directors' report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of technology consulting, and the implementation of trusted identification, payment and transportation and sustainable development. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	THE GROUP RM'000	THE COMPANY RM'000
Loss after taxation	(23,698)	(5,250)
Attributable to:-		
Owners of the Company	(20,892)	(5,250)
Non-controlling interests	(2,806)	–
	(23,698)	(5,250)

DIVIDENDS

The Board of Directors do not recommend the payment of any dividend for the current financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year,

(a) there were no changes in the authorised share capital of the Company;

(b) the Company increased its issued and paid up share capital from RM306,024,826 to RM306,042,413 by way of the exercise of 117,250 units of Warrants B at an exercise price of RM0.15 each into 117,250 new ordinary shares of RM0.15 each.

The new ordinary shares were issued for cash consideration. The new ordinary shares issued rank pari passu in all respects with the existing shares of the Company.

(c) there were no issues of debentures by the Company.

TREASURY SHARES

On 30 November 2013, the Company has 126,424,033 of its own shares as a result of acquiring a subsidiary, Versatile Creative Berhad ("VCB").

During the financial year, the Company divested 25% equity interest in VCB. Upon the divestment, VCB ceased to be a subsidiary of the Group.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

WARRANTS

Warrants A

On 24 April 2006, the Company executed a deed poll pertaining to the creation and issuance of 55,251,530 2006/2016 free detachable warrants ("Warrants A").

On 27 June 2006, the Company issued 55,251,530 units of Warrants A to the shareholders of the Company on the basis of twenty ICPS and three (3) free Warrants A for every fifty (50) existing ordinary shares of RM0.15 each held in the Company. The Warrants A were listed on the ACE Market of Bursa Malaysia Securities Berhad. The main features of the 2006/2016 Warrants A are disclosed in Note 23 to the financial statements.

As at the end of the financial year, 45,317,473 Warrants A remained unexercised.

Warrants B

On 27 April 2010, the Company issued 212,326,987 units of new six-year warrants (2010/2016) ("Warrants B") to the shareholders of the Company on the basis of three (3) Warrants B for every twenty (20) existing ordinary shares held in the Company at the issue price of RM0.05 per Warrants B. The Warrants B were listed on the ACE Market of Bursa Malaysia Securities Berhad. The main features of the Warrants B are disclosed in Note 23 to the financial statements.

As at the end of the financial year, 211,838,737 Warrants B remained unexercised.

BAD AND DOUBTFUL DEBTS

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

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that any current assets other than debts, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

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

directors' report
continued

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

The contingent liabilities of the Group and of the Company are disclosed in Note 50 to the financial statements. At the date of this report, there does not exist:-

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

(ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year.

DIRECTORS

The directors who served since the date of the last report are as follows:-

TAN SRI RAZALI BIN ISMAIL
YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU BESAR BURHANUDDIN
DATUK TAN SAY JIM
DATO' HAMDAN BIN MOHD HASSAN
DATO' EOW KWAN HOONG
SYED ABDULLAH BIN SYED ABD KADIR
CHAN FEOI CHUN
DATUK NIK AZMAN BIN MOHD ZAIN (APPOINTED ON 4 JUNE 2015)
DATUK NOOR EHSANUDDIN BIN HJ MOHD HARUN NARRASHID (APPOINTED ON 4 JUNE 2015)
DATUK KAMARUDDIN BIN TAIB (RETIRED ON 22 SEPTEMBER 2014)
MUHAMMAD SUFI BIN MAHBUB (RESIGNED ON 15 JANUARY 2015)
DATUK FAIZOULL BIN AHMAD (VACATED OFFICE ON 24 FEBRUARY 2015)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in the shares in the Company and its related corporations during the financial year are as follows:-

	NUMBER OF ORDINARY SHARES OF RM0.15 EACH			
	AT 1.4.2014	BOUGHT	SOLD	AT 31.3.2015
THE COMPANY				
DIRECT INTERESTS:				
Tan Sri Razali Bin Ismail	38,551,733	–	(4,000,000)	34,551,733
Datuk Tan Say Jim	46,492,233	65,241,000	–	111,733,233
Dato' Eow Kwan Hoong	1,593,333	–	–	1,593,333
Syed Abdullah Bin Syed Abd Kadir	466,666	–	–	466,666
Chan Feoi Chun	100,000	–	(100,000)	–
INDIRECT INTERESTS:				
Datuk Tan Say Jim#	126,424,033	32,625,458	(126,424,033)##	32,625,458
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	10,535,333	–	(5,000,000)	5,535,333###
IRIS LAND SDN BHD				
DIRECT INTERESTS:				
Dato' Hamdan Bin Mohd Hassan	40,000	–	–	40,000

\# *Deemed interest pursuant to Section 6A of the Companies Act, 1965*

\## *Disposal by Versatile Credit & Leasing Sdn Bhd (a company in which Datuk Tan Say Jim is deemed interested pursuant to Section 6A of the Companies Act, 1965) of its entire shareholding in Versatile Creative Berhad (which in turn is a substantial shareholder of IRIS Corporation Berhad.)*

\### *Deemed interest by virtue of the shares held by YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin's spouse.*

directors' report
continued

DIRECTORS' INTERESTS (CONTINUED)

	NUMBER OF WARRANTS A			
	AT 1.4.2014	ALLOTMENT	SOLD	AT 31.3.2015
THE COMPANY				
DIRECT INTERESTS:				
Datuk Tan Say Jim	1,385,000	–	–	1,385,000
Syed Abdullah Bin Syed Abd Kadir	19,999	–	–	19,999
Chan Feoi Chun	1,800	–	–	1,800
INDIRECT INTERESTS:				
Datuk Tan Say Jim#	40	–	(40)###	–
YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin	280,000	–	–	280,000##

	NUMBER OF WARRANTS B			
	AT 1.4.2014	ALLOTMENT	SOLD	AT 31.3.2015
THE COMPANY				
DIRECT INTERESTS:				
Tan Sri Razali Bin Ismail	1,000,000	–	–	1,000,000
Datuk Tan Say Jim	6,973,834	–	–	6,973,834
Dato' Eow Kwan Hoong	250,000	–	–	250,000
Syed Abdullah Bin Syed Abd Kadir	49,999	–	–	49,999
INDIRECT INTEREST:				
Datuk Tan Say Jim#	104	–	(104)###	–

\# *Deemed interest pursuant to Section 6A of the Companies Act, 1965*
\## *Deemed interest by virtue of the shares held by YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin's spouse.*
\### *Disposal by Versatile Credit & Leasing Sdn Bhd (a company in which Datuk Tan Say Jim is deemed interested pursuant to Section 6A of the Companies Act, 1965) of its entire shareholding in Versatile Creative Berhad (which in turn is a substantial shareholder of IRIS Corporation Berhad.)*

By virtue of his interest in shares in the Company, Datuk Tan Say Jim is deemed to have interests in the shares in its related corporations during the financial year to the extent of the Company's interests in accordance with Section 6A of the Companies Act 1965.

The other directors, holding office at the end of the financial year had no interests in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 51 to the financial statements.

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are disclosed in Note 53 to the financial statements.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED

Datuk Tan Say Jim

Dato' Eow Kwan Hoong

statement by directors

We, Datuk Tan Say Jim and Dato' Eow Kwan Hoong, being two of the directors of IRIS Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 81 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 March 2015 and of their financial performance and cash flows for the financial year ended on that date.

The supplementary information set out in Note 55, which is not part of the financial statements, is prepared in all material respects, in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants and the directive of Bursa Malaysia Securities Berhad.

SIGNED IN ACCORDANCE WITH A RESOLUTION OF THE DIRECTORS
DATED 31 JULY 2015

Datuk Tan Say Jim **Dato' Eow Kwan Hoong**

statutory declaration

I, Datuk Tan Say Jim, I/C No. 571109-08-6215, being the director primarily responsible for the financial management of IRIS Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 81 to 165 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by
Datuk Tan Say Jim, I/C No. 571109-08-6215,
at Kuala Lumpur in the Federal Territory
on this 31 July 2015

Datuk Tan Say Jim

Before me
Datin Hajah Raihela Wanchik
(No. W – 275)

independent auditors' report to the members of IRIS Corporation Berhad

(Incorporated in Malaysia)
Company No : 302232 - X

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of IRIS Corporation Berhad, which comprise the statements of financial position as at 31 March 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 81 to 165 .

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 March 2015 and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:-

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

(b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 5 to the financial statements.

(c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

(d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

independent auditors' report to the members of IRIS Corporation Berhad

(Incorporated in Malaysia)
Company No : 302232 - X

continued

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 55 on page 165 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Horwath
Firm No: AF 1018
Chartered Accountants

Ooi Song Wan
Approval No: 2901/10/16 (J)
Chartered Accountant

31 July 2015

Kuala Lumpur

statements of financial position

AS AT 31 MARCH 2015

	NOTE	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	231,003	209,285
Investments in associates	6	21,387	7,598	6,638	5,650
Property, plant and equipment	7	179,407	229,902	110,960	117,950
Concession assets	8	199,761	178,746	14,196	11,031
Development costs	9	6,354	3,942	6,354	3,942
Other intangible assets	10	40,150	17,468	14,863	17,468
Available-for-sales financial assets	11	14,825	7,906	406	406
Deferred tax assets	12	157	129	–	–
Goodwill on consolidation	13	150,700	140,682	–	–
		612,741	586,373	384,420	365,732
CURRENT ASSETS					
Inventories	14	88,723	101,929	77,812	78,856
Trade receivables	15	299,780	280,236	174,568	188,442
Amount owing by contract customers	16	132,972	81,249	113,118	66,768
Other receivables, deposits and prepayments	17	70,181	149,922	38,270	85,407
Amount owing by subsidiaries	18	–	–	465,905	291,748
Amount owing by associates	19	1,341	8	1,341	8
Amount owing by related parties	20	119	70	119	70
Property development expenditure	21	7,744	1,310	–	–
Tax refundable		4,648	26	4,257	–
Deposits with licensed banks	22	40,135	23,782	40,135	21,531
Cash and bank balances		63,413	81,670	43,211	66,025
		709,056	720,202	958,736	798,855
TOTAL ASSETS		1,321,797	1,306,575	1,343,156	1,164,587

The annexed notes form an integral part of these financial statements

statements of financial position

AS AT 31 MARCH 2015

continued

	NOTE	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY RESTATED 2014 RM'000
EQUITY AND LIABILITIES					
EQUITY					
Share capital	23	306,042	306,025	306,042	306,025
Share premium	24	103,249	103,860	103,249	103,860
Treasury shares	25	–	(32,238)	–	–
Warrants reserve	26	10,592	10,598	10,592	10,598
Fair Value reserve	27	(4,081)	–	–	–
Foreign exchange translation reserve	28	4,781	146	–	–
Revaluation reserve	29	38,719	38,783	12,360	12,360
Retained earnings	30	87,560	122,967	39,297	44,547
SHAREHOLDERS' FUND		546,862	550,141	471,540	477,390
Non-controlling interests		19,760	56,978	–	–
TOTAL EQUITY		566,622	607,119	471,540	477,390
NON-CURRENT LIABILITIES					
Hire purchase payables	31	3,787	8,555	634	1,261
Lease payables	32	402	–	402	–
Term loans	33	162,800	67,487	162,800	38,000
Deferred tax liabilities	34	13,990	16,791	13,990	13,807
Other payables	36	63	29	–	–
		181,042	92,862	177,826	53,068
CURRENT LIABILITIES					
Trade payables	35	28,691	39,553	16,247	24,566
Other payables and accruals	36	224,488	250,212	175,824	209,594
Amount owing to subsidiaries	18	–	–	213,824	182,070
Amount owing to associates	19	1,927	422	1,922	418
Provision for taxation		1,513	9,127	–	7,029
Hire purchase payables	31	1,984	3,930	665	744
Lease payables	32	382	242	279	242
Short-term borrowings	37	315,148	279,315	285,029	189,344
Bank overdrafts	38	–	23,793	–	20,122
		574,133	606,594	693,790	634,129
TOTAL LIABILITIES		755,175	699,456	871,616	687,197
TOTAL EQUITY AND LIABILITIES		1,321,797	1,306,575	1,343,156	1,164,587
NET ASSETS PER ORDINARY SHARE (sen)	39	26.80	28.75		

The annexed notes form an integral part of these financial statements

statements of profit or loss and other comprehensive income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	NOTE	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
REVENUE	40	564,491	573,237	439,350	472,896
COST OF SALES	41	(451,346)	(441,093)	(345,193)	(350,307)
GROSS PROFIT		113,145	132,144	94,157	122,589
OTHER INCOME		38,188	7,444	28,440	3,214
		151,333	139,588	122,597	125,803
ADMINISTRATIVE EXPENSES		(88,523)	(71,409)	(46,040)	(48,635)
FINANCE COSTS		(26,070)	(21,641)	(20,202)	(15,729)
OTHER OPERATING EXPENSES		(49,522)	(11,482)	(56,726)	(22,279)
		(12,782)	35,056	(371)	39,160
SHARE OF (LOSS)/PROFIT IN ASSOCIATES		(4,471)	29	–	–
(LOSS)/ PROFIT BEFORE TAXATION	42	(17,253)	35,085	(371)	39,160
INCOME TAX EXPENSE	43	(6,445)	(16,450)	(4,879)	(14,643)
(LOSS)/PROFIT AFTER TAXATION		(23,698)	18,635	(5,250)	24,517
OTHER COMPREHENSIVE INCOME, NET OF TAX FOR THE FINANCIAL YEAR					
Items are not reclassifiable subsequently to profit or loss					
- Revaluation of property, net of tax		–	12,360	–	12,360
- Share of equity accounted reserve		(4,081)	–	–	–
Items are or may be reclassified subsequently to profit or loss					
- Foreign currency translation for foreign operations		10,893	2,000	–	–
		6,812	14,360	–	12,360
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE FINANCIAL YEAR		(16,886)	32,995	(5,250)	36,877

The annexed notes form an integral part of these financial statements

statements of profit or loss and other comprehensive income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

		THE GROUP		THE COMPANY	
	NOTE	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
[LOSS]/PROFIT AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		(20,892)	23,286	(5,250)	24,517
Non-controlling interests		(2,806)	(4,651)	–	–
		(23,698)	18,635	(5,250)	24,517
TOTAL COMPREHENSIVE [LOSS]/INCOME ATTRIBUTABLE TO:					
Owners of the Company		(20,338)	36,991	(5,250)	36,877
Non-controlling interests		3,452	(3,996)	–	–
		(16,886)	32,995	(5,250)	36,877
[Loss]/Earnings Per Ordinary Share					
- Basic	44	(1.02sen)	1.38sen		
- Diluted	44	N/A	1.25sen		

The annexed notes form an integral part of these financial statements

statements of changes in equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	NON-DISTRIBUTABLE						DISTRIBUTABLE			
THE GROUP	**ORDINARY SHARE CAPITAL RM'000**	**SHARE PREMIUM RM'000**	**TREASURY SHARES RM'000**	**WARRANTS RESERVE RM'000**	**FOREIGN EXCHANGE TRANSLATION RESERVE RM'000**	**REVALUATION RESERVE RM'000**	**RETAINED EARNINGS RM'000**	**ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000**	**NON-CONTROLLING INTERESTS RM'000**	**TOTAL EQUITY RM'000**
Balance at 1.4.2013	236,459	35,211	–	10,609	(1,199)	26,904	108,075	416,059	41,141	457,200
Contributions by and distributions to owners of the Company:										
- Issuance of new shares	69,517	76,199	–	–	–	–	–	145,716	–	145,716
- Share issuance expenses	–	(7,569)	–	–	–	–	–	(7,569)	–	(7,569)
- Warrants exercised	49	19	–	(11)	–	–	(8)	49	–	49
- Dividend paid (Note 46)	–	–	–	–	–	–	(8,867)	(8,867)	–	(8,867)
- Effect of acquisition of a subsidiary	–	–	(32,238)	–	–	–	–	(32,238)	–	(32,238)
Total transactions with owners	69,566	68,649	(32,238)	(11)	–	–	(8,875)	97,091	–	97,091
Realisation on usage of property	–	–	–	–	–	(481)	481	–	–	–
Balance carried forward	306,025	103,860	(32,238)	10,598	(1,199)	26,423	99,681	513,150	41,141	554,291
Transactions with non-controlling interests:										
- Acquisition/Issue of shares in subsidiaries	–	–	–	–	–	–	–	–	19,573	19,573
- Shares subscribed by non-controlling interests	–	–	–	–	–	–	–	–	260	260
Total transactions with non-controlling interests	–	–	–	–	–	–	–	–	19,833	19,833
Profit after taxation for the financial year	–	–	–	–	–	–	23,286	23,286	(4,651)	18,635
Other comprehensive income for the financial year, net of tax										
- revaluation of property	–	–	–	–	–	12,360	–	12,360	–	12,360
- foreign currency translation	–	–	–	–	1,345	–	–	1,345	655	2,000
Total comprehensive income for the financial year	–	–	–	–	1,345	12,360	23,286	36,991	(3,996)	32,995
Balance at 31.3.2014	306,025	103,860	(32,238)	10,598	146	38,783	122,967	550,141	56,978	607,119

The annexed notes form an integral part of these financial statements

statements of changes in equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

	NON-DISTRIBUTABLE						DISTRIBUTABLE			
THE GROUP	ORDINARY SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	TREASURY SHARES RM'000	WARRANTS RESERVE RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	REVALUATION RESERVE RM'000	RETAINED EARNINGS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
Balance at 31.3.2014/ 1.4.2014	306,025	103,860	(32,238)	10,598	146	38,783	122,967	550,141	56,978	607,119
Contributions by and distributions to owners of the Company:										
- Share issuance expenses	–	(617)	–	–	–	–	–	(617)	–	(617)
- Warrants exercised	17	6	–	(6)	–	–	–	17	–	17
- De-consolidation of subsidiaries	–	–	32,238	–	–	234	–	32,472	(18,378)	14,094
- Change in ownership interests in subsidiaries	–	–	–	–	–	–	(14,813)	(14,813)	(23,390)	(38,203)
Total transactions with owners	17	(611)	32,238	(6)	–	234	(14,813)	17,059	(41,768)	(24,709)
Realisation on usage of property	–	–	–	–	–	(298)	298	–	–	–
Balance carried forward	306,042	103,249	–	10,592	146	38,719	108,452	567,200	15,210	582,410

statements of changes in equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

THE GROUP	NON-DISTRIBUTABLE ORDINARY SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	TREASURY SHARES RM'000	WARRANTS RESERVE RM'000	FOREIGN EXCHANGE TRANSLATION RESERVE RM'000	FAIR VALUE RESERVE RM'000	REVALUATION RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS RM'000	ATTRIBUTABLE TO OWNERS OF THE COMPANY RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
Balance brought forward	306,042	103,249	–	10,592	146	–	38,719	108,452	567,200	15,210	582,410
Transactions with non-controlling interests:											
- Acquisition of shares in subsidiaries	–	–	–	–	–	–	–	–	–	2,403	2,403
- Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	(1,354)	(1,354)
- Shares subscribed by non-controlling interests	–	–	–	–	–	–	–	–	–	49	49
Total transactions with non-controlling interests	–	–	–	–	–	–	–	–	–	1,098	1,098
Loss after taxation for the financial year	–	–	–	–	–	–	–	(20,892)	(20,892)	(2,806)	(23,698)
Other comprehensive income for the financial year, net of tax											
- foreign currency translation	–	–	–	–	4,635	–	–	–	4,635	6,258	10,893
- share of equity accounted reserves	–	–	–	–	–	(4,081)	–	–	(4,081)	–	(4,081)
Total comprehensive income for the financial year	–	–	–	–	4,635	(4,081)	–	(20,892)	(20,338)	3,452	(16,886)
Balance at 31.3.2015	306,042	103,249	–	10,592	4,781	(4,081)	38,719	87,560	546,862	19,760	566,622

The annexed notes form an integral part of these financial statements

statements of changes in equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

THE COMPANY	NON – DISTRIBUTABLE ORDINARY SHARE CAPITAL RM'000	SHARE PREMIUM RM'000	WARRANTS RESERVE RM'000	REVALUATION RESERVE RM'000	DISTRIBUTABLE RETAINED EARNINGS RM'000	TOTAL EQUITY RM'000
Balance at 1.4.2013	236,459	35,211	10,609	–	28,905	311,184
Contributions by and distributions to owners of the Company:						
- Issuance of new shares	69,517	68,630	–	–	–	138,147
- Warrants exercised	49	19	(11)	–	(8)	49
- Dividend paid (Note 46)	–	–	–	–	(8,867)	(8,867)
Total transactions with owners	69,566	68,649	(11)	–	(8,875)	129,329
Profit after taxation/Total comprehensive income for the financial year	–	–	–	–	24,517	24,517
Other comprehensive income for the financial year, net of tax						
- revaluation of property	–	–	–	12,360	–	12,360
	–	–	–	12,360	24,517	36,877
Balance at 31.3.2014/1.4.2014	306,025	103,860	10,598	12,360	44,547	477,390
Contributions by and distributions to owners of the Company:						
Share issuance expenses	–	(617)	–	–	–	(617)
Warrants exercised	17	6	(6)	–	–	17
Total transactions with owners	17	(611)	(6)	–	–	(600)
Loss after taxation/Total comprehensive loss for the financial year	–	–	–	–	(5,250)	(5,250)
	–	–	–	–	(5,250)	(5,250)
Balance at 31.3.2015	306,042	103,249	10,592	12,360	39,297	471,540

The annexed notes form an integral part of these financial statements

statements of cash flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	NOTE	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
(Loss)/Profit before taxation		(17,253)	35,085	(371)	39,160
Adjustments for:-					
Allowance for impairment loss on investment in subsidiaries		–	–	14,569	15,957
Allowance/(Writeback) for impairment loss on amount due from related parties		14	(89)	14	(89)
Allowance for impairment loss on receivables		28,253	1,674	9,462	389
Allowance for impairment loss on amount due from subsidiaries		–	–	21,390	–
Amortisation of concession assets		9,542	6,772	719	501
Amortisation of intellectual properties		2,887	2,400	2,604	2,400
Bad debt written off		–	–	5,035	–
Depreciation of property, plant and equipment		18,007	22,429	9,382	9,168
Finance costs		26,070	21,641	20,202	15,729
Impairment loss on goodwill		5,714	829	–	–
Impairment loss on plant and equipment		–	2,776	–	–
Inventories written down		3,990	4,677	3,990	2,122
Share of loss/(profit) in associates		4,471	(29)	–	–
Prepayment written off		1,832	–	1,832	–
Property, plant and equipment written off		117	859	–	–
Provision for foreseeable losses		–	1,851	–	1,851
Loss/(gain) on disposal of plant and equipment		8,791	(18)	(1)	(78)
Gain on disposal of subsidiaries		(2,907)	–	–	–
Interest income		(2,851)	(825)	(2,821)	(596)
Dividend income		(120)	–	(120)	(171)
Negative goodwill		–	(215)	–	–
Unrealised (gain)/loss on foreign exchange		(14,237)	(4,040)	(18,568)	(3,125)
Investment in associates written off		12	–	12	–
Writeback of impairment loss of investment on associates		(1,000)	–	(1,000)	–
Operating profit before working capital changes/Balance carried forward		71,332	95,777	66,330	83,216

The annexed notes form an integral part of these financial statements

statements of cash flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

	NOTE	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Operating profit before working capital changes/ Balance brought forward		71,332	95,777	66,330	83,216
Change in inventories		(245)	(3,901)	(2,945)	(1,956)
Change in trade and other receivables		19,605	(79,657)	64,492	(56,066)
Change in trade and other payables		(43,588)	(56,277)	(44,571)	(50,620)
Change in property development expenditure		(6,434)	(1,310)	–	–
Net change in amount owing by/to contract customers		(51,722)	4,475	(46,350)	(6,652)
Net change in amount owing by/to subsidiaries		–	–	(145,643)	(28,827)
Net change in amount owing by/to associates		171	2,081	171	2,081
Net change in amount owing by/to related parties		(63)	234	(63)	234
CASH FOR OPERATIONS		(10,944)	(38,578)	(108,579)	(58,590)
Interest paid		(26,070)	(21,641)	(20,202)	(15,729)
Interest received		2,851	825	2,821	596
Net tax paid		(17,960)	(13,941)	(15,982)	(12,978)
NET CASH (FOR)/FROM OPERATING ACTIVITIES		(52,123)	(73,335)	(141,942)	(86,701)
CASH FLOWS FOR INVESTING ACTIVITIES					
Acquisition of available-for-sales investment		–	(7,500)	–	–
Acquisition of concession assets		(8,977)	(2,623)	(3,884)	(915)
Acquisition of development expenditure		(2,411)	(3,942)	(2,411)	(3,942)
Acquisition of intellectual properties		(2,400)	(12,240)	–	(12,240)
Acquisition of subsidiaries, net of cash acquired	45	(18,823)	(31,073)	(36,578)	–
Deposit paid for available-for-sales investments		(816)	–	–	–
Purchase of additional investments in subsidiaries		(38,204)	–	–	–
Divestment of a subsidiary, net of cash acquired	45	18,459	–	–	–
Dividend received from an associate		120	171	120	171
Net cash flow on additional investment in subsidiaries		–	(6,964)	(2,708)	(20,390)
Net paid on acquisition of investment in associates		–	(12)	–	(12)
Purchase of property, plant and equipment	47	(15,731)	(30,859)	(1,628)	(9,927)
Proceeds from disposal of plant and equipment		5,558	892	3	465
Proceeds from disposal of subsidiaries, net of cash	45	4,378	–	3,000	–
Proceeds from shares subscribed by non-controlling interests		49	260	–	–
NET CASH FOR INVESTING ACTIVITIES		(58,798)	(93,890)	(44,086)	(46,790)

The annexed notes form an integral part of these financial statements

statements of cash flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

		THE GROUP		THE COMPANY	
	NOTE	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid	46	–	(8,867)	–	(8,867)
Drawdown of term loans		485,948	335,078	300,885	269,069
Net proceeds from/(repayment of) bankers' acceptances and trade loan		2,862	42,658	3,774	42,983
Proceeds from issuance of new shares		18	138,196	18	138,196
Net repayment of hire purchase and lease obligations		(4,782)	(2,610)	(1,226)	(953)
Repayment of term loans		(352,921)	(317,116)	(101,511)	(288,195)
(Placement)/Withdrawal of pledged fixed deposits		(27,041)	(1,353)	(29,292)	(608)
NET CASH FROM FINANCING ACTIVITIES		104,084	185,986	172,648	151,625
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(6,837)	18,761	(13,380)	18,134
FOREIGN EXCHANGE DIFFERENCE		1,686	2,000	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR		71,159	50,398	59,186	41,052
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	48	66,008	71,159	45,806	59,186

The annexed notes form an integral part of these financial statements

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

1. GENERAL INFORMATION

The Company is a public company limited by shares and is incorporated under the Companies Act 1965 in Malaysia. The domicile of the Company is Malaysia. The registered office and principal place of business are as follows:-

Registered office	:	Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur.
Principal place of business	:	IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 31 July 2015.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of technology consulting, and the implementation of trusted identification, payment and transportation and sustainable development. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under significant accounting policies, and in compliance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 1965 in Malaysia.

3.1 During the current financial year, the Group has adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 10, MFRS 12 and MFRS 127 (2011): Investment Entities
Amendments to MFRS 132: Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 136: Recoverable Amount Disclosures for Non-financial Assets
Amendments to MFRS 139: Novation of Derivatives and Continuation of Hedge Accounting
IC Interpretation 21 Levies

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments) did not have any material impact on the Group's financial statements.

3. BASIS OF PREPARATION (CONTINUED)

3.2 The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSS AND/OR IC INTERPRETATIONS (INCLUDING THE CONSEQUENTIAL AMENDMENTS)	EFFECTIVE DATE
MFRS 9 Financial Instruments (IFRS 9 issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2017
Amendments to MFRS 10 and MFRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
Amendments to MFRS 11: Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 (2011): Investment Entities – Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101: Presentation of Financial Statements – Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 116 and MFRS 141: Agriculture – Bearer Plants	1 January 2016
Amendments to MFRS 127 (2011): Equity Method in Separate Financial Statements	1 January 2016
Annual Improvements to MFRSs 2010 – 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 – 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 – 2014 Cycle	1 January 2016

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application except as follow:-

The Group has not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

(i) MFRS 15 establishes a single comprehensive model for revenue recognition and will supersede the current revenue recognition guidance and other related interpretations when it becomes effective. Under MFRS 15, an entity shall recognise revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customers. In addition, extensive disclosures are required by MFRS 15. The Group anticipates that the application of MFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the financial impacts of MFRS 15 until the Group performs a detailed review.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Critical Accounting Estimates And Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group’s accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(a) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial and production factors which could change significantly as a result of technical innovations and competitors’ actions in response to the market conditions.

The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.1 Critical Accounting Estimates And Judgements (continued)

(b) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

(c) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(d) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(e) Contracts

Contracts accounting requires reliable estimation of the costs to complete the contract and reliable estimation of the stage of completion.

- *Contract Revenue*

  Contracts accounting requires that variation claims and incentives payments only be recognised as contract revenue to the extent that it is probable that they will be accepted by the customers. As the approval process often takes some time, a judgement is required to be made of its probability and revenue recognised accordingly.

- *Contract Cost*

  Using experience gained on each particular contract and taking into account the expectations of the time and materials required to complete the contract management estimates the profitability of the contract on an individual basis any particular time.

(f) Writedown of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

4. SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

4.1 Critical Accounting Estimates And Judgements (continued)

[g] *Impairment of Trade and Other Receivables*

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgment to evaluate the adequacy of the allowance for impairment losses. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

[h] *Revaluation of Properties*

The Group's properties which are reported at valuation are based on valuations performed by independent professional valuers.

The independent professional valuers have exercised judgement in determining discount rates, estimates of future cash flows, capitalisation rate, terminal year value, market freehold rental and other factors used in the valuation process. Also, judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations can also materially affect these estimates and the resulting valuation estimates.

[i] *Impairment of Available-for-sale Financial Assets*

The Group reviews its available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment loss on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant' or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

[j] *Classification of Leasehold Land*

The classification of leasehold land as a finance lease or an operating lease requires the use of judgement in determining the extent to which risks and rewards incidental to its ownership lie. Despite the fact that there will be no transfer of ownership by the end of the lease term and that the lease term does not constitute the major part of the indefinite economic life of the land, management considered that the present value of the minimum lease payments approximated to the fair value of the land at the inception of the lease. Accordingly, management judged that the Group has acquired substantially all the risks and rewards incidental to the ownership of the land through a finance lease.

[k] *Impairment of Goodwill*

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

[l] *Contingent Liabilities*

The directors' are of the opinion that provisions are not required in respect of the contingent liabilities as it is not probable that a future sacrifice of economic benefit will be required.

[m] *Fair Value Estimates for Certain Financial Assets and Liabilities*

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and/or equity.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to the end of the reporting period.

Subsidiaries are entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date on which control is transferred to the Group up to the effective date on which control ceases, as appropriate.

Intragroup transactions, balances, income and expenses are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(a) *Business Combinations*

Acquisitions of businesses are accounted for using the acquisition method. Under the acquisition method, the consideration transferred for acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group at the acquisition date. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquiree may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

(b) *Non-Controlling Interest*

Non-controlling interests are presented within equity in the consolidated statement of financial position, separately from the equity attributable to owners of the Company. Transactions with non-controlling interests are accounted for as transactions with owners and are recognised directly in equity. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

At the end of each reporting period, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

(c) *Changes in Ownership Interests in Subsidiaries Without Change of Control*

All changes in the parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of consideration paid or received is recognised directly in equity of the Group and attributed to owners of the parent.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.2 Basis of Consolidation (continued)

(d) Loss of Control

Upon the loss of control of a subsidiary, the Group recognises any gain or loss on disposal in profit or loss which is calculated as the difference between:-

(i) The aggregate of the fair value of the consideration received and the fair value of any retained interest in the former subsidiary; and

(ii) The previous carrying amount of the assets (including goodwill), and liabilities of the former subsidiary and any non-controlling interests.

Amounts previously recognised in other comprehensive income in relation to the former subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of (i.e. reclassified to profit or loss or transferred directly to retained profits). The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 139 or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.3 Goodwill

Goodwill is measured at cost less accumulated impairment losses, if any. The carrying value of goodwill is reviewed for impairment annually. The impairment value of goodwill is recognised immediately in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Under the acquisition method, any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interests recognised and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities at the date of acquisition is recorded as goodwill.

Where the latter amount exceeds the former, after reassessment, the excess represents a bargain purchase gain and is recognized as a gain in profit or loss.

4.4 Functional and Foreign Currencies

(a) Functional and Presentation Currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency.

The consolidated financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional and presentation currency.

(b) Transactions and Balances

Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss except for differences arising from the translation of available-for-sale equity instruments which are recognised in other comprehensive income.

(c) Foreign Operations

Assets and liabilities of foreign operations are translated to RM at the rates of exchange ruling at the end of the reporting period. Revenues and expenses of foreign operations are translated at exchange rates ruling at the the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity under translation reserve. On the disposal of a foreign operation, the cumulative amount recognised in other comprehensive income relating to that particular foreign operation is reclassified from equity to profit or loss.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4 Functional and Foreign Currencies (continued)

(c) Foreign Operations (continued)

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and the liabilities of the foreign operations and translated at the closing rate at the end of the reporting period except for those business combinations that occurred before the date of transition, 1 January 2011, which are treated as assets and liabilities of the Company and are not retranslated.

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of foreign currency balances at the end of the reporting year were as follows:-

	31.3.2015 RM	31.3.2014 RM
Canadian Dollar	3.01	2.95
Euro	4.02	4.49
Egyptian Pound	0.49	0.47
Pound Sterling	5.49	5.44
Thai Baht	0.11	0.10
United States Dollar	3.72	3.27
Indian Rupee	0.06	0.05
Bangladeshi Taka ("Bangla Taka")	0.05	0.04
New Zealand Dollar	2.78	2.83
Papua New Guinea Kina	1.35	1.15

4.5 Financial Instruments

Financial instruments are recognised in the statements of financial position when the Group has become a party to the contractual provisions of the instruments.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument classified as a liability, are reported as an expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity.

Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

A financial instrument is recognised initially at its fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than a financial instrument at fair value through profit or loss) are added to/ deducted from the fair value on initial recognition, as appropriate. Transaction costs on the financial instrument at fair value through profit or loss are recognised immediately in profit or loss.

Financial instruments recognised in the statements of financial position are disclosed in the individual policy statement associated with each item.

(a) Financial Assets

On initial recognition, financial assets are classified as either financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables financial assets, or available-for-sale financial assets, as appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial Instruments (continued)

(a) Financial Assets (continued)

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss when the financial asset is either held for trading or is designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Dividend income from this category of financial assets is recognised in profit or loss when the Group's right to receive payment is established.

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

(ii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the management has the positive intention and ability to hold to maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment loss, with interest income recognised in profit or loss on an effective yield basis.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current assets.

(iii) Loans and Receivables Financial Assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables financial assets. Loans and receivables financial assets are measured at amortised cost using the effective interest method, less any impairment loss. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables financial assets are classified as current assets, except for those having settlement dates later than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated in this category or are not classified in any of the other categories.

After initial recognition, available-for-sale financial assets are remeasured to their fair values at the end of each reporting period. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the fair value reserve, with the exception of impairment losses. On derecognition, the cumulative gain or loss previously accumulated in the fair value reserve is reclassified from equity into profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit and loss when the Group's right to receive payments is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any.

Available-for-sale financial assets are classified as noncurrent assets unless they are expected to be realised within 12 months after the reporting date.

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial Instruments (continued)

(b) *Financial Liabilities*

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method other than those categorised as fair value through profit or loss.

Fair value through profit or loss category comprises financial liabilities that are either held for trading or are designated to eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise. Derivatives are also classified as held for trading unless they are designated as hedges.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(c) *Equity Instruments*

Instruments classified as equity are measured at cost and are not remeasured subsequently.

(i) *Ordinary Shares*

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from proceeds.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

(ii) *Treasury Shares*

When the Company's own shares recognised as equity are bought back, the amount of the consideration paid, including all costs directly attributable, are recognised as a deduction from equity. Own shares purchased that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity.

Where such shares are subsequently sold or reissued, any consideration received, net of any direct costs, is included in equity.

(d) *Warrants*

Proceeds, net of issue costs, from the issuance of warrants are allocated in accordance with FRSIC Consensus 9 – Accounting for Rights Issue with Free Warrants are credited to the warrant reserve which is non-distributable. The warrant reserve is transferred to the share premium account upon the exercise of the warrants and the warrant reserve in relation to the unexercised warrants at the expiry of the warrants will be transferred to the retained earnings.

(e) *Derecognition*

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.5 Financial Instruments (continued)

(e) Derecognition (continued)

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.6 Intangible Assets

(a) Research and Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that expenditure incurred on development projects are capitalised as long-term assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(i) its ability to measure reliably the expenditure attributable to the asset under development;
(ii) the product or process is technically and commercially feasible;
(iii) its future economic benefits are probable;
(iv) its ability to use or sell the developed asset; and
(v) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a year of 5 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

(b) Concession Assets

Concession assets comprised the Phuket Waste-To-Energy Incineration Plant ("WTE") and Electronic Passport System ("EPS").

Phuket Waste-To-Energy Incineration Plant

WTE comprises of Municipal Solid Waste (MSW)'s receiving, storing and incineration system, boiler system, flue gas treatment system, raw water treatment system, slag and ash handling system, automatic control system and electrical generation system.

WTE is stated at cost less accumulated amortisation and impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 4.10(b) to the financial statements.

The amortisation is calculated by reference to the costs on a straightline basis over the concession period.

Electronic Passport System

EPS comprises computer hardware, software development and special equipment (to provide a fully integrated and highly secure system for production, issuance and authentication of e-passports) incurred in connection with the concession.

EPS is stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 4.10(b) to the financial statements.

The amortisation formula applied in the preparation of the financial statements to arrive at the annual amortisation charge for each financial year is as follows:

$$\frac{\text{Cumulative Inlay Revenue To-date}}{\text{Total Inlay Revenue of The Concession}} \times \begin{array}{c}\text{Cumulative Actual}\\ \text{Development}\\ \text{Expenditure}\end{array} - \begin{array}{c}\text{Accumulated}\\ \text{Amortisation}\\ \text{To-date}\end{array}$$

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.6 Intangible Assets (continued)

(c) *Intellectual Property*

The intellectual property consists of the acquisition cost of the exclusive rights of a suite of software modules, including the trademarks,licenses, copyright, source codes and associated documentation. The acquisition cost is capitalised as an intangible asset as it is able to generate future economic benefits to the Group.

The intellectual property is amortised on a straight-line basis over the period range from 10 years to 20 years during which its economic benefits are expected to be consumed. Indefinite useful life for education license.

When the indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

4.7 Investments in Subsidiaries

Investments in subsidiaries are stated at cost in the statement of financial position of the Company, and are reviewed for impairment at the end of the reporting period if events or changes in circumstances indicate that the carrying values may not be recoverable. The cost of the investments includes transaction costs.

On the disposal of the investments in subsidiaries, the difference between the net disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

4.8 Investment in Associates

An associate is an entity in which the Group has a long-term equity interest and where it exercises significant influence over the financial and operating policies.

The investment in an associate is accounted for in the consolidated statement of financial position using the equity method, based on the financial statements of the associate made up to the end of the reporting period. The Group's share of the post acquisition profits and other comprehensive income of the associate is included in the consolidated statement of profit or loss and other comprehensive income, after adjustment if any, to align the accounting policies with those of the Group, from the date that significant influence commences up to the effective date on which significant influence ceases or when the investment is classified as held for sale. The Group's interest in the associate is carried in the consolidated statement of financial position at cost plus the Group's share of the post-acquisition retained profits and reserves. The cost of investment includes transaction costs.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation.

Unrealised gains on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. Unrealised losses are eliminated unless cost cannot be recovered.

When the Group ceases to have significant influence over an associate and the retained interest in the former associate is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as the initial carrying amount of the financial asset in accordance with MFRS 139. Furthermore, the Group also reclassifies its share of the gain or loss previously recognised in other comprehensive income of that associate to profit or loss when the equity method is discontinued. However, the Group will continue to use the equity method if the dilution does not result in a loss of significant influence or when an investment in a joint venture becomes an investment in an associate. Under such changes in ownership interest, the retained investment is not remeasured to fair value but a proportionate share of the amounts previously recognised in other comprehensive income of the associate will be reclassified to profit or loss where appropriate. All dilution gains or losses arising in investments in associates are recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.9 Property, Plant and Equipment

Property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and impairment losses, if any.

Freehold land is stated at valuation less impairment losses recognised after the date of the revaluation. Freehold land is not depreciated. Freehold buildings are stated at revalued amount less accumulated depreciation and impairment losses recognised after the date of the revaluation. Freehold land and buildings are revalued periodically, at least once in every 5 years. Surpluses arising from the revaluation are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

Depreciation is charged to profit or loss (unless it is included in the carrying amount of another asset) on the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:-

Building	2%
Leasehold land	Over the lease term
Office equipment, furniture and fittings	10% - 33.3%
Motor vehicles	20%
Plant and machinery	7.5% - 33%

The depreciation method, useful life and residual values are reviewed, and adjusted if appropriate, at the end of each reporting year to ensure that the amounts, methods and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group is obligated to incur when the asset is acquired, if applicable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising from derecognition of the asset is recognised in profit or loss. The revaluation reserve included in equity is transferred directly to retained profits on retirement or disposal of the asset. In addition, the Group also makes an annual transfer of the revaluation reserve to retained profits as the asset is used. In such a case, the amount of the revaluation reserve transferred would be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

4.10 Impairment

(a) *Impairment of Financial Assets*

All financial assets (other than those categorised at fair value through profit or loss), are assessed at the end of each reporting year whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. For an equity instrument, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment.

An impairment loss in respect of held-to-maturity investments and loans and receivables financial assets is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

An impairment loss in respect of available-for-sale financial assets is recognised in profit or loss and is measured as the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the fair value reserve. In addition, the cumulative loss recognised in other comprehensive income and accumulated in equity under fair value reserve, is reclassified from equity to profit or loss.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.10 Impairment (continued)

(a) *Impairment of Financial Assets (continued)*

With the exception of available-for-sale equity instruments, if, in a subsequent period. the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-forsale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss made is recognised in other comprehensive income.

For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

(b) *Impairment of Non-Financial Assets*

The carrying values of assets, other than those to which MFRS 136 - Impairment of Assets does not apply, are reviewed at the end of each reporting year for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately, unless the asset is carried at its revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.11 Assets under Hire Purchase and Lease

Leases of plant and equipment where substantially all the benefits and risk of ownership are transferred to the Group are classified as finance leases.

Plant and equipment acquired under finance lease and hire purchase are capitalised in the financial statements.

Each lease or hire purchase payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding outstanding obligations due under the finance lease and hire purchase after deducting finance charges are included as liabilities in the financial statements. Finance charges are recognised in profit or loss over the year of the respective lease and hire purchase agreements.

Plant and equipment acquired under finance leases and hire purchase are depreciated over the useful lives of the assets. If there is no reasonable certainty that the ownership will be transferred to the Group, the assets are depreciated over the shorter of the lease terms and their useful lives.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.12 Operating Leases

Leases of assets where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentive received from lessor) are charged to the profit or loss on a straight-line basis over the lease year. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the year in which termination takes place.

4.13 Government Grants

Grants from the government are recognised initially as deferred income at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Grants that compensate the Group for expenses incurred are recognised in profit or loss over the periods necessary to match the grants with the related costs which they are intended to compensate on a systematic basis.

Grants that compensate the Group for the cost of an asset are recognised in profit or loss over the expected useful life of the relevant asset on a systematic basis

4.14 Revaluation Reserve

The revaluation of the building is undertaken periodically whenever the fair value of the revalued assets is expected to differ materially from their carrying value, or at least once in every 5 years. Surpluses arising from the revaluation of properties are recognised in other comprehensive income and accumulated in equity under the revaluation reserve. Deficits arising from the revaluation, to the extent that they are not supported by any previous revaluation surpluses, are recognised in profit or loss.

In the year of disposal of the revalued asset, the attributable remaining revaluation surplus is transferred from the revaluation reserve account to retained earnings.

4.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and comprises the purchase price, production or conversion costs and incidentals incurred in bringing the inventories to their present location and condition. Cost of finished goods and work in progress includes the cost of materials, labour and an appropriate proportion of production overheads.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

Where necessary, due allowance is made for all damaged, obsolete and slow-moving items.

4.16 Amounts Due By/To Contract Customers

The amounts due by/to contract customers are stated at cost plus profits attributable to contracts in progress less progress billings and allowance for foreseeable losses, if any. Cost includes direct materials, labour and applicable overheads.

4.17 Property Development Costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Land is stated at cost. Development expenditure comprises construction and other related development costs and administrative overheads relating to the property development. Interest costs on borrowings taken to finance the relevant development projects are included in the development expenditure from commencement to the completion of the development projects.

Property development costs that are not recognised as an expense are recognised as an asset and carried at the lower of cost and net realisable value.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.17 Property Development Costs (continued)

When the financial outcome of a development activity can be reliably estimated, the amount of property revenues and expenses recognised in the income statement are determined by reference to the stage of completion of development activity at the balance sheet date. Recognition of income starts when work accomplishment reaches a material level.

When the financial outcome of a development activity cannot be reliably estimated, the property development revenue is recognised only to the extent of property development costs incurred that are probable will be recoverable. The property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Where it is probable that property development costs will exceed property development revenue, any expected loss is recognised as an expense immediately, including costs to be incurred over the defects liability period.

4.18 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value with original maturity period of three months or less.

4.19 Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the provision is the present value of the estimated expenditure required to settle the obligation. The unwinding of the discount is recognised as interest expense in profit or loss.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a probable asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

4.20 Income Taxes

Income taxes for the year comprises current and deferred tax.

Current tax is the expected amount of income taxes payable in respect of the taxable profit for the reporting period using the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.20 Income Taxes (continued)

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amounts of deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting year.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

4.21 Employee Benefits

(a) *Short-term Benefits*

Wages, salaries, paid annual leave and sick leave, bonuses and nonmonetary benefits are measured on an undiscounted basis and are recognised in profit or loss and included in the development costs, where appropriate, in the period in which the associated services are rendered by employees of the Group.

(b) *Defined Contribution Plans*

The Group's contributions to defined contribution plans are recognised in profit or loss and included in the development costs, where appropriate, in the period to which they relate. Once the contributions have been paid, the Group has no further liability in respect of the defined contribution plans.

(c) *Share-based Payment Transactions*

The Group operates an equity-settled share-based compensation plan, under which the Group receives services from employees as consideration for equity instruments of the Group (share options).

At grant date, the fair value of the share options is recognised as an expense on a straight-line method over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding credit to employee share option reserve in equity. The amount recognised as an expense is adjusted to reflect the actual number of the share options that are expected to vest. Service and non-market performance conditions attached to the transaction are not taken into account in determining the fair value.

In the Company's separate financial statements, the grant of the share options to the subsidiaries' employees is not recognised as an expense. Instead, the fair value of the share options measured at the grant date is accounted for as an increase to the investment in subsidiary undertaking with a corresponding credit to the employee share option reserve.

Upon expiry of the share option, the employee share option reserve is transferred to retained profits.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.21 Employee Benefits (continued)

(c) *Share-based Payment Transactions (continued)*

When the share options are exercised, the employee share option reserve is transferred to share capital or share premium if new ordinary shares are issued, or to treasury shares if the share options are satisfied by the reissuance of treasury shares.

4.22 Related Parties

A party is related to an entity (referred to as the "reporting entity") if:-

(a) A person or a close member of that person's family is related to a reporting entity if that person:-

(i) has control or joint control over the reporting entity;
(ii) has significant influence over the reporting entity; or
(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to a reporting entity if any of the following conditions applies:-

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) Both entities are joint ventures of the same third party.
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
(vi) The entity is controlled or jointly controlled by a person identified in (a) above.
(vii) A person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4.23 Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using a valuation technique. The measurement assumes that the transaction takes place either in the principal market or in the absence of a principal market, in the most advantageous market. For non-financial asset, the fair value measurement takes into account a market's participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. However, this basis does not apply to share-based payment transactions.

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:-

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.23 Fair Value Measurements (continued)

For financial reporting purposes, the fair value measurements are analysed into level 1 to level 3 as follows:- (continued)

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

The transfer of fair value between levels is determined as of the date of the event or change in circumstances that caused the transfer.

4.24 Revenue and Other Income

(a) Sale of Goods

Revenue is measured at fair value of the consideration received or receivable and is recognised upon delivery of goods and customers' acceptance and where applicable, net of returns and trade discounts.

(b) Services

Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(c) Royalty Income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement.

(d) Contract Revenue

Revenue on contracts is recognised on the percentage of completion method unless the outcome of the contract cannot be reliably determined, in which case revenue on contracts is only recognised to the extent of contract costs incurred that are recoverable. Foreseeable losses, if any, are provided for in full as and when it can be reasonably ascertained that the contract will result in a loss.

The stage of completion is determined based on completion of a physical proportion of the contract work.

(e) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(f) Dividend Income

Dividend income from investment is recognised when the right to receive dividend payment is established.

(g) Rental Income

Rental income is recognised on an accrual basis.

4.25 Borrowing Costs

Borrowing costs, directly attributable to the acquisition and construction of property, plant and equipment are capitalised as part of the cost of those assets, until such time as the assets are ready for their intended use or sale. Capitalisation of borrowing costs is suspended during extended periods in which active development is interrupted.

All other borrowing costs are recognised in profit or loss as expenses in the year in which they incurred.

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4. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.26 Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

5. INVESTMENTS IN SUBSIDIARIES

	THE COMPANY 2015 RM'000	2014 RM'000
Unquoted shares, at cost:-		
At 1 April	255,775	235,385
Addition during the financial year	39,287	390
Addition of preference share during the financial year	–	20,000
Disposal during the financial year	(11,257)	–
	283,805	255,775
Accumulated impairment losses:-		
At 1 April	(46,490)	(30,533)
Addition during the financial year	(14,569)	(15,957)
Disposal during the financial year	8,257	–
	(52,802)	(46,490)
At 31 March	231,003	209,285

Details of the subsidiaries are as follows:-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2015 %	2014 %	PRINCIPAL ACTIVITIES
Direct Subsidiaries				
IRIS Technologies (M) Sdn Bhd ("ITech")	Malaysia	100	100	Dormant.
IRIS Corporation North America Ltd *	United States of America	100	100	Dormant.
IRIS Information Technology Systems Sdn Bhd	Malaysia	100	100	Maintaining and servicing autogate, image retrieval identification system (I.R.I.S) and marketing of contact and contactless smart technology based products.

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2015 %	2014 %	PRINCIPAL ACTIVITIES
Direct Subsidiaries (continued)				
IRIS Eco Power Sdn Bhd	Malaysia	100	100	Provision of waste management and power and energy related systems.
IRIS Agrotech Sdn Bhd ("Agrotech")	Malaysia	100	100	Professional dealers for the design, construction and maintenance of automatic watering and feeding system for agricultural horticultural and other purposes.
IRIS Egypt LLC* # (In Members' Voluntary Winding Up)	Egypt	87.5	87.5	Provision of products, services, maintenance and solutions for identity security documents, biometrics information technology and communication in Egypt.
IRIS Koto (M) Sdn Bhd ("IRIS Koto")	Malaysia	51	51	Manufacture and supply of Integrated building system ("IBS") and building material.
Epoch Energy Technology Sdn Bhd**	Malaysia	–	70	Provision of products, services, maintenance and solutions for carbon cleaning system.
IRIS Land Sdn Bhd	Malaysia	60	60	Housing development and construction activities.
IRIS Healthcare Sdn Bhd ("IRIS Healthcare")	Malaysia	100	100	Investment holding.
Warisan Atlet (M) Sdn Bhd ^	Malaysia	49	49	Dormant.
IRIS Rimbunan Kaseh Sdn Bhd	Malaysia	100	100	Farm management of modern integrated farms.
Digital Identity Solutions Limited *	Bangladesh	100	100	Dormant.
PJT Technology Co. Ltd. *	Thailand	75	51	Operation and maintenance of waste-to-energy incinerator plant.
Regal Energy Limited ("Regal Energy") *	Hong Kong	100	100	Investment holding company.
IRIS Ecopower (S) Pte Ltd *	Singapore	100	100	Dormant.
RB Biotech Sdn Bhd	Malaysia	66.67	66.67	Research, develop and produce hybrid rice seeds.

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5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2015 %	2014 %	PRINCIPAL ACTIVITIES
Direct Subsidiaries (continued)				
IRIS Cafe Kaseh Sdn Bhd	Malaysia	100	100	Operate and manage cafes, cafe outlets and restaurants.
Platinum Encoded Sdn Bhd	Malaysia	100	100	Investment holding company.
Formula IRIS Racing Sdn Bhd	Malaysia	51	100	Dormant.
Seri Stamford College Sdn Bhd (formerly known as Stamford College (PJ) Sdn Bhd) *	Malaysia	73.3	–	Provision of academic, tertiary and professional courses.
Stamford College (Malacca) Sdn Bhd *	Malaysia	75.5	–	Provision of academic, tertiary and professional courses.
Northern Shine Holdings Limited *	Cayman Island	100	–	Investment holding.
Plaman Resources Limited *	New Zealand	70	–	Involved in mining activities.
Subsidiary of Agrotech				
Endah Farm Sdn Bhd	Malaysia	60	60	Involved in agricultural activities.
Subsidiary of IRIS Koto				
IPE Insulation (M) Sdn Bhd	Malaysia	–	90	Manufacture, supply and trading of Styrofoam products and consumable parts.
Subsidiary of IRIS Healthcare				
Versatile Creative Berhad *	Malaysia	–	64.60	Investment holding company.
Subsidiary of Versatile Creative Berhad				
Versatile Paper Boxes Sdn Bhd ("Versatile Paper Boxes") *	Malaysia	–	64.60	Manufacturing and trading of paper, board packaging products, specialising in offsetprinted boxes and offset laminated cartons.

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2015 %	EFFECTIVE EQUITY INTEREST 2014 %	PRINCIPAL ACTIVITIES
Subsidiary of Versatile Creative Berhad (continued)				
FP Pack Sdn Bhd (formerly known as Fairpoint Packaging Sdn Bhd) *	Malaysia	–	64.60	Dormant.
Subsidiary of Versatile Paper Boxes				
Fairpoint Plastic Industries Sdn Bhd *	Malaysia	–	64.60	Manufacturing and sale of plastic packaging products.
Versatile Smart Properties Sdn Bhd *	Malaysia	–	64.60	Dormant.
Imagescan Creative Sdn Bhd *	Malaysia	–	64.60	Provision of colour separation and lithography services and printed materials.
Subsidiary of Regal Energy				
Weinan IRIS Envirowerks Zhouji Renewable Resources Co., Ltd. *	China	65	65	Operation and maintenance of food waste-to-fertilizer plant.
Subsidiary of IRIS Land Sdn Bhd				
IRIS Land (PNG) Limited *	Papua New Guinea	60	60	Property development.

* *These subsidiaries were audited by other firms of chartered accountants.*
\# *At an Extraordinary General Meeting held on 21 November 2010, the subsidiary was wound up via a Members' Voluntary Winding Up and the winding up is in progress.*
^ *The Group has control over the subsidiary.*

The Company assessed the recoverable amount of investment in a subsidiary and determined that an impairment loss should be recognised as the recoverable amount is lower than the carrying amount. The recoverable amount of the cash-generating unit is determined using the fair value less costs to sell approach, and this is derived from the net assets position of the subsidiary as at the end of the reporting period.

The net assets position of the subsidiary as at the end of the current reporting period has declined in the current financial year which was attributed to the continuing losses incurred.

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000
PJT Technology Co. Ltd.	22,596	38,457
Versatile Creative Berhad	–	18,193
Regal Energy Group	6,836	6,813
Iris Koto Group	(6,796)	(5,601)
Seri Stamford College Sdn Bhd	1,249	–
Other individually immaterial subsidiaries	(4,125)	(884)
	19,760	56,978

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5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	PJT TECHNOLOGY CO. LTD. 2015 RM'000	2014 RM'000
At 31 March		
Non-current assets	185,288	181,343
Current assets	27,794	38,773
Non-current liabilities	(63)	(28,029)
Current liabilities	(123,759)	(114,835)
Net assets	89,260	77,252
Financial year ended 31 March		
Revenue	42,159	32,634
Profit for the financial year	1,960	8,243
Total comprehensive income	1,960	8,243
Total comprehensive income attributable to non-controlling interests	960	4,038
Net cash flows from operating activities	7,423	19,003
Net cash flows from investing activities	78	(2,041)
Net cash flows from financing activities	4,390	(16,330)

	REGAL ENERGY GROUP 2015 RM'000	2014 RM'000
At 31 March		
Non-current assets	41,689	33,338
Current assets	6,710	8,494
Current liabilities	(28,869)	(22,368)
Net assets	19,530	19,464
Financial year ended 31 March		
Revenue	–	239
Loss for the financial year	(2,316)	(554)
Total comprehensive income/(expenses)	(2,316)	1,317
Total comprehensive income/(expenses) attributable to non-controlling interests	(810)	461
Net cash flows from operating activities	4,311	5,223
Net cash flows from investing activities	(8,351)	4,805
Net cash flows from financing activities	3,115	–

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:- (continued)

	IRIS KOTO GROUP 2015 RM'000	IRIS KOTO GROUP 2014 RM'000
At 31 March		
Non-current assets	10,605	9,023
Current assets	22,172	33,380
Non-current liabilities	(962)	(1,466)
Current liabilities	(25,685)	(32,419)
Net assets/(liabilities)	6,130	8,518
Financial year ended 31 March		
Revenue	13,743	17,205
Loss for the financial year	(2,259)	(8,796)
Total comprehensive expenses	(2,259)	(8,796)
Total comprehensive expenses attributable to non-controlling interests	439	(193)
Net cash flows from operating activities	10,115	(22,171)
Net cash flows from investing activities	(4,057)	(1,946)
Net cash flows from financing activities	(6,847)	25,746

	SERI STAMFORD COLLEGE SDN BHD 2015 RM'000	SERI STAMFORD COLLEGE SDN BHD 2014 RM'000
At 31 March		
Goodwill on acquisition	14,861	–
Non-current assets	11,472	–
Current assets	5,550	–
Non-current liabilities	(303)	–
Current liabilities	(23,505)	–
Net assets/(liabilities)	8,075	–
Financial year ended 31 March		
Revenue	3,340	–
Profit for the financial year	612	–
Total comprehensive expenses	612	–
Total comprehensive expenses attributable to non-controlling interests	620	–
Net cash flows from operating activities	(6,050)	–
Net cash flows from investing activities	(1,642)	–
Net cash flows from financing activities	7,975	–

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5. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:- (continued)

	VERSATILE CREATIVE BERHAD	
	2015 RM'000	2014 RM'000
At 31 March		
Non-current assets	–	41,921
Current assets	–	61,706
Non-current liabilities	–	(8,896)
Current liabilities	–	(39,086)
Net assets	–	55,645
Financial year ended 31 March		
Revenue	–	17,896
(Loss)/Profit for the financial year	–	(521)
Total comprehensive (expenses)/income	–	(286)
Total comprehensive (expenses)/income attributable to non-controlling interests	–	(184)
Net cash flows from operating activities	–	2,430
Net cash flows from investing activities	–	(483)
Net cash flows from financing activities	–	(1,134)

6. INVESTMENT IN ASSOCIATES

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Unquoted shares, at cost:-				
At 1 April	7,326	7,314	7,326	7,314
Addition during the financial year	–	12	–	12
Strikeoff during the financial year	(12)	–	(12)	–
Transfer from investment in subsidiaries	21,905	–	–	–
	29,219	7,326	7,314	7,326
Accumulated impairment losses:-				
At 1 April	(1,000)	(1,000)	(1,676)	(1,676)
Writeback of impairment	1,000	–	1,000	–
At 31 March	–	(1,000)	(676)	(1,676)
Share of post acquisition reserves, net of dividend received	(3,751)	1,272	–	–
Share of post-acquisition equity reserves	(4,081)	–	–	–
At 31 March	21,387	7,598	6,638	5,650

6. INVESTMENT IN ASSOCIATES (CONTINUED)

(a) Share of results in associates is based on unaudited financial statements of the associates.

(b) Details of the associates are as follows:-

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2015 %	EFFECTIVE EQUITY INTEREST 2014 %	PRINCIPAL ACTIVITIES
Direct Associates				
Multimedia Display Technologies Sdn Bhd *	Malaysia	44.4	44.4	Research, development, marketing and distribution of CRT/LCD display monitors and Radio frequency identity system (RFID).
Paysys (M) Sdn Bhd *	Malaysia	30.0	30.0	Provision of terminals and solutions for credit card transactions.
GMPC Corporation Sdn Bhd *	Malaysia	25.0	25.0	Design, supply and install Smart Card System for the Malaysian Government Multipurpose Card Flagship Application.
Neuralogy Sdn Bhd *	Malaysia	20.0	20.0	Research and development in Electronics and IT.
IRIS Koto Designs Sdn Bhd *	Malaysia	20.0	20.0	Dormant.
IRIS Eco Power Co, Ltd. * @	Thailand	–	49.0	Dormant.
Associates of Agrotech				
Ubud Tower Sdn Bhd	Malaysia	50.0	50.0	Dormant.
Associates of IRIS Healthcare				
Versatile Creative Berhad *	Malaysia	39.6	–	Investment holding.
Associates of Versatile Creative Berhad				
Versatile Paper Boxes Sdn Bhd ("Versatile Paper Boxes") *	Malaysia	39.6	–	Manufacturing and trading of paper, board packaging products, specialising in offset-printed boxes and offset laminated cartons.
FP Pack Sdn Bhd (formerly known as Fairpoint Packaging Sdn Bhd) *	Malaysia	39.6	–	Dormant.
Fairpoint Plastic Industries Sdn Bhd *	Malaysia	39.6	–	Manufacturing and sale of plastic packaging products.
Versatile Smart Properties Sdn Bhd *	Malaysia	39.6	–	Dormant.

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6. INVESTMENT IN ASSOCIATES (CONTINUED)

(b) Details of the associates are as follows:- (continued)

NAME OF COMPANY	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2015 %	2014 %	PRINCIPAL ACTIVITIES
Associates of Versatile Creative Berhad (continued)				
Imagescan Creative Sdn Bhd *	Malaysia	39.6	–	Provision of colour separation and lithography services and printed materials.
Associates of IRIS Information Technology Systems Sdn Bhd				
IRIS Global Blue TRS Malaysia Sdn Bhd (formerly known as Global Blue TFS Malaysia Sdn Bhd)	Malaysia	51.0	–	To market & operate as an agent for goods & services tax refund.

* *Equity accounting was done based on the management financial statements as the audited financial statements of these companies were not available.*

@ *The Company was dormant and had been struck off during the financial year.*

The Group's share of the associate's revenue, expenses, assets and liabilities are as follows:-

	THE GROUP 2015 RM'000	2014 RM'000
Assets and Liabilities		
Total assets	44,925	8,936
Total liabilities	20,137	2,032
Results		
Revenue	27,788	5,089
Profit for the year	(4,471)	29

6. INVESTMENT IN ASSOCIATES (CONTINUED)

(c) The summarised unaudited financial information for each associate that is material to the Group is as follows:-

	MULTIMEDIA DISPLAY TECHNOLOGIES SDN BHD 2015 RM'000	2014 RM'000
At 31 March		
Non-current assets	4,905	9,784
Current assets	716	506
Current liabilities	(556)	(540)
Net assets	5,065	9,750
12-month period ended 31 March		
Revenue	432	278
Loss for the financial year	86	(193)
Total comprehensive expenses	86	(193)
Group's share of losses for the financial year	(37)	(88)
Group's share of other comprehensive expenses	(37)	(88)
Carrying amount of the Group's interests in this associate	5,350	4,387

	VERSATILE CREATIVE BERHAD AND ITS SUBSIDIARIES 2015 RM'000	2014 RM'000
At 31 March		
Non-current assets	66,534	–
Current assets	28,683	–
Current liabilities	29,889	–
Net assets	65,328	–
12-month period ended 31 March		
Revenue	49,844	278
Loss for the financial year	(15,970)	(193)
Total comprehensive expenses	(41,729)	(193)
Group's share of losses for the financial year	(4,816)	(88)
Group's share of other comprehensive expenses	(4,081)	(88)
Carrying amount of the Group's interests in this associate	12,576	4,387

(d) The summarised unaudited financial information for all associates that are individually immaterial to the Group is as follows:-

	OTHER INDIVIDUALLY IMMATERIAL ASSOCIATES 2015 RM'000	2014 RM'000
Financial year ended 31 December		
Group's share of profit/(loss) for the financial year	(4,434)	117
Group's share of other comprehensive income	(4,434)	117
Group's share of total comprehensive income	(4,434)	117
Dividend received	(120)	(171)
Aggregate carrying amount of the Group's interests in these associates	3,460	3,211

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7. PROPERTY, PLANT AND EQUIPMENT

THE GROUP	AT 1.4.2014 RM'000	ACQUISITION OF SUBSIDIARIES RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	DISPOSAL OF SUBSIDIARIES RM'000	FOREIGN CURRENCY ADJUSTMENT RM'000	RECLASSI-FICATION RM'000	DEPRE-CIATION CHARGE RM'000	AT 31.3.2015 RM'000
NET BOOK VALUE										
Building	91,536	–	456	(3,588)	–	(12,146)	6	(7,888)	(2,851)	65,525
Freehold land	5,777	1,757	–	(1,777)	–	(4,000)	–	–	–	1,757
Leasehold land	38,847	–	–	–	–	(10,630)	–	7,888	(977)	35,128
Office equipment, furniture and fittings	8,256	555	3,483	(1)	(117)	(356)	29	–	(3,158)	8,691
Motor vehicles	7,495	431	1,725	(15)	–	(822)	25	–	(2,554)	6,285
Plant and machinery	44,812	–	9,139	(8,968)	–	(15,964)	13	–	(8,467)	20,565
Construction in-progress	33,179	–	3,515	–	–	–	4,762	–	–	41,456
	229,902	2,743	18,318	(14,349)	(117)	(43,918)	4,835	–	(18,007)	179,407

THE GROUP	AT 1.4.2013 RM'000	ACQUISITION OF SUBSIDIARIES RM'000	ADDITIONS RM'000	DISPOSALS RM'000	WRITTEN OFF RM'000	REVA-LUATION SURPLUS RM'000	FOREIGN CURRENCY ADJUSTMENT RM'000	IMPAIR-MENT LOSS RM'000	DEPRE-CIATION CHARGE RM'000	AT 31.3.2014 RM'000
NET BOOK VALUE										
Building	76,016	12,359	5,635	–	(368)	–	–	–	(2,106)	91,536
Freehold land	1,777	4,000	–	–	–	–	–	–	–	5,777
Leasehold land	11,967	10,806	–	–	–	16,480	–	–	(406)	38,847
Office equipment, furniture and fittings	6,861	253	4,107	(69)	(6)	–	–	–	(2,890)	8,256
Motor vehicles	5,776	222	4,117	(423)	–	–	–	–	(2,197)	7,495
Plant and machinery	37,933	14,763	10,593	(386)	(485)	–	–	(2,776)	(14,830)	44,812
Construction in-progress	22,024	–	8,862	–	–	–	2,293	–	–	33,179
	162,354	42,403	33,314	(878)	(859)	16,480	2,293	(2,776)	(22,429)	229,902

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE GROUP	COST RM'000	AT VALUATION RM'000	ACCUMULATED IMPAIRMENT RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
AT 31.3.2015					
Building	8,697	60,000	–	(3,172)	65,525
Freehold land	1,757	–	–	–	1,757
Leasehold land	–	36,000	–	(872)	35,128
Office equipment, furniture and fittings	44,589	–	–	(35,898)	8,691
Motor vehicles	14,953	–	–	(8,668)	6,285
Plant and machinery	116,624	–	–	(96,059)	20,565
Construction in-progress	41,456	–	–	–	41,456
	228,076	96,000	–	(144,669)	179,407
AT 31.3.2014					
Building	14,588	87,075	–	(10,127)	91,536
Freehold land	5,777	–	–	–	5,777
Leasehold land	11,448	28,112	–	(713)	38,847
Office equipment, furniture and fittings	31,830	–	–	(23,574)	8,256
Motor vehicles	15,272	–	–	(7,777)	7,495
Plant and machinery	197,399	–	(2,776)	(149,811)	44,812
Construction in-progress	33,179	–	–	–	33,179
	309,493	115,187	(2,776)	(192,002)	229,902

THE COMPANY	AT 1.4.2014 RM'000	ADDITIONS RM'000	REVALUATION SURPLUS RM'000	DISPOSAL RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2015 RM'000
NET BOOK VALUE						
Land and building	102,209	–	–	–	(2,982)	99,227
Office equipment, furniture and fittings	4,692	1,011	–	(1)	(2,049)	3,653
Motor vehicles	2,203	46	–	–	(1,046)	1,203
Plant and machinery	8,846	1,336	–	–	(3,305)	6,877
	117,950	2,393	–	(1)	(9,382)	110,960

THE COMPANY	AT 1.4.2013 RM'000	ADDITIONS RM'000	REVALUATION SURPLUS RM'000	DISPOSALS RM'000	DEPRECIATION CHARGE RM'000	AT 31.3.2014 RM'000
NET BOOK VALUE						
Land and building	82,988	4,800	16,480	–	(2,059)	102,209
Office equipment, furniture and fittings	5,316	1,667	–	(69)	(2,222)	4,692
Motor vehicles	3,056	248	–	–	(1,101)	2,203
Plant and machinery	9,555	3,397	–	(320)	(3,786)	8,846
	100,915	10,112	16,480	(389)	(9,168)	117,950

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7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

THE COMPANY	COST RM'000	AT VALUATION RM'000	ACCUMULATED DEPRECIATION RM'000	NET BOOK VALUE RM'000
AT 31.3.2015				
Land and building	6,600	96,000	(3,373)	99,227
Office equipment, furniture and fittings	24,581	–	(20,928)	3,653
Motor vehicles	6,277	–	(5,074)	1,203
Plant and machinery	93,559	–	(86,682)	6,877
	131,017	96,000	(116,057)	110,960
AT 31.3.2014				
Land and building	6,600	96,000	(391)	102,209
Office equipment, furniture and fittings	23,571	–	(18,879)	4,692
Motor vehicles	6,283	–	(4,080)	2,203
Plant and machinery	92,222	–	(83,376)	8,846
	128,676	96,000	(106,726)	117,950

Security

All assets have been pledged to financial institutions as security for banking facilities of the Company as disclosed in Note 33 and Note 37 to the financial statements.

Revaluation

The property was revalued by the directors based on the valuation carried out by an independent firm of professional valuer on 8 January 2014.

The fair value of the land and buildings of the Group are categorised as Level 2. The fair values of the land and buildings have been derived using the sales comparison approach. Sales prices of comparable land and building in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Had the revalued property been carried at cost less accumulated depreciation, the net book value of the property would have been RM41,091,420 (2014 - RM42,447,990) as at the end of the reporting year.

At the end of the reporting year, the net book values of the assets of the Group and of the Company acquired under hire purchase and finance lease terms were as follows:-

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Office equipment	193	–	–	–
Motor vehicles	5,057	13,565	742	1,572
Plant and machinery	653	2,822	653	525

8. CONCESSION ASSETS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At carrying amounts:-				
Electronic Passport System	14,196	11,031	14,196	11,031
Phuket Waste-To-Energy Incineration Plant	185,565	167,715	–	–
	199,761	178,746	14,196	11,031

Details of the Concession Assets are as follows:-

	THE GROUP	
	PHUKET WASTE-TO-ENERGY INCINERATION PLANT RM'000	ELECTRONIC PASSPORT SYSTEMS RM'000
AT COST:-		
At 31 March 2014/1 April 2014	180,095	12,748
Addition during the financial year	5,094	3,884
Transfer to deposit during the financial year	(2,314)	–
Foreign translation difference	25,629	–
At 31 March 2015	208,504	16,632
ACCUMULATED AMORTISATION:-		
At 31 March 2014/1 April 2014	(12,380)	(1,717)
Amortisation charge for the financial year	(8,823)	(719)
Transfer to deposit during the financial year	25	–
Foreign translation difference	(1,761)	–
At 31 March 2015	(22,939)	(2,436)
CARRYING AMOUNTS:-		
At 31 March 2015	185,565	14,196
At 31 March 2014	167,715	11,031

9. DEVELOPMENT COSTS

	THE GROUP/THE COMPANY	
	2015 RM'000	2014 RM'000
AT COST:-		
At 1 April	20,165	16,223
Addition during the financial year	2,412	3,942
	22,577	20,165
AMORTISATION OF DEVELOPMENT COSTS:-		
At 1 April	(16,223)	(16,223)
Amortisation charge for the financial year	–	–
	(16,223)	(16,223)
At 31 March	6,354	3,942

The development costs are the cost incurred for developing the devices and softwares and all the current new developments were under progress at the end of the reporting date.

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10. OTHER INTANGIBLE ASSETS

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
At cost				
At 1 April	40,391	28,151	40,391	28,151
Acquisition during the financial year	2,400	12,240	–	12,240
Acquisition of subsidiary	24,853	–	–	–
	67,644	40,391	40,391	40,391
Accumulated amortisation				
At 1 April	(22,923)	(20,523)	(22,923)	(20,523)
Acquisition of subsidiary	(1,684)	–	–	–
Charge during the financial year	(2,887)	(2,400)	(2,605)	(2,400)
	(27,494)	(22,923)	(25,528)	(22,923)
At 31 March	40,150	17,468	14,863	17,468
Representing				
Intellectual property	17,265	17,468	14,863	17,468
Mining permits	13,882	–	–	–
Education license	9,003	–	–	–
At 31 March	40,150	17,468	14,863	17,468

The intellectual property mainly consists for trademarks, patents, licenses and copyright.

11. AVAILABLE-FOR-SALES FINANCIAL ASSETS

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Unquoted shares				
- in Malaysia	7,500	7,500	–	–
- in Singapore	2,378	2,378	2,378	2,378
- in Hong Kong	981	981	981	981
- in Republic of Palau	6,919	–	–	–
Golf club membership	406	406	406	406
	18,184	11,265	3,765	3,765
Less: Impairment loss in value	(3,359)	(3,359)	(3,359)	(3,359)
	14,825	7,906	406	406

Investments in unquoted shares and golf club membership of the Group, designated as available-for-sale financial assets, are stated at cost. The fair values of the unquoted shares cannot be reliably measured using valuation techniques due to the lack of marketability of the shares.

12. DEFERRED TAX ASSETS

	THE GROUP 2015 RM'000	2014 RM'000
At 1 April	129	–
Recognised in profit or loss(Note 43)	28	129
At 31 March	157	129

The above deferred tax assets are recognised to the extent that it is probable that the future taxable profits will allow the deferred tax assets to be recovered.

13. GOODWILL ON CONSOLIDATION

	THE GROUP 2015 RM'000	2014 RM'000
At 1 April	140,682	141,511
Acquisition of new subsidiaries	15,732	–
Impairment during the financial year	(5,714)	(829)
At 31 March	150,700	140,682

(a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:-

	THE GROUP 2015 RM'000	2014 RM'000
Trusted identification	128,268	128,268
Other segments – Phuket plant	5,279	5,279
Other segments – Food and Agro Technology	–	5,714
Other segments – Koto Industrial Building Systems ('Koto IBS')	1,421	1,421
Other segments – Education	15,732	–
	150,700	140,682

(b) Key assumptions for value-in-use calculations

The basis of the determination of the recoverable amount is set out below.

The recoverable amount of a cash-generating unit is determined using the value-in-use approach, and this is derived from the present value of the future cash flows from this segment computed based on the projections of financial budgets approved by management covering a period of five years or the concession period of the project.

The key assumptions used in the determination of the recoverable amount are as follows:-

	AVERAGE GROSS MARGIN 2015	2014	AVERAGE REVENUE GROWTH RATE 2015	2014	DISCOUNT RATE 2015	2014
Trusted Identification	28%	28%	12%	6%	6.53%	7.4%
Phuket Plant	49%	49%	–	–	6.53%	7.4%
Food and Agro Technology	16%	30%	15%	10%	6.53%	7.4%
Koto IBS	16%	16%	43%	56%	6.53%	7.4%
Education	43%	–	79%	–	6.53%	–

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FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

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13. GOODWILL ON CONSOLIDATION (CONTINUED)

(b) Key assumptions for value-in-use calculations (continued)

ITEMS	BASIS OF ASSUMPTIONS
(a) Budgeted gross margin	The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year increased for expected efficiency improvements and cost saving measures.
(b) Revenue growth rate	The growth rates used are based on the most recent financial budgets approved by the management covering a five years period or the concession period of the project based on the expected projection of revenue.
(c) Discount rate	The discount rate used is based on the weighted average cost of capital.

(c) Sensitivity to changes in assumptions

The management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the goodwill to be materially higher than its recoverable amount.

14. INVENTORIES

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
AT COST:-				
Raw materials	15,453	20,360	14,435	14,572
Work-in-progress	38,486	30,880	37,499	29,635
Finished goods	34,784	48,327	25,878	34,649
	88,723	99,567	77,812	78,856
AT NET REALISABLE VALUE:-				
Raw Materials	–	212	–	–
Finished goods	–	2,150	–	–
	–	2,362	–	–
TOTAL	88,723	101,929	77,812	78,856

15. TRADE RECEIVABLES

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Trade receivables	313,591	289,228	179,405	191,758
Allowance for impairment losses	(13,811)	(8,992)	(4,837)	(3,316)
	299,780	280,236	174,568	188,442
Allowance for impairment losses				
At 1 April	(8,992)	(4,414)	(3,316)	(2,927)
Addition from acquisition of a subsidiary	(1,081)	(2,925)	–	–
Addition for the financial year	(3,738)	(1,653)	(1,521)	(389)
At 31 March	(13,811)	(8,992)	(4,837)	(3,316)

The Group and the Company's normal trade credit terms range from 30 to 60 days. Other credit terms are assessed and approved on a case-by-case basis.

16. AMOUNTS OWING BY CONTRACT CUSTOMERS

The following tabulation of construction contracts shows the elements included in the amounts owing by contract customers:

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Aggregate costs incurred to date	1,270,102	1,004,358	1,113,028	887,117
Attributable profit	378,391	338,410	336,120	302,297
Less: Provision for foreseeable losses	(1,852)	(1,852)	(1,852)	(1,852)
	1,646,641	1,340,916	1,447,296	1,187,562
Progress billings	(1,513,669)	(1,259,667)	(1,334,178)	(1,120,794)
	132,972	81,249	113,118	66,768

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Amount of contract revenue recognised as revenue during the financial year (Note 40)	291,119	342,040	270,034	287,213
Amount of contract costs recognised as expenses during the financial year (Note 41)	223,504	233,275	213,458	203,549

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

17. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	THE GROUP		THE COMPANY	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Other receivables	72,526	94,748	35,557	50,436
Allowance for impairment losses	(25,224)	(709)	(8,347)	(406)
	47,302	94,039	27,210	50,030
Deposits	8,240	39,629	4,685	22,012
Prepayments	14,639	16,254	6,375	13,365
	70,181	149,922	38,270	85,407
Allowance for impairment losses:				
At 1 April	(709)	(696)	(406)	(406)
Addition for the financial year	(24,515)	(13)	(7,941)	–
At 31 March	(25,224)	(709)	(8,347)	(406)

Included in other receivables, deposits and prepayments of the Group are the following items:-

(i) Advance payments made to trade payables of approximately RM22.2 million (2014 – RM33.6 million).

(ii) Payment of 10% deposits to IPSA Group PLC of approximately RM8.8 million (2014 – RM9.6 million) for the purchase of equipment. This transaction is currently under litigation as disclosed in Note 53(a)(iii) to the financial statements. The amount was fully impaired during the financial year after taking into consideration the available information on this debt.

(iii) Downpayment of approximately RM5.7 million (2014 – RM6.0 million) for the acquisition of a water filtration equipment. This transaction is pending completion and is secured by a piece of leasehold land located in Tanjung Bungah, Pulau Pinang. This transaction is currently under litigation as disclosed in Note 53(a)(v) to the financial statements.

18. AMOUNTS OWING BY/(TO) SUBSIDIARIES

	THE COMPANY	
	2015 RM'000	2014 RM'000
Amount owing by:		
- trade balances	136,569	128,955
- non-trade balances	351,160	163,227
Allowance for impairment losses	(21,824)	(434)
	329,336	162,793
	465,905	291,748
Amount owing to:		
- trade balances	(71,446)	(174,784)
- non-trade balances	(142,378)	(7,286)
	(213,824)	(182,070)

The Company's normal trade credit term is 30 days.

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

19. AMOUNTS OWING BY/(TO) ASSOCIATES

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount owing by:				
- trade balances	1,263	1,271	–	8
Less: Allowance for impairment losses	(1,263)	(1,263)	–	–
	–	8	–	8
- non-trade balances	1,341	–	1,341	–
	1,341	8	1,341	8
Amount owing to:				
- non-trade	(1,927)	(422)	(1,922)	(418)

The Group and the Company's normal trade credit term is 30 days.

The non-trade amount owing is unsecured, interest-free, repayable on demand and to be settled in cash.

notes to the financial statements

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20. AMOUNTS OWING BY RELATED PARTIES

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Amount owing by:				
- non-trade balances	133	70	133	70
Allowance for impairment losses	(14)	–	(14)	–
	119	70	119	70
Allowance for impairment losses:-				
At 1 April	–	(90)	–	(90)
Addition for the financial year	(14)	–	(14)	–
Writeback for the financial year	–	90	–	90
At 31 March	(14)	–	(14)	–

The Group and the Company's normal trade credit term is 30 days.

The non-trade amount owing is unsecured, interest-free, repayable on demand and to be settled either in cash or set off against purchases.

21. PROPERTY DEVELOPMENT EXPENDITURE

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At cost:-				
Housing development expenditure	7,744	1,310	–	–

22. DEPOSITS WITH LICENSED BANKS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deposits with licensed banks	17,104	10,500	17,104	8,249
Short-term funds	23,031	13,282	23,031	13,282
	40,135	23,782	40,135	21,531

Deposits with licensed banks of the Group and the Company amounting to RM14,509,247 (2014 - RM10,499,717) and RM14,509,247 (2014 - RM8,248,471) respectively have been pledged to the bank for credit facilities granted to the Group and the Company.

Short-term funds amounting to RM23,031,043 (2014 - RMNil) represent investments in a highly liquid market and have been pledged to the bank for credit facilities granted to the Group and the Company. This investment is convertible into cash in the short term period and has insignificant risk of changes in value.

The weighted average effective interest rates of the fixed deposits at the end of the reporting year ranged from 2.90% to 7.00% (2014 - 2.61% to 3.31%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 (2014 - 30 to 365) days.

23. SHARE CAPITAL

			THE COMPANY	
	2015	2014	2015	2014
	NUMBER OF SHARE			
AUTHORISED	'000	'000	RM'000	RM'000
Ordinary shares of RM0.15 each	2,500,000	2,500,000	375,000	375,000
Non-cumulative Irredeemable Convertible Preference Shares ("ICPS") of RM0.15 each	700,000	700,000	105,000	105,000
	3,200,000	3,200,000	480,000	480,000
ISSUED AND FULLY PAID-UP:				
Ordinary shares of RM0.15 each:				
At 1 April	2,040,166	1,576,394	306,025	236,459
Issuance of new shares pursuant to the exercise of warrant	117	324	17	49
Issuance of shares pursuant to private placement	–	463,448	–	69,517
At 31 March	2,040,283	2,040,166	306,042	306,025

During the financial year, the Company increased its issued and paid up share capital from RM306,024,826 to RM306,042,413 by the exercise of 117,250 units of Warrant B at an exercise price of RM0.15 each into 117,250 new ordinary shares of RM0.15 each.

All the new shares were issued for cash consideration. The new shares issued rank pari passu in all respects with the existing shares of the Company.

Warrants

The movement in the warrants is as follows:-

			NUMBER OF WARRANTS	
	AT 1.4.2014 '000	ADDITION '000	EXERCISED '000	AT 31.3.2015 '000
Warrants A (2006/2016)	45,317	–	–	45,317
Warrants B (2010/2016)	211,956	–	(117)	211,839

Warrants A

On 24 April 2006, the Company executed a deed poll ("Deed Poll") pertaining to the creation and issuance of 55,251,530 2006/2016 warrants on the basis of three (3) warrants for every fifty (50) existing ordinary shares held in the Company.

The Warrants A were listed on the ACE Market of Bursa Malaysia Securities Berhad.

On 27 June 2006, the Company issued 55,251,530 units of detachable warrants to the shareholders of the Company on the basis of twenty (20) ICPS and three (3) free warrants for every fifty (50) existing ordinary shares of RM0.15 each held in the Company.

A premium of RM0.15 is payable on conversion of each Warrants A into ordinary shares.

The main features of the Warrants A are as follows:-

a) Each warrant will entitle the registered holder to subscribe for one (1) new ordinary share of par value of RM0.15 each in the Company at an exercise price of RM0.15 each subject to adjustment in accordance with the conditions stipulated in the Deed Poll;

b) The warrants may be exercised at any time on or before the maturity date falling ten years (2006/2016) from the date of issue of the warrants on 27 June 2006. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;

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23. SHARE CAPITAL (CONTINUED)

Warrants A (continued)

c) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividends, rights, allotment or other distributions, the entitlement date of which is before the allotment and issuance of the new shares; and

d) The persons to whom the warrants have been granted have no rights to participate in any distribution and/on offer of further securities in the Company until/and unless warrants holders exercise their warrant for new shares.

Warrants B

On 27 April 2010, the Company issued 212,326,987 units of new six-year warrants (2012/2016) ("Warrants B") to the shareholders of the Company on the basis of three (3) Warrants B for every twenty (20) existing ordinary shares held in the Company at the issue price of RM0.05 per Warrants B.

The Warrants B were listed on the ACE Market of Bursa Malaysia Securities Berhad.

A premium of RM0.15 is payable on conversion of each Warrants B into ordinary shares.

The main features of the Warrants B are as follows:-

a) Each warrant will entitle the registered holder to subscribe for one (1) new ordinary share of par value of RM0.15 each in the Company at an exercise price of RM0.15 each;

b) The warrants may be exercised at any time on or before the maturity date falling five years (2012/2016) from the date of issue of the warrants on 27 April 2012. Warrants not exercised after the exercise period will thereafter lapse and cease to be valid;

c) The new shares to be issued pursuant to the exercise of the warrants shall, upon allotment and issue, rank pari passu in all respects with the existing ordinary shares of the Company in issue except that they will not be entitled to any dividends, rights, allotment or other distributions, the entitlement date of which is before the allotment and issuance of the new shares; and

d) The persons to whom the warrants have been granted have no rights to participate in any distribution and/on offer of further securities in the Company until/and unless warrants holders exercise their warrant for new shares.

24. SHARE PREMIUM

The share premium is not distributable by way of dividends and may be utilised in the manner set out in Section 60(3) of the Companies Act 1965.

25. TREASURY SHARES

On 30 November 2013, the Company has 126,424,033 of its own shares as a result of acquiring a new subsidiary, VCB. These shares were purchased by VCB prior to it becoming a Subsidiary to the Company.

Pursuant to Section 17 of the Companies Act 1965 in Malaysia, a corporation cannot be a member of a company which is its holding company. In compliance with this provision, VCB would be required to dispose of its entire investment in the Company within 12 months of the date of acquisition.

However, the Company had on 18 September 2014 disposed of 25% of VCB shares and the equity interest in VCB has reduced from 64.6% to 39.6% and VCB ceased to be the subsidiary of the Company from that day onwards. As such, Section 17 of the Companies Act 1965 in Malaysia are no longer applicable to the Company and all the treasury shares has then been reversed.

26. WARRANTS RESERVE

The warrants reserve arose from the proceeds from issuance of warrants and is non distributable by way of dividends. Warrants reserve is transferred to share premium upon the exercise of warrants and the warrants reserve in relation to the unexercised warrants at the expiry date of the warrants period will be transferred to retained earnings.

27. FAIR VALUE RESERVE

Fair value reserve represents the cumulate of post-acquisition fair value changes, net of tax, of available for sales financial assets until they disposed of.

28. FOREIGN EXCHANGE TRANSLATION RESERVE

The exchange fluctuation reserve arose from the translation of the financial statements of foreign subsidiaries and is not distributable by way of dividends.

29. REVALUATION RESERVE

The revaluation reserve represented surpluses which arose from the valuation of the property. This reserve is not distributable by way of dividends.

30. RETAINED EARNINGS

Under the single tier tax system, tax on the Company's profits is the final tax and accordingly, any dividends to the shareholders are not subject to tax.

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31. HIRE PURCHASE PAYABLES

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Minimum hire purchase payments:				
- not later than one year	2,181	4,646	717	840
- later than one year and not later than five years	3,983	9,479	660	1,338
- later than five years	229	197	–	–
	6,393	14,322	1,377	2,178
Less:				
Future finance charges	(622)	(1,837)	(78)	(173)
Present value of hire purchase payables	5,771	12,485	1,299	2,005
The net hire purchase payables are repayable as follows:-				
Current:				
- not later than one year	1,984	3,930	665	744
Non-current:				
- later than one year and not later than five years	3,621	8,374	634	1,261
- later than five years	166	181	–	–
	3,787	8,555	634	1,261
	5,771	12,485	1,299	2,005

The hire purchase payables of the Group and of the Company bore effective interest rates ranging from 4.27% to 7.42% (2014 – 2.36% to 7.42%) and 4.27% to 7.42% (2014 - 4.27% to 7.42%) respectively per annum at the end of the reporting period.

32. LEASE PAYABLES

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Minimum lease payments:				
- not later than one year	402	257	299	257
- later than one year and not later than five years	426	–	426	–
	828	257	725	257
Less: Future finance charges	(44)	(15)	(44)	(15)
Present value of lease payables	784	242	681	242
The net lease payables are repayable as follows:				
Current:				
- not later than one year	382	242	279	242
Non-current:				
- later than one year and not later than five years	402	–	402	–
Present value of lease payables	784	242	681	242

The lease payables of the Group and of the Company bore an effective interest rate of 5.81% (2014 - 5.81%) per annum at the end of the reporting period.

33. TERM LOANS

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000 RESTATED	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000 RESTATED
Current portion:				
- repayable within one year (Note 37)	104,381	83,456	74,878	15,413
Non-current portion:				
- repayable between one and two years	39,885	25,327	39,885	13,000
- repayable between two and five years	91,665	42,090	91,665	25,000
- repayable later than five years	31,250	70	31,250	–
	162,800	67,487	162,800	38,000
Total	267,181	150,943	237,678	53,413

Details of the repayment terms are as follows:-

NO.	NUMBER OF MONTHLY INSTALMENT	MONTHLY INSTALMENT AMOUNTS RM'000	COMMENCEMENT DATE OF REPAYMENT	AMOUNT OUTSTANDING 2015 RM'000	AMOUNT OUTSTANDING 2014 RM'000
1	60	333	January 2010	–	2,413
2	#	#	June 2011	–	51,000
3	1	Full	June 2015	34,994	–
4	##	##	September 2014	108,934	–
5	@	@	December 2014	93,750	–
The Company				237,678	53,413
6	55	1,000	January 2014	–	40,000
7	120	34	January 2010	–	1,798
8	1	Full	June 2015	29,503	19,927
9	1	Full	Upon maturity	–	35,805
The Group				267,181	150,943

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33. TERM LOANS [CONTINUED]

\# *Repayable in 28 quarterly instalments with the first 27 instalments of RM3,250,000 and the last instalment of RM2,250,000.*
\## *Repayable in 19 quarterly instalments with the first 18 instalments of USD1,842,105 and the last instalment of USD1,679,538.*
@ *Repayable in 32 quarterly instalments with each instalments of RM3,125,000.*

The loans 1 and 8 are secured by an assignment of all the contract proceeds received from certain projects.

The loans 2 and 5 are secured by the fixed and floating charges over all the present and future assets of the Company.

The loans 3 are unsecured.

The loans 4 is secured by the fixed and floating charges over the present and future assets of a subsidiary.

The loans 6, 7 and 9 are secured by the fixed and floating charges over the present and future assets of respective subsidiaries.

The term loans of the Group and of the Company bore effective interest rates ranging from 4.40% to 7.99% [2014 - 5.13 to 7.60%] per annum at the end of the reporting year.

34. DEFERRED TAX LIABILITIES

	THE GROUP		THE COMPANY	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
At 1 April	16,791	13,534	13,807	13,525
Acquisition of a subsidiary	–	2,916	–	–
Disposal of a subsidiary	[2,984]	–	–	–
Recognised in other comprehensive income:				
- surpluses arising from the revaluation of land and building	–	4,120	–	4,120
Recognised in profit or loss [Note 43]	183	[3,779]	183	[3,838]
At 31 March	13,990	16,791	13,990	13,807
The deferred tax liabilities are attributable to the followings:-				
Deferred tax assets:				
Provision	[3,399]	[2,174]	[3,399]	[2,365]
Other items	[1,209]	[997]	[1,209]	[795]
	[4,608]	[3,171]	[4,608]	[3,160]
Deferred tax liabilities:				
Accelerated capital allowances	5,613	4,874	5,613	3,883
Revaluation reserve	12,985	15,088	12,985	13,084
	18,598	19,962	18,598	16,967
At 31 March	13,990	16,791	13,990	13,807

35. TRADE PAYABLES

The normal credit terms granted to the Group and the Company range from 30 to 120 days.

36. OTHER PAYABLES AND ACCRUALS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Current:				
Other payables and deposits	111,849	141,449	79,707	114,807
Accruals	112,639	108,763	96,117	94,787
	224,488	250,212	175,824	209,594
Non-Current				
Other payables	63	29	–	–

Included in the other payables and accruals of the Group and the Company at the end of the reporting year was an amount of approximately RM61 million (2014 – RM55 million) being advance received from contract customer.

37. SHORT-TERM BORROWINGS

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000 RESTATED	2015 RM'000	2014 RM'000 RESTATED
Bankers' acceptances	79,324	94,261	79,324	76,462
Trade loans	91,445	91,598	90,829	87,469
Revolving loans (unsecured)	39,998	10,000	39,998	10,000
Term loans (Note 33)	104,381	83,456	74,878	15,413
	315,148	279,315	285,029	189,344

The bankers' acceptances and trade loans bore effective interest rates ranging from 2.40% to 8.10% (2014 – 2.40% to 8.10%) and 2.74% to 6.44% (2014 – 2.76% to 5.51%) per annum respectively at the end of the reporting year.

At the end of the reporting date, the bankers' acceptances are secured by:-

(a) a debenture creating fixed and floating charges over all the present and future assets of the Company;

(b) a facility agreement executed between the customers and the bank; and

(c) a letter of undertaking from the Group and the Company to effect the Deed of Assignment on future contracts.

At the end of the reporting date, the trade loans are secured by:-

(a) a debenture creating fixed and floating charges over all the present and future assets of the Company; and

(b) a letter of undertaking from the Group and the Company to effect the Deed of Assignment on future contracts.

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38. BANK OVERDRAFTS

The effective interest rates as the reporting date range from 6.60% to 8.10% per annum.

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Bank overdrafts:				
- secured	–	3,671	–	–
- unsecured	–	20,122	–	20,122
	–	23,793	–	20,122

In the previous financial year, a bank overdrafts of the Group were secured and granted on the undertaking that a subsidiary will not pledge or execute any charges on its assets, other than those assets under hire purchase.

39. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the total equity attributable to owners of the Company at the end of the reporting period divided by the number of ordinary shares in issue, net of treasury shares at the end of the reporting period and is calculated as follows:-

	2015	2014
Net assets (RM'000)	546,862	550,141
Number of ordinary shares of RM0.15 each, issued and fully paid-up ('000)	2,040,283	2,040,166
Number of treasury shares held by a subsidiary ('000)	–	(126,424)
	2,040,283	1,913,742
Net assets per ordinary share (sen)	26.80	28.75

40. REVENUE

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Sale of goods	273,292	231,197	169,316	185,683
Contract revenue (Note 16)	291,199	342,040	270,034	287,213
	564,491	573,237	439,350	472,896

41. COST OF SALES

Details of the cost of sales are as follows:-

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cost of inventories sold	227,842	207,818	131,735	146,758
Contract costs (Note 16)	223,504	233,275	213,458	203,549
	451,346	441,093	345,193	350,307

42. (LOSS)/PROFIT BEFORE TAXATION

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
(Loss)/Profit before taxation is arrived at after charging/ (crediting):-				
Allowance for impairment loss on investment in a subsidiary	–	–	14,569	15,957
(Writeback)/Allowance for impairment loss on amount due from related parties	14	(89)	14	(89)
Allowance for impairment loss on receivables	28,253	1,674	9,462	389
Allowance for impairment loss on amount due from subsidiaries	–	–	21,390	–
Allowance for impairment of goodwill	5,714	829	–	–
Allowance for impairment of property, plant and equipment	–	2,776	–	–
Amortisation of concession assets	9,542	6,772	719	501
Amortisation of intellectual properties	2,887	2,400	2,604	2,400
Audit fee				
- for the current financial year	354	232	140	110
- under/(over)provision in the previous financial year	65	(3)	20	–
Bad debts written off	–	–	5,035	–
Depreciation of property, plant and equipment	18,007	22,429	9,382	9,168
Directors' remuneration				
- salaries and other remuneration	1,229	1,423	1,229	1,423
- defined contribution plans	147	171	147	171
Directors' fee	740	652	740	652
Interest expense:				
- bank overdraft	439	1,065	439	723
- bankers' acceptances	4,236	5,587	4,220	5,270
- hire purchase and lease	502	446	189	184
- loans	20,893	14,543	15,354	9,552
Inventories written down	3,990	4,677	3,990	2,122
Lease rentals	2,141	–	–	–
Prepayment written off	1,832	–	1,832	–
Property, plant and equipment written off	117	859	–	–
Provision for foreseeable losses	–	1,851	–	1,851
Rental expenses	4,482	4,118	725	495
Research and development expenses	443	555	443	555
Staff costs				
- salaries and other remuneration	74,126	75,897	35,240	48,493
- defined contribution plans	6,847	6,110	3,231	3,579
Investment in associates written off	12	–	12	–
Dividend income	–	–	(120)	(171)
(Gain)/Loss on disposal of plant and equipment	8,791	(18)	(1)	(78)
(Gain)/Loss on foreign exchange:				
- realised	(837)	3,481	(692)	(3,488)
- unrealised	(14,237)	(4,040)	(18,568)	(3,125)
Gain on disposal of investment in subsidiaries	(2,907)	–	–	–
Interest income	(2,851)	(825)	(2,821)	(596)
Negative goodwill		(215)	–	–
Rental income	(1,667)	(652)	(1,551)	(2,357)
Writeback of impairment loss on investment in associates	(1,000)	–	(1,000)	–

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43. INCOME TAX EXPENSE

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
Current tax				
- for the financial year	7,402	19,060	5,818	16,739
- under/(over)provision in the previous financial year	(1,140)	1,298	(1,122)	1,742
	6,262	20,358	4,696	18,481
Deferred tax (Note 12 and Note 34)				
- for the financial year	183	(3,908)	183	(3,838)
	6,445	16,450	4,879	14,643

A reconciliation of income tax expense applicable to the (loss)/profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and the Company is as follows:

	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
(Loss)/Profit before taxation	(17,253)	35,085	(371)	39,160
Tax at the statutory tax rate	(4,313)	8,771	(93)	9,790
Non-taxable income	(6,241)	(383)	(6,241)	(279)
Non-deductible expenses	15,094	6,977	13,960	7,140
Under/(Over) provision in the previous financial year				
- current tax	(1,140)	1,298	(1,122)	1,742
Deferred tax assets not recognised during the financial year	4,670	5,778	–	–
Tax incentive	(1,625)	(5,991)	(1,625)	(3,750)
Tax expense for the financial year	6,445	16,450	4,879	14,643

44. (LOSS)/EARNINGS PER ORDINARY SHARE

The basic (loss)/earnings per ordinary share is arrived at by dividing the Group's (loss)/profit attributable to the owners of the Company of (RM20,892,746) (2014 - RM23,285,687) by the weighted average number of ordinary shares in issue, computed as follows:-

	THE GROUP	
	2015	**2014**
(Loss)/Profit attributable to owners of the Company (RM'000)	(20,892)	23,286
Weighted average number of ordinary shares:-		
Issued ordinary shares at 1 April ('000)	2,040,166	1,576,394
Effect of shares issued under Warrants exercised ('000)	2	12
Effect of shares issued under private placement ('000)	–	156,990
Effect of treasury shares ('000)	–	(42,141)
Weighted average number of ordinary share at 31 March ('000)	2,040,168	1,691,255
Basic (loss)/earnings per share (sen)	(1.02)	1.38
The diluted earnings per ordinary share is computed as follows:-		
(Loss)/Profit attributable to owners of the Company (RM'000)	(20,892)	23,286
Weighted average number of ordinary shares ('000)		1,733,397
Adjustment for assumed exercise of Warrants A ('000)		31,156
Adjustment for assumed exercise of Warrants B ('000)		145,936
Effect of treasury shares ('000)		(42,141)
Weighted average number of ordinary share at 31 March ('000)		1,868,348
Diluted earnings per share (sen)	N/A *	1.25

* *The diluted loss per ordinary share is not presented as it has no dilutive effect.*

45. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES

(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 26 May 2014 paid the consideration sum of RM2,250,000, being the balance sum of the total cash consideration of RM2,500,000 for the acquisition of 51% of the 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 became the subsidiaries of the Company and their principal activities are in the field of education.

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

The Company had on 2 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. Consequently, 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 18 September 2014 disposed of 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.

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45. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

(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 ("IITSB"), a wholly owned subsidiary of the Company, had on 10 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 travellers in Malaysia.

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

The Company had on 31 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 31 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. IPE ceased to be a subsidiary of the Company.

(g) Acquisition of Plaman Resources Limited

The Company had on 20 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 AUD5.65million (or equivalent to RM16,501,192). PRL's principal business is involved in mining business.

The acquisition in item (a) and (g) had the following effect on the Group's assets and liabilities on the acquisition date:

	ACQUIREES' CARRYING AMOUNT RM'000	FAIR VALUE RECOGNISED ON ACQUISITION RM'000
Total assets	25,141	34,144
Total liabilities	(28,473)	(28,473)
Fair value of identifiable net assets	(3,332)	5,671
Non-controlling interests	–	(2,401)
Net assets acquired	(3,332)	3,270
Goodwill on acquisition		15,732
Consideration paid, satisfied in cash		19,002
Less : Cash and cash equivalents acquired		(179)
Net cash outflow to the Group		18,823

45. ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATES (CONTINUED)

The divestment of VCB as stated in item (c) had the following effect on the Group's assets and liabilities:

	RM'000
Net assets of VCB	31,167
Non-controlling interests	(18,378)
Share of net assets of VCB disposed	12,789
Gain on disposal of shares in VCB	2,424
Consideration received, satisfied in cash	15,213
Add : Cash and cash equivalents disposed	3,246
Net cash inflow to the Group	18,459

The disposal as stated in item (b) and (f) had the following effect on the Group's assets and liabilities on the acquisition date:

	RM'000
Total assets	9,516
Total liabilities	(4,144)
Non-controlling interests	(1,355)
Net assets diposed	4,017
Gain on disposal of shares in Epoch and IPE	483
Consideration received, satisfied in cash	4,500
Less : Cash and cash equivalents disposed	(122)
Net cash inflow to the Group	4,378

The acquisition of IGB as an associate and NSH as a wholly-owned subsidiary as stated in items (d) and (e) respectively does not have any material financial impact on profit or loss to the Group on the acquisition date.

46. DIVIDEND

Dividend paid and proposed in respect of ordinary shares are as follows:-

	THE GROUP/THE COMPANY	
	2015 RM'000	2014 RM'000
Paid:-		
First and final tax-exempt dividend in respect of the financial year ended 31 March 2013 of 0.45 sen per ordinary share, paid on 28 November 2013	–	8,867

The Board of Directors do not recommend the payment of any dividend for the current financial year.

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47. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT

	THE GROUP		THE COMPANY	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Cost of property, plant and equipment purchased	18,318	33,314	2,393	10,112
Amount financed through hire purchase and lease	(2,587)	(2,455)	(765)	(185)
Cash disbursed for purchase of property, plant and equipment	15,731	30,859	1,628	9,927

48. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:-

	THE GROUP		THE COMPANY	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Deposits with licensed banks (Note 22)	40,135	23,782	40,135	21,531
Cash and bank balances	63,413	81,670	43,211	66,025
Less: Deposits pledged as security (Note 22)	(37,540)	(10,500)	(37,540)	(8,248)
Less: Bank overdrafts (Note 38)	–	(23,793)	–	(20,122)
	66,008	71,159	45,806	59,186

49. CAPITAL COMMITMENTS

	THE GROUP		THE COMPANY	
	2015 RM'000	**2014 RM'000**	**2015 RM'000**	**2014 RM'000**
Approved and contracted for:				
- plant and equipment	12,535	29,497	6,242	5,670
Approved and not contracted for:				
- plant and equipment	–	1,719	–	–

50. CONTINGENT LIABILITIES

(i) The counter guarantees given to local and foreign banks for Performance Bond issued on behalf of the Company amounted to RM82,615,000 (2014 - RM99,936,000).

(ii) A wholly-owned subsidiary with its joint venture partner in Turkey ("both parties are henceforth known as "JVCO") is defending an action brought by Security General Directorate of Ministry of Interior or Emniyet Genel Mudrlugu (EGM") in Turkey. If defence against the action is finally unsuccessful, then the estimated potential liability to the JVCO is limited to the total sum of RM9,093,982 which the ICB Group will be liable for 75% of the amount with interest. Detailed information of this litigation case is disclosed in Note 53(a)(ii) of this financial statements.

51. RELATED PARTY DISCLOSURES

[A] Identities of related parties

[i] the Company has related party relationships with its subsidiaries and associates as disclosed in Notes 5 and 6 to the financial statements;
[ii] the executive directors who are the key management personnel; and
[iii] entities controlled by certain key management personnel, directors and/or substantial shareholders.

[B] In addition to the information detailed elsewhere in the financial statements, the Group and the Company carried out the following significant transactions with related parties during the financial year:

	NOTE	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
[i] Subsidiaries			
IRIS Information Technology Systems Sdn Bhd			
- Sales		98,686	101,031
- Management fee		240	240
- Rental income		299	299
IRIS Agrotech Sdn Bhd			
- Sales		111	1,244
- Purchases		23,259	22,108
- Rental income		908	1,281
IRIS Koto [M] Sdn Bhd			
- Purchases		1,889	9,968
IRIS Café Kaseh Sdn Bhd			
- Purchases		1,106	1,829
PJT Technology Co. Ltd			
- Loan to		108,935	–
IRIS Eco Power Sdn Bhd			
- Rental income		71	71

	NOTE	THE GROUP 2015 RM'000	THE GROUP 2014 RM'000	THE COMPANY 2015 RM'000	THE COMPANY 2014 RM'000
[ii] Other Related Parties					
Imagescan Creative Sdn Bhd ["Imagescan"]					
- Purchases	[a]			–	379
The Federal Land Development Authority ["FELDA"]	[b]				
- Purchases		27,893	26,979	27,893	26,979
MCS Microsystems Sdn Bhd ["MCS"]	[c]				
- Purchases		–	12,240	–	12,240
- Rental income		63	71	63	71
[iii] Key Management Personnel					
- Short term employee benefits		4,518	6,447	3,138	4,653
- Defined contribution plans		541	773	375	558

Note:-
[a] In financial year 2014, Datuk Tan Say Jim is a director and major shareholder of IRIS Corporation Berhad and has a substantial shareholding in VPB and Imagescan.
[b] Felda is a major shareholder of IRIS Corporation Berhad.
[c] A company in which Mr Yap Hock Eng is a director and shareholder.

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52. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Executive Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided.

The following summary describes the operations in each of the Group's reportable segments:

(a) Trusted Identification & Payment and Transportation
(b) Sustainable Development, Food and Agro Technology & Koto Industrialised Building Systems.
(c) Environment and Renewable Energy
(d) Other businesses

The Executive Directors assess the performance of the operating segments based on operating profit or loss which is measured differently from those disclosed in the consolidated financial statements.

Income taxes are managed on a group basis and are not allocated to operating segments.

Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the operating segments are presented under unallocated items. Unallocated items comprise mainly investments and related income, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses.

Transfer prices between operating segments are at arm's length basis in a manner similar to transactions with third parties.

BUSINESS SEGMENTS

31.3.2015	TRUSTED IDEN-TIFICATION & PAYMENT AND TRANS-PORTATION RM'000	SUSTAINABLE DEVELOPMENT, FOOD AND AGRO & KOTO INDUSTRIALISED BUILDING SYSTEMS RM'000	ENVIRONMENT & RENEWABLE ENERGY RM'000	PAPER AND PLASTIC PRODUCTS, COLOUR SEPARATION & PRINTING RM'000	EDUCATION RM'000	GROUP RM'000
REVENUE						
External sales	376,738	115,089	43,865	24,549	4,250	564,491
RESULTS						
Segment results	69,691	(35,768)	(22,073)	(1,290)	(3,976)	6,584
Unallocated corporate expenses						(31,484)
Operating loss						(24,900)
Other income						38,188
Finance costs						(26,070)
						(12,782)
Share of loss in associates						(4,471)
Loss before taxation						(17,253)
Income tax expense						(6,445)
Loss after taxation						(23,698)

52. OPERATING SEGMENTS (CONTINUED)

BUSINESS SEGMENTS

31.3.2015	TRUSTED IDEN-TIFICATION & PAYMENT AND TRANS-PORTATION RM'000	SUSTAINABLE DEVELOPMENT, FOOD AND AGRO & KOTO INDUSTRIALISED BUILDING SYSTEMS RM'000	ENVIRONMENT & RENEWABLE ENERGY RM'000	PAPER AND PLASTIC PRODUCTS, COLOUR SEPARATION & PRINTING RM'000	EDUCATION RM'000	OTHERS RM'000	INTER -SEGMENT ELIMINATION RM'000	GROUP RM'000
OTHER INFORMATION								
Segmental assets #	790,520	157,843	295,291	–	38,267	38,486	–	1,320,407
Segment liabilities *	263,763	181,543	218,430	–	54,743	24,607	–	743,085
Capital expenditure	6,676	8,041	8,682	2,223	1,674	–	–	27,296
Depreciation and amortisation	10,792	6,025	12,005	1,295	360	–	–	30,477

Segment assets comprise total current and non-current assets less unallocated assets.
* *Segment liabilities comprise total current liabilities and non-current liabilities less unallocated liabilities.*

BUSINESS SEGMENTS

31.3.2014	TRUSTED IDEN-TIFICATION & PAYMENT AND TRANS-PORTATION RM'000	SUSTAINABLE DEVELOPMENT, FOOD AND AGRO & KOTO INDUSTRIALISED BUILDING SYSTEMS RM'000	ENVIRONMENT & RENEWABLE ENERGY RM'000	INTER -SEGMENT ELIMINATION RM'000	GROUP RM'000
REVENUE					
External sales	433,991	84,187	37,614	17,445	573,237
RESULTS					
Segment results	104,514	(28,715)	(2,722)	(1,844)	71,233
Unallocated corporate expenses					(21,980)
Operating profit					49,253
Other income					7,444
Finance costs					(21,641)
					35,056
Share of loss in associates					29
Profit before taxation					35,085
Income tax expense					(16,450)
Profit after taxation					18,635

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52. OPERATING SEGMENTS [CONTINUED]

BUSINESS SEGMENTS

31.3.2014	TRUSTED IDEN-TIFICATION & PAYMENT AND TRANS-PORTATION RM'000	SUSTAINABLE DEVELOPMENT, FOOD AND AGRO & KOTO INDUSTRIALISED BUILDING SYSTEMS RM'000	ENVIRONMENT & RENEWABLE ENERGY RM'000	PAPER AND PLASTIC PRODUCTS, COLOUR SEPARATION & PRINTING RM'000	OTHERS RM'000	INTER -SEGMENT ELIMINATION RM'000	GROUP RM'000
OTHER INFORMATION							
Segmental assets #	718,985	121,077	318,052	147,354	955	–	1,306,423
Segment liabilities *	237,536	127,033	226,127	80,307	2,536	–	673,539
Capital expenditure	11,482	11,718	11,924	813	–	–	35,937
Depreciation and amortisation	9,168	4,823	13,226	1,293	190	–	28,700

\# *Segment assets comprise total current and non-current assets less unallocated assets.*

* *Segment liabilities comprise total current liabilities and non-current liabilities less unallocated liabilities.*

BY GEOGRAPHICAL LOCATION

31.3.2015	MALAYSIA RM'000	OTHERS RM'000	GROUP RM'000
Revenue from external customers	309,141	255,350	564,491
Segment assets	1,046,016	274,391	1,320,407
Capital expenditure	14,711	12,585	27,296

BY GEOGRAPHICAL LOCATION

31.3.2014	MALAYSIA RM'000	OTHERS RM'000	GROUP RM'000
Revenue from external customers	269,363	303,874	573,237
Segment assets	953,063	353,360	1,306,423
Capital expenditure	24,288	11,649	35,937

MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of Group revenue:-

	REVENUE 2015 RM'000	REVENUE 2014 RM'000	SEGMENT
Customer A	97,149	94,963	Trusted identification.
Customer B	69,659	92,489	Trusted identification.
Customer C	–	67,244	Sustainable development.

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events during the financial year are as follows:-

(a) Material Litigations

(i) ICB v. Japan Airlines International Co. Ltd (United States)

IRIS Corporation Berhad ("IRIS") filed a lawsuit on 28th November 2006 against Japan Airlines International Co., Ltd ("JAL") in the U.S. District Court, Eastern District of New York alleging direct infringement of IRIS's US Patent No: 6,111,506 entitled "Method of making an Improved Security Identification Document Including Contactless Communication Insert Unit" ("506 Patent"). The 506 Patent contains claims directed to a process for manufacturing a secure electronic passport consisting of computer chip embedded in a multilayered document which contains biographical or biometric data about the passport holder.

IRIS alleged that passports containing these secured electronic computer chips were manufactured outside United States using IRIS' patented process. Use of these passports would therefore constitute direct clear violation of 35 U.S.C. 271(g) which states:-

"Whosoever without authority imports into the United States or offers to sell, sells, or uses within the United States a product which is made by a process patented in the United States shall be liable as an infringer, if the importation, offer to sell, or use of the product occurs during the term of such process patent."

IRIS alleges that 506 Patent infringement by JAL stems from JAL's examination of passenger passports at its terminal in New York's John F Kennedy International Airport ("JFK") and other check-in locations within the USA and IRIS alleged that the passports of JAL passengers were made "Using" their 506 Patent process, that they constitute "Products" as defined by patent laws, and that JAL's inspection of the passports at their terminal constitutes an infringement.

At the time IRIS filed the litigation there was no basis for an action against the US Government, also the "User" of these electronic passports. The Federal Tort Claims Act -28 U.S.C. 1498 (a) states that whenever a person or company manufactures a product or uses a product for the US Government that entity may not be sued but instead a law suit may be brought against the US Government in a special court, i.e. US Court of Federal Claims. However the governing case law at that time of the commencement of the suit held that the statute permitting patent infringement suits against the US Government did not apply to U.S.C. 271(g) type infringement, that is, it did not apply to situations where the product used in the USA had been manufactured outside of USA.

Hence not being permitted to sue the US Government because the passports in issue were manufactured outside of USA and being impractical to sue the individual passport holder, IRIS targeted JAL which used e-passports as their check-in procedures conducted at airport facilities in the USA.

JAL on 1st June 2007 filed a motion to dismiss the action. The District Court agreeing with JAL that there is a conflict of law between the Enhanced Border Security Act 8U.S.C. 1221 which requires all airlines examine passports at check-in facilities in US and Patent laws 35 U.S.C. 271(g) granted the motion to dismiss IRIS' suit. The District Court however concluded that:

1. A passport is a "product" under patent laws of USA;
2. Reading a passport is a "use";
3. 28U.S.C 1948 cannot be used as a "shield" by JAL; and
4. Declined to opine on JAL's argument that the Doctrine of Foreign Sovereign Compulsion shields JAL from patent infringement relating to electronic passports.

The Solicitors filed a notice to appeal to the United States Court of Appeals for the Federal Circuit in Washington (2010-1051) but the matter was stayed by virtue of Chapter 15 of the US Bankruptcy Code and also due to the corporate reorganization and outcome of the bankruptcy proceedings in Japan. The JAL bankruptcy proceedings have been terminated and an order was made by the US Bankruptcy Court for the Southern District of New York (SDNY) to close the Chapter 15 case.

On 30th December 2013 the Federal Circuit vacated the stay in response to JAL's discharge from the bankruptcy. The hearing of the Appeal was reopened for hearing in the US Court of Appeals for the Federal Circuit in Washington.

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53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

The significant events during the financial year are as follows:- (continued)

(a) Material Litigations (continued)

(i) ICB v. Japan Airlines International Co. Ltd (United States) (continued)

The case was fully briefed and parties submitted their respective submissions for argument in open court on 8 September 2014. The United States Government then filed a friend of the court (amicus curiae) brief stating, in essence, that the District Court was incorrect, but nevertheless the case should be dismissed in that the proper defendant is the United States government in light of a change in the law that occurred subsequent to the filing of the appeal. The United States Airlines Industry Association also filed a friend of the court brief agreeing with the position taken by the United States government.

On October 21st 2014 the United States Court of Appeals for the Federal Circuit gave its decision and ruled that JAL's allegedly infringing acts are carried out "for the United States" under 28U.S.C. 1498(a) and affirmed the District Court's decision to dismiss IRIS' suit.

Pursuant to the advice of the US Department of Justice in their amicus brief and our Solicitors, ICB has proceeded on 24th February 2015 to file a Complaint against the US Federal Government (Case1:15-cv-00175-EGB) under Section 28 U.S.C. 1498 for reasonable compensation for the unlicensed manufacture and use of ICB's 506 Patent methods, amounts of which shall be based upon the profit ICB would have made had ICB manufactured each of the e-passport inlays that form the subject matter of the suit. By this Complaint, ICB seeks damages based upon the reasonable compensation formula.

On the 27th of April 2015 the Defendant, the US Government replied to the Complaint and enclosed a Defense. On 8th May 2015, the Defendant filed a Joint Motion to stay the proceedings pending for entry of potential third parties. Order of Stay was granted on even date pending the filing of third party pleadings until 30th June 2015 or if a third party submits a pleading or until no later than 30 days after the last third party pleading is submitted.

(ii) (1) IRIS Technologies (M) Sdn Bhd (2) Kunt Electronic Sanayii ve Ticaret A.S (both parties are henceforth known as "JVCO") vs Security General Directorate of Ministry of Interior or Emniyet Genel Mudurlugu (Turkey)

The Company received the update on the court proceedings of the consolidated Ankara 12th Civil Court of First Instance (2009/343) and 23rd Civil Court of First Instance Ankara (2010/347) and several merged cases relating thereto from its solicitors in Turkey.

The Company was informed that a decision was declared on 16th September 2014 and was duly served on the JVCO on 28th January 2015. The Company makes this announcement as soon as the facts and figures in the Judgment which is in the Turkish language is accurately verified and endorsed by its solicitors.

The Judgment declared the following:-

1. The JVCO's claim for unlawful termination by EGM and payment for the balance amount of (Turkish Lira) TL6.195.000 (equivalent to RM9,014,221) due to the JVCO for works completed was rejected.
2. EGM's claim for the refund of monies paid to the JVCO for the completion of Phase 1 (delivery of hardware and equipment) of the Project to the amount of TL6.195.000 (equivalent to RM9,014,221) was allowed and declared that the JVCO had to return the said amount to EGM with interest.
3. The JVCO to pay TL5.053,84 (equivalent to RM7,354) as compensation for loss suffered by EGM.
4. EGM's claim of TL49.761,53 (equivalent to RM72,407) as expenses arising from their performance of the contract and loss due to the termination was allowed and the JVCO was ordered to pay the said amount as compensation.

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

The significant events during the financial year are as follows:- (continued)

(a) Material Litigations (continued)

(iii) Stamford College Berhad v. ICB (Kuala Lumpur High Court Case No. 22NCC-126-01/2014)

On 4th October 2013, IRIS Corporation Berhad ("IRIS") entered into a Sale and Purchase Agreement ("SPA") with Stamford College Berhad ("SCB") to acquire 382,500 ordinary shares in Stamford College (Malacca) Sdn Bhd ("SCM") and 1,389,990 ordinary shares in Stamford College (PJ) Sdn Bhd for a total purchase consideration of RM2,500,000.00. IRIS paid a deposit of RM250,000 being 10% of the purchase consideration. The payment of the balance purchase price is subject to the fulfilment of all conditions precedent. IRIS alleges that since SCB has not complied with the conditions precedent which has resulted in a breach, the balance purchase price shall not become due and owing to SCB.

On 30th January 2014, SCB brought a suit against ICB for the sum of RM2,250,000 being the balance sum of the purchase price under the SPA together with interest and costs. ICB had on 8th February 2014 filed a defence and counterclaim for the sum of RM250,000, which was the deposit paid, and the sum of RM3,380,086.00, which was an advance paid by ICB at the request of SCB.

On 18th September 2014, the application for summary judgment filed by SCB on 8th March 2014 and the application to strike out SCB's claim filed by ICB on 9th April 2014 were dismissed with costs of RM3,000 to be borne by the parties filing the applications respectively.

On 18th September 2014 as well, the court allowed ICB's application for security for costs filed by ICB on 9th April 2014 with costs of RM3,000 to be borne by SCB. The court directed that SCB deposit RM250,000 into court within 30 days ("Deposit"), that all proceedings are stayed pending the disposal of any appeals save for ICB's counterclaim, and that ICB is granted liberty to file another application to strike out SCB's claim in the event of SCB's non-compliance of the court orders. After the 30 day period, SCB failed to comply with the court's order regarding the Deposit. SCB however has filed a notice of appeal against the court's order and a notice of application for a stay of execution. Court has fixed a case management date on 10th February 2015 for SCB's application for a stay of proceeding and ICB's Counterclaim against SCB.

(iv) IRIS Eco Power Sdn Bhd vs IPSA Group PLC (Court of Appeal, Civil Appeal No.: W-02(IM)(NCC)-781-05/2014)

On 1st August 2013, IRIS Eco Power Sdn Bhd ("IEPSB") filed a claim in the Kuala Lumpur High Court ("Court") against IPSA Group Plc ("IPSA"), a company registered in England and Wales for a breach of the Sale and Purchase Agreement of 2 Gas Turbine Generating Sets with Ancillary Equipment. IEPSB claimed for the sum of USD3,100,000 being the deposit paid to IPSA, USD500,000 being the purchase price of the shares in Oil Field Services Ltd (a subsidiary of IEPSB) and the sum of RM20,000,000 for loss and damages, together with interest and costs ("Claim"). The Court subsequently granted an order in terms for IEPSB to serve the Claim out of jurisdiction as IPSA is based on the United Kingdom. IEPSB managed to serve the Claim to IPSA.

IPSA then filed an application to challenge the jurisdiction of the Court to determine the dispute in this case. On 25th March 2014, the Court struck out IEPSB's Claim with costs of RM30,000 to be paid by IEPSB to IPSA. IEPSB subsequently entered an appeal against this decision to the Court of Appeal on 25th March 2014. The file was pending case management until it fixed the hearing for 16th April 2015. On this date upon considering the relevant Records of Appeals filed including the respective submissions and hearing of oral submissions of the counsels, the Court of Appeal dismissed the case with costs of RM20,000 to be paid to the Respondent (IPSA). The Court of Appeal upheld the decision of the High Court that there was a lack of connecting factors that would allow the Malaysian courts to exercise jurisdiction over the dispute.

IEPSB has been advised by its Solicitors that it may appeal the decision of the Court of Appeal to the Federal Court subject to obtaining the leave of the Federal Court which must be made before 18th May 2015. IEPSB has decided to proceed to file the application to obtain the leave of the Federal Court before the 18th May 2015 of which was duly filed within the time frame. The Solicitors inform IEPSB that the Federal Court registry has given a Suit Number for the hearing of the Notice of Motion. IEPSB await for the hearing date from the Federal Court.

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53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONTINUED)

The significant events during the financial year are as follows:- (continued)

(a) Material Litigations (continued)

(v) United Logistics Sdn Bhd vs Stamford College (PJ) Sdn Bhd, Stamford College Berhad and IRIS Corporation Berhad (High Court of Kuala Lumpur, Civil Suit No.: 22NCC 312-08/2014

On 26th August 2014, United Logistics Sdn Bhd ("Plaintiff") had filed a Writ of Summons at the High Court of Kuala Lumpur against Stamford College (PJ) Sdn Bhd ("SCPJ"), a subsidiary of IRIS Corporation Berhad ("ICB"), as the Defendant. The Defendant further filed a Third Party Notice on 13th October 2014 against Stamford College Berhad ("SCB") hence adjoining SCB under this Writ.

Under the Statement of Claim, the Plaintiff alleges that it had provided 3 friendly loans to SCPJ wherein the First Loan for the amount of RM500,000 was paid on 23rd July 2012; the Second Loan on 3rd September 2012 for the sum of RM250,000 and the Third Loan was paid to Maju Institute of Educational Development ("MIED") for the sum RM1,500,000 on the instruction of SCPJ. The total sum claimed by the Plaintiff under the Writ is RM2,224,262.75, interest upon judgement sum at the rate of 5% per annum calculated on a daily basis from the date of filing the writ and costs. The Plaintiff further alleges that ICB had noticed of the 3 friendly loans given to SCPJ before it acquired the 51% shareholding of SCPJ and hence ICB shall be liable to pay the sums loaned by the Plaintiff to SCPJ.

SCB has via its solicitors filed a 4th Party Notice against ICB on 12th November 2014 and served the same on ICB. The matter was fixed for several case managements until 5th February 2015 when the matter was fixed for hearing of the Third Party's (SCB) application to strike out/set aside the 3rd Party Notice. Upon considering the respective written submissions and after hearing the oral submissions of the respective counsels, the Court allowed for the striking out with costs of RM40,000. As a consequence the 4th party being ICB was also struck out. ICB shall deem this litigation file resolved and closed.

(vi) IRIS Corporation Berhad vs Tan Chin Hwang (High Court of Pulau Pinang Saman Pemula No: 24FC-230-04/2015)

ICB entered into an Equipment Lease Agreement ("Agreement") with IQPR Sdn Bhd ("the Defendant") on 3rd May 2011 where a security was given by Mr Tan Chin Hwang to ICB in respect of this Agreement. The Security in question was a charge registered on a piece of land known as GRN 56247 Lot 3635, Bandar Tanjong Bungah, Daerah Timur Laut, Negeri Pulau Pinang ("the Security") The Charge over the Security was registered on 10th June 2011 and no other charges exist on the said Security. Due to the Defendant committing several defaults in its obligations under the Agreement, ICB had sent out letters of demand and intent dated 13th December 2013 and 6th March 2014 stating its intent to enforce its rights over the Security in view of the Defendant's continued breaches. By the same letter ICB terminated the Agreement.

ICB via its solicitors had on 28th January 2015 issued a letter enclosing the Form 16D Notice under the National Land Act and the Certificate of Indebtedness on the Defendant which was duly acknowledged receipt by the Defendant personally on 31st January 2015. On 2nd April 2015 ICB's solicitors filed an Originating Motion pursuant to Seksyen 256 and 257 of the National Land Code 1965 and Orders 31 and 83 of Court Rules 2012. The case was fixed for case management on 11th May 2015 and on this date the Defendant's lawyers attended court and requested for additional time to see further instructions from their client in respect of the suit. The case is fixed for further case management on 19th August 2015.

54. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(i) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily Thai Baht, United States Dollar, Euro, Chinese Renminbi, Egyptian Pound, Indian Rupee and Bangla Taka. Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk.

The net unhedged financial assets and liabilities of the Group that are not denominated in RM are as follows:-

The Group 2015	THAI BAHT RM'000	UNITED STATES DOLLAR RM'000	EURO RM'000	CHINESE RENMINBI RM'000	EGYPTIAN POUND RM'000	CANADIAN DOLLAR RM'000	BANGLA TAKA RM'000	OTHERS RM'000
Trade and other receivables	11,962	144,077	20,934	5,354	1,966	1,543	–	914
Trade and other payables	(2,853)	(85,915)	(6,251)	(22,187)	–	–	(3,041)	(2,157)
Trade and term loans	–	(143,668)	–	–	–	–	–	–
Cash and bank balances	12,695	20,890	3,189	219	1,780	–	57	8
Deposits with licensed banks	–	31,765	–	–	487	–	–	–
Currency exposure	21,804	(32,851)	17,872	(16,614)	4,233	1,543	(2,984)	(1,235)

The Group 2014	THAI BAHT RM'000	UNITED STATES DOLLAR RM'000	EURO RM'000	CHINESE RENMINBI RM'000	EGYPTIAN POUND RM'000	INDIAN RUPEE RM'000	BANGLA TAKA RM'000	OTHERS RM'000
Trade and other receivables	32,038	157,879	18,218	7,353	1,582	2,457	1,927	19,933
Trade and other payables	(4,486)	(87,056)	(1,087)	(14,061)	–	(4)	–	(419)
Trade loan	(40,000)	(57,940)	–	–	–	–	–	–
Cash and bank balances	5,209	25,202	1,565	1,142	5,648	–	–	–
Deposits with licensed banks	1,539	13,282	–	–	–	–	–	–
Currency exposure	(5,700)	51,367	18,696	(5,566)	7,230	2,453	1,927	19,514

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continued

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(i) Market Risk (continued)

(i) Foreign Currency Risk (continued)

The net unhedged financial assets and liabilities of the Company that are not denominated in RM are as follows:-

The Company 2015	**THAI BAHT RM'000**	**UNITED STATES DOLLAR RM'000**	**EURO RM'000**	**CHINESE RENMINBI RM'000**	**EGYPTIAN POUND RM'000**	**CANADIAN DOLLAR RM'000**	**OTHERS RM'000**
Amount owing by subsidiary	–	142,348	–	24,602	–	–	311
Trade and other receivables	–	144,043	20,934	4	1,966	1,543	661
Trade and other payables	–	(84,617)	(6,174)	(4,724)	–	–	(39)
Trade and term loan	–	(143,668)	–	–	–	–	–
Cash and bank balances	13	20,890	3,189	–	1,780	–	–
Deposits with licensed bank	–	31,765	–	–	487	–	–
Currency exposure	13	110,761	17,949	19,882	4,233	1,543	933

The Company 2014	**THAI BAHT RM'000**	**UNITED STATES DOLLAR RM'000**	**EURO RM'000**	**EGYPTIAN POUND RM'000**	**INDIAN RUPEE RM'000**	**BANGLA TAKA RM'000**	**OTHERS RM'000**
Amount owing by subsidiary	88,920	5,809	–	–	–	266	–
Trade and other receivables	–	148,221	18,218	1,582	2,457	1,927	16,738
Trade and other payables	–	(85,496)	(351)	–	–	–	(32)
Trade and term loan	–	(57,940)	–	–	–	–	–
Cash and bank balances	12	25,187	1,559	5,648	–	–	–
Deposits with licensed bank	–	13,282	–	–	–	–	–
Currency exposure	88,932	49,063	19,426	7,230	2,457	2,193	16,706

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(i) Market Risk (continued)

(i) Foreign Currency Risk (continued)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting year, with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2015 INCREASE/ (DECREASE) RM'000	2014 INCREASE/ (DECREASE) RM'000	2015 INCREASE/ (DECREASE) RM'000	2014 INCREASE/ (DECREASE) RM'000
Effects on (loss)/profit after taxation/equity				
Strengthened by 10%				
- Thai Baht	1,635	(428)	1	6,669
- United States Dollar	(2,464)	3,853	8,307	3,680
- Euro	1,340	1,402	1,346	1,457
- Chinese Renminbi	(1,246)	(417)	1,491	–
- Egyptian Pound	317	542	317	542
- Canadian dollar	116	–	116	–
- Bangla Taka	(224)	145	–	164
- Indian Rupee	–	184	–	184
Weakened by 10%				
- Thai Baht	(1,635)	428	(1)	(6,669)
- United States Dollar	2,464	(3,853)	(8,307)	(3,680)
- Euro	(1,340)	(1,402)	(1,346)	(1,457)
- Chinese Renminbi	1,246	417	(1,491)	–
- Egyptian Pound	(317)	(542)	(317)	(542)
- Canadian Dollar	(116)	–	(116)	–
- Bangla Taka	224	(145)	–	(164)
- Indian Rupee	–	(184)	–	(184)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from interest-bearing financial assets and liabilities. The Group's policy is to obtain the most favourable interest rates available. Any surplus funds of the Group will be placed with licensed financial institutions to generate interest income.

Information relating to the Group's exposure to the interest rate risk of the financial liabilities is disclosed in Note 31, Note 32, Note 33, Note 37 and Note 38 to the financial statements.

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continued

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(ii) Interest Rate Risk (continued)

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting year with all other variables held constant:-

	THE GROUP		THE COMPANY	
	2015 INCREASE/ (DECREASE) RM	2014 INCREASE/ (DECREASE) RM	2015 INCREASE/ (DECREASE) RM	2014 INCREASE/ (DECREASE) RM
Effects on (loss)/profit after taxation				
Increase of 100 basis points (bp)	(1,514)	(2,470)	(1,182)	(1,894)
Decrease of 100 bp	1,514	2,470	1,182	1,894

(iii) Equity Price Risk

The Group does not have any quoted investment and hence is not exposed to equity price risk.

(iv) Credit Risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of the trade and other receivables as appropriate. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior experience and the current economic environment.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by two (2) customers which constituted approximately 61% of its trade receivables as at the end of the reporting year.

Exposure to credit risk

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of the financial assets as at the end of the reporting year.

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(iv) Credit Risk (Cont'd)

Exposure to credit risk (Cont'd)

The exposure of credit risk for trade receivables (including amount owing by subsidiaries and associates) by geographical region is as follows:-

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Domestic - Malaysia	155,007	101,124	37,724	17,196
African countries	119,543	120,780	119,472	120,780
Other Asian countries	16,352	47,855	8,494	39,989
North American countries	8,316	9,299	8,316	9,299
European countries	562	1,178	562	1,178
	299,780	280,236	174,568	188,442

Ageing analysis

The ageing analysis of the Group's trade receivables (including amount owing by associates) is as follows:-

	GROSS AMOUNT RM'000	INDIVIDUAL IMPAIRMENT RM'000	COLLECTIVE IMPAIRMENT RM'000	CARRYING VALUE RM'000
31.03.2015				
Not past due	59,037	–	–	59,037
Past due:-				
- less than 3 months	87,862	–	–	87,862
- 3 to 6 months	32,577	–	–	32,577
- over 6 months	135,378	(10,598)	(4,476)	120,304
	314,854	(10,598)	(4,476)	299,780
31.3.2014				
Not past due	57,207	–	–	57,207
Past due:-				
- less than 3 months	101,744	–	–	101,744
- 3 to 6 months	23,481	(734)	–	22,747
- over 6 months	108,059	(8,818)	(703)	98,538
	290,491	(9,552)	(703)	280,236

At the end of the reporting year, trade receivables that are individually impaired were those in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancement.

The collective impairment allowance is determined based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience.

Trade receivables that are past due but not impaired

The Group believes that no impairment allowance is necessary in respect of these trade receivables. They are substantially companies with good collection track record and no recent history of default.

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continued

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(iv) Credit Risk (Cont'd)

Ageing analysis (continued)

Trade receivables that are neither past due nor impaired.

A significant portion of trade receivables that are neither past due nor impaired are regular customers that have been transacting with the Group. The Groups uses ageing analysis to monitor the credit quality of the trade receivables. Any receivables having significant balances past due or more than 180 days, which are deemed to have higher credit risk, are monitored individually.

(v) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP 2015	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 2 YEAR RM'000	2 - 5 YEARS RM'000	OVER 5 YEARS RM'000
Bankers' acceptances	79,324	78,297	78,297	–	–	–
Revolving loans	39,998	40,519	40,519	–	–	–
Trade loan	91,445	92,464	92,464	–	–	–
Term loan	267,181	295,950	112,938	45,989	102,945	34,078
Hire purchase payables	5,771	6,393	2,181	1,946	2,132	134
Lease payables	784	828	402	365	61	–
Trade payables	28,691	28,691	28,691	–	–	–
Other payables	224,488	224,488	224,488	–	–	–
Amount owing to associates	1,927	1,927	1,927	–	–	–
	739,609	769,557	581,907	48,300	105,138	34,212

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(v) Liquidity Risk (continued)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE GROUP 2014	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 2 YEAR RM'000	2 - 5 YEARS RM'000	OVER 5 YEARS RM'000
Bank Overdraft	23,793	23,793	23,793	–	–	–
Bankers' acceptances	94,261	94,261	94,261	–	–	–
Revolving loan	10,000	10,000	10,000			
Trade loan	91,598	91,934	91,934	–	–	–
Term loan	150,943	162,828	88,380	28,779	45,599	70
Hire purchase payables	12,485	14,323	4,646	4,327	5,152	198
Lease payables	242	257	257	–	–	–
Trade payables	39,553	39,553	39,553	–	–	–
Other payables	250,212	250,212	250,212	–	–	–
Amount owing to associates	422	422	422	–	–	–
	673,509	687,583	603,458	33,106	50,751	268

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE COMPANY 31.3.2015	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 2 YEAR RM'000	2 - 5 YEARS RM'000	OVER 5 YEARS RM'000
Bankers' acceptances	79,324	78,297	78,297	–	–	–
Revolving loans (unsecured)	39,998	40,519	40,519	–	–	–
Trade loan	90,829	91,857	91,857	–	–	–
Term loan	237,678	265,912	82,900	45,989	102,945	34,078
Hire purchases payables	1,299	1,377	717	478	182	–
Lease payables	681	725	299	365	61	–
Trade payables	16,247	16,247	16,247	–	–	–
Other payables	175,824	175,824	175,824	–	–	–
Amount owing to associates	1,922	1,922	1,922	–	–	–
Amount owing to subsidiaries	213,824	213,824	213,824	–	–	–
	857,626	886,504	702,406	46,832	103,188	34,078

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continued

54. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial Risk Management Policies (continued)

(v) Liquidity Risk (continued)

The following table sets out the maturity profile of the financial liabilities as at the end of the reporting year based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

THE COMPANY 31.3.2014	CARRYING AMOUNT RM'000	CONTRACTUAL UNDISCOUNTED CASH FLOWS RM'000	WITHIN 1 YEAR RM'000	1 - 2 YEAR RM'000	2 - 5 YEARS RM'000	OVER 5 YEARS RM'000
Bank overdraft	20,122	20,122	20,122	–	–	–
Bankers' acceptances	76,462	76,302	76,302	–	–	–
Revolving loan (unsecured)	10,000	10,000	10,000	–	–	–
Trade loan	87,469	87,805	87,805	–	–	–
Term loan	53,413	61,238	18,888	15,436	26,914	–
Hire purchases payables	2,005	2,179	841	697	641	–
Lease payables	242	257	257	–	–	–
Trade payables	24,566	24,566	24,566	–	–	–
Other payables	209,594	209,594	209,594	–	–	–
Amount owing to associates	418	418	418	–	–	–
Amount owing to subsidiaries	182,070	182,070	182,070	–	–	–
	666,361	674,551	630,863	16,133	27,555	–

54. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The Group's strategies were unchanged from the previous financial year. The debt-to-equity ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less deposits with licensed bank and bank balances.

The debt-to-equity ratio of the Group as at the end of the reporting year was as follows:-

	THE GROUP	
	2015 RM'000	**2014 RM'000**
Bank overdraft	–	23,793
Bankers' acceptances	79,324	94,261
Trade loans	91,445	91,598
Revolving loans (unsecured)	39,998	10,000
Term loans	267,181	150,943
Hire purchase payables	5,771	12,485
Lease payables	784	242
Trade payables	28,691	39,553
Other payables and accruals	224,488	250,212
Amount owing to associates and related parties	1,927	422
	739,609	673,509
Less: Deposits with licensed banks	(40,135)	(23,782)
Less: Cash and bank balances	(63,413)	(81,670)
Net debts	636,061	568,057
Total equity	566,622	607,119
Debt-to-equity ratio	1.12	0.94

Under the requirement of Bursa Malaysia Guidance Note No. 3/2006, the Company is required to maintain its shareholders' equity equal to or not less than the 25% of the issued and paid-up share capital (excluding treasury shares) of the Company. The Company has complied with this requirement.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

54. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Classification Of Financial Instruments

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Financial assets				
Available-for-sale financial assets				
Other investments	14,825	7,906	406	406
Loan and receivables financial assets				
Trade receivables	299,780	280,236	174,568	188,442
Other receivables and deposits	58,955	133,668	35,308	72,042
Amount owing by subsidiaries	–	–	465,905	291,748
Amount owing by associates	1,341	8	1,341	8
Amount owing by related parties	119	70	119	70
Deposits with licensed banks	40,135	23,782	40,135	21,531
Cash and bank balances	63,413	81,670	43,211	66,025
	463,743	519,434	760,587	639,866
Financial liabilities				
Other financial liabilities				
Trade payables	28,691	39,553	16,247	24,566
Other payables and accruals	224,488	250,212	175,824	209,594
Amount owing to subsidiaries	–	–	213,824	182,070
Amount owing to associates	1,927	422	1,922	418
Amount owing to related parties	–	–	–	–
Hire purchase payables	5,771	12,485	1,299	2,005
Lease payables	784	242	681	242
Bank overdrafts	–	23,793	–	20,122
Bankers' acceptances	79,324	94,261	79,324	76,462
Revolving loans	39,998	10,000	39,998	10,000
Trade loans	91,445	91,598	90,829	87,469
Term loans	267,181	150,943	237,678	53,413
	739,609	673,509	857,626	666,361

54. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair Value Information

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instrument.

THE GROUP	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL FAIR VALUE RM'000	CARRYING AMOUNT RM'000
2015								
Financial Liabilities								
Hire purchase payables	–	–	–	–	5,771	–	5,771	5,771
Lease payables	–	–	–	–	784	–	784	784
Bankers' acceptances	–	–	–	–	79,324	–	79,324	79,324
Revolving loans	–	–	–	–	39,998	–	39,998	39,998
Trade loans	–	–	–	–	91,445	–	91,445	91,445
Term loans	–	–	–	–	267,181	–	267,181	267,181
2014								
Financial Liabilities								
Hire purchase payables	–	–	–	–	12,485	–	12,485	12,485
Lease payables	–	–	–	–	242	–	242	242
Bank overdraft	–	–	–	–	23,793	–	23,793	23,793
Bankers' acceptances	–	–	–	–	94,261	–	94,261	94,261
Revolving loan	–	–	–	–	10,000	–	10,000	10,000
Trade loans	–	–	–	–	91,598	–	91,598	91,598
Term loans	–	–	–	–	150,943	–	150,943	150,943

The fair value cannot be reliably measured using valuation techniques due to lack of marketability of the unquoted shares.

notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

continued

54. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair Value Information (continued)

THE COMPANY	FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE			FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			TOTAL FAIR VALUE	CARRYING AMOUNT
	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	RM'000	RM'000
2015								
Financial Liabilities								
Hire purchase payables	–	–	–	–	1,299	–	1,299	1,299
Lease payables	–	–	–	–	681	–	681	681
Bank overdraft	–	–	–	–	–	–	–	–
Bankers' acceptances	–	–	–	–	79,324	–	79,324	79,324
Revolving loans	–	–	–	–	39,998	–	39,998	39,998
Trade loans	–	–	–	–	90,829	–	90,829	90,829
Term loans	–	–	–	–	237,678	–	237,678	237,678
2014								
Financial Liabilities								
Hire purchase payables	–	–	–	–	2,005	–	2,005	2,005
Lease payables	–	–	–	–	242	–	242	242
Bank overdraft	–	–	–	–	20,122	–	20,122	20,122
Bankers' acceptances	–	–	–	–	76,462	–	76,462	76,462
Revolving loan	–	–	–	–	10,000	–	10,000	10,000
Trade loans	–	–	–	–	87,469	–	87,469	87,469
Term loans	–	–	–	–	53,413	–	53,413	53,413

* *Comparative fair value information is not presented by levels, by virtue of the exemption given in MFRS 13.*

54. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Fair Value Information (continued)

The fair values of level 2 above have been determined using the following basis:-

The fair values of hire purchase payables and term loans are determined by discounting the relevant cash flows using interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	GROUP		COMPANY	
	2015 %	2014 %	2015 %	2014 %
Hire purchase payables	4.27 - 7.42	4.27 - 7.96	4.27 - 7.42	4.27 - 7.96
Lease payables	5.81	5.81	5.81	5.81
Bank overdraft	–	6.60 - 8.10	–	8.10
Bankers' acceptances	2.40 - 8.10	2.40 - 8.10	2.40 - 8.10	2.40 - 7.85
Revolving loans	5.29 - 5.31	5.13	5.29 - 5.31	5.13
Trade loans	2.74 - 6.44	2.76 - 5.51	2.74 - 6.44	2.76 - 5.51
Term loans	4.40 - 7.99	5.13 - 7.60	4.40 - 7.99	5.13 - 7.60

55. SUPPLEMENTARY INFORMATION – DISCLOSURE OF REALISED AND UNREALISED PROFITS/(LOSSES)

The breakdown of retained earnings of the Group and the Company at the end of reporting year into realised and unrealised profits or losses is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad and prepared in accordance with Guidance on Special Matter No. 1 - Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants, as follows:-

	THE GROUP		THE COMPANY	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total retained earnings/(accumulated losses):				
- realised	47,171	91,571	50,134	61,510
- unrealised	(10,765)	(19,758)	(10,837)	(16,963)
	36,406	71,813	39,297	44,547
Add:				
Total share of accumulated losses of associate:				
- realised	(7,832)	1,948	–	–
- unrealised	–	–	–	–
	28,574	73,761	39,297	44,547
Less: Consolidation adjustments	58,986	49,206	–	–
At 31 March	87,560	122,967	39,297	44,547

statistics on shareholdings

AS AT 4 AUGUST 2015

Authorised Share Capital		
Ordinary Shares of RM0.15 each	:	RM375,000,000
Non-cumulative Irredeemable Convertible Preference Shares of RM0.15 each	:	RM105,000,000
		RM480,000,000
Issued and Fully Paid-Up Share Capital		
Ordinary Shares of RM0.15 each	:	RM306,042,750.60
		RM306,042,750.60

DISTRIBUTION OF SHAREHOLDINGS

ORDINARY SHARES

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 – 99	60	0.326	2,387	0.000
100 – 1,000	1,151	6.257	828,945	0.040
1,001 – 10,000	7,436	40.428	48,870,774	2.395
10,001 – 100,000	8,170	44.419	310,187,839	15.203
100,001 – 102,014,249 (*)	1,574	8.557	1,164,021,578	57.051
102,014,250 AND ABOVE (**)	2	0.010	516,373,481	25.308
TOTAL	**18,393**	**100**	**2,040,285,004**	**100.000**

*REMARK : * LESS THAN 5% OF ISSUED SHARES*
*** 5% AND ABOVE OF ISSUED SHARES*

VOTING RIGHTS OF ORDINARY SHARES	: ON SHOW OF HANDS	: ONE VOTE FOR EACH SHAREHOLDER
	: ON POLL	: ONE VOTE FOR EACH ORDINARY SHARE

VOTING RIGHTS OF NON-CUMULATIVE IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES : ONE VOTE AT CLASS MEETING

DISTRIBUTION OF SHAREHOLDINGS (CONTINUED)

WARRANT A

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF WARRANTS	%
1 – 99	278	19.185	10,949	0.024
100 – 1,000	443	30.572	166,124	0.366
1,001 – 10,000	333	22.981	1,941,200	4.283
10,001 – 100,000	324	22.360	12,101,443	26.703
100,001 – 2,265,872 (*)	68	4.692	22,313,057	49.237
2,265,873 AND ABOVE (**)	3	0.207	8,784,700	19.384
TOTAL	**1,449**	**100.000**	**45,317,473**	**100.000**

REMARK : *   *LESS THAN 5% OF ISSUED WARRANTS*
**   *5% AND ABOVE OF ISSUED WARRANTS*

WARRANT B

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF WARRANTS	%
1 – 99	153	5.664	7,021	0.003
100 – 1,000	181	6.701	123,141	0.058
1,001 – 10,000	979	36.245	5,080,916	2.398
10,001 – 100,000	1,097	40.614	46,165,120	21.792
100,001 – 10,591,823 (*)	291	10.773	160,460,289	75.747
10,591,824 AND ABOVE (**)	0	0.000	0	0.000
TOTAL	**2,701**	**100.000**	**211,836,487**	**100.000**

REMARK : *   *LESS THAN 5% OF ISSUED WARRANTS*
**   *5% AND ABOVE OF ISSUED WARRANTS*

statistics on shareholdings

AS AT 4 AUGUST 2015

continued

LIST OF 30 LARGEST SHAREHOLDERS AS AT 4 AUGUST 2015

ORDINARY SHARES

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
1.	FELDA INVESTMENT CORPORATION SDN BHD	262,293,481	12.855
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT – AMISLAMIC BANK BERHAD FOR FELDA INVESTMENT CORPORATION SDN BHD	254,080,000	12.453
3.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD AMANAH INTERNATIONAL FINANCE SDN BHD FOR TAN SAY JIM	85,084,333	4.170
4.	EB NOMINEES (TEMPATAN) SENDIRIAN BERHAD PLEDGED SECURITIES ACCOUNT FOR VERSATILE PAPER BOXES SDN BHD (JTR)	78,855,667	3.864
5.	MCS MICROSYSTEMS SDN BHD	65,333,333	3.202
6.	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN BHD AMANAH INTERNATIONAL FINANCE SDN BHD FOR LEE KWEE HIANG	43,230,000	2.118
7.	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR BNP PARIBAS WEALTH MANAGEMENT SINGAPORE BRANCH (A/C CLIENTS-FGN)	39,280,556	1.925
8.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	39,068,900	1.914
9.	RAZALI BIN ISMAIL	34,493,333	1.690
10.	AMSEC NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR VERSATILE CREDIT & LEASING SDN BHD	32,625,458	1.599
11.	VERSATILE PAPER BOXES SDN BHD	23,568,366	1.155
12.	KOPERASI PERMODALAN FELDA MALAYSIA BERHAD	21,999,000	1.078
13.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	20,372,800	0.998
14.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SAY JIM	16,648,900	0.816
15.	CHANG CHENG HUAT	13,600,000	0.666
16.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DFA EMERGING MARKETS SMALL CAP SERIES	12,367,100	0.606
17.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SAY JIM (MG0210-328)	10,000,000	0.490
18.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	9,652,600	0.473
19.	LIM KIM HUA	9,519,600	0.466
20.	TEY SOON DEE	8,268,900	0.405
21.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI HON WAI (8072204)	6,810,000	0.333
22.	MUHAMAD ALOYSIUS HENG	5,894,000	0.288

LIST OF 30 LARGEST SHAREHOLDERS AS AT 4 AUGUST 2015 (CONTINUED)

ORDINARY SHARES (continued)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	% OF SHARES
23.	LIEW SZE FOOK	5,500,000	0.269
24.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOOUNT FOR BATU BARA RESOURCES CORPORATION SDN BHD	5,000,000	0.245
25.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG SIEW CHAN	4,442,600	0.217
26.	LEE CHONG CHOON	4,329,500	0.212
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG FAAI @ NG YOKE PEI (SRB/PMS)	4,300,000	0.210
28.	SIM AH SENG	4,200,000	0.205
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG SING LING	4,196,000	0.205
30.	ONG YEW BENG	4,050,000	0.198
	TOTAL	**1,129,064,427**	**55.338**

WARRANT A

NO.	WARRANT HOLDERS	NO. OF WARRANTS	%
1.	MAH SIEW SEONG	3,099,400	6.839
2.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI YENG SUN (MARGIN)	2,855,100	6.300
3.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG SING LING	2,830,200	6.245
4.	LIM HSIU YEN	1,865,200	4.115
5.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HSIU YEN (REM191)	1,849,000	4.080
6.	MAYBANK NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD – PRIVATE BANK CLIENTS ACCOUNT (NON-MALAYSIAN) (266268)	1,750,000	3.861
7.	YIP CHENG YUE	1,500,000	3.309
8.	CHEONG MOY FAH	947,300	2.090
9.	NG FAAI @ NG YOKE PEI	830,100	1.831
10.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SAY JIM	708,000	1.562
11.	TAN SAY JIM	677,000	1.493
12.	CHENG YEAN YUN @ TAY YAN HOON	559,400	1.234
13.	CIMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW WENG KUM (PENANG-CL)	528,700	1.166
14.	AFFIN HWANG NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHAMED YAZID MERZOUK	467,700	1.032
15.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NEOH HOOI SIM	421,200	0.929
16.	KWAN BANG HING	400,000	0.882

statistics on shareholdings

AS AT 4 AUGUST 2015

continued

LIST OF 30 LARGEST SHAREHOLDERS AS AT 4 AUGUST 2015 (CONTINUED)

WARRANT A (continued)

NO.	WARRANT HOLDERS	NO. OF WARRANTS	%
17.	SIVA SHANKAR A/L SINDAMBARAM	372,900	0.822
18.	LEE SIEW CHENG	362,900	0.800
19.	LIM JIT HAI	334,000	0.737
20.	LEE JOO ENG	310,000	0.684
21.	ABDUL RONI BIN ABU BAKAR	290,850	0.641
22.	LOO CHAI LAI	286,000	0.631
23.	JEANETTE IVY ROBERTSON LOMAX	280,000	0.617
24.	WONG YOON CHOW	275,000	0.606
25.	GAN HOON HOON	246,100	0.543
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG POK SENG (472710)	244,600	0.539
27.	CHANG KIAT CHIN	236,600	0.522
28.	SHANTILAL TISSA HERAT	230,000	0.507
29.	CHAN HUAN HIN	200,000	0.441
30.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR LEW CHUN MING (MK0085)	200,000	0.441
	TOTAL	**25,157,250**	**55.513**

WARRANT B

NO.	WARRANT HOLDERS	NO. OF WARRANTS	%
1.	YIP CHENG YUE	7,000,000	3.304
2.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SAY JIM (MG0210-328)	6,973,834	3.292
3.	LIM HSIU YEN	5,781,400	2.729
4.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH POO SENG (M02)	5,600,000	2.643
5.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAI YENG SUN (MARGIN)	5,245,500	2.476
6.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG MING SHYAN	4,207,000	1.985
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KWEE LIAN	3,000,000	1.416

LIST OF 30 LARGEST SHAREHOLDERS AS AT 4 AUGUST 2015 (CONTINUED)

WARRANT B (continued)

NO.	WARRANT HOLDERS	NO. OF WARRANTS	%
8.	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM TEONG KIAT	3,000,000	1.416
9.	TAN LIN LAH	2,922,900	1.379
10.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG FAAI @ NG YOKE PEI (SRB/PMS)	2,785,000	1.314
11.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM HSIU YEN (REM191)	2,782,800	1.313
12.	GOH KAY CHUAN	2,632,000	1.242
13.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH POO SENG (CEB)	2,450,000	1.156
14.	TEH CHIA HOW	2,140,000	1.010
15.	NG FAAI @ NG YOKE PEI	1,920,700	0.906
16.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG SING LING	1,833,100	0.865
17.	TONG WEE YONG	1,826,100	0.862
18.	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YOW FOOK LEONG	1,815,000	0.856
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG GEOK KUAN (E-SRB)	1,812,000	0.855
20.	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN SWEE HOE (013)	1,650,000	0.778
21.	YEE SOW YOKE	1,530,000	0.722
22.	LIM CHIN KIONG	1,500,000	0.708
23.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP CHIN KEE (YAP0347C)	1,486,600	0.701
24.	TEH HONG JOO	1,450,000	0.684
25.	CIMSEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB SECURITIES (SINGAPORE) PTE LTD (RETAIL CLIENTS)	1,430,000	0.675
26.	LOK MEI FONG	1,376,700	0.649
27.	GOH KAR KEONG	1,287,000	0.607
28.	CHAI YENG SUN	1,250,000	0.590
29.	LEOM CHIT DEIN @ LIM JIT TENG	1,220,000	0.575
30.	YIELDFORCE SDN BHD	1,200,000	0.566
	TOTAL	**81,107,634**	**38.287**

statistics on shareholdings

AS AT 4 AUGUST 2015

continued

SUBSTANTIAL SHAREHOLDERS AS AT 4 AUGUST 2015
(as per Register of Substantial Shareholders)

ORDINARY SHARES

		NO. OF SHARES			
NO.	SHAREHOLDERS	DIRECT	%	INDIRECT	%
1	FELDA INVESTMENT CORPORATION SDN BHD	516,373,481	25.31	–	–
2	THE FEDERAL LAND DEVELOPMENT AUTHORITY	–	–	516,373,481 *	25.31
3	DATUK TAN SAY JIM	111,733,233	5.48	32,625,458*	1.60
4	VERSATILE PAPER BOXES SDN BHD	102,424,033	5.02	–	–
5	DATO' LEE KWEE HIANG	43,684,142	2.14	102,424,033*	5.02
6	WAN TAK CHUEN	–	–	102,424,033*	5.02
7	RICA HOLDINGS (M) SDN BHD	–	-	102,424,033*	5.02
8	DATO' CHEW WENG KIT	–	–	102,424,033*	5.02
9	VERSATILE CREATIVE BERHAD	–	–	102,424,033*	5.02
10	IRIS HEALTHCARE SDN BHD	–	–	102,424,033*	5.02

* *Deemed interest pursuant to Section 6A of the Companies Act, 1965.*

DIRECTORS' SHAREHOLDINGS AS AT 4 AUGUST 2015
(as per Register of Directors' Shareholdings)

ORDINARY SHARES

		NO. OF SHARES			
NO.	SHAREHOLDERS	DIRECT	%	INDIRECT	%
1	TAN SRI RAZALI BIN ISMAIL	34,551,733	1.69	–	–
2	YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU BESAR BURHANUDDIN	–	–	# 5,535,333	0.27
3	DATUK TAN SAY JIM	111,733,233	5.48	* 32,625,458	1.60
4	DATO' HAMDAN BIN MOHD HASSAN	–	–	–	–
5	DATO' EOW KWAN HOONG	1,593,333	0.08	–	–
6	SYED ABDULLAH BIN SYED ABD KADIR	466,666	0.02	–	–
7	CHAN FEOI CHUN	–	–	–	–
8	DATUK NOOR EHSANUDDIN BIN HJ MOHD HARUN NARRASHID	–	–	–	–
9	DATUK NIK AZMAN BIN MOHD ZAIN	–	–	–	–

Deemed interest by virtue of the shares held by YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin's spouse.
* *Deemed interest pursuant to Section 6A of the Companies Act, 1965.*

DIRECTORS'SHAREHOLDINGS AS AT 4 AUGUST 2015 (CONTINUED)
(as per Register of Substantial Shareholders)

WARRANT A

		NO OF WARRANT			
NO.	**WARRANT HOLDER**	**DIRECT**	**%**	**INDIRECT**	**%**
1	TAN SRI RAZALI BIN ISMAIL	–	–	–	–
2	YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU BESAR BURHANUDDIN	–	–	# 280,000	0.62
3	DATUK TAN SAY JIM	1,385,000	3.06	–	–
4	DATO' HAMDAN BIN MOHD HASSAN	–	–	–	–
5	DATO' EOW KWAN HOONG	–	–	–	–
6	SYED ABDULLAH BIN SYED ABD KADIR	19,999	0.04	–	–
7	CHAN FEOI CHUN	1,800	0.00	–	–
8	DATUK NOOR EHSANUDDIN BIN HJ MOHD HARUN NARRASHID	–	–	–	–
9	DATUK NIK AZMAN BIN MOHD ZAIN	–	–	–	–

Deemed interest by virtue of the shares held by YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin's spouse.

WARRANT B

		NO OF WARRANT			
NO.	**WARRANT HOLDER**	**DIRECT**	**%**	**INDIRECT**	**%**
1	TAN SRI RAZALI BIN ISMAIL	1,000,000	0.47	–	–
2	YAM TUNKU DATO' SERI SHAHABUDDIN BIN TUNKU BESAR BURHANUDDIN	–	–	–	–
3	DATUK TAN SAY JIM	6,973,834	3.29	–	–
4	DATO' HAMDAN BIN MOHD HASSAN	–	–	–	–
5	DATO' EOW KWAN HOONG	250,000	0.12	–	–
6	SYED ABDULLAH BIN SYED ABD KADIR	49,999	0.02	–	–
7	CHAN FEOI CHUN	–	–	–	–
8	DATUK NOOR EHSANUDDIN BIN HJ MOHD HARUN NARRASHID	–	–	–	–
9	DATUK NIK AZMAN BIN MOHD ZAIN	–	–	–	–

IRIS CORPORATION BERHAD (302232-X)
(Incorporated in Malaysia)

notice of twenty-first annual general meeting

NOTICE IS HEREBY GIVEN that the Twenty-First Annual General Meeting of the Company will be held at Plaza Ballroom, Lower Lobby, Parkroyal Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 22 September 2015 at 11 a.m. to transact the following businesses:-

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 March 2015 together with the Reports of the Directors and Auditors thereon. **(Please see Note 2)**

2. To re-elect the following Directors who retire pursuant to the Company's Articles of Association:

   Article 86
   (i) Dato' Hamdan Bin Mohd Hassan **(Resolution 1)**
   (ii) Chan Feoi Chun **(Please see Note 3)** **(Resolution 2)**

   Article 93
   (i) Datuk Noor Ehsanuddin Bin Hj Mohd Harun Narrashid **(Resolution 3)**
   (ii) Datuk Nik Azman Bin Mohd Zain **(Resolution 4)**

3. To approve the payment of Directors' Fees for the financial year ended 31 March 2015. **(Resolution 5)**

4. To appoint Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

   Notice of Nomination pursuant to Section 172(11) of the Companies Act, 1965, a copy of which is annexed hereto and marked "Annexure A" has been received by the Company for the nomination of Messrs Baker Tilly Monteiro Heng who have given their consent to act, for appointment as Auditors, and of the intention to move the following motion to be passed as an Ordinary Resolution:-

   "THAT Messrs Baker Tilly Monteiro Heng, having consented to act, be and are hereby appointed as Auditors of the Company in place of the retiring auditors, Messrs Crowe Horwath, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass the following Resolutions in accordance with Section 129(6) of the Companies Act, 1965:- **(Please see Note 3 and Note 4)**

   (i) "THAT Tan Sri Razali Bin Ismail, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting of the Company." **(Resolution 7)**

   (ii) "THAT YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin, retiring pursuant to Section 129(6) of the Companies Act, 1965, be and is hereby re-appointed as Director of the Company to hold office until the next Annual General Meeting of the Company." **(Resolution 8)**

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolutions of the Company:-

6. **ORDINARY RESOLUTION I**
AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965 **(Please see Note 5)**

"THAT, subject always to the Companies Act, 1965, the Articles of Association of the Company and approval of any other governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to issue and allot shares in the Company, at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the issued and paid-up share capital of the Company for the time being and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company unless revoked or varied by the Company at a general meeting." **(Resolution 9)**

7. **ORDINARY RESOLUTION II**
CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS **(Please see Note 6)**

(i) "THAT approval be and is hereby given to Syed Abdullah Bin Syed Abd Kadir who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 10)**

(ii) "THAT subject to the passing of Resolution 8 above, approval be and is hereby given to YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to act as an Independent Non-Executive Director of the Company." **(Resolution 11)**

8. **ORDINARY RESOLUTION III**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE **(Please see Note 7)**

"THAT approval be and is hereby given to the Company and its subsidiaries ("ICB Group") to enter into and to give effect to the recurrent related party transactions of a revenue or trading nature as specified in Section 2.3.2 of the Circular to Shareholders dated 28 August 2015, provided that such arrangements and/or transactions which are necessary for ICB Group's day-to-day operations are undertaken in the ordinary course of business, at arm's length basis, on normal commercial terms and transaction prices which are not more favourable to the related parties than those generally available to the public and not detrimental to the minority shareholders of the Company (hereinafter referred to as the "Proposed Renewal of Shareholders' Mandate"). **(Resolution 12)**

THAT the Proposed Renewal of Shareholders' Mandate shall only continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the said AGM, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 143(1) of the Companies Act, 1965 ("Act") (but must not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders of the Company in general meeting,

whichever is earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the best interest of the Company to give effect to the Proposed Renewal of Shareholders' Mandate."

9. To transact any other business of which due notice has been given.

By Order of the Board,

JOANNE TOH JOO ANN (LS 0008574)
YAP SIT LEE (MAICSA 7028098)
Company Secretaries

Kuala Lumpur
28 August 2015

IRIS CORPORATION BERHAD (302232-X)
(Incorporated in Malaysia)

notice of twenty-first annual general meeting

continued

NOTES:-

1. APPOINTMENT OF PROXY

(a) A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) To be valid, the form of proxy, duly completed must be deposited at the Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting Provided That in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

(c) A Member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(d) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

(f) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

(g) A Member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the authority granted to the proxy.

(h) Only members whose names appear in the Record of Depositors as at 15 September 2015 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 169(1) of the Companies Act, 1965. Hence, this item on the Agenda is not put forward for voting by shareholders of the Company.

3. RE-ELECTION AND RE-APPOINTMENT OF INDEPENDENT DIRECTORS

In line with the Recommendation 3.1 of the Malaysian Code on Corporate Governance 2012, the Nomination Committee and the Board of Directors had undertaken the annual assessment on the independence of Tan Sri Razali Bin Ismail, YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin and Chan Feoi Chun who are seeking for re-election or re-appointment pursuant to the Articles of Association of the Company or Section 129 of the Companies Act, 1965, at the forthcoming Twenty-First Annual General Meeting. The annual assessment had been disclosed in the Corporate Governance Statement of the Company's 2015 Annual Report.

4. RE-APPOINTMENT OF DIRECTORS PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT, 1965

The proposed Resolution 7 and Resolution 8, if passed, will authorise the continuity in office of the Directors (who are over the age of 70 years) until the next Annual General Meeting.

5. AUTHORITY TO ISSUE AND ALLOT SHARES IN GENERAL PURSUANT TO SECTION 132D OF THE COMPANIES ACT, 1965

The proposed Resolution 9 is the renewal of the mandate obtained from the members at the last Annual General Meeting ("the previous mandate"). As at the date of this Notice, the Company did not allot and issue any shares pursuant to the mandate granted to the Directors at the Twentieth Annual General Meeting held on 22 September 2014 as there were no requirement for such fund raising activities.

The proposed Resolution 9, if passed, would provide flexibility to the Directors to undertake fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's future investment project(s), working capital and/or acquisition(s), by the issuance of shares in the Company to such persons at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed 10% of the issued and paid-up share capital of the Company for the time being, without having to convene a general meeting. This authority, unless revoked or varied by the Company in a general meeting will expire at the conclusion of the next Annual General Meeting of the Company.

6. CONTINUATION IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTORS

Pursuant to the Malaysian Code on Corporate Governance 2012, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine years.

The Nomination Committee and the Board of Directors had assessed the independence of Syed Abdullah Bin Syed Abd Kadir and YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

(i) each of them fulfills the criteria of an Independent Director pursuant to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad;
(ii) each of them is familiar with the Company's business operations as he has been with the Company for more than 9 years;
(iii) each of them has devoted sufficient time and attention to his responsibilities as an Independent Non-Executive Director of the Company; and
(iv) each of them has exercised due care during his tenure as an Independent Director of the Company and carried out his duty in the interest of the Company and shareholders.

The proposed Resolutions 10 and 11, if passed, will enable Syed Abdullah Bin Syed Abd Kadir and YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin to continue to act as Independent Non-Executive Directors of the Company.

7. PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Ordinary Resolution proposed under Resolution 12, if passed, will allow the Company and its subsidiaries to enter into recurrent related party transactions made on an arm's length basis and on normal commercial terms and which are not detrimental to the interest of the minority shareholders.

Please refer to the Circular to Shareholders dated 28 August 2015 for further information.

statement accompanying notice of twenty-first annual general meeting

(PURSUANT TO RULE 8.29(2) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD FOR ACE MARKET)

Directors who are standing for re-appointment at the Twenty-First Annual General Meeting are as follows:-

1. Tan Sri Razali Bin Ismail
2. YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin

The profiles of the above Directors are set out in the section entitled "Profiles of Directors" on pages 32 to 36 of the 2015 Annual Report.

annexure A

DATUK TAN SAY JIM
8, Jalan SS2/38
47300 Petaling Jaya
Selangor Darul Ehsan

Date: 19 August 2015

The Directors
IRIS Corporation Berhad
Level 18 The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur

Dear Sirs

RE: NOTICE OF NOMINATION OF MESSRS BAKER TILLY MONTEIRO HENG AS AUDITORS IN PLACE OF THE RETIRING AUDITORS, MESSRS CROWE HORWATH

Pursuant to Section 172[11] of the Companies Act 1965, I, being a shareholder of IRIS Corporation Berhad ["the Company"], hereby give notice of my intention to nominate Messrs Baker Tilly Monteiro Heng for appointment as Auditors of the Company in place of the retiring auditors, Messrs Crowe Horwath and propose the following Ordinary Resolution for tabling at the forthcoming Annual General Meeting of the Company:

"THAT Messrs Baker Tilly Monteiro Heng, having consented to act, be and are hereby appointed as Auditors of the Company in place of the retiring auditors, Messrs Crowe Horwath, and to hold office until the conclusion of the next Annual General Meeting AND THAT the Directors be authorised to fix their remuneration."

Yours faithfully

DATUK TAN SAY JIM

proxy form

IF MORE THAN 1 PROXY, PLEASE SPECIFY NUMBER OF SHARES REPRESENTED BY EACH PROXY

IRIS®
Bringing Solutions to Life

IRIS CORPORATION BERHAD
(302232-X)
(INCORPORATED IN MALAYSIA)

NUMBER OF SHARES HELD:	CDS ACCOUNT NO.:	NAME OF PROXY 1:	NAME OF PROXY 2:

I/ We ____
(FULL NAME IN BLOCK LETTERS)

NRIC No./Company No.______________________ of ______________________

____
(FULL ADDRESS)

being a Member/Members of **IRIS CORPORATION BERHAD** hereby appoint ______________________

______________________ NRIC No.______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him, ______________________ NRIC No.______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS)

or failing him/her, the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf, at the Twenty-First Annual General Meeting of the Company to be held at Plaza Ballroom, Lower Lobby, Parkroyal Hotel, Jalan Sultan Ismail, 50250 Kuala Lumpur on Tuesday, 22 September 2015 at 11.00 a.m. and at any adjournment thereof.

NO.	RESOLUTIONS	FOR	AGAINST
1	To re-elect Dato' Hamdan Bin Mohd Hassan, who retires pursuant to Article 86 of the Company's Articles of Association, as Director.		
2	To re-elect Chan Feoi Chun, who retires pursuant to Article 86 of the Company's Articles of Association, as Director.		
3	To re-elect Datuk Noor Ehsanuddin Bin Hj Mohd Harun Narrashid who retires pursuant to Article 93 of the Company's Articles of Association, as Director.		
4	To re-elect Datuk Nik Azman Bin Mohd Zain who retires pursuant to Article 93 of the Company's Articles of Association, as Director.		
5	To approve the payment of Directors' Fees for the financial year ended 31 March 2015.		
6	To appoint Messrs Baker Tilly Monteiro Heng as Auditors of the Company in place of the retiring auditors, Messrs Crowe Horwath and to authorise the Board of Directors to fix their remuneration.		
7	To re-appoint Tan Sri Razali Bin Ismail, who retires pursuant to Section 129(6) of the Companies Act, 1965, as Director.		
8	To re-appoint YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin, who retires pursuant to Section 129(6) of the Companies Act, 1965, as Director.		
9	To grant authority to issue and allot shares in general pursuant to Section 132D of the Companies Act, 1965.		
10	To approve Syed Abdullah Bin Syed Abd Kadir to continue to act as an Independent Non-Executive Director.		
11	To approve YAM Tunku Dato' Seri Shahabuddin Bin Tunku Besar Burhanuddin to continue to act as an Independent Non-Executive Director.		
12	Proposed Renewal of Shareholders' Mandate.		

(Please indicate with an "X" in the space provided above how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.)

As witness my/our hand(s)

this ________day of ______________________ 2015

Signature of Member(s) /Common Seal

____

Contact Number:

NOTES:-

(a) A proxy need not be a Member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.

(b) To be valid, the form of proxy, duly completed must be deposited at the Registered Office at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting Provided That in the event the Member(s) duly executes the form of proxy but does not name any proxy, such Member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy, Provided Always that the rest of the proxy form, other than the particulars of the proxy have been duly completed by the Member(s).

(c) A Member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote at the meeting except where a Member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, in which event it may appoint not more than two (2) proxies in respect of each Securities Account it holds in ordinary shares of the Company standing to the credit of the said Securities Account.

(d) Where a Member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) Securities Account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(e) Where a Member or the authorised nominee appoints two (2) proxies, or where an exempt authorised nominee appoints two (2) or more proxies, the appointments shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.

(f) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised.

(g) A Member shall not be precluded from attending and voting in person at any general meeting after lodging the form of proxy but however such attendance shall automatically revoke the authority granted to the proxy.

(h) Only members whose names appear in the Record of Depositors as at 15 September 2015 will be entitled to attend, vote and speak at the meeting or appoint proxy(ies) to attend, vote and speak on their behalf.

FOLD HERE

AFFIX
POSTAGE
HERE

THE COMPANY SECRETARIES

IRIS CORPORATION BERHAD
LEVEL 18
THE GARDENS NORTH TOWER
MID VALLEY CITY
LINGKARAN SYED PUTRA
59200 KUALA LUMPUR

FOLD HERE