sembilan

12 NOVEMBER 2014

Visit by NTWG Members



22 DECEMBER 2014

DNV Group, India

21 JANUARY 2015

Kolej Komuniti Masjid
Tanah Melaka

29 JANUARY 2015

The Honorable
Minister General
Aronda Nyakairima,
Minister of Internal
Affairs Republic of
Uganda

13 FEBRUARY 2015

Her Royal Highness
Princess Meriam Kiram
of Sulu Sultanate

2 MARCH 2015

Dr. Thomas D.
Kashililah, Secretary
to the Parliament
of Tanzania, United
Republic of Tanzania

18 MARCH 2015

H.E. Madame Hanna
S. Tetteh, Minister
of Foreign Affairs &
Regional Integration,
Republic of Ghana

26 MARCH 2015

Visit by Chairman
of Alrifai Corporation
Kuwait



calendar of events

EVENTS
(2014 – 2015)

april
2014

8 – 10

ICAO REGIONAL
SEMINAR ON MRTDs
AND TRAVELLER ID
MANAGEMENT
Tashkent, Uzbekistan

23 – 24

CARDS &
PAYMENTS ASIA 2014
Singapore



may
2014

17

LAUNCH OF
GEREHU HEIGHTS,
PAPUA NEW GUINEA
Port Moresby

23 – 25

FESTIVAL BELIA
PUTRAJAYA 2014
Putrajaya



june
2014

25

BANGLADESH MRP
UAE

25

ICAO REGIONAL
SEMINAR ON MRTDs
Spain

august
2014

14

LAUNCH OF
MALAYSIA
SUPER GT
Grand Hyatt
Kuala Lumpur



november
2014

4 – 6

CARTES 2014
Paris

11 – 13

NEW TECHNOLOGIES
WORKING GROUP
MEETING [NTWG]
JW Marriot
Kuala Lumpur

20 – 30

MALAYSIA
AGRICULTURE,
HORTICULTURE &
AGROTOURISM
EXPO [MAHA]
Taman Expo
Pertanian Malaysia
Serdang [MAEPS]



december
2014

2 – 4

BORDER
MANAGEMENT
INFORMATION
SYSTEMS FOR 2025
Bangkok, Thailand



march
2015

31

OFFICIAL LAUNCH
OF MALAYSIA'S GST
TOURIST REFUND
SCHEME (TRS)
Shangri-La Hotel
Kuala Lumpur



corporate social responsibility

16

MAY 2014

Visit to Ozanam House
[Orphanage home], Petaling Jaya by
Seri Stamford College students.



8

JUNE 2014



Donation to Girl Guide's
Association of Malaysia.
Donation was used as
humanitarian aid for flood
victims and scholarships for
underprivileged girls.

12

APR 2014

Trip to SEMOA Orang Asli Education Center and
Orang Asli Settlement, Raub, Pahang by Seri
Stamford College students.



8

JUNE 2014

Marathon Antarabangsa Sungai
Melaka, Dataran Pahlawan by
Seri Stamford College students.



12 September 2014

Donation to the Perdana
Global Peace Foundation.
Former Prime Minister Tun
Mahathir is the Patron of
this foundation that aims to
promote world peace.

14 September 2014

'Kunjungan Kaseh IRIS' team
visits the Old Folks Home, Siti
Noraini Care Center in Kajang.

10 October 2014

Repair houses for 31
families whose homes
were destroyed during the
catastrophic flood in Pekan,
Pahang, Malaysia.

February – March 2015

Building 12 IRIS KOTO IBS
homes for families whose
homes were destroyed by
the floods in Tanah Merah,
Kelantan.

21

JUNE 2014

World Environment Day – Tree Planting Activity,
Taman Tasik Kota Kemuning by Seri Stamford
College students.



12

JULY 2014

Tabung Kaseh Ramadhan
– Contribution of cash and
basic needs for the 35
poverty-stricken families
around Banting, Selangor and
Kepong Kuala Lumpur during
the Ramadhan month.



21
OCT 2014

Bursa Bull Charge Run for Malaysian Charities 2014. The aim of this charity run is to raise awareness and a reminder to give back and invest in local communities..

3
NOV 2014

'Tabung Kaseh Deepavali' contribution of cash and basic needs item to 15 poverty-stricken of the Indian Community around Selangor in conjunction with Deepavali celebration.

31
DEC 2014

'Tabung Kaseh Mangsa Banjir' for the flood victims 2014 / 2015 with cooperation with DBS Bikerz.

2-6
FEB 2015

Loaned 35 units of IRIS IPT300 mobile devices to enable the identification and issuance of funds to eligible flood victims in a safe and efficient manner.

27
MAR 2015

Donation to contribute Al-Quran translation to the unfortunate students who were affected by the floods.

28
MAR 2015

Working with WWF (World Wildlife Fund) to promote WWF's Earth Hour event.





PROGRESSING WITH EXCELLENCE

AGAINST A BACKGROUND OF INCREASINGLY COMPLEX AND FAST-MOVING COMMERCIAL ENVIRONMENT, TECHNICAL INNOVATION AND EVER MORE EXACTING CUSTOMER REQUIREMENTS, IRIS REMAINS COMMITTED TO WORLD CLASS BEST PRACTICES FOR INCREASING THE QUALITY, VOLUME AND VELOCITY OF NEW PRODUCTS AND SERVICES.



awards & recognition



MALAYSIA BEST EMPLOYER BRAND AWARDS 2015
IRIS Corporation Berhad

THE PEAK MAGAZINE'S INNOVATION AWARD 2014
YBhg Datuk Tan Say Jim
IRIS Corporation Berhad

Information Security Management System (ISMS) certified in accordance with ISO 27001:2005 ISMS

Integraf CWA 14641:2009 certified security printer

Quality Management System (QMS) certified in accordance with ISO 9001:2008

AMEX certified to personalize all types of American Express branded credit or charge cards

MasterCard certified to manufacture and personalize all types of MasterCard branded banking cards

Visa certified to personalize all types of Visa branded banking cards



statement on corporate governance

The Board of Directors ["the Board"] is fully committed to maintain high standards of corporate governance throughout the Group to safeguard and promote the interests of the shareholders and to enhance the long term value of the Group. The Board has considered that it has adopted and complied with the principles and best practices as set out in the Malaysian Code on Corporate Governance 2012 ["the Code"].

The following are the statements explaining how the Group has applied the principles and complied with the best practices provisions laid out in the Code throughout the financial year ended 31 March 2015.

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

1.1 PRINCIPAL RESPONSIBILITIES OF THE BOARD

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

The Board performs the below responsibilities:

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

1.2 CLEAR ROLES AND RESPONSIBILITIES

1.2.1 The Board and Management

The Company is managed and led by an experienced Board with wide and varied technical, financial and commercial experience. Together with the Management, they collectively bring a diverse range of skills and expertise to effectively discharge their responsibilities towards achieving the Group's business strategies and corporate goals.

To ensure the effective discharge of its function and responsibilities, the Board delegates some of the Board's authorities and discretion to the Executive Directors, representing the Management, as well as to properly constituted Board Committees, namely the Audit Committee, Nomination Committee and Remuneration Committee with clearly defined terms of reference. This enables the Board to achieve operational efficiency by empowering these Committees to decide on matters within their respective written terms of reference and yet allow the Board to maintain control over major policies and decisions.

The following Board Committees with the respective functions have been set up to assist the Board in discharging its responsibilities:

TYPE OF COMMITTEE	PRINCIPAL FUNCTIONS	MEMBERS	STATUS
Audit Committee	To review and report on the Group's results, accounting and audit procedures.	YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin - Chairman	Independent Non-Executive
		Syed Abdullah Bin Syed Abd Kadir	Independent Non-Executive
	To review potential investments and business and internal audit functions.	Chan Feoi Chun	Independent Non-Executive

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (continued)

1.2 CLEAR ROLES AND RESPONSIBILITIES (continued)

1.2.1 The Board and Management (continued)

TYPE OF COMMITTEE	PRINCIPAL FUNCTIONS	MEMBERS	STATUS
Nomination Committee	To recommend to the Board on all new Board appointments.	YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin - Chairman	Independent Non-Executive
		Syed Abdullah Bin Syed Abd Kadir	Independent Non-Executive
		Chan Feoi Chun	Independent Non-Executive
Remuneration Committee	To recommend to the Board the Directors' remuneration.	YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin - Chairman	Independent Non-Executive
		Syed Abdullah Bin Syed Abd Kadir	Independent Non-Executive
		Dato' Eow Kwan Hoong	Executive Director

In addition, the roles and responsibilities of the Board, Management and Managing Director are defined in the Board Charter.

1.3 PROMOTING ETHICAL STANDARDS

The Group has adopted a Code of Conduct to govern the conduct of the Directors and employees of the Group, which is available in the Employees' Handbook, with the aim to cultivate good ethical conduct that permeates throughout the Group through transparency, integrity, accountability and corporate social responsibility.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group as soon as they become aware of the interest and abstain themselves from any deliberations on the matter.

1.4 PROMOTING SUSTAINABILITY

The Company envisions a sustainable future for all. To fulfil a vision of a sustainable future, the Company embarked on a journey to discover, develop and deploy a portfolio of products and solutions that will enrich lives and change the world for the better. The Company is committed to understanding and implementing sustainable practices and to exploring the benefits to the business whilst attempting to achieve the right balance between the needs of the wider community, the requirements of shareholders and stakeholders and economic success.

The Group has no immediate plan to implement a diversity policy for its workforce in terms of gender, ethnicity and age as it is of view that employment is dependent on each candidate's skills, experience, core competencies and other qualities, regardless of gender, ethnicity and age. However, the Group is committed to diversify and apply equal employment opportunity approach in promoting diversity in the Group. There are no barriers in employment or development in the Group because of an individual's gender, race and age.

1.5 ACCESS TO INFORMATION AND ADVICE

The Board has rights to the relevant information pertaining to the Group's businesses and affairs, to enable them to make decisions on an informed basis and to discharge the Board's responsibilities.

statement on corporate governance

continued

1. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (continued)

1.5 ACCESS TO INFORMATION AND ADVICE (continued)

The Board meets at least every quarter and on other occasions, as and when necessary, to review the Group's performance, approve financial statements, annual reports, and business plans. Each director is circulated with the meeting agenda and minutes of previous meeting and business updates. Senior management staffs are also invited to attend Board meetings when necessary to provide the Board with further explanation and clarification on matters being tabled for consideration by the Board.

The Board are authorised to obtain information from the management or employees, and have access to external parties such as auditors, external legal, company secretary or other professional consultants at the Group's expense.

All Directors have access to the advice and services of the Company Secretary and are updated on new statutory or regulations requirements concerning their duties and responsibilities.

The above transparent dissemination of information allows the Board to substantively assess the subject matter on hand and facilitate eventual decision making.

1.6 QUALIFIED AND COMPETENT COMPANY SECRETARY

The Company Secretary attended all Board meetings and ensured that all Board procedures are adhered. The Company Secretary also ensured that the Company complies with all applicable statutory and regulatory rules. On an ongoing basis, the Directors have separate and independent access to the advice and services of the Company Secretary whether as a full Board or in their individual capacity, in discharging their duties.

The Company Secretary shall keep himself/herself abreast with the development and new changes in relation to any legislation and regulations concerning the corporate administration and to highlight the same to the Board of Directors accordingly.

Deliberations during the Board meetings were properly minuted and documented by the Company Secretary.

1.7 BOARD CHARTER

The Board's Charter sets out the roles and responsibilities of the Board and Board Committee. It is available in the Group's website at <http://www.iris.com.my>.

The Board Charter is to guide the Directors in discharging their duties and responsibilities as Directors and is drafted in accordance with the fundamental requirements of provisions in the Companies Act, 1967, Listing Requirements, Capital Markets and Services Act 2007, Articles of Association of the Company and other applicable rules or regulations governing the Group's business activities.

2. STRENGTHENING THE COMPOSITION OF THE BOARD

The Board has nine [9] directors, comprising of three Executive Directors, four Independent Non-Executive Directors and two Non-Independent Non-Executive Directors.

2.1 NOMINATION COMMITTEE

The Nomination Committee consists of all three [3] Independent Non-Executive Directors. The Committee is empowered by the Board and its terms of reference to bring to the Board recommendations as to the appointment of new Directors. The Committee also assesses the Board's effectiveness, its committee and the contribution of each individual Director on an annual basis.

The Committee also keeps under review the Board structure, size and composition.

2. STRENGTHENING THE COMPOSITION OF THE BOARD (continued)

2.1 NOMINATION COMMITTEE (continued)

2.1.1 Annual Assessment

Meetings of the Nomination Committee are held as and when required, and at least once a year. The members met once in the financial year ended 31 March 2015 and full attendance by the members was recorded.

During the financial year, the members of Nomination Committee reviewed and assessed the following:

- i. Board performance; Board structure, training needs, Board operations, roles and responsibilities;
- ii. Board Committee performance; composition of Board Committees and Board Committees operations and reporting;
- iii. Non-Executives Directors and Executive Directors performance review based on their contributions and conducts;
- iv. Audit Committee performance; its composition, understanding of its charter, discharge of duties in accordance with its terms of reference, operations, reporting and conducts of meeting of the Audit Committee;
- v. Audit Committee members' performance based on their contributions and conducts;
- vi. Assessment on "independence" of independent directors;
- vii. Rotation and re-election of Directors; and
- viii. Retention of Independent Director exceeding 9 years tenure.

2.1.2 Appointment Process

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

The Board appoints its members through a formal and transparent selection process which is consistent with Articles of Association of the Company. This process has been reviewed, approved and adopted by the Board. New appointees will be considered and evaluated by the Nomination Committee. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all appointments are properly made, and that legal and regulatory obligations are met.

2.1.3 Re-election and Re-appointment of Director

In accordance to the Company's Articles of Association, all newly appointed Directors shall retire from office but shall be eligible for re-election by shareholders at the forthcoming Annual General Meeting after their appointments. The Articles further provide that in every subsequent year, one-third of the Directors shall retire and be eligible for re-election provided always that all Directors except a Managing Director (if any) appointed for a fixed period pursuant to the Articles shall retire once at least in each three (3) years but shall be eligible for re-election. A retiring director shall retain until the close of the meeting at which he retires.

Directors who are of or over the age of seventy years shall retire at the conclusion of the next annual general meeting and is subject to re-appointment by shareholders on an annual basis in accordance with Section 129(6) of the Companies Act, 1965.

2.1.4 Gender Diversity Policy

The Board has no immediate plan to implement a gender diversity policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. However, the Board will, nevertheless, give consideration to the gender diversity objectives.

statement on corporate governance

continued

2. STRENGTHENING THE COMPOSITION OF THE BOARD (continued)

2.2 REMUNERATION COMMITTEE AND POLICY

The Remuneration Committee is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of Executive Directors.

The policy practiced on Directors' remuneration by the Remuneration Committee is to provide the remuneration packages necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to ensure that rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of the shareholders. The Committee also ensures that the level of remuneration for Executive Director are linked to their level of responsibilities and contribution to the effective functioning of the Company.

During the financial year, the Remuneration Committee met once with full attendance.

Remuneration package

The Company has complied with the Listing Requirement of the Bursa Malaysia Securities Berhad ("Bursa Securities") for ACE Market on the disclosure of remuneration of Directors on Group basis. The current remuneration policy comprises of Directors' fees which required shareholders' approval and meeting allowance, based on the number of meetings they are attending for the year.

The aggregate remuneration of Directors' for the financial year ended 31 March 2015 is set out as follows:

Aggregate Remuneration

	EXECUTIVE DIRECTORS RM	NON-EXECUTIVE DIRECTORS RM
Basic salaries, bonus and allowance	1,228,500	-
Defined contribution plan	147,420	-
Benefits-in-kind	55,700	-
Fees	60,000	680,400
Total	1,491,620	680,400

Analysis of Remuneration

RANGE OF REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
RM1 – RM50,000	-	3
RM50,001 – RM100,000	-	3
RM100,001 – RM200,000	-	-
RM200,001 – RM300,000	1	-
RM300,001 – RM400,000	-	1
RM400,001 – RM500,000	1	-
RM700,001 – RM800,000	1	-

3. REINFORCE INDEPENDENCE

3.1 ASSESSMENT OF INDEPENDENT DIRECTORS

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

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

3.2 TENURE OF INDEPENDENT DIRECTORS

The Board takes the Code's recommendation that the tenure of an Independent Director should not exceed a cumulative term of nine years, and in the event which the term was exceeded, had justified on reasons on why such appointments are retained.

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

Pursuant to the Code, the Board unanimous in its opinion that YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin and Syed Abdullah Bin Syed Abd Kadir, who have served on the Board as an Independent Director, exceeding a cumulative term of nine years, continues to fulfill the criteria and definition of an Independent Director as set out under Rule 1.01 of ACE Market Listing Requirements.

Thus, the Board is recommending to shareholders for approval to retain YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin and Syed Abdullah Bin Syed Abd Kadir as Independent Directors of the Company at forthcoming Annual General Meeting.

3.3 SEPARATION OF POSITIONS OF THE CHAIRMAN AND EXECUTIVE DIRECTORS

The roles of the Chairman and the Group Managing Director have been clearly segregated to ensure a balance of power and authority. The Independent Directors are not related to the major shareholders and the management of the Company, and are free from any relationship that could interfere with the exercise of their independent judgement or the ability to act in the best interest of the Company. In any case, if there is concern from any party on Board matters, it can be directed to any one of the Independent Directors.

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

3.4 COMPOSITION OF THE BOARD

The Board currently has nine (9) directors, comprising of three Executive Directors, four Independent Non-Executive Directors and two Non-Independent Non-Executive Directors. The role of Chairman is held by an Independent Non-Executive Director. The number of Independent Directors is in compliance with Listing Requirements of Bursa Securities for ACE Market which requires one third of the Board to comprise independent directors.

statement on corporate governance

continued

4. FOSTER COMMITMENTS

4.1 TIME COMMITMENTS

The directors dedicated sufficient time to carry out their responsibilities in Board representations, such as Board meetings, Annual and Extraordinary General Meetings and regular meetings with the Management throughout the financial year.

During the financial year ended 31 March 2015, the Board met five (5) times, where it deliberated and considered a variety of matters affecting the Group's operations including the Group's financial results, business and investment plans, Group's budget and the direction of the Group. Management and performance of the Group and any other strategic issues that may affect the Group's businesses are also deliberated.

Details of attendance of each Director who was in office during the financial year ended 31 March 2015 are as follows:

NAME OF DIRECTORS	TOTAL MEETINGS ATTENDED BY DIRECTOR
Tan Sri Razali Bin Ismail	5/5
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	4/5
Datuk Tan Say Jim	5/5
Syed Abdullah Bin Syed Abd Kadir	5/5
Dato' Hamdan Bin Mohd Hassan	5/5
Dato' Eow Kwan Hoong	5/5
Datuk Kamaruddin Bin Taib (Retired on 22.09.2014)	3/3
Chan Feoi Chun	5/5
Datuk Faizoull Bin Ahmad (Vacated office on 24.02.2015)	2/5
Muhammad Sufi Bin Mahbub (Resigned on 15.01.2015)	2/4

4.2 DIRECTORS' TRAINING

All the Directors of the Company have completed the Mandatory Accreditation Programme prescribed by Bursa Securities. During the year, they received briefings and updates on the Group businesses, operations, risk management, internal controls, finance and any new or changes to the companies and other relevant legislation, rules and regulations.

The Directors are encouraged to attend briefing, conferences, forums, trade fairs (locally and internationally), seminars and training to keep abreast with the latest developments on a continuous basis on the general regulatory, economic, industry and technical developments to further enhance their skills, knowledge and experience as well as update themselves on new developments in the business environment in order to fulfill their duties as Directors.

During the financial year under review, with the exception of Dato' Hamdan Bin Mohd Hassan and Datuk Faizoull Bin Ahmad, who has not attended any training and seminar courses due to their hectic travelling schedule throughout the year, will undertake and make great effort to attend relevant trainings and seminars courses to continue enhancing their skills and knowledge for the purpose of discharging their duties and responsibilities. In addition, the training and seminar courses attended by the Directors were as follows:

- Audit Committee Conference 2015 – Rising to new challenges
- The Key Factors of Goods and Services Tax (GST) and its Implementation
- Transfer Pricing
- Advocacy Sessions on Corporate Disclosure for Directors
- Bank Negara Malaysia: Dialogue Session with Nomination Committee Members
- Nominating Committee Programme 2: Board Effectiveness and Succession Planning
- Risk Management & Internal Control: Workshop for Audit Committee Members
- Capital at Risk
- Presentation of Personal Data Protection Act
- Mandatory Accreditation Programme

5. UPHOLD INTEGRITY IN FINANCIAL REPORTING

5.1 ROLE OF AUDIT COMMITTEE

The Audit Committee is responsible to ensure that adequate processes and controls are in place for an effective and efficient financial statements, appropriate accounting policies have been adopted consistently and that the financial statements are properly drawn up in compliance with the provisions of the Companies Act, 1965, Malaysian Financial Reporting Standards, International Financial Reporting Standards.

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

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

5.2 ASSESSMENT OF EXTERNAL AUDITORS

Through the Audit Committee, the Board maintains a transparent and professional relationship with the Group's External Auditors in seeking professional advice and ensuring compliance with the applicable Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

The Audit Committee reviews the independence and objectivity of the external auditors and the services provided, and is satisfied that the external auditors is competent and with audit independence. Shareholders' approval will be sought at this Annual General Meeting for the auditors' re-appointment.

6. RECOGNISE AND MANAGE RISK

6.1 SOUND FRAMEWORK TO MANAGE RISKS

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

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

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

6.2 INTERNAL AUDIT FUNCTION

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

The Group has outsourced the internal audit function to an independent professional firm, who performs regular reviews with impartiality and due professional care, in accordance with the International Professional Practices Framework of the Institute of Internal Auditors. Audit findings with recommendations are presented to the Management, who will then present the internal audit reports with subsequent remedial action plans to the Audit Committee.

Details of the Company's internal control system and framework are set out in 'Statement on Risk Management and Internal Control' and the 'Audit Committee Report' of this Annual Report respectively.

statement on corporate governance

continued

7. TIMELY AND HIGH QUALITY DISCLOSURE

7.1 CORPORATE DISCLOSURE POLICIES AND PROCEDURES AND LEVERAGE ON INFORMATION TECHNOLOGY

The Board recognises the importance of efficient and effective communication and dissemination of material information to the shareholders and public. In that respect, the Company is guided by the Corporate Disclosure Guide and Best Practice issued by Bursa Securities and the Board adheres strictly to the Bursa Securities' disclosure framework to provide investors and the public with accurate and complete information on a timely basis.

The Board ensures that confidential information is handled properly by authorized personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.

The Board recognizes the importance of transparency and accountability to its shareholders and the need to clear, effective communications with the Company's institutional investors, shareholders and other stakeholders. Communication is facilitated by a number of formal channels used to inform shareholders about the performance, business activities, financial performance, material information and corporate events of the Group. These include the Annual Report and Accounts, announcements, quarterly financial reports and circulars made through Bursa Securities, as well as through the Annual General Meeting. Shareholders, investors and analysts are kept abreast with the major developments of the Group through the various means of communications as follows:-

- Quarterly financial reports and annual report
- Announcements on major developments made to Bursa Securities
- Company's general meetings
- Company's web site at <http://www.iris.com.my>

8. STRENGTHENING THE RELATIONSHIP BETWEEN THE GROUP AND SHAREHOLDERS

8.1 ENCOURAGE SHAREHOLDERS' PARTICIPATION

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

The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations. The Board will ensure sufficient and relevant information are given for each agenda items in the notice of meeting and/or Annual Report or circular accompanying the notice of meeting.

The Notice of AGM was circulated at least 21 days before the AGM to allow sufficient time to the shareholders to review the Annual Reports and the papers supporting the resolutions proposed.

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

8. STRENGTHENING THE RELATIONSHIP BETWEEN THE GROUP AND SHAREHOLDERS (continued)

8.2 ENCOURAGE POLL VOTING

Recommendation 8.2 of the Code recommends that the Board should encourage poll voting for substantive resolutions at the general meetings. The Chairman would ensure that shareholders were informed of their rights to demand a poll vote at the commencement of the AGM.

The voting process at general meetings shall be by way of show of hands unless a poll is demanded.

8.3 COMMUNICATION AND ENGAGEMENT WITH SHAREHOLDERS

The Company is aware of the importance to maintain good communications with shareholders and investors. Communication is facilitated by a number of formal channels used to inform shareholders about the performance of the Group. In addition, the Chairman will brief shareholders on financial and operations performance of the Group prior to tabling the motion on audited financial statements and shareholders will be invited to raise questions concerning the financial statements. Briefing will also be given on other motions not in the ordinary course of business of the agenda as and when needed before voting. The Board welcomes questions and feedback from shareholders during and at the end of shareholders' meeting and ensures their questions are responded in proper and systematic manner.

audit committee report

OBJECTIVES

Audit Committee is established to support and advise the Company's Board of Director ("the Board") in relation to the IRIS Group of companies. The primary objective of the Audit Committee is set out as below:

1. Provide assistance to the Board in fulfilling its fiduciary responsibilities relating to the corporate accounting and practices for the Group.
2. Improve the Group's business efficiency, the quality of the accounting function, the system of internal controls and audit function and strengthen the confidence of the public in the Group's reported results.
3. Maintain through regularly scheduled meetings, a direct line of communication between the Board and the external auditors as well as the internal auditors.
4. Enhance the independence of both the external and internal auditors function through active participation in the audit process.
5. Strengthen the role of the independent Directors by giving them a greater depth of knowledge as to the operations of the Company and the Group through their participation in the Audit Committee.
6. Act upon the Board of Directors' request to investigate and report on any issues or concerns in regard to the management of the Group.
7. Create a climate of discipline and control which will reduce opportunity to fraud.

COMPOSITION OF AUDIT COMMITTEE

The Board of Directors shall appoint the members of the Audit Committee from amongst themselves, which fulfills the following requirements:

1. The Audit Committee shall be composed of no fewer than three (3) members, whom shall be Non-Executive Directors.
2. A majority of the Audit Committee must be Independent Directors.
3. The Chairman of the Audit Committee shall be an Independent Non-Executive Director.
4. The Audit Committee shall be financially literate.
5. At least one member of the Audit Committee shall fulfill the following:
 - i) must be a member of the Malaysian Institute of Accountants; or
 - ii) if he is not a member of the Malaysian Institute of Accountants, he must have at least three (3) years of working experience and:
 - a) he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - b) he must be a member of one of the associations of accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
 - iii) must have at least three (3) years' post qualification experience in accounting or finance;
 - a) has a degree/master/doctorate in accounting or finance; or
 - b) is a member of one (1) of the professional accountancy organisations which has been admitted as a full member of the International Federation of Accountants; or
 - iv) must have at least seven (7) years' experience being a chief financial officer of a corporation or having the function of being primarily responsible for the management of the financial affairs of a corporation; or
 - v) fulfills such other requirements as prescribed or approved by the Bursa Malaysia Securities Berhad.

The Board must ensure that no alternate Director is appointed as a member of the Audit Committee.

In the event of any vacancy in the Audit Committee, the Company shall fill in the vacancy within two (2) months, but in any case not later than three (3) months. Thereafter, any member of the Audit Committee who wishes to retire or resign should provide sufficient written notice to the Company so that a replacement may be appointed before he/she leaves.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board at least once every three (3) years.

COMMITTEE MEETINGS

1. The committee shall meet at least four (4) times in a year or more frequently as circumstances required with due notice of issues to be discussed and shall record its conclusions in discharging its duties and responsibilities.
2. There should be at least two (2) meetings with the external auditors without the presence of executive director.
3. The quorum for any meeting shall be at least two (2) members where a majority of members present must be independent directors. In the absence of the Chairman of the Audit Committee, the members present shall nominate one amongst themselves to act as the Chairman of the Meeting.
4. Upon the request of any member of the Audit Committee, the external auditors or the internal auditors, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider matters which should be brought to the attention of the directors or shareholders.
5. The external auditors and internal auditors have the right to appear and be heard at any meeting of the Audit Committee and shall appear before the Audit Committee meeting when required to do so by the Audit Committee.
6. The Audit Committee may invite any Board member or any member of management or any employee of the Company whom the Audit Committee thinks fit to attend its meetings, assist and provide pertinent information as necessary.
7. The Company must ensure that other directors and employee attend any particular Audit Committee meeting only at the Audit Committee's invitation, specific to the relevant meeting.
8. The Company Secretary or other appropriate senior official shall be the Secretary to the Audit Committee.
9. The Secretary/Secretaries shall be entrusted to record all proceedings and minutes of the Audit Committee's meetings which shall be kept and circulated to all members of the Audit Committee and of the Board.

AUTHORITIES

The Audit Committee is fully authorized by the Board to independently investigate without interference from any party any matter within its terms of reference at the cost of the Company. It shall have:

1. Full and unrestricted access to any information pertaining to the Company and the Group in the course of performing its duties;
2. Direct communication channels with the external and internal auditors or person(s) carrying out the internal audit function;
3. Full access to any employee or member of the management; and
4. The resources, which are required to perform its duties.

The Audit Committee also have authority to obtain external legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise it considers necessary and reasonable for the performance of its duties.

DUTIES AND RESPONSIBILITIES

The Audit Committee is to be provided with sufficient resources to discharge its duties. All members of the Audit Committee must be able to read, analyse and interpret financial statements. In fulfilling its primary objectives, the Audit Committee will need to undertake inter-alia the following function:

1. To review the following and report the same to the Board:
 - a) the nomination of external auditors;
 - b) the adequacy of existing external auditors audit arrangements, with particular emphasis on the scope and quality of the audit;
 - c) the effectiveness and adequacy of the scope, functions, resources and competency of the internal audit functions and ensure that it has the necessary authority to carry out its work;
 - d) in relation to the internal audit function:
 - the internal audit programme and results of the internal audit process and where necessary, ensure that appropriate actions are taken on the recommendations of the internal auditors;
 - any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of the internal auditors; and
 - take cognizance of resignation of internal auditors and provide the resigning internal auditors an opportunity to submit reasons for resigning.
 - e) the financial statements of the Group with both the external auditors and the management;

audit committee report

continued

DUTIES AND RESPONSIBILITIES (continued)

The Audit Committee is to be provided with sufficient resources to discharge its duties. All members of the Audit Committee must be able to read, analyse and interpret financial statements. In fulfilling its primary objectives, the Audit Committee will need to undertake inter-alia the following function: [continued]

1. To review the following and report the same to the Board: [continued]
 - f) the audit plan, his evaluation of the system of internal control and the auditors' report with the external auditors;
 - g) any management letter sent by the external auditors and the management's response to such letter;
 - h) any letter of resignation from the external auditors;
 - i) the quarterly results and year end financial statements of the Group and thereafter submit to the Board, focusing particularly on:
 - changes in or implementation of accounting policies and practices;
 - significant adjustments or unusual events; and
 - compliance with accounting standards, regulatory and other legal requirements.
 - j) the assistance given by the employees of the Group to the external auditors;
 - k) all areas of significant financial risk and the arrangements in place to contain those risks to acceptable levels; and
 - l) all related party transactions and potential conflict of interests situations that may arise within the Group and the Company.
2. To consider the appointment of the external auditors, the audit fee and any questions of resignation or dismissal and on whether there is reason [supported by grounds] to believe that the Group's external auditors is not suitable for re-appointment.
3. To carry out any other function that may be mutually agreed upon by the Audit Committee and the Board, which would be beneficial to the Group and ensure the effectiveness discharge of the Committee's duties and responsibilities.
4. The Audit Committee's actions shall be reported to the Board with such recommendations as the Audit Committee deems appropriate.

If the Audit Committee is of the view that a matter reported to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements of Bursa Malaysia Securities Berhad for ACE Market, the Audit Committee has the responsibility for reporting such matters to the relevant authority. The Audit Committee shall have the discretion to undertake such action independently from the Board of Directors.

MEMBERSHIP AND ATTENDANCE AT MEETING

The present members of the Audit Committee comprise three (3) Board members and the current composition as set out follow:

YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	Chairman Independent Non-Executive Director
Syed Abdullah Bin Syed Abd Kadir	Member Independent Non-Executive Director
Chan Feoi Chun	Member Independent Non-Executive Director

The details of attendance as at 31 March 2015 as set out below:

NAME OF AUDIT COMMITTEE	TOTAL MEETINGS ATTENDED BY MEMBERS
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	5 / 6
Syed Abdullah Bin Syed Abd Kadir	6 / 6
Datuk Kamaruddin Bin Taib [retired on 22.09.2014]	4 / 4
Chan Feoi Chun	6 / 6

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The Audit Committee carried out its duties and responsibilities in accordance with its terms of reference during the years. The main activities undertaken by the Audit Committee were as follows:

1. Reviewed the quarterly unaudited financial results of the Group and the Company before tabling to the Board for consideration and approval.
2. Reviewed and discussed with the external auditors the nature and scope of the audit prior to the commencement of the audit.
3. Consideration and recommendation to the Board for approval of audit fees payable to the external auditors.
4. Reviewed the independence and objectivity of the external auditors and the services provided.
5. Discussed significant accounting and auditing issues, impact of new or proposed changes in accounting standards and regulatory requirements.
6. Reviewed the related party transactions entered into by the Group and the Company.
7. Received and reviewed of internal audit reports.
8. Reviewed internal audit plans for the financial year of the Group and the Company, prepared by internal auditors.

INTERNAL AUDIT FUNCTION

The Group appointed Baker Tilly Monteiro Heng Governance Sdn Bhd as the Internal Auditor of the Group since Year 2011, of which is an independent professional firm.

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

statement on risk management and internal control

In complying with the Malaysian Code on Corporate Governance, the Board of Directors is committed to maintain a sound system of internal control and risk management to safeguard shareholders' investments and the Group's assets. To this effect, the Group has established an appropriate control environment and framework as well as reviewing its adequacy and integrity. The system of internal control covers, inter alia, financial, operational and compliance controls and risk management procedures. According to Rule 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ["Bursa Securities"] for ACE Market, the Directors of public listed companies are required to include in its annual report a "statement about the state of internal control of the listed issuer as a group".

The Board is pleased to outline the nature and scope of internal control of the Group for the financial year ended 31 March 2015.

INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

The key elements of the internal control structure and processes are set out as below:

- In order to avoid conflict of interest, the Group is upholding segregation of duties through clear delegation of responsibilities and authority among Board Committees and management.
- Departmental units are required to prepare budget every year accordingly and the compiled Group budget is required to be approved by the Board to ensure effective execution. Following, the results against budget are monitored to ensure necessary management action is being taken on the variances.
- Adequate reporting systems are in place for information transfer to the Board and management relating to operating and financial performance, key business issues and annual financial statements.
- The Group's internal policies and procedures are well documented in Standard Operating Procedures to ensure compliance with internal control.
- Closed-circuit cameras and card access system are installed in the office building and factory site coupled with all times security check at the main entrance for security purpose.

The internal control system by nature has its limitation in assuring the companies of the Group from material misstatement and loss. Therefore, risk management plays a part in the Group's business operation in pursuit of its business objective. The Group has implemented an ongoing formal process in identifying, monitoring and managing the risk as well as setting up suitable internal control in accordance with the guidance prescribed in the Malaysian Code on Corporate Governance. The Board is assisted by internal auditors for the risk management and internal control implementation. This process is continually reviewed by internal auditors and strengthened as appropriate with necessary actions to remedy any significant weaknesses identified.

The group's system of internal control does not apply to associated companies where the Group does not have full management control over them.

INTERNAL AUDIT FRAMEWORK

The Board fully supports the internal audit function and through the Audit Committee, continually reviews the adequacy and effectiveness of the risk management process in place.

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

INTERNAL AUDIT FRAMEWORK (continued)

Internal audit also undertakes a review of the Company's compliance with recommended principles and best practices. The results and any corrective action that may be necessary are reported directly to the Audit Committee.

The Audit Committee reviews the risk monitoring and compliance procedures, ensuring that an appropriate mix of techniques is used to obtain the level of assurance required by the Board. The Audit Committee considers reports from internal audit and from management, before reporting and making recommendations to the Board in strengthening the risk management, internal control and governance systems. The committee presents its findings to the Board on a regular basis.

OTHER RISK AND CONTROL PROCESS

Apart from risk management and internal audit, the Board has put in place an organizational structure with formally defined lines of responsibility. A reporting process has been established which provide for a documented and auditable trail of accountability. These processes were reviewed by internal audit, which provides a degree of assurance as to operations and validity of the systems of internal control.

INTERNAL AUDIT FUNCTION

The Group appointed Baker Tilly Monteiro Heng Governance Sdn Bhd as the Internal Auditor of the Group since Year 2011, of which is an independent professional firm.

The Internal Auditors support the Audit Committee, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal controls. The Internal Auditors submit audit reports and plan status for review and approval to the Audit Committee which included the reports with the recommended corrective measures on risks identified, if any, for implementation by the management of the business units and operation.

The internal audit work plan, which reflects the risk profile of the Group's major business sectors is periodically reviewed and approved by the Audit Committee.

The cost incurred for Internal Audit services in respect of the financial year ended 31 March 2015 was approximately RM82,000.

CONCLUSION

The Board is pleased to report that there were no material losses incurred during the financial year under review and up to the date of issuance of the financial statements that would require disclosure in the annual report as a result of weaknesses or deficiencies in internal control. The Group is at all times to strengthen the internal control environment through the internal audit framework.

The Board has received assurance from the following persons that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group:

- i) Datuk Tan Say Jim, the Managing Director of the Company and the highest ranking executive at the Company who is responsible for carrying out corporate policy established by the Board; and
- ii) Dato' Eow Kwan Hoong, an Executive Director of the Company who is primarily responsible for the management of the financial affairs of the Company.

This statement was approved by the Board of Directors on 31 July 2015.

statement of directors' responsibilities

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and the Company at the end of the financial year and of their financial performance and cash flows of the Group and of the Company for the financial year ended. The financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The Directors have considered that all Malaysian Financial Reporting Standards, International Financial Reporting Standards have been followed in preparing the financial statements for the financial year ended from 1 April 2014 to 31 March 2015. The Group has fulfilled the requirements of using appropriate accounting policies and applying them consistently and made judgments and estimates that are reasonable and prudent. The financial statements is prepared on a going concern basis as the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence in the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

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

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

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There were no proceeds raised by the Company from corporate proposals during the financial year ended from 1 April 2014 to 31 March 2015 except as below:

- a) Private placement of new ordinary shares of RM0.15 in the Company representing up to seventeen point sixty nine percent (17.69%) of the enlarged issued and paid-up share capital ("Private Placement I")

On 6 November 2013, 394,098,381 New Ordinary Shares were issued pursuant to the Private Placement I and were subsequently listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on 11 August 2013.

The details of the utilization of the proceeds from the Private Placement I up to 31 March 2015 were as follows:

DESCRIPTION	PROPOSED UTILIZATION (RM'000)	ACTUAL UTILIZATION (RM'000)	BALANCE TO BE UTILIZED (RM'000)
Partial repayment of short term borrowings	30,000	30,000	–
Capital expenditure of Group	25,000	10,091	14,909
Working capital of Group	47,000	47,000	–
Estimated expenses in relation to the Private Placement I	8,348	8,348	–
Total	110,348	95,439	14,909

2. SHARE BUY-BACK

The Company did not make any proposal for share buy-back during the financial year.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year ended from 1 April 2014 to 31 March 2015, certain Warrants have been exercised as below:

a) Exercise of 2006/2016 free detachable warrants ("Warrant A")

There was no exercise of Warrant A during the financial year ended from 1 April 2014 to 31 March 2015.

b) Exercise of 2010/2016 warrants ("Warrant B")

For the financial year ended from 1 April 2014 to 31 March 2015, a total of 117,250 units of Warrant B have been exercised and converted into ordinary shares of RM0.15 each.

Save as disclosed above, the Company did not issue any other Option, Warrants or Convertible securities for the financial year ended from 1 April 2014 to 31 March 2015 under review.

4. AMERICAN DEPOSITORY RECEIPT ("ADR") OR GLOBAL DEPOSITORY RECEIPT ("GDR")

The Company did not sponsor any ADR or GDR programme during the financial year ended from 1 April 2014 to 31 March 2015.

additional
compliance
information

additional compliance information

continued

5. IMPOSITION OF SANCTIONS AND/OR PENALTIES

There were no public sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or Management by the relevant regulatory bodies during the financial year ended from 1 April 2014 to 31 March 2015.

6. NON-AUDIT FEES

There was no non-audit fees incurred and paid to the external auditors of the Company and its subsidiaries for the financial year ended from 1 April 2014 to 31 March 2015 under review.

7. VARIATION IN RESULTS

There is no materials variance between the audited results for the financial period from 1 April 2014 to 31 March 2015 and the unaudited results previously announced.

8. PROFIT GUARANTEE

During the financial year ended from 1 April 2014 to 31 March 2015, the Group and the Company did not give any profit guarantee.

9. MATERIAL CONTRACTS INVOLVING DIRECTORS AND MAJOR SHAREHOLDERS

For the financial year ended from 1 April 2014 to 31 March 2015, no contract of a material nature was entered into or subsisted between the Company and its Directors or major shareholders.

10. REVALUATION POLICY ON LANDED PROPERTIES

No valuation is carried out by the Company and its subsidiaries on landed properties during the financial year ended from 1 April 2014 to 31 March 2015. The latest valuation on the property of the Company was carried out by an independent firm of professional valuer on 8 January 2014. Revaluation will be carried out when deemed appropriate by the directors or at least once in every 5 years.

11. LIST OF PROPERTIES

For the financial year ended from 1 April 2014 to 31 March 2015, the list of the property as set out below:

LOCATION	DESCRIPTION OF LAND	LAND AREA (SQ.FT.)	BUILT-UP AREA (SQ. FT.)	EXISTING USE	TENURE/ LEASE PERIOD	AGE OF BUILDING	DATE OF ACQUISITION	NET CARRYING VALUE (RM'000)
H.S [D] 116023 & 116028 P.T. No. 13810 & 13811 Mukim Petaling Daerah Kuala Lumpur	Land with a 4 and half storey building and car park facilities	188,179	328,459	Factory, warehouse and office	Sub-Lease [Term of 60 years, expiring on 16 July 2055]	20	17 July 1995	93,677

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

The details of the recurrent related party transactions are disclosed on pages 145.



PROGRESSING WITH COMMITMENT

SUCCESS AND EXCELLENCE IS IMPOSSIBLE WITHOUT COMMITMENT. AT IRIS, WE DEPEND ON THE COMMITTED ATTITUDES OF ALL OUR STAKEHOLDERS TOWARDS IMPROVING QUALITY AND PRODUCTIVITY, REDUCING DEFECT, MITIGATING RISKS, DECREASING COSTS AND INCREASING PROFITABILITY.



IRIS CORPORATION BERHAD

[INCORPORATED IN MALAYSIA]
COMPANY NO: 302232-X

**FINANCIAL REPORT
FOR THE FINANCIAL
YEAR ENDED
31 MARCH 2015**

**FINANCIAL
STATEMENTS**

- 72** Directors' Report
- 78** Statement by Directors
- 78** Statutory Declaration
- 79** Independent Auditors' Report
- 81** Statements of Financial Position
- 83** Statements of Profit or Loss and Other Comprehensive Income
- 85** Statements of Changes in Equity
- 89** Statements of Cash Flows
- 92** Notes to the Financial Statements