25 YEARS OF

ENRICHING LIVES

forging ahead

IRIS CORPORATION BERHAD
302232-X

ANNUAL REPORT 2019

IRIS Corporation Berhad
(302232-X)

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Technology Park Malaysia
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25 YEARS OF

ENRICHING LIVES

Founded in 1994, IRIS Corporation Berhad (ACE Market: IRIS) is a MSC-status technology innovator and leading provider of Trusted Identification products and solutions. Since pioneering the world's first ePassport in 1998, IRIS has set itself apart as a dedicated End-to-End integrated solutions provider for eID, ePassport, Automated Border Control (ABC), multiple credential identity management ecosystems, and payment systems for financial and transportation industries where authenticity, improved security, speed, accuracy and effectiveness are of paramount importance.

As an established player in Trusted Identification, IRIS has a significant international presence in over 34 countries across the globe where IRIS delivers unrivalled service exceeding clients' expectations. Every day, our capable, experienced, agile and adaptive team is delivering innovative, relevant, intelligent and secure solutions to suit the needs of our customers around the world.

We pride ourselves in integrating disparate technologies to bring to life full suites of solutions that will enrich lives and change the world for the better.

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

powering new chapters

AS AN ESTABLISHED PROVIDER IN TRUSTED IDENTIFICATION

dynamism

IRIS
Bringing Solutions to Life

SINCE 1994

This is a bright and bold new chapter for IRIS.

To mark this leap forward, our logo has been refreshed to signify our legacy of unwavering optimism, confidence and commitment towards cutting-edge innovations in trusted identification.

The addition of two arrows reflects our renewed emphasis on speed and dynamism which are vital for prospering our business partners as we all move forward and rise together.

LOGO RATIONALE

Conveys our commitment to agility and efficiency while maintaining the trust we have built since 1994.

The two arrows represent **dynamism**, **forward-thinking** and **collaboration**.

STANDS FOR OUR PARTNERS AND THE SOLUTIONS THAT WE BUILD TOGETHER.

REPRESENTS ALL IRISIANS AND OUR OPTIMISM, DETERMINATION AND CONFIDENCE IN WHAT WE DO.

forward-thinking

VISION

MISSION

Global leader in Trusted ID solutions that are Innovative, Relevant, Intelligent & Secure (IRIS)

INNOVATIVE
Out-of-the-box thinking which challenge conventional views.

RELEVANT
Customised solutions which address specific needs of business partners.

INTELLIGENT
Smart, user-friendly solutions which deliver great customer experience.

SECURE
Robust solutions which are safe from unauthorised access and fraudulent and malicious activities.

To continuously deliver innovative and customised solutions with our Business Partners.

EMBRACING PROGRESS

FORWARD WITH RESILIENCE

FOUNDED IN 1994

1998	Launched World's First ePassport in Malaysia
2000	Launched World's First eGates in Malaysia
2001	Launched World's First multi-application eID in Malaysia
2002	Public Listed
2003	Delivered ePassport to Nigeria, IRIS' first International Client
2007	Awarded Best Identification Application at Sesame Cartes
2008	Won Frost & Sullivan Enabling Technology Award for ePassport and Smart Card market
2010	Provided Trusted Identity solutions to 18 countries
2011	Won MSC APICTA Awards for Best eGovernment & Services
2012	Delivered more than 50 million eID and/or card-based driving licenses
2013	Delivered more than 60 million ePassports
2015	Launched World's First Desktop Laser Marker with Dual-Function
2018	Provided Trusted Identity Solutions to 34 countries
2019	Unveiled IRIS new Vision Board

25th ANNUAL GENERAL MEETING

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

25 September 2019

11.00 a.m.

PRESIDENT AND GROUP MANAGING DIRECTOR'S MANAGEMENT DISCUSSION AND ANALYSIS

DEAR STAKEHOLDERS,

From strengthening our Trusted ID (Identification) business and rationalising non-core businesses which contributed to substantial cost savings, Financial Year 2019 (FY2019) was a challenging year. The challenges we faced invigorated the team and motivated us to persevere and work towards turning IRIS around in FY2019. This is a testament to our strength and resilience as a Group and to the robustness of our new strategic direction.

In line with the Group's new direction, we unveiled the new IRIS logo during our 25th Anniversary Celebration dinner on 23rd March 2019. The reception to our new brand emblem was highly favourable especially to the addition of two arrows that reflects IRIS' renewed emphasis on speed and dynamism which are vital for prospering all stakeholders as we move forward together.

Last year, we shared how we focused on repositioning IRIS to capitalize on our strengths in Trusted ID by rationalising the non-core, loss-making businesses in order to accelerate growth and take IRIS to new heights.

IRIS New Vision Board

IRIS
Bringing Solutions to Life

Vision

GLOBAL LEADER IN TRUSTED ID SOLUTIONS THAT ARE INNOVATIVE, RELEVANT, INTELLIGENT & SECURE (IRIS)

Mission

TO CONTINUOUSLY DELIVER INNOVATIVE AND CUSTOMISED SOLUTIONS WITH OUR BUSINESS PARTNERS

Celebrating IRIS 25th Anniversary Dinner

Briefing IRIS new Vision Board at IRIS Townhall meeting

New Vision Board To Galvanise IRIS

In FY2019, we continued to shape our future by charting a clear roadmap with new vision and mission to galvanise the Group and enhance the value of IRIS. In determining our future roadmap, we took into consideration external factors shaping future trends, our internal strengths and weaknesses together with stakeholder feedback.

The Group is raring to go further with our new corporate vision that embodies the IRIS' strategic shift towards providing Trusted ID solutions that are Innovative, Relevant, Intelligent and Secure.

IRIS' newly recalibrated corporate mission is to continuously deliver innovative and customised solutions through synergies with business partners namely clients, agents, technology partners, resellers and suppliers, in order to deliver long-term value to all stakeholders.

The company's brand promise 'Bringing solutions to life' underlies how IRIS, as a technology innovator and solutions integrator, conducts business.

Together with Shaiful, IRIS Group CEO, we communicated the Group's new Vision Board during IRIS Townhall meeting to engage our People, ensure alignment and energize employees at every level of the organization to collaborate and transform IRIS.

MANAGEMENT DISCUSSION AND ANALYSIS
continued

Group Financial Performance

We had a watershed year in our transformation. Our relentless focus on rationalising non-core businesses which contributed to substantial cost savings paid off resulting in Profit Before Tax (PBT) of RM40.8 million compared to Loss Before Tax (LBT) of RM122.9 million in FY2018.

For FY2019, the Group posted revenue of RM229.2 million, a 31.5% attrition from RM334.7 million. The decrease is attributed to lower revenue from Trusted ID and Sustainable Development divisions.

Trusted ID recorded a lower revenue of RM224 million in FY2019 as compared to FY2018 revenue of RM327.3 million mainly due to cyclical deliveries of passports and identification cards. However, due to successful cost rationalisation and diligent trade receivables management, Trusted ID's PAT increased by 437.2% to RM93.4 million compared to LAT of RM27.7 million in FY2018.

The lower revenue of RM5.1 million from Sustainable Development division in FY2019 as compared to FY2018's RM7.4 million was due to completion of its Rimbunan Kaseh and Sentuhan Kasih projects. Compared to FY2018's LAT of RM65.5 million, this division narrowed the LBT by 36.0% in FY2019 to RM41.9 million arising from continuous rationalisation of this non-core business which contributed to cost savings.

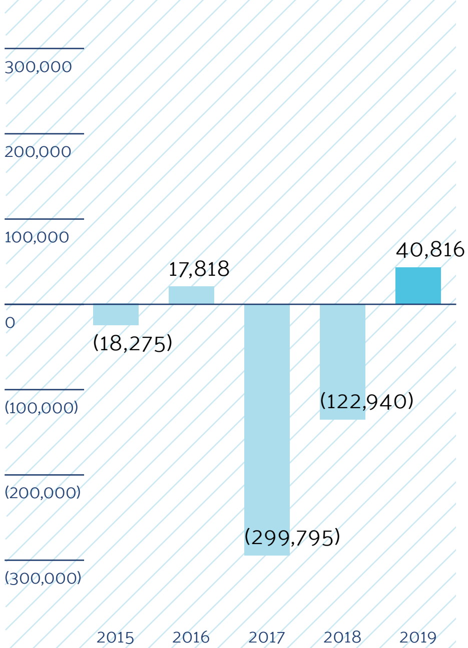
Moving forward, IRIS is expected to continue to derive revenues from the on-going Trusted ID projects in Africa, Asia and North America regions and gain new revenue streams by strengthening our Trusted ID portfolio with new products and solutions. We will look at delivering sustainable financial performance by expanding our market segments domestically and globally while optimising the costs of our operations.

SUMMARY OF FINANCIAL INFORMATION	2019 RM'000	2018 RM'000 (RESTATED)	2017 RM'000	2016 RM'000	2015 RM'000
REVENUE	**229,237**	334,692	429,310	519,633	561,954
Profit/(Loss) before taxation	**40,816**	(122,940)	(299,795)	17,818	(18,275)
Profit/(Loss) after taxation	**37,507**	(112,163)	(307,408)	(3,087)	(24,720)
Total Equity attributable to owners of the Company	**272,581**	179,743	288,158	550,029	545,097
Non-current assets	**249,247**	271,330	295,380	404,710	608,014
Current assets	**266,416**	266,083	472,300	671,869	712,018
Total assets	**515,663**	537,413	767,680	1,076,579	1,320,032
Current liabilities	**231,072**	334,091	406,550	383,902	574,133
Non-current liabilities	**34,607**	59,753	104,631	154,833	181,042
Total liabilities	**265,679**	393,844	511,181	538,735	755,175
Net assets	**249,984**	143,569	256,499	537,844	564,857

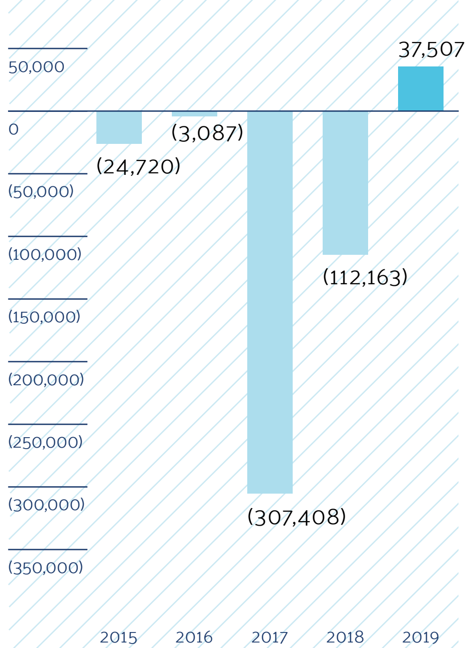
KEY RATIO	BASIS	2019	2018	2017	2016	2015
Pre-tax profit/(loss) margin	(%)	**17.81**	(36.73)	(69.83)	3.43	(3.25)
Post-tax profit/(loss) margin	(%)	**16.36**	(33.51)	(71.61)	(0.59)	(4.40)
Basic earnings/(loss) per share	(sen)	**1.40**	(5.12)	(12.35)	0.30	(1.07)
Net assets per share	(sen)	**9.19**	7.27	12.82	26.48	26.72
Total borrowings to equity ratio	(%)	**19.80**	58.14	63.02	49.96	88.88

Note : The above financial information for FY2017 to FY2019 represents performance of continuing operations only.

PROFIT/(LOSS) BEFORE TAXATION (RM'000)



PROFIT/(LOSS) AFTER TAXATION (RM'000)



Trusted ID

Trusted ID is what IRIS does best. Throughout the past 25 years, we have had many pioneering moments, including inventing the world's first ePassport and multi-application eID in 1998 and 2001 respectively. Our people have strong expertise and experience in this business and are now focused on delivering innovative, relevant and secure solutions to increase both revenue and profit for our Trusted ID business.

In 2016, Senegal selected IRIS to deliver its first ECOWAS integrated biometric and voter eID card. Establishing and verifying every citizen's identity is at the heart of a successful and secure country. With this new eID, it is the first step in creating an ecosystem of trusted identities which help to transform the lives of citizens. Each citizen will be empowered with a unique proof of identity, one that is backed up by IRIS' highest level of reliability, security and confidentiality. In 2019, IRIS continues to supply Senegal's eID cards with more than 8 million eIDs delivered to Senegal.

The global Trusted ID market will continue to witness strong growth. Governments worldwide are continuously looking to protect and provide secure identities to their citizens. We continue to supply various types of ID cards to Malaysia, Tanzania, Bhutan, Canada and Senegal. Despite fierce global competition, we expanded our Trusted ID global footprint to deliver Brunei military ID cards, Sri Lanka and Zanzibar eID cards.

Developments in Artificial Intelligence (AI), machine learning, blockchain, cloud computing and Internet of Things (IoT) underpinned with cybersecurity, are disrupting numerous industries including Trusted ID. Digitalisation has fundamentally changed the way we live, work and operate.

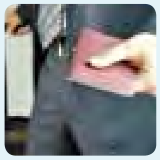
IRIS is actively building our digital capabilities and creating new digital solutions like our new ID For Life solution. This new Digital ID solution is an innovative platform for users to manage and share their digital credentials securely and conveniently online. IRIS ID For Life is on the cusp of Digital ID growth.

According to Juniper Research Report "Digital ID: Technology Evolution, Regulatory Analysis & Forecasts 2019-2024", the number of people using government-issued Digital ID credentials will grow by over 150% from an expected 1.7 billion in 2019 to over 5 billion in 2024. Emerging economies in Asia and Africa are some of the biggest markets, as countries leapfrog analogue identities to benefit from the efficiencies digital registration and management bring.

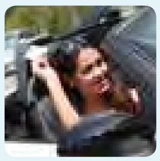
The report also shows that those countries unencumbered by legacy systems are following Estonia's lead of rapid Digital ID development. For example, Juniper expects almost 12 million people in Malawi to have Digital IDs in 2022, with Nigeria and other countries supplying Digital ID to over 420 million people on the continent on both cards and apps. Juniper believes mobile single sign-ons will be a large part of several Digital ID platforms, with over 1 billion users by 2023; generating over USD5 billion in revenues that year.

Visiting Minister of Home Affairs and other government officials in Tanzania


IRIS eID and Digital Identity Solution


IRIS ePassport Solution


IRIS Border Control Solution


IRIS Driver's License & Vehicle Registration Solution

IRIS Voter's Card Solution

IRIS eVisa Solution


IRIS Payment Card Solution


IRIS Automated Fare Collection Solution


IRIS Secure Document Solution


IRIS Attendance Management Solution


IRIS Smart Campus Card Solution


IRIS Smart Health Card Solution

IRIS Trusted ID and IT Solutions Portfolio

World class security features: IRIS' Newest ePassport

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MANAGEMENT DISCUSSION AND ANALYSIS
continued

Trusted ID (continued)

In addition to eID and Digital ID, IRIS continues to supply International Civil Aviation Organisation (ICAO) compliant ePassports to numerous countries. We have been delivering ePassports to Nigeria, Senegal, Guinea and Solomon Islands since 2003, 2007, 2013 and 2015 respectively and are constantly working to further improve these governments' ePassport solutions.

In Guinea, IRIS enhanced their ePassport with Polycarbonate DataPage and successfully deployed the new ePassport in August 2018. Complementing the new ePassports are IRIS Smart eGates. Part of IRIS' Automated Border Control (ABC) solution, the Smart eGates are deployed at Guinea's International airport, successfully offering seamless traveller journey.

The ePassport market is forecast to grow at a CAGR of 21% from 2019 to 2023 to reach USD23.93 billion, according to Technavio Research Report. The increasing number of fake passports is driving the demand for ePassport markets. With the surge in the number of international passengers, governments across the world are finding it difficult to identify fraudulent passports. ePassports play a crucial role in identifying fraudulent passports via biometrics. Thus, the increase in the number of fake passports is expected to drive the growth of the global ePassport market during the forecast period.

As a certified security printer by INTERGRAF, IRIS has proven expertise in the development of secure and customized ePassports. We continuously enhance the ePassports we produce using the latest technologies including new machine and security design software. All our ePassports are loaded with best-in-class security innovations to protect both the book and its data from unauthorised access.

In tandem with ePassport's growth, Automated Border Control (ABC) with Fastlane Biometrics is expected to generate USD1.3 billion in revenue by 2022 according to the latest research by Acuity Market Intelligence. As airports and airlines expand their biometric footprint beyond immigration eGates and kiosks, seamless "Fastlane Biometric" touchpoints at check-in, bag drop, security, and boarding gates will become mainstream.

Fastlane Biometrics is a nascent market with rapid growth potential. Today, about 5,600 biometric eGates and kiosks are deployed at more than 300 locations in 80 countries. This number is projected to triple by 2022 as dozens of prominent airports deploy Fastlane Biometrics over the next three to five years to streamline and enhance the customer journey.

Demonstrating IRIS ePassport solution to Minister of Security and Civil Protection, Republic of Guinea, H.E. Alpha Ibrahima Keira

To capture this ABC market opportunity, we are aligning our skill sets and investing resources to accelerate the development of our new Advance ABC solution with the latest multi-modal biometrics including facial recognition.

Corporate Developments

I would like to report on the Private Placement exercise and the Disposal of entire equity interests of Regal Energy Limited that were carried out during this financial year:

a) **Private Placement exercise**

   On 14 June 2018, the Company had entered into a subscription agreement with Dato' Sri Robin Tan Yeong Ching, Dato' Poh Yang Hong and Dato' Rozabil @ Rozamujib Bin Abdul Rahman for the proposed issuance and allotment of 494,380,400 new ordinary shares, representing approximately 20% of the total number of issued shares of the Company, at an issue price of RM0.12 per subscription share to be satisfied in cash.

   The private placement exercise was completed on 21 September 2018, whereby 494,380,400 new ordinary shares were issued at an issue price of RM0.12 each share and were subsequently listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on the same date.

b) **Disposal of entire equity interests in a subsidiary, Regal Energy Limited**

   On 26 July 2018, the Company had entered into a Shares Sales Agreement ("SSA") with Speedy K-Gital Co., Ltd. ("the Purchaser"), a company incorporated in Kingdom of Cambodia, to dispose 100% of the entire issued and paid up capital of Regal Energy Limited ("REL") for a total cash consideration of RM1.

   REL held 65% of the equity interest in Weinan IRIS Envirowerks Zhouji Renewable Resources Co., Ltd. ("Weinan"), a company incorporated in the People's Republic of China.

   The disposal was completed on 26 July 2018 as the Purchaser had fully settled the sale consideration upon execution of the SSA. Consequently, REL and Weinan ceased to be subsidiaries of the Group. The gain arising from the disposal amounted to RM3.3 million.

IRIS eGates enabling seamless Automated Border Control

IRIS ICAO Compliant ePassport

Forging Ahead

After a challenging FY2019, the Board and Management are cautiously optimistic on the outlook for IRIS. It is imperative that we continue to further our transformation and implementation of our new business strategies in the coming year. We have good momentum.

Our key business and financial results center on Trusted ID which have us operating across the globe in two primary segments; Government and Enterprise. Armed with a new vision board and refreshed portfolio, IRIS is building an optimal mix of products and solutions which is intended to carve the IRIS mark around the world. The result is evident in our new solutions in Digital ID, electronic Know Your Customer (eKYC) and Attendance Management (all with advance facial recognition technology) and those are just a few of the many innovations that are on the way.

IRIS has 25 years of experience and expertise in deploying Trusted ID solutions to 34 countries to date. We are not just vendors, we are partners of growth for our clients around the world especially in our home market, Malaysia.

According to the 11^{th} Malaysia Plan 2016-2020, Malaysian Government intends to pursue digitalisation agenda "aggressively" for higher digital adoption in the public service. The government's digitalisation agenda would be a strong growth catalyst to drive the domestic technology industry and IRIS is ready to support Malaysia's digital nation transformation with our technology expertise and innovative solutions such as Digital ID, eKYC and border control.

While our adjacent IT solutions portfolio is still nascent, there is good traction in market potential for IRIS Attendance Management Solution and other solutions integrating facial recognition. According to research by Stratistics MRC, the Global Facial Recognition market is expected to reach USD14.95 billion by 2026. Based on geography, Asia Pacific is expected to have the highest growth during the forecast period. Huge investments from the government sector toward security and surveillance infrastructure, improved public awareness, and the emergence of complicated technologies backed by analytics are some of the factors driving the market growth in this region.

Sustainability is also a focus area for the Group to ensure that Economic, Environmental and Social (EES) considerations are integrated into the Group's business strategies. We are stepping up sustainability efforts and building an agile, dynamic organisation with the right capabilities and culture.

Visiting Former Director of Direction de l'Automatisation des Fichiers in Senegal

IRIS Attendance Management Solution with facial recognition and geo-fencing

In FY2019, our people completed over 6,363 hours of learning and development, a 200% increase in training hours compared to FY2018. We are embarking on a journey to promote agility and collaboration to better serve our clients and capture new business opportunities.

The Group is also cognizant of the global economic outlook due to escalating trade tensions between the US and China. In June 2019, the World Bank lowered its global growth forecast to 2.6% from 2.9% in January 2019 – and cut its forecast for growth in trade to 2.6% from 3.6%. Emerging markets and developing economies such as Malaysia, Indonesia, Thailand and Cambodia will be adversely affected due to a decrease in demand from two of the largest economies in the world. In view of this, we will continue to focus on prudent and targeted asset growth and maintain strict cost controls.

In this challenging environment, we have to be competitive and efficient to remain relevant. As such, we are ready to seize any opportunities and rise to any challenges that may arise.

We remain confident that our overall strategic direction will continue to strengthen our presence, and provide a sustainable and resilient future for IRIS as well as delivering value to our stakeholders.

In FY2019, a new IRIS has emerged - new Board of Directors, new Key Senior Management, new vision board and a new corporate focus. We want to build a company with strong fundamentals, known for a solid delivery record and a great place to work at. We believe we now have the right talent and the right structure to forge ahead and drive our future growth together.

Note Of Appreciation

Even though we faced strong headwinds and challenges in FY2019, we managed to deliver our targets and achieve positive results. This would not have been possible without the full support of all our stakeholders – the Chairman and the Board, Key Management, IRIS employees, business partners, clients, suppliers, shareholders and the communities in which we operate.

The introduction of a new vision, mission and strategic direction has meant that our People have to face change, adapt and embrace new ways of thinking and working. Under the pressure of these increased demands, they have risen to the challenge admirably, with commitment, resilience and courage.

My deepest appreciation goes out to our business partners and clients from around the world. I hope that we will continue to collaborate and strengthen our relationships for the mutual benefit of all as we are building something great together.

As we forge ahead into FY2020, we must all come together, embrace change to transform IRIS and ultimately strengthen our position as one of the leading global companies in Trusted ID.

Thank you and I look forward to more exciting times ahead for all of us.

DATO' POH YANG HONG
PRESIDENT AND
GROUP MANAGING DIRECTOR

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COUNTRIES AND STILL EXPANDING

AS OF MARCH 2019, WE HAVE DELIVERED MORE THAN

93.9

MILLION PIECES OF ePASSPORT AND/OR INLAY TO 14 COUNTRIES

AS OF MARCH 2019, WE HAVE DELIVERED MORE THAN

222

THOUSAND CONTACT / CONTACTLESS CARD READERS AND DEVICES SOLD TO 28 COUNTRIES

AS OF MARCH 2019, WE HAVE DELIVERED MORE THAN

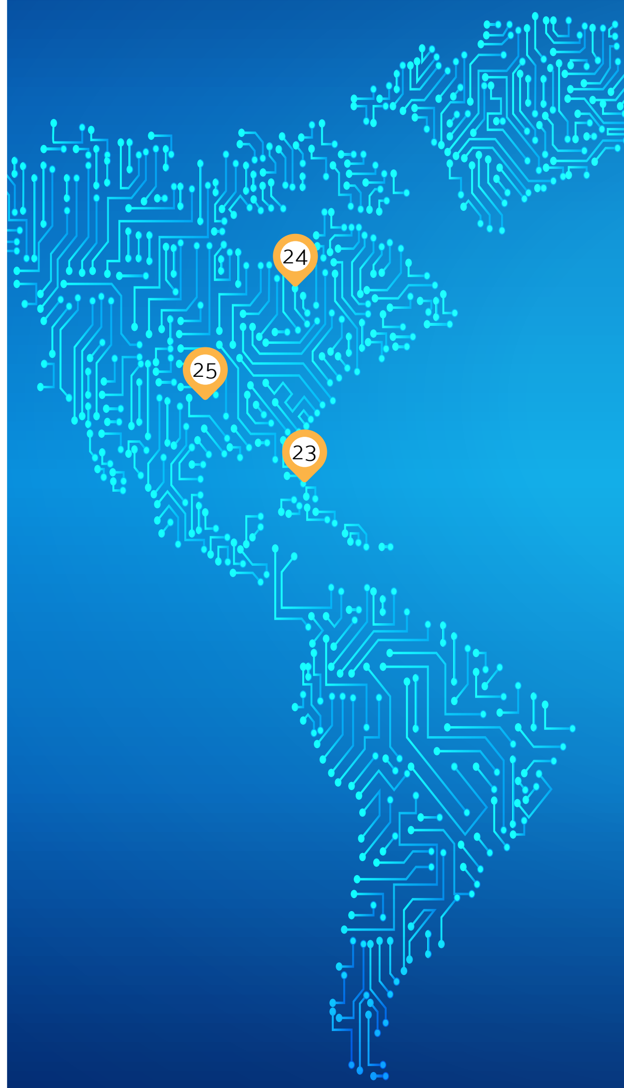
143.2

MILLION PIECES OF eID AND/OR CARD-BASED DRIVING LICENSES

AS OF MARCH 2019, WE HAVE DELIVERED MORE THAN

38.7

MILLION PIECES OF PAYMENT, LOYALTY AND TRANSPORTATION CARDS



OUR TRUSTED ID FOOTPRINT

Asia

1 Afghanistan
2 Bahrain
3 Bangladesh
4 Bhutan
5 Brunei
6 Cambodia
7 India
8 Indonesia
9 Kazakhstan
10 Malaysia
11 Maldives
12 Myanmar
13 Saudi Arabia
14 South Korea
15 Sri Lanka
16 Thailand
17 Turkey
18 Turkmenistan
19 United Arab Emirates
20 Uzbekistan

Oceania

21 New Zealand
22 Solomon Islands

Americas

23 Bahamas
24 Canada
25 United States

Europe

26 Italy
27 Netherlands
28 Norway

Africa

29 Egypt
30 Guinea Conakry
31 Nigeria
32 Senegal
33 Somalia
34 Tanzania

CORPORATE STRUCTURE

IRIS
Bringing Solutions to Life

TRUSTED IDENTIFICATION

100%
IRIS TECHNOLOGIES (M) SDN BHD

100%
IRIS INFORMATION TECHNOLOGY SYSTEMS SDN BHD

100%
IRIS CORPORATION (BANGLADESH) LIMITED

100%
IRIS CORPORATION NORTH AMERICA LTD

100%
IRIS eSERVICES SDN BHD (FORMERLY KNOWN AS IRIS HEALTHCARE SDN BHD)

44.4%
MULTIMEDIA DISPLAY TECHNOLOGIES SDN BHD

20%
NEURALOGY SDN BHD

SUSTAINABLE DEVELOPMENT

100%
IRIS LAND SDN BHD

100%
IRIS ECO POWER SDN BHD

100%
IRIS AGROTECH SDN BHD

- **60%**
  ENDAH FARM SDN BHD
- **50%**
  UBUD TOWER SDN BHD

49%
WARISAN ATLET (M) SDN BHD

66.67%
RB BIOTECH SDN BHD

100%
IRIS RIMBUNAN KASEH SDN BHD

100%
IRIS CAFE KASEH SDN BHD

51%
IRIS KOTO (M) SDN BHD

51%
PLAMAN RESOURCES LIMITED

- **100%**
  PLAMAN SERVICES (AUSTRALIA) PTY LTD
- **100%**
  PLAMAN SERVICES CORPORATION
- **100%**
  PLAMAN SERVICES LIMITED

SUBSIDIARIES OF IRIS GROUP
ASSOCIATE COMPANIES OF IRIS GROUP
JOINT VENTURE COMPANIES OF IRIS GROUP

CORPORATE INFORMATION

Board of Directors

Tan Sri Nik Mohamed Bin Nik Yaacob
Chairman, Independent Non-Executive Director

Dato' Poh Yang Hong
President & Group Managing Director, Non-Independent Executive Director

Dato' Mohamed Khadar Bin Merican
Independent Non-Executive Director

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

Ling Hee Keat
Independent Non-Executive Director

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

Hussein Bin Ismail
Non-Independent Non-Executive Director

Audit and Risk Management Committee
Dato' Mohamed Khadar Bin Merican
Chairman

Dato' Dr. Abu Talib Bin Bachik
Hussein Bin Ismail

Nomination Committee
Dato' Dr. Abu Talib Bin Bachik
Chairman

Dr. Poh Soon Sim
Ling Hee Keat

Remuneration Committee
Tan Sri Nik Mohamed Bin Nik Yaacob
Chairman

Dr. Poh Soon Sim
Ling Hee Keat

Company Secretary
Wong Youn Kim (MAICSA 7018778)

Auditors
Baker Tilly Monteiro Heng PLT
Baker Tilly Tower
Level 10, Tower 1, Avenue 5
Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: +603 2297 1000
Fax: +603 2282 9980

Registered Office
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Bangsar South City
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel: +603 2241 5800
Fax: +603 2282 5022

Corporate Office
IRIS Smart Technology Complex
Technology Park Malaysia, Bukit Jalil
57000 Kuala Lumpur
Tel: +603 8996 0788
Fax: +603 8996 0442
Website: www.iris.com.my

Share Registrar
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South City
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel: +603 2783 9299
Fax: +603 2783 9222

Principal Bankers
Standard Chartered Bank Malaysia Berhad
OCBC Bank (Malaysia) Berhad
Affin Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad

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

BOARD OF DIRECTORS

Tan Sri Nik Mohamed Bin Nik Yaacob

CHAIRMAN, INDEPENDENT NON-EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 70
APPOINTED ON: 7 NOVEMBER 2018

Tan Sri Nik Mohamed was the Group Chief Executive of Sime Darby Berhad from 1993 until his retirement in June 2004. He was Sime Darby Berhad's Directors of Operations in Malaysia prior to his appointment as the Group Chief Executive in 1993. He also served on various Boards of the Sime Darby group of companies during this period. He was also Chairman of the Advisory Council of the National Science Centre and Chairman of the Board of UiTM and served as member of the INSEAD East Asian Council, National Council for Scientific Research and Development, Coordinating Council for Public-Private Sectors in the Agricultural Sector, National Coordinating Committee on Emerging Multilateral Trade issued and the industrial Coordinating Council. He was a representative for Malaysia in the Apec Business Advisory Council and the Asia Europe Business Forum. Tan Sri Nik Mohamed is currently the Executive Director of Perdana Leadership Foundation.

Tan Sri Nik Mohamed currently serves as the Chairman of Remuneration Committee of the Company.

Dato' Poh Yang Hong

PRESIDENT & GROUP MANAGING DIRECTOR, NON-INDEPENDENT EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 46
APPOINTED ON: 7 JULY 2017

Dato' Poh was re-designated as the President and Group Managing Director on 14 June 2018. He graduated with a Bachelor in Economics from University of Monash, Melbourne, Australia.

He started his career in the Hong Leong Group in 1994. He had held various positions in the Hong Leong Group including as the Managing Director of GuocoLand (Malaysia) Berhad and Managing Director of Corporate and Private Equity Department, Group Investment Office of HL Management Co Sdn Bhd.

Dato' Mohamed Khadar Bin Merican

INDEPENDENT NON-EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 62
APPOINTED ON: 28 NOVEMBER 2018

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

He has had more than 35 years' experience in financial and general management. He served as an auditor and a consultant in an international accounting firm, before joining a financial services group in 1986. Dato' Mohamed Khadar has held various senior management positions in Pernas International Holdings Berhad (now known as Tradewinds Corporation Berhad) between 1988 and April 2003, including those of President and Chief Operating Officer. In 2003, Dato' Mohamed Khadar, in his capacity as the Chairman of RHB Capital Berhad, was named as the "Chairman of The Year" by the Minority Shareholders Watchdog Group at its Malaysian-Asean Corporate Governance Index Awards 2013.

Presently, he is also a director of AirAsia Group Berhad and Bonia Corporation Berhad.

Dato' Mohamed Khadar currently serves as the Chairman for Audit and Risk Management Committee of the Company.

Dato' Dr. Abu Talib Bin Bachik

SENIOR INDEPENDENT NON-EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 70
APPOINTED ON: 7 NOVEMBER 2016

Dato' Dr. Abu Talib graduated with a Bachelor of Science (Hons) and Master Degree from the Louisiana State University, United States and holds a Doctorate in Agriculture Science from the University of Gent, Belgium.

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

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

He is currently the Chairman of Java Berhad, a public company with "Timber" as the core activity; other activities involved are oil palm plantations and rubber forests.

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

Mr. Ling Hee Keat

INDEPENDENT NON-EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 47
APPOINTED ON: 7 NOVEMBER 2018

Mr. Ling started his career at HLG Securities, the stockbroking arm of the Hong Leong Group of companies before being appointed as an Executive Director of United Traders Securities where he headed the Research and Corporate Finance divisions from 1997 to 2003. In 1999, he was also appointed to the Board of SHH Resources Holdings Berhad, a furniture manufacturer listed on the Main Market of Bursa Malaysia as a Non-Executive Director. In May 2015, he was re-designated as the Executive Deputy Chairman of that company, a position he held till December 2016.

Mr. Ling is currently a Senior Associate at Leong Partnership, Advocates and Solicitors. He is a Certified Mediator with the Malaysian Bar Association.

Mr. Ling currently serves as a member of Nomination Committee and Remuneration Committee of the Company.

Dr. Poh Soon Sim

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 74
APPOINTED ON: 7 NOVEMBER 2018

Dr. Poh Soon Sim has been in private medical practice since 1972. He was previously on the Board of Hong Leong Financial Group (HLFG) from 31 January 1991 to 25 November 2011. He was also a Member of the BARMC, Remuneration Committee and Nomination Committee of HLFG. He was also an ex-Director in Wing Tai Malaysia Berhad (formerly known as DNP Holdings Berhad). He retired from Wing Tai Malaysia Berhad on 29 November 2017.

Currently, he is a Director of Hong Leong Company (Malaysia) Berhad and Hong Leong Foundation, both are public companies.

He is the father of Dato' Poh Yang Hong, the Group President and Managing Director of the Company.

Dr. Poh currently serves as a member of Nomination Committee and Remuneration Committee of the Company.

Hussein Bin Ismail

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

NATIONALITY: MALAYSIAN
AGE: 62
APPOINTED ON: 28 JULY 2017

Encik Hussein graduated with a Bachelor of Business Administration (Finance) and Diploma in Accountancy from Universiti Teknologi MARA (formerly known as Mara Institute of Technology).

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

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

Currently, Encik Hussein serves as the Director and Chairman of Board Government, Risk and Audit Committee of Felda Investment Corporation Sdn. Bhd. and Non-Independent Non-Executive Chairman of Encorp Berhad.

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

FAMILY RELATIONSHIP WITH ANY DIRECTOR AND/OR MAJOR SHAREHOLDER
Except for Dr. Poh Soon Sim who is the father of Dato' Poh Yang Hong, none of the Directors have family relationship with any other Directors and/or Major Shareholders of the Company.

CONFLICT OF INTEREST
None of the Directors have any conflict of interest with the Company.

CONVICTION FOR OFFENCES (WITHIN THE PAST 5 YEARS, OTHER THAN TRAFFIC OFFENCES)
None of the Directors have any conviction for offences (other than traffic offence, if any) and have not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

NUMBER OF BOARD MEETINGS ATTENDED IN THE FINANCIAL YEAR ENDED 31 MARCH 2019
The details of the Directors' attendance at Board meetings are set out on page 54 of the Annual Report.

KEY SENIOR MANAGEMENT TEAM

FROM LEFT TO RIGHT

Chia Jen Wen
CHIEF OPERATING OFFICER
SPECIAL PROJECTS

H'ng Boon Harng
CHIEF FINANCIAL OFFICER

Shaiful Subhan
GROUP CHIEF EXECUTIVE OFFICER

Dr. Ahmad Husni Johari
CHIEF OPERATING OFFICER
SUSTAINABLE DEVELOPMENT &
DOMESTIC SALES

Choong Choo Hock
CHIEF OPERATING OFFICER
TRUSTED ID

Dato' Poh Yang Hong

PRESIDENT & GROUP MANAGING DIRECTOR

Please refer to his profile on the Board of Directors' profile section on page 24.

Shaiful Subhan

A Malaysian aged 43, Shaiful Subhan assumed his current role as Group CEO of IRIS Corporation Berhad on 16 October 2017. He is also a director of a number of subsidiaries within the group.

He started his career in 1998 as a management trainee with the Renong Group (later absorbed by United Engineers Berhad), a large conglomerate with activities spanning from construction, financial services, transportation to property development. After leaving the group, he had stints from 2001 with Privasia Berhad (a public listed company specialising in IT services) as well as from 2008 with Digi Berhad (a local telecommunications company and part of the Telenor Group).

In 2011, he then joined MEASAT Broadcast Network Systems Berhad (Astro) as Vice President before a year-long secondment stint as the Chief Operating Officer of the Organising Committee for the South East Asian Games and ASEAN Para Games in 2017.

Shaiful graduated with a Bachelor of Commerce in Accounting from the University of Birmingham, UK and a Master of Business Administration from the University of New England, Australia. He is also a Fellow of the Association of Chartered Certified Accountants, UK as well as a member of the Malaysian Institute of Accountants.

Dr. Ahmad Husni Johari

A Malaysian aged 56, Dr. Ahmad Husni Johari was appointed as CEO of IRIS Sustainable Development Division on 1 November 2017 to manage the divestment of IRIS' non-core businesses. On 11 March 2019, he was redesignated as Chief Operating Officer, Sustainable Development & Domestic Sales.

He started his career as an Industrial Engineer at a Medical device company in Kulim Industrial Estate in 1986 before joining Sime Darby Berhad as Project Engineer in 1990. He was later appointed as Country Manager for Intria Berhad (now known as UEM Builder) based in Jakarta overlooking investment, infrastructure and manufacturing activities. With his extensive experience in engineering and manufacturing he was made the CEO of TPM Biotech Sdn Bhd (Agency under the Ministry of Science, Technology and Innovation) to turnaround the company in 2006.

He graduated in Chemical Engineering from University of Nevada, USA in 1985 and later obtained his MBA from University of Bath, UK in 1994 under MARA and Sime Darby scholarship respectively. He obtained his Doctorate in Herbal science from the Indian Institute of Alternative Medicine in 2008. He is also the Deputy President of Malaysian Association of Herbal Green and Industrial Development (MAHID), a Research Fellow at Asean Halal Institute of University Utara Malaysia and Trustee of Halal Trust UK.

Choong Choo Hock

A Malaysian aged 57, Choong Choo Hock joined our Group in 2009. He has more than 3 decades of experience in the semiconductor sector and has held many leadership positions in IRIS, including Director of Operations and Group Director of Manufacturing. He is currently the Chief Operating Officer, Trusted ID.

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

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

H'ng Boon Harng

A Malaysian aged 46, H'ng Boon Harng was appointed as Chief Financial Officer of IRIS Corporation Berhad on 16 August 2017.

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

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

Chia Jen Wen

A Malaysian aged 43, Chia Jen Wen was appointed as Chief Operating Officer of IRIS Corporation Berhad on 10 August 2018.

He started his career in Accenture Kuala Lumpur in April 2000 as a process analyst, specializing in implementing IT software such as Java, Oracle Financial and SAP HR. In 2003, he joined TxM Services Sdn Bhd, an engineering servicing company involved in testing of transformer oil and oil regeneration as their Marketing Manager. He later advanced his career with ARINSO International and was instrumental in the SAP HR rollout of Komag USA and also configured the Benefits - Asia Claims module within the SAP programme. In September 2007, he joined TÜV SÜD PSB Pte Ltd and assumed the responsibilities of Deputy General Manager. On 1 June 2008, he was promoted as General Manager with the responsibility of managing the business operations in Malaysia. On 1 May 2010, he was also appointed General Manager of TÜV SÜD PSB Philippines, in charge of the business operations of the Philippines office, a post he held on concurrently until May 2013. In August 2014, he joined NEU Capital Holdings as Chief Operating Officer and oversaw various investment evaluations cum shared services (financial accounting/ controlling and human resources) for the group of companies.

Chia holds a Bachelor's Degree in Mechanical Engineering from the University of Malaya.

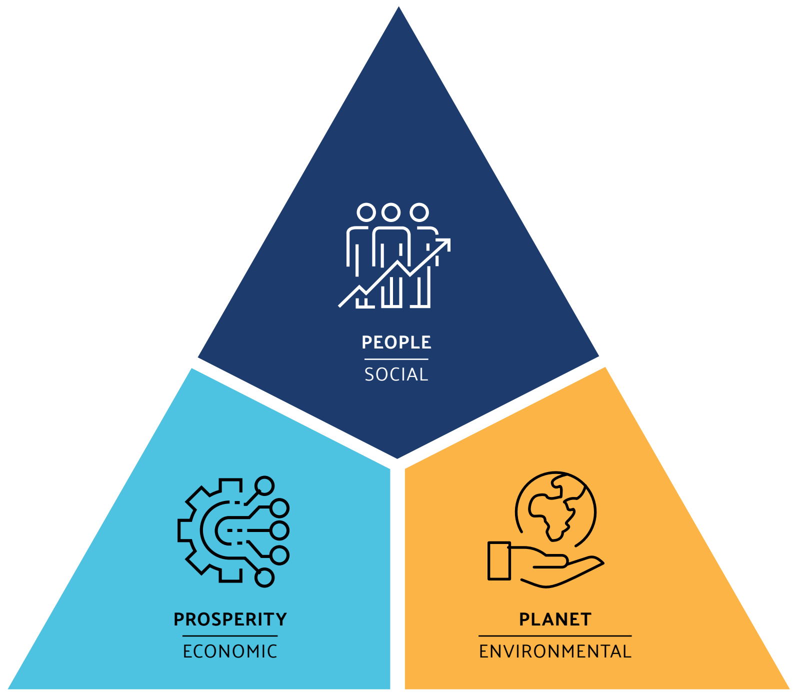
SUSTAINABILITY AT IRIS

OUR APPROACH

As an internationally recognised solutions provider for Trusted Identity and a public listed entity, we aim to integrate Economic, Environmental and Social (EES) considerations into our risk assessment and strategies to ensure that our commercial activities have a net positive impact on our present and future stakeholders over the long term.

Empowered by a fresh corporate mission and vision, IRIS remains steadfast in its sustainability objectives. Led by the Key Senior Management Team, our employees are working together, leveraging on each other's strengths and resources to balance the long-term interests of our people, planet and prosperity.

Our new strategic direction also underlines the Group's drive for operational excellence and provide the momentum for our businesses to continuously improve efficiency and create shared value for our stakeholders.



PEOPLE (SOCIAL)

Engaging Stakeholders

Managing Talent

Giving back

PROSPERITY (ECONOMIC)

Upholding Compliance and Certification

Adhering to Code of Conduct and Ethics

Sustainable Procurement Practices

Impacting Communities

PLANET (ENVIRONMENTAL)

Responsible waste disposal

Responsible consumption

Impact of products and services

People
(Social)

We are committed to proactively engage, consult and partner with our various stakeholders to further their interests as well as our business. At the heart of IRIS, is our talented employees, IRISians. We maintain high employee engagement by fostering a high-performance mind-set and strong company culture.

Engaging Stakeholders

We also believe in fulling our dues to society by engaging, supporting and bringing real value to society at large and in communities in which we operate. Communities and society are important stakeholders and these include our shareholders, governments and business partners namely customers, technology partners, agents, resellers and suppliers.

Towards the end of FY2019, IRIS celebrated its 25th anniversary with a celebration dinner that brought together our employees and business partners. 39 loyal IRISians who had worked in IRIS for more than 20 years were also recognised for their long meritorious service.

During FY2019, IRIS actively participated in industry events and trade exhibitions to proactively engage external stakeholders and to share industry insights.

At IRIS' Annual General Meeting and Extraordinary General Meeting, investors and shareholders meet and speak to IRIS' key management and members of the Board of Directors as they scrutinise our annual, quarterly and interim reports.

We also regularly keep the media and investment analysts informed of the latest developments by granting and organising interviews and briefings.

39

LOYAL IRISIANS WERE RECOGNISED FOR THEIR LONG MERITORIOUS SERVICE

Managing Talent

Our employees are fundamental to our growth and our ability to create value. IRIS' talent management initiatives and human resource policies, benefits and guidelines provide all IRISians with conducive work environments where they can stay safe, healthy and give their best each work day. The key to IRIS' workforce diversity, retention and performance lies in proactive employee engagement.

Fostering engagement is important in creating a healthy and inclusive workplace. The IRIS Blue Ocean Townhall is an avenue for IRISians of all levels to find out the latest happenings. The townhall session is also where employees have the opportunity to openly ask questions, provide feedback and interact with IRIS President and the Group CEO.

Diversity

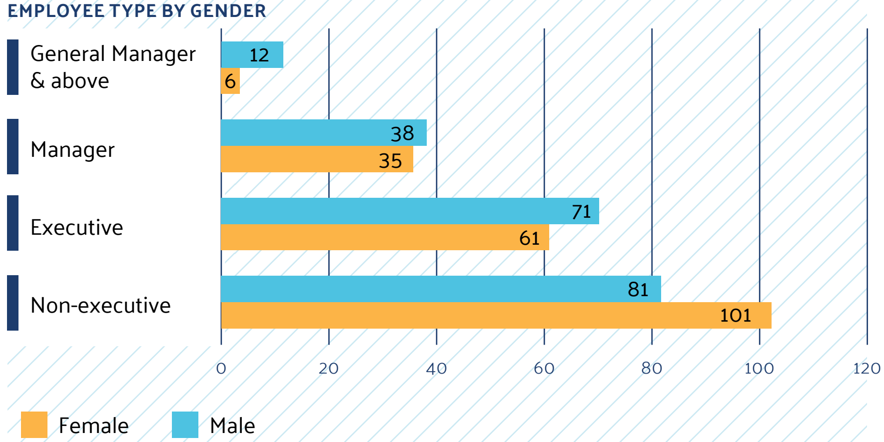
With a workforce at 405 strong in FY2019, IRIS continues to be an equal opportunity employer by not discriminating against any employee or job applicant because of race, gender, religion, national origin, physical or mental disability, or age. Our business benefits greatly from the diverse range of talented people who work for us.

The ratio in FY2019 for male employee to female employees was 1:1 making the Company even on gender balance.

EMPLOYEE BY AGE GROUPS

AGE GROUPS	21 - 30	31 - 40	41 - 50	> 51
Non-executive	47	77	43	15
Executive	40	68	18	6
Manager	1	32	26	14
General Manager & above	0	0	10	8
TOTAL	**88**	**177**	**97**	**43**

EMPLOYEE TYPE BY GENDER



200%

INCREASE IN TRAINING HOURS

6363

TOTAL TRAINING HOURS IN FY2019

Managing Talent (continued)

Learning and Development

At IRIS, employees are valuable assets. Our employees make up dedicated and specialised teams who are highly experienced, agile and adaptive; all are especially effective and successful in deploying bespoke products, solutions and services from design to delivery.

Each employee's potential and talent is carefully managed, developed and honed through a newly implemented Performance Management Review (PMR). With the new PMR activated, IRIS employees completed over 6,363 hours of training, upskilling and course in FY2019 – doubling the total training hours of FY2018. To support IRIS' growth into the future, we will continue to offer opportunities to learn, grow and win together.

TRAINING AND DEVELOPMENT AT IRS

TYPES OF TRAININGS	TRAINING HOURS IN FY2019
1. Technical Skills	2638
2. Functional Skills	1318
3. Management Skills	554
4. Quality & Productivity	532.5
5. Safety & Health	615
6. Soft Skills	432.5
7. Other	273

Occupational Safety and Health (OSH)

In accordance with ILO guidelines, occupational safety and health refers to the anticipation, recognition, evaluation and control of hazards arising in or from the workplace that could impair the health and well-being of workers.

Each year, our employees regularly undergo safety and health training and refresher courses that are conducted by in-house personnel and external parties. Of the total 6363 hours of training, 10% or 615 hours were dedicated to safety briefings, health talks and security protocols.

IRISians are encouraged to try different experiences, adopt healthier and more active lifestyles through a myriad of interesting and fun activities organised by IRIS' Recreation Club.

- IRIS Recreation Club Go-Kart Competition
- IRIS Recreation Club Jom! Explore Betong
- IRIS Sports Fiesta 2018
- IRIS Recreation Club Bowling Competition
- IRIS Recreation Club ATV Malaysia Expedition

Giving Back

Our employees are openly encouraged to participate in community development activities and participation counts favourably towards annual individual performance reviews. All these lead to pride which builds commitment, loyalty and a strong sense of respect at work.

In FY2019, IRIS organised 2 blood donation campaigns with the National Blood Bank. 199 employees stepped forward to support this noble cause. 73% were successful and 146 pints of blood was collected. The campaigns were a huge win benefitting at least 438 lives.

146

PINTS OF BLOOD WAS COLLECTED FROM BLOOD DONATION CAMPAIGNS

BLOOD DONATION BY IRIS EMPLOYEES

	FY2018 (1 CAMPAIGN)			FY2019 (2 CAMPAIGNS)		
	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE
Donors who came forward	91	54	37	199	126	73
Donors who were successful	63	35	28	146	83	63
Donors who were rejected	28	19	9	53	43	10

80

IRIS EMPLOYEES VOLUNTEERING IN POST CONSTRUCTION CLEANING OF 34 CLASSROOMS AT SEKOLAH KEBANGSAAN SUNGAI BESI INDAH

On 15 December 2018, a group of 80 IRIS employees contributed time and energy by volunteering to assist in post construction cleaning of a brand new block of 34 classrooms at Sekolah Kebangsaan Sungai Besi Indah. IRISians worked hand in hand with the parents and teachers of the school to prepare the classrooms for students to move in and commence classes at the start of the 2019 school year.

54/37

91

TOTAL BLOOD DONORS IN FY2018

69% successful | 31% rejected

126/73

199

TOTAL BLOOD DONORS IN FY2019

73% successful | 27% rejected

Stakeholders Engagement Activities FY2019

30 March 2018
Employee Birthday Celebration (Quarter 1)

23 April 2018
Blood Donation 2018 Campaign 1

29 April 2018

Roots Run 2018

12 May 2018
IRIS Recreation Club Go-Kart Competition

2 July 2018

IRIS Hari Raya Open House 2018

21 July 2018
Kuala Kubu Baru Tree Planting

28 July 2018
Colour Run 2018

28 July 2018
Larian Bomba 2018

10 August 2018

IRIS Fruit Fiesta 2018

12 September 2018

IRIS EGM

14 - 17 September 2018
IRIS Recreation Club Jom! Explore Betong

22 September 2018

IRIS Sports Fiesta 2018

28 September 2018

IRIS AGM

11 - 14 October 2018

IRIS Strategic Planning & Retreat Session

8 November 2018
Blood Donation 2018 Campaign 2

16 November 2018
IRIS Recreation Club Bowling Competition

19 November 2018
2nd MCCI Ambassador Gold Cup 2018, Philippines

7 December 2018

IRIS Blue Ocean Townhall 2018

15 December 2018
Jom! Clean Sekolah Sungai Besi Indah

22 - 25 January 2019
IRIS 3R Campaign with Kloth Lifestyle and MareCet

23 March 2019

IRIS 25th Anniversary Celebration Dinner

6 April 2019
IRIS Recreation Club ATV Malaysia Expedition

23 April 2019
Blood Donation 2019 Campaign 1

Visitors and Visits FY2019

12 July 2018

visitors from Embassy of the Republic of Guinea Conakry

14 August 2018

Industrial visit from Asia Pacific university Students and Lecturers

21 September 2018

visitors from Guinea: Security Minister of Guinea H.E. Alpha Ibrahima Keira

6 November 2018
Visit to Malaysia High Commission in Nigeria

8 November 2018
Visit to Ministry of Interior, Senegal

21 November 2018

Visitors from Jabatan Imigresen Malaysia

7 December 2018

Visit from Fund Managers

29 January 2019

Visitors from Sri Lanka: Mr P.V.Gunathilaka, Commissioner General, Department for Registration of Persons, Sri Lanka

18 March 2019

Visit to MINDEF, Chief of Armed Forces

Trade Events & Exhibitions FY2019

24 - 26 April 2018

ID4Africa 2018 in Abuja, Nigeria

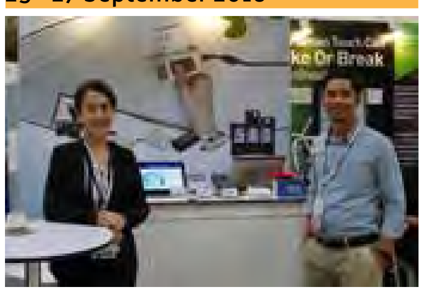
3 - 6 May 2018

Maybank Treats Fair

16 - 18 August 2018

Global Security 2018 Manila, Philippines

25 - 27 September 2018



10th Cybersecurity Malaysia Awards, Conference and Exhibition (CSM-ace) 2018 in Kuala Lumpur, Malaysia

11 - 13 December 2018

5th Border Management and Identity Conference in Bangkok, Thailand

Prosperity
(Economic)

Our efforts to deliver unique, innovative and technologically advanced products and solutions to all our clients around the world are underpinned by our commitment to best practices in compliance, certification, and procurement.

We are responsible for creating long-term shared value for all stakeholders by securing continuous growth in markets where we conduct and transact business. To sustain and grow the business we aim to upgrade our manufacturing capabilities to increase production efficiency in terms of speed, accuracy and costs.

As we enhance our business performance and our efforts to deliver innovative and technologically advanced solutions to clients around the world, we are mindful about investing in the communities where we do business and delivering indirect economic impact.

Upholding Compliance and Certification

At IRIS, we uphold the highest standards in everything that we do.

As an international supplier of Trusted Identification solutions that secure the identities of peoples across the world, we take compliance with globally recognised regulatory requirements very seriously. Our operations are benchmarked to global standards, our commitment to excellence and compliance include:

- ISO 9001:2015 Certification for Quality Management Systems
- ISO 27001:2013 Certification for Information Technology Security Techniques – Information Security Management Systems
- ISO 14298:2013 Management System For Security Printing Processes Certification
- Intergraf Certified Security Printer by European Federation for Print and Digital Communication
- EMV (Europay, MasterCard & Visa) Certified to personalise credit and debit cards
- AMEX (American Express) Certified to personalise credit and debit cards
- MEPS (Malaysia Electronic Payment Scheme) Certified to personalise ATM cards

SUSTAINABILITY AT IRIS
continued

Compliance and Certification (continued)

A dynamic and competitive international marketplace for Trusted Identification demands IRIS' active participation, representation and membership in globally recognised organisations such as:

ICMA
International Card Manufacturers Association

ICAO
International Civil Aviation Organisation

ISO/IEC
International Organisation for Standardisation / International Electrotechnical Commission

Asia Pacific Smart Card Association

National Biometrics Standards Malaysia (SC37) & Cards and Security Devices for Personal Identification (SC17)

Code of Conduct and Ethics

At IRIS, all employees, as ambassadors of the company, are expected to and obliged to conduct themselves ethically in accordance with the values of integrity, accountability and transparency in keeping with IRIS' Code of Ethics and Conduct as outlined in the IRIS Employee Handbook.

As part of continuing efforts to ensure that all employees fall in line, talks and trainings are organised on a regular basis for all levels of employees to create continued awareness and to educate. In FY 2019, relevant policies, guidelines and mechanisms for dealing with corrupt practices and wrong-doings were updated by IRIS' Legal Department.

Sustainable Procurement Practices

IRIS focuses and prioritises procurement spending on local suppliers to help ensure sustained supply, support and empower local economies, and maintain community relations. We procure locally whenever possible and financially viable. By supporting suppliers in the same geographic markets, we indirectly attract additional investment to the local economy be it in Malaysia or overseas.

120

INTERNS HAVE SPENT BETWEEN 3 TO 6 MONTHS AT IRIS OVER THE YEARS

Impacting Communities

We regularly support and make voluntary contributions of time, effort and financial investments to enhance socio-economic benefits and create positive social impact in communities where we do business.

In Malaysia, IRIS employees regularly support and participate in events such as Larian Bomba, an annual run organised by the Fire and Rescue Department of Malaysia (Jabatan Bomba dan Penyelamat Malaysia) to raise awareness on fire safety and prevention.

Around the world, our colleagues who manage identity projects in foreign nations play important roles in educating governments and officials about the importance of citizen identity as a humanitarian right, along the lines of the World Bank's ID4D (Identification for Development) initiative which champions digital ID systems as catalysts for helping people in developing countries access services, finance, jobs and other opportunities.

Since 2003, IRIS has been offering internship and industrial training placements to students from all walks of life, nationalities and disciplines of study. More than 120 interns have spent between 3 to 6 months come at IRIS over the years. Each year close to a dozen students benefit from internship opportunities which provide hands-on experience in technical and non-technical disciplines within real world environments.

We have long been welcoming student groups for industrial visits to our manufacturing and technology showcase facilities. Students from both local educational institutions and also tertiary establishments from abroad have gained better insights and understanding about Trusted Identification, and in particular, the manufacture of smartcards, ePassports and eIDs.

Asia Pacific University students learning about IRIS Trusted ID solutions

Planet
(Environmental)

In the context of the Global Reporting Initiative (GRI) Standards, the environmental dimension of sustainability concerns an organization's impacts on living and non-living natural systems, including land, air, water and ecosystems.

570kg

OLD/UNWANTED CLOTHES, FABRICS AND TEXTILE-BASED PRODUCTS WERE COLLECTED

At IRIS, we recognise our responsibility to preserve our living environment and do so by taking proactive steps to protect and effectively manage risks that may adversely impact our environment.

Our determination to protect the planet from degradation has lead us to practice sustainable consumption and production, and to sustainably manage resources.

Responsible Waste Disposal

We do our part in minimising ecological impact by consciously separating, managing, reusing, recycling and disposing waste. As a manufacturer, production of waste is inevitable and our industrial waste as well as municipal solid waste is segregated prior to being sent for proper disposal.

In January 2019, IRIS kicked off a yearlong 3R (Recycle, Reuse & Reduce) Campaign by diverting more than half a metric tonne of fabric from landfills.

In just 3 days, IRIS employees, friends and family collected over 570kg of old/unwanted clothes, fabrics and any textile-based products were handed over to the good folks of MareCet, Malaysia's first and only non-profit, non-governmental organization solely dedicated to the research and conservation of marine mammals in the country. MareCet has a partnership with Kloth Lifestyle Sdn Bhd and Life Line Clothing Malaysia for a "Dolphins Don't Need Clothes" Fabric Recycling Movement to keep fabrics out of the landfills and our seas and oceans.

Responsible Consumption

The practice of responsible consumption of materials and resources for manufacturing and day-to-day operations is second nature at IRIS. IRIS' Manufacturing, Procurement and Supply Chain departments are tasked with reducing our carbon footprint through sustainable sourcing and ensuring that the composition of materials used in the production of our products, solutions and services.

Materials are components used as inputs in the production of goods. The type and amount of materials that we consume indicate our dependence on resources, and the impacts it has on their availability. IRIS' growing contribution to resource conservation is indicated by our approach to recycling, reusing and reclaiming materials, products, and packaging.

We are constantly looking out and experimenting with renewable and sustainably sourced raw materials in the production of our product and solution offerings. Our suppliers are also dealt the same considerations for sustainability and traceability of the materials they use in the products supplied to IRIS.

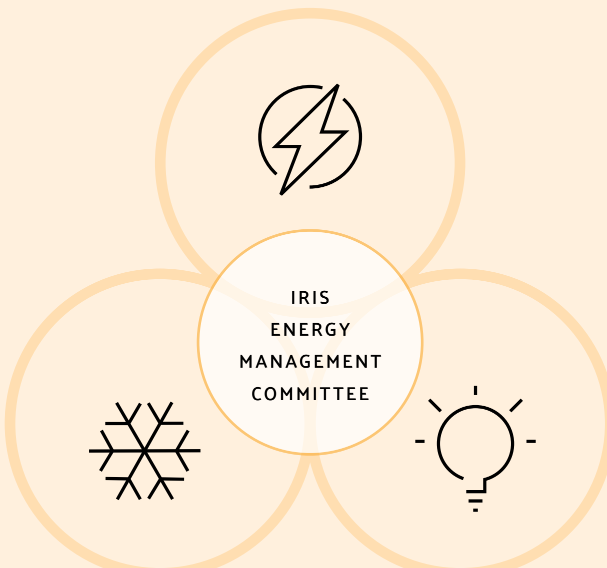
We take pride in our conscious and deliberate efforts to be environmentally friendly. We continue to focus on reducing printed sales and marketing brochures and IRIS Annual Reports by sharing them in digital form. If necessary, our brochures and IRIS Annual Reports are printed on Forestry Stewardship Council (FSC) certified paper or recycled paper.

IRISians contributing to the 3R (Recycle, Reuse & Reduce) Campaign

Mr. Choong Choo Hock, COO Trusted ID (right) and MareCet Advisor, Woon Foo Wen, placing donated fabrics into a Kloth's bin for IRIS 3R campaign

Responsible Consumption (continued)

At IRIS, our Energy Conservation Measures (ECM) are outlined by Suruhanjaya Tenaga (Energy Commission) of Malaysia. Energy use in IRIS is monitored by the IRIS Energy Management Committee who manage the following activities:



ELECTRICITY

1. Ensure appropriate electricity tariff and bill monitoring
2. Power demand controls in place
3. Employee behaviour modification to reduce consumption (e.g. power-off when not in use)

COOLING

1. Regular maintenance and tuning of equipment
2. Use of inverters
3. Maintain air distribution system (Variable air volume (VAV), induction system)
4. Use of heat exchangers to pre-cool outside air used by Air Handling Units (AHU) using spill air

LIGHTING

1. Lighting controls (timers, dimmers, occupancy sensors)
2. Replacing conventional with LED and energy saving bulbs
3. Regular equipment maintenance
4. Delamping in over-lit areas

Impact of Products and services

All products, solutions and services which are designed, manufactured and deployed by IRIS are result of careful research and development. IRIS takes into consideration the environmental impact of products and services in the course of their lifecycle.

Where possible, we work on product and solution designs that conserve resources and minimizes physical and visual pollution throughout their lifecycle, but are also sustainable in terms of maintenance (replacements and spare parts) and functionality (future-proofing).

As designers and developers of digital solutions such as software applications, our products do not impact natural and physical environments. Instead, we create products which do not harm online communities or their denizens. This means our products and solutions offer secure protection for user information and privacy, shielding them from abuse and threats.

The Trusted Identity systems created by IRIS are particularly useful for governments in developing nations who wish to accurately identify, authenticate and grant their citizens access to services, finance, jobs and other opportunities.

CONCLUSION

At IRIS, our employees stand together proudly in a corporate quest for sustainability as we believe that sustainability can help future-proof our people and business by mitigating the risk of 'short-term' strategies and approaches. We empower and support each other to build innovative solutions that help to build inclusive societies whose people have access to services and economic opportunities.

Our path towards sustainability is a continuous effort of embedding best practices and introducing new procedures into all that we do. We will continue to collaborate with our business partners, governments and other stakeholders to create shared prosperity for current and future generations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") is fully committed to maintain high standards of corporate governance throughout the Group to safeguard and promote the interests of the shareholders and to enhance the long term value of the Group.

This statement sets out the manner in which the Group has applied the principles and best practices as set out in the Malaysian Code on Corporate Governance 2017 ("MCCG 2017"). The details of the Group's application for each practice set out in the MCCG 2017 during the financial year 2019 are disclosed in the Corporate Governance Report ("CG Report'), which is available on the Group's website at www.iris.com.my.

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

Established clear functions reserved for the Board and those delegated to management

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

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

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

The Board is duly assisted by the key management team of the Company, comprising President and Group Managing Director, Group Chief Executive Officer, Chief Financial Officer and Chief Operating Officers of respective divisions and sections. The principal responsibilities of the management team are as per follow:

- Developing, coordinating and implementing business and corporate strategies for the approval of the Board;
- Overseeing the day-to-day operations of the Group; and
- Report and furnish the Board with information, report, clarifications as and when required on the agenda item to be tabled to the Board, to enable the Board to arrive at a decision.

1. Board Responsibilities (continued)

Established clear functions reserved for the Board and those delegated to management (continued)

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

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

Audit and Risk Management Committee	Nomination Committee	Remuneration Committee
To review and report on the Group's financial results, systems of internal control, risk management, related parties transactions and conflict of interests.	To assess, evaluate and recommend to the Board on all new Board and principle officers appointments.	To assess, review and recommend to the Board the Directors' remuneration and benefits package.

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

Reviewing and adopting the Company's strategic plans

Together with the Management, the Board collectively bring a diverse range of skills and expertise to effectively discharge their responsibilities towards achieving the Group's business strategies and corporate goals, as well as providing advice and judgement for the benefit of the Company and its shareholders. The Board undertakes to play an active role in reviewing and adopting the Company's strategic plans by reviewing, discussing at length, and approving any of the Management's proposal on a strategic plan for the Company when the same is presented by the Management. Subsequent to this, every year in February, the Management will prepare and presented the Annual Budget for the Board's review and approve the Budget for the ensuing financial year at the Board Meeting.

Overseeing the Conduct of the Company's business

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

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS
(CONTINUED)

1. Board Responsibilities (continued)

Qualified and Competent Company Secretary

The Board is supported by qualified and competent Company Secretary who is responsible to ensure and facilitate the compliance of the procedures, policies and the law and regulations.

The Company Secretary attended all Board meetings and ensured that all Board procedures are adhered. The Company Secretary also ensured that the Company complies with all applicable statutory and regulatory rules. On an ongoing basis, the Directors have separate and independent access to the advice and services of the Company Secretary whether as a full Board or in their individual capacity, in discharging their duties. In this respect, they play an advisory role to the Directors, particularly to the compliance with regulatory requirements, codes, guidance and legislations. The Company Secretary also serves notice to the Directors and Principal Officers to notify them of closed periods for trading in the Company securities.

The Company Secretary constantly keep himself/herself abreast with the development and new changes in relation to any legislation and regulations concerning the corporate administration and to highlight the same to the Board of Directors accordingly. They have attended the relevant continuous professional development programmes as required by MAICSA for practicing company secretaries.

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

Board Charter

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

The Board Charter is to guide the Directors in discharging their duties and responsibilities as Directors and is drafted in accordance with the fundamental requirements of provisions in the Companies Act, 2016, Listing Requirements of Bursa Securities for ACE Market, Capital Markets and Services Act 2007, Constitution of the Company and other applicable rules or regulations governing the Group's business activities.

The Board will review the Board Charter annually and/or from time to time and make any necessary amendments to ensure they remain consistent with the Board's objectives, current law and practices.

2. Board Composition

The Board has seven (7) directors, comprising of one (1) Non-Independent Executive Directors, four (4) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. The Chairman is an Independent Non-Executive Director. The number of Independent Directors is in compliance with Rule 15.02 of the Listing Requirements of Bursa Securities for ACE Market which requires one third of the Board to comprise independent directors.

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

The Nomination Committee ("NC") consists of two (2) Independent Non-Executive Directors and one (1) Non-Independent Executive Director. The NC is empowered by the Board and its terms of reference to bring to the Board recommendations as to the appointment of new Directors and to assess the Board's effectiveness, its committee and the contribution of each individual Director on an annual basis. The NC also keeps under review the Board structure, size and composition.

The primary responsibilities of the NC are as follows:

i. To consider, in making its recommendation to the Board, candidates proposed by the President and Group Managing Director and, by any other senior executive or any director or shareholder for appointment as directors and principal officers to be filed for the Company and the Group;
ii. To recommend to the Board, Directors to fill the seats on Board Committees;
iii. To annually review the Board's required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board;
iv. To assess annually the effectiveness of the Board as a whole and the Board Committees;
v. To consider and recommend to the Board the Training Programme for Directors; and
vi. Any other such functions as may be delegated by the Board from time to time.

Meetings of the NC are held as and when required, and at least once a year. The NC carries out the evaluation exercise annually. The management will assist the NC in the assessment which comprised Board Committee Effectiveness Assessment, Directors' Self and Peer Assessment.

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

i. Board and Board Committees performance, contributions, calibre and personality in relation to the accountabilities, responsibilities, skills, experience and other qualities they bring to the Board and Board Committees;
ii. Board and Board Committees ability to give input at meetings and to demonstrate a high level of professionalism and integrity in decision-making process;
iii. Non-Executives Directors and Executive Directors performance review based on their contributions, performance, calibre and personality;
iv. Assessment on "independence" of independent directors;
v. Rotation and re-election of Directors; and
vi. Retention of Independent Director exceeding 9 years tenure.

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

Appointment Process

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

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

Re-election and Re-appointment of Director

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

Gender Diversity Policy

The Board acknowledges the importance of boardroom diversity and the recommendation of the Code pertaining to the establishment of a gender policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

2. Board Composition (continued)

Assessment of Independent Directors

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

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

Tenure of Independent Directors

The Board takes the Code's recommendation that the tenure of Independent Directors should not exceed a cumulative term of nine (9) years, and in the event which the term was exceeded, had justified on reasons on why such appointments are retained.

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

Separation of Positions of the Chairman and Executive Directors

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

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

**PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS
(CONTINUED)**

2. Board Composition (continued)

Time commitments

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

During the financial year ended 31 March 2019, the Board met eleven (11) times, where it deliberated and considered a variety of matters affecting the Group's operations including the Group's financial results, business and investment plans, Group's budget and the direction of the Group.

Details of attendance of each Director who was in office during the financial year ended 31 March 2019 are as follows:

NAME OF DIRECTORS	TOTAL MEETINGS ATTENDED BY MEMBERS
Tan Sri Nik Mohamed Bin Nik Yaacob (Appointed on 07 November 2018)	4/4
Dato' Poh Yang Hong	10/11
Dato' Mohamed Khadar Bin Merican (Appointed on 28 November 2018)	1/3
Dato' Dr. Abu Talib Bin Bachik	11/11
Ling Hee Keat (Appointed on 07 November 2018)	4/4
Dr. Poh Soon Sim (Appointed on 07 November 2018)	4/4
Hussein Bin Ismail	10/11
Datuk Nik Azman Bin Mohd Zain (Retired on 28 September 2018)	6/6
Dato' Rozabil @ Rozamujib Bin Abdul Rahman (Resigned on 22 March 2019)	8/11
Chan Feoi Chun (Resigned on 31 May 2019)	9/11

2. Board Composition (continued)

Directors' Training

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

The training and seminar courses attended by the Directors during the financial year ended 31 March 2019 were as follows:

NAME OF DIRECTORS	COURSE ATTENDED/PARTICIPATED
Tan Sri Nik Mohamed Bin Nik Yaacob	• An Overview of the Listing Requirements
Dato' Poh Yang Hong	• An Overview of the Listing Requirements
Dato' Mohamed Khadar Bin Merican	• Briefing on Cybersecurity • Briefing on AI, Machine Learning, Blockchain and 5G • Shaping the Future of Retailing with Better Strategy, Data Analytics and Customer Experience • Briefing on the Digital Environment
Dato' Dr. Abu Talib Bin Bachik	• An Overview of the Listing Requirements
Ling Hee Keat	• An Overview of the Listing Requirements
Dr. Poh Soon Sim	• An Overview of the Listing Requirements
Hussein Bin Ismail	• International Professional Practices Framework for Audit Committee by The Institute of Internal Auditors Malaysia • Corporate Governance and Risk Management Training by KPMG Management & Risk Consulting Sdn Bhd • 2019 Budget Seminar by Chartered Tax Institute of Malaysia • Seminar of Year 2019 Budget & Other Tax Developments by Folks Management Services Sdn Bhd • Governance Symposium 2019 by Malaysian Institute of Accountants

PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENESS
(CONTINUED)

3. Remuneration

The Remuneration Committee ("RC") consists of two (2) Independent Non-Executive Director, and one (1) Non-Independent Non-Executive Director. The RC is authorized and established by the Board and is responsible for recommending to the Board the remuneration framework for Directors as well as the remuneration packages of key senior management personnel.

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

Meetings of the RC are held as and when required, and at least once a year.

Remuneration Package

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

3. Remuneration (continued)

Remuneration Package (continued)

The aggregate remuneration of Directors' for the financial year ended 31 March 2019 are as follows:

CATEGORY	SALARIES RM	DEFINED CONTRIBUTION PLANS AND SOCSO RM	DIRECTOR FEES RM	MEETING ALLOWANCES RM	TOTAL RM
Group and Company					
Executive Directors					
Dato' Poh Yang Hong	617,576	74,731	23,336	11,500	727,143
Dato' Rozabil @ Rozamujib bin Abdul Rahman	105,000	–	24,336	8,500	137,836
Non-Executive Directors					
Tan Sri Nik Mohamed Bin Nik Yaacob	–	–	25,000	2,000	27,000
Dato' Mohamed Khadar Bin Merican	–	–	33,330	1,000	34,330
Dato' Dr Abu Talib Bin Bachik			80,000	16,500	96,500
Ling Hee Keat	–	–	16,665	2,000	18,665
Dr. Poh Soon Sim	–	–	16,665	2,000	18,665
Hussein Bin Ismail	–	–	80,000	14,000	94,000
Datuk Nik Azman Bin Mohd Zain	–	–	30,000	8,000	38,000
Chan Feoi Chun	–	–	80,000	14,000	94,000
Total	**722,576**	**74,731**	**409,332**	**79,500**	**1,286,139**

Analysis of Remuneration Bands

RANGE OF REMUNERATION	EXECUTIVE DIRECTORS	NON-EXECUTIVE DIRECTORS
RM1 – RM50,000	–	5
RM50,001 – RM100,000	–	3
RM100,001 – RM150,000	1	–
RM700,001 – RM800,000	1	–

4. Limits of Authority

The Group revised Limits of Authority ("LOA") this year, which re-defines the decision-making process of each level of Management within the Group. The LOA establish a framework of authority and accountability within the Group and it also facilitates decision-making at the appropriate level in the organization's hierarchy. This promotes good business practice and corporate governance across the Group.

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

The LOA establish a framework of authority and accountability within the Group and it also facilitates decision-making at the appropriate level in the organization's hierarchy.

PRINCIPLE B:
EFFECTIVE AUDIT AND RISK MANAGEMENT

1. Audit and Risk Management Committee

The Audit and Risk Management Committee ("ARMC") consists of two (2) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director. The ARMC is established to support and advise the Board in relation to the IRIS Group of companies. The ARMC is responsible to assist the Board in discharging its statutory duties and responsibilities relating to accounting and financial reporting practices of the Company and its subsidiaries as well as having oversight over the Group's financial results, system of internal control, risk management, related parties transactions and conflict of interests.

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

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

Assessment of External Auditors

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

The ARMC reviews the independence and objectivity of the external auditors and the services provided. The ARMC had adopted an assessment checklist to assist them in the process for the evaluation of the external auditors' performance, quality of communications, resources, competency, suitability and independence. The external auditors had provided a confirmation of their independence to the Audit and Risk Management Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

Upon completion of the assessment, the Audit and Risk Management Committee is satisfied that the external auditors is competent and with audit independence and recommended to the Board the re-appointment of the external auditors. The Board has in turn, recommended the same for shareholders' approval at this Annual General Meeting for the auditors' re-appointment.

2. Risk Management And Internal Control Framework

Sound Framework to Manage Risks

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

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

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

Internal Audit Function

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

The Group has outsourced the internal audit function to an independent professional firm, who performs regular reviews with impartiality and due professional care, in accordance with the International Professional Practices Framework of the Institute of Internal Auditors to assist the Audit and Risk Management Committee in discharging its duties and responsibilities in respect of reviewing the adequacy and effectiveness of the Group's risk management and internal control systems. Audit findings with recommendations are presented to the Management, who will then present the internal audit reports with subsequent remedial action plans to the Audit and Risk Management Committee.

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

Risk Management Framework

The ARMC reviews and maintains the enterprise risk management ('ERM") framework of the Group. The ERM framework is set up to assist ARMC to identify, assess, mitigate, manage and monitor the Group's strategic, business, financial, operational and compliance risks.

ERM framework covers the following key activities:

a) Responsibilities of the Board, ARMC, Risk Management team, Senior Management and the business divisions and the respective departments;
b) Guidance of the risk register and its control assessment;
c) Guidance on the process of manage and/or mitigate the risks, the associated tools and methodologies and the corrective treatments.

**PRINCIPLE C:
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS**

1. Communication with Stakeholders

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

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

2. Conduct of General Meetings

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

The Board encourages shareholders' participation and engagement at the general meeting as it provides an opportunity for the Board to assess the market expectations. The Board will ensure sufficient and relevant information are given for each agenda items in the notice of meeting and/or Annual Report or circular accompanying the notice of meeting. The Company complied with the recommendation of MCCG 2017 to send the Notice of AGM and related Circular at least 28 days before the AGM to allow sufficient time to the shareholders to review the Annual Reports and the papers supporting the resolutions proposed.

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

This Statement was approved by the Board of Directors on 29 July 2019.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Objectives

The Board of Directors is pleased to present the Audit and Risk Management Committee Report which outline the main features of the Group's risk management and internal control system for the financial year ended 31 March 2019.

Composition And Meetings

The Audit and Risk Management Committee ("ARMC") consists of two (2) Independent Non-Executive Director, one (1) Non-Independent Non-Executive Director. The Chairman of the ARMC, Dato' Mohamed Khadar Bin Merican is a member of the Malaysian Institute of Accountants ("MIA") and Institute of Chartered Accountants in England and Wales. ARMC meets the requirement of Rule 15.09(1)(a),(b) and (c) of the ACE Market Listing Requirement.

The Board reviews the terms of office of the ARMC members and assesses the performance of the ARMC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the ARMC and its members discharged their functions, duties and responsibilities in accordance with the ARMC's term of reference.

The present members of the ARMC as set out follow:

Dato' Mohamed Khadar Bin Merican	Chairman Independent Non-Executive Director
Dato' Dr. Abu Talib Bin Bachik	Member Senior Independent Non-Executive Director
Hussein Bin Ismail	Member Non-Independent Non-Executive Director

The ARMC held five (5) meetings during the period from 1 April 2018 to 31 March 2019 and the attendance of the members of the ARMC at the meeting were as follows:

NAME OF ARMC	TOTAL MEETINGS ATTENDED BY MEMBERS
Dato' Mohamed Khadar Bin Merican (Appointed as Chairman of ARMC on 28 November 2018)	1/1
Dato' Dr. Abu Talib Bin Bachik	5/5
Hussein Bin Ismail	5/5
Chan Feoi Chun (Resigned on 31 May 2019)	5/5

Composition And Meetings (continued)

The Group Chief Executive Officer ("GCEO") and Chief Financial Officer ("CFO") are permanent invitees to the ARMC meeting. Other management staffs, external auditors and internal auditors are invited on need basis.

The Chairman of the ARMC briefed the Board on a regular basis as to the proceedings of ARMC.

Summary Of Activities During The Financial Year

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

1. Financial Reporting
   a) Reviewed the quarterly unaudited financial results of the Group and the Company and recommend to the Board for approval.
   b) Reviewed the audited financial statements and recommend to the Board for approval.
   c) Reviewed and discussed the significant matters raised by the external auditors, Baker Tilly Monteiro Heng PLT ("External Auditors") including financial reporting issues, significant judgement and reasonable estimation made by the management in accordance with the requirements set out in the Malaysian Financial Reporting Standard ("MFRS").
   d) Discussed and deliberated the significant changes and impact of new or proposed changes in accounting standards and regulatory requirements that will affect the Group and the Company.

2. External Audit
   a) Reviewed with the External Auditors their Audit Planning Memorandum, which outlines the scope and timeline of the audit, risk assessment and audit approach and communication of key audit matters, prior to the commencement of the audit.
   b) Reviewed the External Auditors' audit fees and recommended to the Board for approval.
   c) Reviewed the non-audit services and was satisfied that such services to be sought from the External Auditors would not impair its audit independence. The non-audit services was in respect of the review of adoption of MFRS 15, Revenue from Contracts with Customers and MFRS 9, Financial Instruments and the recurring annual review of Statement of Risk Management and Internal Control.
   d) Reviewed and discussed with the External Auditors their Audit Review Memorandum for the financial year ended 31 March 2019. This covers significant audit findings, status of the audit, key audit matters, matters for control improvements and the expected audit opinion to be rendered by the auditors.
   e) Assessed the independence, objectivity and suitability of the External Auditors and the services provided. The ARMC was satisfied with the assessment of the External Auditors and recommended to the Board the re-appointment of the External Auditors at the forthcoming Annual General Meeting.
   f) Met with the External Auditors twice without the presence of Executive Director and the management to review and discuss key issues and audit matters. There were no major concerns raised by the External Auditors at the meetings.

Summary Of Activities During The Financial Year (continued)

3. Internal Audit
   a) Reviewed the internal audit reports presented by the outsourced internal auditors, Messrs Deloitte Enterprise Risk Services Sdn Bhd ("Internal Auditors").
   b) Reviewed the progress of the implementation of the corrective actions plans committed by the management on all significant audit issues.
   c) Reviewed and approved internal audit plans presented by the Internal Auditors for the upcoming financial years of 2020, 2021 and 2022 of the Group and the Company.

4. Others
   a) Reviewed the revised Limits of Authority ("LOA"), which re-defines the decision-making process of each level of Management within the Group and recommended it to the Board for approval.
   b) Reviewed revised Term of Reference of ARMC with reference to to the Listing Requirements of Bursa Malaysia and recommended the revisions to the Board for approval.
   c) Reviewed risk management framework and recommended to the Board for approval.
   d) Reviewed and communicated the risk assessment results, the process of manage and/or mitigate the risks, the associated tools and methodologies and the corrective treatments to the Board.

Internal Audit Function

The outsourced Internal Auditors, Messrs Deloitte Enterprise Risk Services Sdn Bhd ("Internal Auditors"), carries out the Group's Internal Audit Function. The Internal Auditors are empowered to audit the Group's business units, review the units' compliance with internal control procedures and to assist the ARMC in maintaining a sound system of internal control. The ARMC has full access to the Internal Auditors for internal audit purposes.

During the financial year under review, Internal Auditors carried out its audit in accordance with the internal audit plan and conducted follow-up audits on management remedial actions on a quarterly basis. The key areas reviewed included tendering and bid management, legal and customer contracts, order management and procurement.

The results of Internal Audit findings and the proposed recommendation of improvement, including corrective and preventive actions as well as targeted implementation date, were discussed and agreed with the management and subsequently presented to ARMC on quarterly basis for deliberation.

The cost incurred for Internal Audit services in respect of the financial year ended 31 March 2019 was approximately RM66,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In compliance with the Malaysian Code on Corporate Governance, the Board of Directors ("the Board") is committed to maintain a sound system of internal control and risk management to safeguard shareholders' investments and the Group's assets. This statement is made pursuant to Rule 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for ACE Market, Malaysian Code of Corporate Governance ("MCCG 2017") and the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers issued by Bursa Malaysia.

The following statements outlines the nature and scope of internal control of the Group for the financial year ended 31 March 2019.

Board's Responsibility

The Board acknowledges its overall responsibility in maintaining a proper system of internal control and risk management. The risk management and internal control system covers, inter alia, financial, operational and compliance controls and risk management procedures.

The Board is assisted by Audit and Risk Management Committee ("ARMC") which are empowered by its terms of reference to continuously review the adequacy and integrity of the Group's risk management and internal control system. To this effect, the Group has established an ongoing process for identifying, evaluating, monitoring and managing significant risks faced by the Group in achieving its business objectives.

This statement does not cover associate companies and joint ventures which the Group does not have any direct operational control. Nevertheless, the Board appointed representatives in the board of associate companies and joint ventures to continuously oversight the business and operational activities and to update key matters and significant information to the Board.

Risk Management And Internal Control System

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

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

Risk Management And Internal Control System (continued)

The risk management and internal control system by nature has its limitation in assuring the companies of the Group from material misstatement and loss. Therefore, risk management plays a part in the Group's business operation in pursuit of its business objective. The Group has implemented an ongoing formal process in identifying, monitoring and managing the risk as well as setting up suitable internal control in accordance with the MCCG 2017. The Board is assisted by ARMC, internal auditors for the risk management and internal control implementation. The risk management and internal control system is continuously reviewed by ARMC and internal auditors to ensure appropriate remedial action is taken to address any significant weaknesses identified.

Internal Audit Function

The outsourced Internal Auditors, Messrs Deloitte Enterprise Risk Services Sdn Bhd ("Internal Auditors") support the ARMC, and by extension, the Board, by providing independent assurance on the effectiveness of the Group's system of internal controls. The Internal Auditors submit internal audit reports and plan status to the ARMC which included the reports with the recommended corrective and preventive measures on risks identified, if any, for implementation by the management of the business units and operation.

The internal audit plan, which reflects the risk profile of the Group's major business segments is reviewed periodically by the ARMC and approved by the Board.

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

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

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

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

Review Of This Statement By External Auditors

The Company's external auditors, Baker Tilly Monteiro Heng PLT have reviewed this statement on risk management and internal control and reported to the Board that nothing has come their attention that causes them to believe that this statement inconsistent with their understanding of the processes that the Board has adopted in the review of adequacy and effectiveness of the Group's risk management and internal control system.

Conclusion

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

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

This statement was approved by the Board of Directors on 29 July 2019.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

The Directors have considered that all Malaysian Financial Reporting Standards, International Financial Reporting Standards have been followed in preparing the financial statements for the financial year ended from 1 April 2018 to 31 March 2019. The Group has fulfilled the requirements of using appropriate accounting policies and applying them consistently and made judgments and estimates that are reasonable and prudent. The financial statements is prepared on a going concern basis as the Directors have a reasonable expectation that the Group and Company have adequate resources to continue in operational existence in the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of and the Companies Act, 2016 in Malaysia.

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

ADDITIONAL COMPLIANCE INFORMATION

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

1. Utilisation of Proceeds Raised from Corporate Proposal

There were no proceeds raised by the Company from corporate proposals except as below:

a) On 14th June 2018, the Company had entered into a subscription agreement with Dato' Sri Robin Tan Yeong Ching, Dato' Poh Yang Hong and Dato' Rozabil @ Rozamujib Bin Abdul Rahman for the proposed issuance and allotment of 494,380,400 new ordinary shares, representing approximately 20% of the total number of issued shares of the Company, at an issue price of RM0.12 per subscription share to be satisfied in cash.

The private placement exercise was completed on 21 September 2018, whereby 494,380,400 new ordinary shares were issued at an issue price of RM0.12 each share and were subsequently listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on the same date.

The details of the utilisation of the proceeds from the Private Placement for the financial year ended 31 March 2019 are as follow:

DESCRIPTION	PROPOSED UTILISATION (RM'000)	ACTUAL UTILISATION (RM'000)	BALANCE TO BE UTILISED (RM'000)
Working capital of ICB Group	50,826	(33,146)	17,680
Future business projects / investment	8,000	(224)	7,776
Estimated expenses in relation to the Private Placement	500	(500)	–
Total	59,326	(33,870)	25,456

2. Non-Audit Fees

The detailed of the audit and non-audit fees paid/payable for the financial year ended from 1 April 2018 to 31 March 2019 to the External Auditors or a firm or company affiliated to the External Auditors are set out below:

	GROUP RM'000	COMPANY RM'000
Audit fees	521	365
Non-audit fees	60	60

3. Material Contracts Involving Directors' and Major Shareholders

For the financial year ended from 1 April 2018 to 31 March 2019, no contract of a material nature was entered into or subsisted between the Company and its Directors or major shareholders.

4. List of Properties

For the financial year ended from 1 April 2018 to 31 March 2019, the list of the property as set out below:

LOCATION	DESCRIPTION OF LAND	LAND AREA (SQ.FT.)	BUILT-UP AREA (SQ. FT.)	EXISTING USE	TENURE/ LEASE PERIOD	AGE OF BUILDING	DATE OF ACQUISITION	NET CARRYING VALUE (RM'000)
H.S (D) 116023 & 116028 P.T. No. 13810 & 13811 Mukim Petaling Daerah Kuala Lumpur	Land with a 4 and half storey building and car park facilities	188,179	328,459	Factory, warehouse and office	Sub-Lease (Term of 60 years, expiring on 16 July 2055)	24	17 July 1995	83,000

5. Revaluation Policy on Landed Properties

On 31 March 2019, the property of the Company was revalued using the open market value basis by an independent firm of professional valuer.

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

6. Recurrent Related Party Transactions of A Revenue or Trading Nature

The details of the recurrent related party transactions are disclosed on pages 194 to 195.

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2019.

Principal Activities

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

The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

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

Results

	GROUP RM'000	COMPANY RM'000
Profit for the financial year, net of tax	**37,507**	**57,096**
Attributable to:		
Owners of the Company	38,259	57,096
Non-controlling interests	(752)	–
	37,507	**57,096**

Dividends

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

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 March 2019.

Reserves Or Provisions

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

Bad And Doubtful Debts

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

Bad And Doubtful Debts (continued)

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

Current Assets

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

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

Valuation Methods

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

Contingent And Other Liabilities

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

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

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

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

Change Of Circumstances

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

Items Of Material And Unusual Nature

In the opinion of the directors, except for as disclosed in the financial statements,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in Note 33 to the financial statements; and

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

Issue Of Shares And Debentures

During the financial year, the Company issued 494,380,400 new ordinary shares pursuant to a private placement exercise at an issue price of RM0.12 per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in respects with the existing ordinary shares of the Company.

During the financial year, no new issue of debentures were made by the Company.

Options Granted Over Unissued Shares

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

Directors

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

Dato' Poh Yang Hong *	
Dato' Dr. Abu Talib Bin Bachik	
Hussein Bin Ismail	
Tan Sri Nik Mohamed Bin Nik Yaacob	(Appointed on 7 November 2018)
Dr. Poh Soon Sim	(Appointed on 7 November 2018)
Ling Hee Keat	(Appointed on 7 November 2018)
Dato' Mohamed Khadar Bin Merican	(Appointed on 28 November 2018)
Datuk Nik Azman Bin Mohd Zain	(Retired on 28 September 2018)
Dato' Rozabil @ Rozamujib Bin Abdul Rahman *	(Resigned on 22 March 2019)
Chan Feoi Chun	(Resigned on 31 May 2019)

* *Directors of the Company and certain subsidiaries*

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

Shaiful Zahrin Bin Subhan (Appointed on 31 October 2018)

Directors' Interests

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

	NUMBER OF ORDINARY SHARES			
	AT DATE OF APPOINT-MENT/ 1.4.2018	BOUGHT	SOLD	AT 31.3.2019
Direct interests:				
Dato' Poh Yang Hong	17,000,000	203,690,200	(220,690,200)	–
Dr. Poh Soon Sim	250,000	12,100,000	–	12,350,000
Ling Hee Keat	–	57,800,000	–	57,800,000
Indirect interests:				
Dato' Poh Yang Hong *	253,718,405	–	(187,600,000)	66,118,405
Dr. Poh Soon Sim **	1,200,000	345,590,200	–	346,790,200
Tan Sri Nik Mohamed Bin Nik Yaacob ***	12,000	–	–	12,000

* *Deemed interests pursuant to Section 8 of the Companies Act 2016 in Malaysia via Caprice Development Sdn. Bhd.*

** *Deemed interests pursuant to Section 8 of the Companies Act 2016 in Malaysia via Poh Associates Sdn. Bhd. and Orientalgold Equity Sdn. Bhd.*

*** *Deemed interests by virtue of the shares held by his spouse pursuant to Section 59(11)(c) of the Companies Act 2016 in Malaysia.*

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

Directors' Benefits

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors as disclosed in Note 24 to the financial statements) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 29 to the financial statements.

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

Indemnity To Directors And Officers

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group and the Company were RM3,000,000 and RM20,000 respectively.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 8 to the financial statements.

Other than those subsidiaries without auditors' reports as disclosed in Note 8 to the financial statements, the available auditors' reports on the accounts of the remaining subsidiaries did not contain any qualification.

Significant Event During The Financial Year

Details of significant event during the financial year are disclosed in Note 33 to the financial statements.

Significant Events Subsequent To The End Of The Financial Year

Details of significant events subsequent to the end of the financial year are disclosed in Note 34 to the financial statements.

Auditors' Remuneration

The details of the auditors' remuneration are disclosed in Note 24 to the financial statements.

Auditors

The auditors, Messrs Baker Tilly Monteiro Heng PLT (converted from a conventional partnership, Baker Tilly Monteiro Heng on 5 March 2019), have expressed their willingness to continue in office.

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

TAN SRI NIK MOHAMED BIN NIK YAACOB
Director

DATO' POH YANG HONG
Director

Date: 29 July 2019

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2019

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	GROUP 1.4.2017 RM'000 (RESTATED)
ASSETS				
Non-current assets				
Property, plant and equipment	5	89,250	95,915	113,327
Intangible assets	6	137,670	141,737	146,677
Operating financial assets	7	11,427	14,591	9,354
Investment in associates	9	10,900	11,810	6,597
Investment in joint ventures	10	–	7,061	16,772
Other investments	11	–	216	406
Deferred tax assets	12	–	–	21
Total non-current assets		249,247	271,330	293,154
Current assets				
Inventories	13	18,595	25,156	72,481
Operating financial assets	7	956	592	2,750
Trade and other receivables	14	112,871	184,937	268,675
Prepayments		1,545	1,393	1,468
Contract assets/other current assets	15	7,267	9,375	52,368
Current tax assets		7,774	9,423	7,715
Cash and short-term deposits	16	117,408	35,207	41,474
		266,416	266,083	446,931
Assets of a disposal group classified as held for sale	17(a)	–	–	10,940
Total current assets		266,416	266,083	457,871
TOTAL ASSETS		**515,663**	**537,413**	**751,025**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As At 31 March 2019
continued

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	GROUP 1.4.2017 RM'000 (RESTATED)
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	18	539,602	480,276	448,816
Other reserves	19	34,201	40,982	44,285
Accumulated losses		(301,222)	(341,515)	(219,019)
		272,581	179,743	274,082
Non-controlling interests	8(d)	(22,597)	(36,174)	(33,698)
TOTAL EQUITY		249,984	143,569	240,384
Non-current liabilities				
Loans and borrowings	20	31,333	59,753	89,691
Deferred tax liabilities	12	3,274	–	14,940
Total non-current liabilities		34,607	59,753	104,631
Current liabilities				
Loans and borrowings	20	22,627	44,754	91,904
Current tax liabilities		4	1,965	4,637
Trade and other payables	21	199,103	281,893	304,249
Contract liabilities	15	3,859	–	–
		225,593	328,612	400,790
Liabilities of a disposal group classified as held for sale	17(a)	5,479	5,479	5,220
Total current liabilities		231,072	334,091	406,010
TOTAL LIABILITIES		265,679	393,844	510,641
TOTAL EQUITY AND LIABILITIES		**515,663**	**537,413**	**751,025**

STATEMENT OF FINANCIAL POSITION
As At 31 March 2019

	NOTE	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000 (RESTATED)	COMPANY 1.4.2017 RM'000 (RESTATED)
ASSETS				
Non-current assets				
Property, plant and equipment	5	88,237	95,203	103,861
Intangible assets	6	9,402	13,469	18,162
Operating financial assets	7	11,427	14,591	9,354
Investment in subsidiaries	8	74,865	73,865	73,865
Investment in associates	9	5,000	5,000	5,000
Investment in joint ventures	10	-	8,205	16,772
Other investments	11	-	216	406
Total non-current assets		188,931	210,549	227,420
Current assets				
Inventories	13	18,595	24,171	69,405
Operating financial assets	7	956	592	2,750
Trade and other receivables	14	115,057	205,196	300,758
Prepayments		1,526	1,372	1,353
Contract assets/other current assets	15	7,267	9,361	40,785
Current tax assets		7,465	9,406	6,288
Cash and short-term deposits	16	94,467	29,769	19,123
Total current assets		245,333	279,867	440,462
TOTAL ASSETS		**434,264**	**490,416**	**667,882**

STATEMENT OF FINANCIAL POSITION
As At 31 March 2019
continued

	NOTE	COMPANY 31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	18	539,602	480,276	448,816
Other reserves	19	9,983	11,333	12,880
Accumulated losses		(439,084)	(493,073)	(379,376)
TOTAL EQUITY		110,501	(1,464)	82,320
Non-current liabilities				
Loans and borrowings	20	31,250	59,535	89,095
Deferred tax liabilities	12	3,274	–	14,940
Total non-current liabilities		34,524	59,535	104,035
Current liabilities				
Loans and borrowings	20	22,500	44,531	73,493
Current tax liabilities		–	–	3,575
Trade and other payables	21	262,880	387,814	404,459
Contract liabilities	15	3,859	–	–
Total current liabilities		289,239	432,345	481,527
TOTAL LIABILITIES		323,763	491,880	585,562
TOTAL EQUITY AND LIABILITIES		**434,264**	**490,416**	**667,882**

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

STATEMENTS OF COMPREHENSIVE INCOME
For The Financial Year Ended 31 March 2019

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000
Continuing operations					
Revenue	22	229,237	334,692	220,739	314,956
Cost of sales		(183,223)	(329,798)	(164,975)	(297,512)
Gross profit		46,014	4,894	55,764	17,444
Other income		21,054	22,291	3,936	6,408
Administrative expenses		(45,113)	(42,276)	(40,400)	(32,663)
Net reversal of impairment losses/(impairment losses) of financial instruments		64,336	1,794	76,037	(1,185)
Other expenses		(19,595)	(96,522)	(28,270)	(109,679)
Operating profit/(loss)		66,696	(109,819)	67,067	(119,675)
Finance costs	23	(6,402)	(8,772)	(6,365)	(8,973)
Share of results of associates, net of tax		(570)	2,569	–	–
Share of results of joint ventures, net of tax		(18,908)	(6,918)	–	–
Profit/(loss) before tax	24	40,816	(122,940)	60,702	(128,648)
Income tax (expense)/credit	25	(3,309)	10,777	(3,606)	13,404
Profit/(loss) for the financial year from continuing operations		37,507	(112,163)	57,096	(115,244)
Discontinued operations					
Loss for the financial year from discontinued operations, net of tax	17(b)	–	(14,197)	–	–
Profit/(loss) for the financial year		37,507	(126,360)	57,096	(115,244)
Other comprehensive income/(loss), net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		3,615	(1,626)	–	–
Reclassification adjustment of exchange translation reserve		(2,080)	–	–	–
Revaluation loss on property, plant and equipment		(1,052)	–	(1,052)	–
Other comprehensive income/(loss) for the financial year		483	(1,626)	(1,052)	–
Total comprehensive income/(loss) for the financial year		**37,990**	**(127,986)**	**56,044**	**(115,244)**

STATEMENTS OF COMPREHENSIVE INCOME
For The Financial Year Ended 31 March 2019
continued

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000
Profit/(loss) attributable to:					
Owners of the Company					
- From continuing operations		38,259	(110,427)	57,096	(115,244)
- From discontinued operations		–	(13,124)	–	–
		38,259	(123,551)	57,096	(115,244)
Non-controlling interests					
- From continuing operations		(752)	(1,736)	–	–
- From discontinued operations		–	(1,073)	–	–
	8(d)	(752)	(2,809)	–	–
		37,507	**(126,360)**	**57,096**	**(115,244)**
Total comprehensive income/(loss) attributable to:					
Owners of the Company					
- From continuing operations		38,742	(112,675)	56,044	(115,244)
- From discontinued operations		–	(13,124)	–	–
		38,742	(125,799)	56,044	(115,244)
Non-controlling interests					
- From continuing operations		(752)	(1,114)	–	–
- From discontinued operations		–	(1,073)	–	–
		(752)	(2,187)	–	–
		37,990	**(127,986)**	**56,044**	**(115,244)**
Earnings/(loss) per share attributable to owners of the Company (sen per share)					
Basic	26(a)				
- From continuing operations		1.40	(4.58)		
- From discontinued operations		–	(0.54)		
		1.40	**(5.12)**		
Diluted	26(b)				
- From continuing operations		1.40	(4.58)		
- From discontinued operations		–	(0.54)		
		1.40	**(5.12)**		

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

STATEMENTS OF CHANGES IN EQUITY
For The Financial Year Ended 31 March 2019

GROUP	NOTE	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY						
		SHARE CAPITAL RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	REVALUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	SUB-TOTAL RM'000	NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
At 31 March 2018								
- as previously reported		480,276	5,074	36,074	(327,605)	193,819	(40,453)	153,366
- retrospective restatement	32	–	(166)	–	(13,910)	(14,076)	4,279	(9,797)
		480,276	4,908	36,074	(341,515)	179,743	(36,174)	143,569
- effects of transition to MFRS 15	2.2	–	–	–	(3,405)	(3,405)	–	(3,405)
Restated balance at 1 April 2018		480,276	4,908	36,074	(344,920)	176,338	(36,174)	140,164
Total comprehensive income for the financial year								
Profit for the financial year		–	–	–	38,259	38,259	(752)	37,507
Other comprehensive income for the financial year		–	1,535	(1,052)	–	483	–	483
Total comprehensive income		–	1,535	(1,052)	38,259	38,742	(752)	37,990
Transactions with owners								
Issue of ordinary shares	18	59,326	–	–	–	59,326	–	59,326
Disposal of subsidiaries	8	–	(6,285)	–	4,460	(1,825)	14,329	12,504
Total transactions with owners		59,326	(6,285)	–	4,460	57,501	14,329	71,830
Realisation of revaluation reserve	19	–	–	(979)	979	–	–	–
At 31 March 2019		**539,602**	**158**	**34,043**	**(301,222)**	**272,581**	**(22,597)**	**249,984**

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2019

continued

GROUP	NOTE	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY					NON-CONTROLLING INTERESTS RM'000	TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	FOREIGN CURRENCY TRANSLATION RESERVE RM'000	REVALUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	SUB-TOTAL RM'000		
At 1 April 2017								
- as previously reported		448,816	7,322	37,129	(205,109)	288,158	(31,659)	256,499
- retrospective restatement	32	–	(166)	–	(13,910)	(14,076)	(2,039)	(16,115)
Restated balance at 1 April 2017		448,816	7,156	37,129	(219,019)	274,082	(33,698)	240,384
Total comprehensive loss for the financial year								
Loss for the financial year		–	–	–	(123,551)	(123,551)	(2,809)	(126,360)
Other comprehensive loss for the financial year		–	(2,248)	–	–	(2,248)	622	(1,626)
Total comprehensive loss		–	(2,248)	–	(123,551)	(125,799)	(2,187)	(127,986)
Transactions with owners								
Issue of ordinary shares	18	31,460	–	–	–	31,460	–	31,460
Disposal of subsidiaries	8	–	–	–	–	–	(289)	(289)
Total transactions with owners		31,460	–	–	–	31,460	(289)	31,171
Realisation of revaluation reserve	19	–	–	(1,055)	1,055	–	–	–
At 31 March 2018		**480,276**	**4,908**	**36,074**	**(341,515)**	**179,743**	**(36,174)**	**143,569**

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 March 2019

continued

COMPANY	NOTE	ATTRIBUTABLE TO THE OWNERS OF THE COMPANY			TOTAL EQUITY RM'000
		SHARE CAPITAL RM'000	REVALUATION RESERVE RM'000	ACCUMULATED LOSSES RM'000	
At 1 April 2017		448,816	12,880	(379,376)	82,320
Total comprehensive loss for the financial year					
Loss for the financial year		–	–	(115,244)	(115,244)
Total comprehensive loss		–	–	(115,244)	(115,244)
Transaction with owners					
Issue of ordinary shares	18	31,460	–	–	31,460
Total transactions with owners		31,460	–	–	31,460
Realisation of revaluation reserve	19	–	(1,547)	1,547	–
At 31 March 2018		**480,276**	**11,333**	**(493,073)**	**(1,464)**
At 1 April 2018					
- as previously reported		480,276	11,333	(493,073)	(1,464)
- effects of transition to MFRS 15	2.2	–	–	(3,405)	(3,405)
Restated balance at 1 April 2018		480,276	11,333	(496,478)	(4,869)
Total comprehensive income for the financial year					
Profit for the financial year		–	–	57,096	57,096
Other comprehensive loss for the financial year		–	(1,052)	–	(1,052)
Total comprehensive income		–	(1,052)	57,096	56,044
Transactions with owners					
Issue of ordinary shares	18	59,326	–	–	59,326
Total transactions with owners		59,326	–	–	59,326
Realisation of revaluation reserve	19	–	(298)	298	–
At 31 March 2019		**539,602**	**9,983**	**(439,084)**	**110,501**

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

STATEMENTS OF CASH FLOWS
For The Financial Year Ended 31 March 2019

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000 (RESTATED)
Cash flows from operating activities					
Profit/(loss) before tax					
- continuing operations		40,816	(122,940)	60,702	(128,648)
- discontinued operations	17(b)	–	(14,166)	–	–
		40,816	(137,106)	60,702	(128,648)
Adjustments for:					
Amortisation of intangible assets		4,301	11,238	4,301	11,224
Amount owing by contract customers written off		–	23,723	–	23,723
Bad debts written off		2,615	2,120	2,615	2,120
Depreciation of property, plant and equipment		4,664	8,204	4,262	5,078
Effect of accretion of interest on operating financial assets		(1,505)	(3,844)	(1,505)	(3,844)
Finance costs		6,402	8,780	6,365	8,973
Gain on dilution of investment in associates		–	(3,357)	–	–
Gain on disposal of investment in subsidiaries		(3,298)	(5,379)	–*	(100)
Gain on disposal of other investments		(15)	–	(15)	–
Gain on disposal of property, plant and equipment		(1,453)	(568)	(256)	(252)
Impairment loss on trade and other receivables		9,907	17,836	20,079	18,493
Impairment loss on other investments		–	190	–	190
Impairment loss on investment in associates		340	713	–	–
Impairment loss on investment in joint ventures		–	1,536	8,205	8,567
Impairment loss on property, plant and equipment		–	6,764	–	3,733
Interest income		(1,062)	(335)	(1,060)	(323)
Net/(reversal of) inventories written down		(3,652)	13,008	(3,191)	7,968
Other investments written off		16	–	16	–
Property, plant and equipment written off		55	787	–	–
Reversal of impairment loss on investment in joint ventures, transferred to share of results of joint ventures		(11,911)	–	–	–
Reversal of impairment loss on trade and other receivables		(74,243)	(16,102)	(96,116)	(17,308)
Operating (loss)/profit before changes in working capital, carried forward		(28,023)	(71,792)	4,402	(60,406)

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 March 2019

continued

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000 (RESTATED)
Operating (loss)/profit before changes in working capital, brought forward		(28,023)	(71,792)	4,402	(60,406)
Adjustments for:					
Share of results of associates		570	(2,569)	–	–
Share of results of joint ventures		18,908	6,918	–	–
Unrealised (gain)/loss on foreign exchange		(1,009)	21,174	(736)	22,418
		(9,554)	(46,269)	3,666	(37,988)
Changes in working capital:					
Contract assets/(liabilities)/amount due by contract customers		2,562	19,270	2,548	7,701
Inventories		10,213	39,958	8,767	37,266
Operating financial assets		4,305	765	4,305	765
Trade and other payables		(15,981)	19,363	(115,393)	(11,257)
Trade and other receivables		85,466	23,666	154,756	60,253
Prepayments		(152)	75	(154)	(19)
Net cash from operations		76,859	56,828	58,495	56,721
Interest paid		(6,402)	(8,780)	(6,365)	(8,973)
Interest received		1,062	335	1,060	323
Income tax (paid)/refunded		(23)	(3,919)	1,941	(3,118)
Net cash from operating activities		71,496	44,464	55,131	44,953
Cash flows from investing activities					
Addition in investment in subsidiaries		–	–	(1,000)	–
Reversal/(acquisition) of development expenditure		3	(3)	3	(3)
Acquisition of concession assets		(237)	(6,528)	(237)	(6,528)
Net cash outflows from disposal of subsidiaries		(70)	(151)	–*	–
Proceeds from disposal of plant and equipment		3,534	1,013	2,186	257
Proceeds from disposal of other investments		215	–	215	–
Purchase of plant and equipment		(1,519)	(398)	(610)	(158)
Net cash from/(used in) investing activities		1,926	(6,067)	557	(6,432)

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000 (RESTATED)
Cash flows from financing activities					
Net repayment of bankers' acceptances		–	(12,662)	–	(12,661)
Net repayment of trade loans		–	(19,256)	–	(19,256)
Payment of hire purchase and lease obligations		(512)	(1,782)	(281)	(730)
Proceeds from issuance of new shares		59,326	31,460	59,326	31,460
Repayment of revolving loans		(5,000)	(5,000)	(5,000)	(5,000)
Repayment of term loans		(45,035)	(38,772)	(45,035)	(20,875)
Withdrawal of pledged short term deposits		(4,082)	57	(4,082)	57
Net cash from/(used in) financing activities		4,697	(45,955)	4,928	(27,005)
Net increase/(decrease) in cash and cash equivalents		78,119	(7,558)	60,616	11,516
Cash and cash equivalents at beginning of the financial year		24,969	31,179	19,531	8,828
Effect of exchange rate changes on cash and cash equivalents		–	1,348	–	(813)
Cash and cash equivalents at end of the financial year	16(a)	**103,088**	**24,969**	**80,147**	**19,531**

* *Represent amount less than RM1,000*

Reconciliation of liabilities arising from financing activities:

	1 APRIL 2018 RM'000	CASH FLOWS RM'000	NON-CASH DISPOSAL OF SUBSIDIARIES RM'000	NON-CASH FOREIGN EXCHANGE MOVEMENT RM'000	31 MARCH 2019 RM'000
Group					
Term loans	88,785	(45,035)	–	–	43,750
Hire purchase payables and finance lease liabilities	722	(512)	–	–	210
Revolving loans	15,000	(5,000)	–	–	10,000
	104,507	**(50,547)**	**–**	**–**	**53,960**

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 March 2019

continued

Reconciliation of liabilities arising from financing activities (continued):

	1 APRIL 2017 RM'000	CASH FLOWS RM'000	NON-CASH DISPOSAL OF SUBSIDIARIES RM'000	NON-CASH FOREIGN EXCHANGE MOVEMENT RM'000	31 MARCH 2018 RM'000
Group					
Term loans	126,923	(38,772)	–	634	88,785
Hire purchase payables and finance lease liabilities	2,754	(1,782)	(250)	–	722
Bankers' acceptances	12,662	(12,662)	–	–	–
Trade loans	19,256	(19,256)	–	–	–
Revolving loans	20,000	(5,000)	–	–	15,000
	181,595	**(77,472)**	**(250)**	**634**	**104,507**

	1 APRIL 2018 RM'000	CASH FLOWS RM'000	31 MARCH 2019 RM'000
Company			
Term loans	88,785	(45,035)	43,750
Hire purchase payables and finance lease liabilities	281	(281)	–
Revolving loans	15,000	(5,000)	10,000
	104,066	**(50,316)**	**53,750**

	1 APRIL 2017 RM'000	CASH FLOWS RM'000	31 MARCH 2018 RM'000
Company			
Term loans	109,660	(20,875)	88,785
Hire purchase payables and finance lease liabilities	1,011	(730)	281
Bankers' acceptances	12,661	(12,661)	–
Trade loans	19,256	(19,256)	–
Revolving loans	20,000	(5,000)	15,000
	162,588	**(58,522)**	**104,066**

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

1. Corporate Information

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

The registered office of the Company is located at Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur.

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

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

The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 29 July 2019.

2. Basis Of Preparation

2.1 Statement of compliance

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

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int")

The Group and the Company have adopted the following new MFRSs, amendments/improvements to MFRSs and new IC Int that are mandatory for the current financial year:

New MFRSs	
MFRS 9	Financial Instruments
MFRS 15	Revenue from Contracts with Customers
Amendments/Improvements to MFRSs	
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 2	Share-based Payment
MFRS 4	Insurance Contracts
MFRS 128	Investments in Associates and Joint Ventures
MFRS 140	Investment Property
New IC Int	
IC Int 22	Foreign Currency Transactions and Advance Consideration

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

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 9 Financial Instruments

MFRS 9 replaced the guidance of MFRS 139, *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and liabilities, on impairment of financial assets, and on hedge accounting.

Key requirements of MFRS 9:

- MFRS 9 introduces an approach for classification and measurement of financial assets which is driven by cash flow characteristics and the business model in which an asset is held.

  In essence, if a financial asset is a simple debt instrument and the objective of the entity's business model within which it is held is to collect its contractual cash flows, the financial asset is measured at amortised cost. In contrast, if that asset is held in a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets, then the financial asset is measured at fair value in the statements of financial position, and amortised cost information is provided through profit or loss. If the business model is neither of these, then fair value information is increasingly important, so it is provided both in the profit or loss and in the statements of financial position.

- MFRS 9 introduces a new, expected-loss impairment model that will require more timely recognition of expected credit losses which replaced the "incurred loss" model in MFRS 139. Specifically, this Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The model requires an entity to recognise expected credit losses at all times and to update the amount of expected credit losses recognised at each reporting date to reflect changes in the credit risk of financial instruments. This model eliminates the threshold for the recognition of expected credit losses, so that it is no longer necessary for a trigger event to have occurred before credit losses are recognised. Trade receivables and contract assets that do not contain a significant financing component shall always measure the loss allowance at an amount equal lifetime expected credit losses.

- MFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements. In addition, as a result of these changes, users of the financial statements will be provided with better information about risk management and the effect of hedge accounting on the financial statements.

The retrospective application of MFRS 9 does not require restatement of comparative financial statements. As such, the Group and the Company have not restated the comparative information, which continues to be reported under MFRS 139.

Impact of the adoption of MFRS 9

The adoption of MFRS 9 resulted in changes in accounting policies to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to financial instruments, which the Group and the Company have complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 9 Financial Instruments (continued)

(i) Classification and measurement

The following are the changes in the classification of the Group's and the Company's financial assets and financial liabilities:

- Trade and other receivables, operating financial assets, cash and bank balances previously classified as loans and receivables under MFRS 139 as at 31 March 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Accordingly, these financial assets are classified and measured as debt instruments at amortised cost beginning 1 April 2018.

- Loans and borrowings, trade and other payables previously classified as other financial liabilities under MFRS 139 as at 31 March 2018 are classified as amortised cost beginning 1 April 2018.

- Investments in unquoted equity instruments and golf club membership previously classified as available-for-sale financial assets as at 31 March 2018 are classified and measured as FVOCI beginning 1 April 2018.

In summary, upon the adoption of MFRS 9, the Group and the Company had the following reclassifications as at 1 April 2018:

	MFRS 9 MEASUREMENT CATEGORY		
MFRS 139 MEASUREMENT CATEGORY	RM'000	AMORTISED COST RM'000	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RM'000
Financial assets			
Group			
Loans and receivables			
Operating financial assets	15,183	15,183	–
Trade and other receivables *	147,316	147,316	–
Cash and short-term deposits	35,207	35,207	–
Available-for-sale			
Other investments	216	–	216
	197,922	**197,706**	**216**

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 9 Financial Instruments (continued)

(i) Classification and measurement (continued)

In summary, upon the adoption of MFRS 9, the Group and the Company had the following reclassifications as at 1 April 2018 (continued):

	MFRS 9 MEASUREMENT CATEGORY		
MFRS 139 MEASUREMENT CATEGORY	RM'000	AMORTISED COST RM'000	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME RM'000
Financial assets			
Company			
Loans and receivables			
Operating financial assets	15,183	15,183	–
Trade and other receivables *	168,209	168,209	–
Cash and short-term deposits	29,769	29,769	–
Available-for-sale			
Other investments	216	–	216
	213,377	**213,161**	**216**
Financial liabilities			
Group			
Other financial liabilities			
Loans and borrowings	(104,507)	(104,507)	–
Trade and other payables #	(281,696)	(281,696)	–
	(386,203)	**(386,203)**	**–**
Company			
Other financial liabilities			
Loans and borrowings	(104,066)	(104,066)	–
Trade and other payables #	(387,617)	(387,617)	–
	(491,683)	**(491,683)**	**–**

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

\# *Excluded GST payable.*

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 9 Financial Instruments (continued)

(ii) Impairment

In previous financial years, trade and other receivables are impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the receivables (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the receivables ("incurred loss model"). Upon adoption of MFRS 9, the Group and the Company are recording impairment losses on all its trade and other receivables, either on a 12-month or lifetime basis. Upon adoption of MFRS 9, the Group and the Company assessed that no additional impairment losses are required to be recognised at the date of initial application.

MFRS 15 Revenue from Contracts with Customers

The core principle of MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps:

(i) identify the contracts with a customer;
(ii) identify the performance obligation in the contract;
(iii) determine the transaction price;
(iv) allocate the transaction price to the performance obligations in the contract; and
(v) recognise revenue when (or as) the entity satisfies a performance obligation.

MFRS 15 also includes new disclosures that would result in an entity providing users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows from contracts with customers.

The following MFRSs and IC Interpretations will be withdrawn on the application of MFRS 15:

MFRS 111	Construction Contracts
MFRS 118	Revenue
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 15	Agreements for the Construction of Real Estate
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 131	Revenue – Barter Transactions Involving Advertising Services

The Group and the Company have applied MFRS 15 retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of retained earnings (or other components of equity) at the date of initial application of 1 April 2018. As such, the comparative information was not restated and continues to be reported under MFRS 111, MFRS 118 and related Interpretations. The Group and the Company have elected the practical expedient to apply the standard only to contracts that are not completed as at 1 April 2018. The Group and the Company also elected the practical expedient of not to retrospectively restate the contract for those modifications before the date of initial application, but instead, to reflect the aggregate effect of all past contract modifications when identifying the performance obligations, and determining and allocating the transaction price to the satisfied and unsatisfied performance obligations.

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

Impact of the adoption of MFRS 15

The adoption of MFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. Other than the enhanced new disclosures relating to contracts with customers, which the Group and the Company have complied with in the current financial year, the adoption of this standard does not have any significant effect on the financial statements of the Group and the Company, except for those as discussed below.

(i) Accounting for separate performance obligations arising from sale of goods and services

The application of MFRS 15 resulted in the identification of various performance obligations which previously had been bundled as a single sale of goods. The goods or services promised in the contract with the customers are identified as separate performance obligations if the good or service is capable to be distinct and if the good or service is distinct within the context of the contract. Among the performance obligations identified separately are construction services, delivery of goods, technical support and maintenance services. Revenue is allocated to the respective performance obligations based on their relative stand-alone selling prices and recognised when controls in relation to the performance obligations have been transferred. Before the adoption of MFRS 15, the Group recognised the entire revenue from both sale of goods and maintenance service upon delivery of the goods, even before completion of the maintenance service. Under MFRS 15, the allocated revenue would be deferred as a contract liability until completion of the maintenance service. The Group and Company recognised a contract liability relating to the unsatisfied performance obligation of RM5,556,736 and RM3,859,455 at 1 April 2018 and 31 March 2019 respectively.

(ii) Presentation of contract assets and contract liabilities

The Group and the Company have changed the presentation of certain amounts in the statements of financial position to reflect the terminology of MFRS 15.

Contract liabilities/assets recognised in relation to contracts with customers which were previously presented as part of amount owing to/by contract customers.

(iii) Other adjustments

In addition to the adjustments described above, other items of the financial statements such as deferred taxes were also adjusted as necessary.

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

Impact of the adoption of MFRS 15 (continued)

The effect of adoption of MFRS 15 as at 1 April 2018 is as follows:

	REFERENCE	INCREASE/ (DECREASE) RM'000
Assets		
Current assets		
Inventories	(i)	1,333
Amount owing by contract customers	(i),(ii)	(9,361)
Contract assets	(i),(ii)	10,180
Total current assets		2,152
Equity		
Accumulated losses	(i)	(3,405)
Current liabilities		
Contract liabilities	(i)	5,557
Total equity and liabilities		2,152

The amounts by which each financial statement line item is affected as at and for the financial year ended 31 March 2019 as a result of the adoption of MFRS 15, including the reasons for the significant changes, are as follows:

Statements of financial position

		REPORTED UNDER		
	REFERENCE	MFRS 15 RM'000	MFRS 118/ MFRS 111 RM'000	INCREASE/ (DECREASE) RM'000
Group				
Assets				
Current assets				
Contract assets	(i),(ii)	7,267	13,307	(6,040)
Equity				
Accumulated losses	(i)	(301,222)	(311,744)	(10,522)
Non-current liabilities				
Deferred tax liabilities	(iii)	3,274	2,651	623
Current liabilities				
Contract liabilities	(i)	3,859	–	3,859
Total equity and liabilities		(515,663)	(521,703)	(6,040)

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

The amounts by which each financial statement line item is affected as at and for the financial year ended 31 March 2019 as a result of the adoption of MFRS 15, including the reasons for the significant changes, are as follows (continued):

Statements of comprehensive income

	REFERENCE	REPORTED UNDER MFRS 15 RM'000	REPORTED UNDER MFRS 118/ MFRS 111 RM'000	INCREASE/ (DECREASE) RM'000
Group				
Revenue	(i)	229,237	221,930	7,307
Cost of sales		(183,223)	(178,513)	4,710
Gross profit		46,014	43,417	2,597
Operating profit		66,696	64,099	2,597
Profit before tax		40,816	38,219	2,597
Income tax expense		(3,309)	(2,686)	623
Profit for the financial year from continuing operations		37,507	35,533	1,974
Total comprehensive income for the financial year		37,990	36,016	1,974
Earnings per share attributable to owners of the Company (sen per share)				
Basic		1.40	1.33	0.07
Diluted		1.40	1.33	0.07

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

MFRS 15 Revenue from Contracts with Customers (continued)

The amounts by which each financial statement line item is affected as at and for the financial year ended 31 March 2019 as a result of the adoption of MFRS 15, including the reasons for the significant changes, are as follows (continued):

Statement of financial position

	REFERENCE	REPORTED UNDER MFRS 15 RM'000	REPORTED UNDER MFRS 118/ MFRS 111 RM'000	INCREASE/ (DECREASE) RM'000
Company				
Assets				
Current assets				
Contract assets	(i),(ii)	7,267	13,307	(6,040)
Equity				
Accumulated losses	(i)	(439,084)	(449,606)	(10,522)
Non-current liabilities				
Deferred tax liabilities	(iii)	3,274	2,651	623
Current liabilities				
Contract liabilities	(i)	3,859	–	3,859
Total equity and liabilities		(434,264)	(449,606)	(6,040)

Statement of comprehensive income

	REFERENCE	REPORTED UNDER MFRS 15 RM'000	REPORTED UNDER MFRS 118/ MFRS 111 RM'000	INCREASE/ (DECREASE) RM'000
Company				
Revenue	(i)	220,739	213,432	7,307
Cost of sales		(164,975)	(160,265)	4,710
Gross profit		55,764	53,167	2,597
Operating profit		67,067	64,470	2,597
Profit before tax		60,702	58,105	2,597
Income tax expense		(3,606)	(2,983)	623
Profit for the financial year		57,096	55,122	1,974
Total comprehensive income for the financial year		56,044	54,070	1,974

The adoption of MFRS 9 and MFRS 15 did not have a material impact on the Group's and the Company's other comprehensive income or the Group's and the Company's operating, investing and financing cash flows.

2. Basis Of Preparation (continued)

2.2 Adoption of new MFRSs, amendments/improvements to MFRSs and new IC Interpretation ("IC Int") (continued)

IC Int 22 Foreign Currency Transactions and Advance Consideration

IC Int 22 clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The Group and the Company have applied the amendments prospectively in the financial statements.

The adoption of above IC Int 22 did not have any significant effect on the financial statements of the Group and the Company.

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective

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

		EFFECTIVE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER
New MFRSs		
MFRS 16	Leases	1 January 2019
MFRS 17	Insurance Contracts	1 January 2021
Amendments/Improvements to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2021#
MFRS 2	Share-based Payment	1 January 2020*
MFRS 3	Business Combinations	1 January 2019/ 1 January 2020*/ 1 January 2021#

2. Basis Of Preparation (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(a) The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective (continued)

		EFFECTIVE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER
Amendments/Improvements to MFRSs (continued)		
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021#
MFRS 6	Exploration for and Evaluation of Mineral Resources	1 January 2020*
MFRS 7	Financial Instruments: Disclosures	1 January 2021#
MFRS 9	Financial Instruments	1 January 2019/ 1 January 2021#
MFRS 10	Consolidated Financial Statements	Deferred
MFRS 11	Joint Arrangements	1 January 2019
MFRS 14	Regulatory Deferral Accounts	1 January 2020*
MFRS 15	Revenue from Contracts with Customers	1 January 2021#
MFRS 101	Presentation of Financial Statements	1 January 2020*/ 1 January 2021#
MFRS 107	Statement of Cash Flows	1 January 2021#
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020*
MFRS 112	Income Taxes	1 January 2019
MFRS 116	Property, Plant and Equipment	1 January 2021#
MFRS 119	Employee Benefits	1 January 2019/ 1 January 2021#
MFRS 123	Borrowings Costs	1 January 2019
MFRS 128	Investments in Associates and Joint Ventures	1 January 2019/ Deferred/ 1 January 2021#
MFRS 132	Financial Instruments: Presentation	1 January 2021#
MFRS 134	Interim Financial Reporting	1 January 2020*
MFRS 136	Impairment of Assets	1 January 2021#
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020*/ 1 January 2021#
MFRS 138	Intangible Assets	1 January 2020*/ 1 January 2021#
MFRS 140	Investment Property	1 January 2021#
New IC Int		
IC Int 23	Uncertainty over Income Tax Treatments	1 January 2019

2. Basis Of Preparation (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(a) The Group and the Company have not adopted the following new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective (continued):

		EFFECTIVE FOR FINANCIAL PERIODS BEGINNING ON OR AFTER
Amendments to IC Int		
IC Int 12	Service Concession Arrangements	1 January 2020*
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020*
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020*
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020*
IC Int 132	Intangible Assets – Web Site Costs	1 January 2020*

* *Amendments to References to the Conceptual Framework in MFRS Standards*
\# *Amendments as to the consequence of effective of MFRS 17 Insurance Contracts*

(b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below.

MFRS 16 Leases

Currently under MFRS 117 Leases, leases are classified either as finance leases or operating leases. A lessee recognises on its statements of financial position assets and liabilities arising from the finance leases.

MFRS 16 eliminates the distinction between finance and operating leases for lessees. All leases will be brought onto its statements of financial position except for short-term and low value asset leases.

Amendments to MFRS 3 Business Combinations and MFRS 11 Joint Arrangements

Amendments to MFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. Amendments to MFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

Amendments to MFRS 9 Financial Instruments

Amendments to MFRS 9 allow companies to measure prepayable financial assets with negative compensation at amortised cost or at fair value through other comprehensive income if certain conditions are met.

The amendments also clarify that when a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss should be recognised in profit or loss.

2. Basis Of Preparation (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below. (continued):

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures

These amendments address an acknowledged inconsistency between the requirements in MFRS 10 and those in MFRS 128, in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business, as defined in MFRS 3. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business.

Amendments to MFRS 112 Income Taxes

Amendments to MFRS 112 clarify that an entity recognises the income tax consequences of dividends in profit or loss because income tax consequences of dividends are linked more directly to past transactions than to distributions to owners, except if the tax arises from a transaction which is a business combination or is recognised in other comprehensive income or directly in equity.

Amendments to MFRS 119 Employee Benefits

Amendments to MFRS 119 require an entity to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement when the entity remeasures its net defined benefit liability (asset).

Amendments to MFRS 123 Borrowing Costs

Amendments to MFRS 123 clarify that when a qualifying asset is ready for its intended use or sale, an entity treats any outstanding borrowing made specifically to obtain that qualifying asset as part of general borrowings.

Amendments to MFRS 128 Investments in Associates and Joint Ventures

Amendments to MFRS 128 clarify that companies shall apply MFRS 9, including its impairment requirements, to account for long-term interests in an associate or joint venture that, in substance, form part of the net investment in the associate or joint to which the equity method is not applied.

IC Int 23 Uncertainty over Income Tax Treatments

IC Int 23 clarifies that where there is uncertainty over income tax treatments, an entity shall:

(i) assume that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations.
(ii) reflect the effect of uncertainty in determining the related tax position (using either the most likely amount or the expected value method) if it concludes it is not probable that the taxation authority will accept an uncertain tax treatment.

2. Basis Of Preparation (continued)

2.3 New MFRSs, amendments/improvements to MFRSs, new IC Interpretation ("IC Int") and amendments to IC Int that have been issued, but yet to be effective (continued)

(b) The Group and the Company plan to adopt the above applicable new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new MFRSs, amendments/improvements to MFRSs, new IC Int and amendments to IC Int are summarised below. (continued):

Amendments to References to the Conceptual Framework in MFRS Standards

The Malaysian Accounting Standards Board has issued a *revised Conceptual Framework for Financial Reporting* and amendments to fourteen Standards under the Malaysian Financial Reporting Standards Framework on 30 April 2018.

The revised Conceptual Framework comprises a comprehensive set of concepts of financial reporting. It is built on the previous version of the Conceptual Framework issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wordings to give more prominence to the importance of providing information need to assess management's stewardship of the entity's economic resources.

Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance – in particular the definition of a liability – and clarifications in important areas, such as the role of prudence and measurement uncertainty in financial reporting.

The amendments to the fourteen Standards are to update the references and quotations in these Standards which include MFRS 2, MFRS 3, MFRS 6, MFRS 14, MFRS 101, MFRS 108, MFRS 134, MFRS 137, MFRS 138, IC Int 12, IC Int 19, IC Int 20, IC Int 22 and IC Int 132.

(c) The Group and the Company are currently performing an analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new MFRSs, amendments/improvements to MFRSs, new IC Int, and amendments to IC Int.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

2.6 Use of estimates and judgement

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4 to the financial statements.

3. Summary Of Significant Accounting Policies

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

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries, associates and joint ventures used in the preparation of the consolidated financial statements are prepared for the same reporting period as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

The accounting policy for goodwill is set out in Note 3.7(a) to the financial statements.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

3. Summary Of Significant Accounting Policies (continued)

3.1 Basis of consolidation (continued)

(a) Subsidiaries and business combination (continued)

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any gain or loss arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an associate, a joint venture or a financial asset.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity.

Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Associates

Associates are entities over which the Group has significant influence, but not control, to the financial and operating policies.

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

Under the equity method, the investment in associates are initially recognised at cost. The cost of investment includes transaction costs. Subsequently, the carrying amount is adjusted to recognise changes in the Group's share of net assets of the associate.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of financial asset. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

3. Summary Of Significant Accounting Policies (continued)

3.1 Basis of consolidation (continued)

(d) Joint arrangements

Joint arrangements arise when the Group and another party or parties are bound by a contractual arrangement, and the contractual arrangement gives the Group and the other party or parties, joint control of the arrangement. Joint control exists when there is contractually agreed sharing of control of an arrangement whereby decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as a "joint operation" when the Group has rights to the assets and obligations for the liabilities relating to the arrangement. The Group accounts for its share of its assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

- A joint arrangement is classified as "joint venture" when the Group has rights to the net assets of the arrangements. The Group accounts for its interests in the joint ventures using the equity method in accordance with MFRS 128 *Investments in Associates and Joint Ventures*.

The Group has assessed the nature of its joint arrangement and determined it to be joint ventures and accounted for its interest in the joint ventures using the equity method.

(e) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates and joint venture are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, associates and joint venture are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.12(b) to the financial statements.

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

3. Summary Of Significant Accounting Policies (continued)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group's entities at the exchange rates prevailing at the dates of the transactions.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslate at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests. For partial disposals of associates or joint ventures that do not result in the Group losing significant influence or joint control, the proportionate share of the cumulative amount in foreign exchange translation reserve is reclassified to profit or loss.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments

Financial instruments are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments.

Accounting policies applied from 1 April 2018

Except for the trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the financial instruments are recognised initially at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset and financial liability. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract; it is a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income with recycling of cumulative gains and losses upon derecognition
- Financial assets designated at fair value through other comprehensive income with no recycling of cumulative gains and losses upon derecognition
- Financial assets at fair value through profit or loss

The classification depends on the entity’s business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

The Group and the Company reclassify financial assets when and only when their business models for managing those assets change.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied from 1 April 2018 (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group and the Company classify their debt instruments:

- **Amortised cost**
  Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

- **Fair value through other comprehensive income (FVOCI)**
  Financial assets that are held for collection of contractual cash flows and for selling the financial assets, and the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. The policy for the recognition and measurement of impairment is in accordance with Note 3.12(a) to the financial statements. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

- **Fair value through profit or loss (FVPL)**
  Financial assets at FVPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

  Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the profit or loss.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied from 1 April 2018 (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Upon initial recognition, the Group and the Company can make an irrevocable election to classify its equity investments that is not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are not recycled to profit or loss. Dividends are recognised as other income in the profit or loss when the right of payment has been established, except when the Group and the Company benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity instruments designated at FVOCI are not subject to impairment assessment.

(ii) Financial liabilities

The Group and the Company classify their financial liabilities in the following measurement categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or financial liabilities designated into this category upon initial recognition.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied from 1 April 2018 (continued)

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the amount of the loss allowance determined in accordance with Section 5.5 of MFRS 9 and the amount initially recognised, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15.

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company themselves purchase or sell an asset).

Trade date accounting refers to:

(i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
(ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when:

(i) the contractual rights to receive the cash flows from the financial asset expire, or
(ii) the Group and the Company have transferred their rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full without material delay to a third party; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied from 1 April 2018 (continued)

(d) Derecognition (continued)

The Group and the Company evaluate if, and to what extent, they have retained the risks and rewards of ownership. When they have neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group and the Company continue to recognise the transferred asset to the extent of their continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

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

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

Accounting policies applied until 31 March 2018

Financial instruments are recognised initially at fair value, except for financial instruments not measured at fair value through profit or loss, they are measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instruments.

An embedded derivative is recognised separately from the host contract and accounted for as a derivative if, and only if, it is not closely related to the economic characteristics and risks of the host contract and the host contract is not categorised as fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with the policy applicable to the nature of the host contract.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied until 31 March 2018 (continued)

(a) Subsequent measurement

The Group and the Company categorise the financial instruments as follows:

(i) Financial assets

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 assets are either held for trading, including derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument) or are designated into this category upon initial recognition.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value with the gain or loss recognised in profit or loss.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at costs.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity investments when the Group and the Company have the positive intention and ability to hold them to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements. Gains and losses are recognised in profit or loss through the amortisation process.

Available-for-sale financial assets

Available-for-sale financial assets comprise investment in equity and debt securities that are designated as available-for-sale or are not classified in any of the three preceding categories.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied until 31 March 2018 (continued)

(a) Subsequent measurement (continued)

The Group and the Company categorise the financial instruments as follows (continued):

(i) Financial assets (continued)

Available-for-sale financial assets (continued)

Subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses arising from monetary items and gains and losses of hedged items attributable to hedge risks of fair values hedges which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Unquoted equity instruments carried at cost

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less accumulated impairment losses, if any. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements.

(ii) Financial liabilities

Same accounting policies applied until 31 March 2018 and from 1 April 2018.

(b) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(c) Regular way purchase or sale of financial assets

Same accounting policies applied until 31 March 2018 and from 1 April 2018.

3. Summary Of Significant Accounting Policies (continued)

3.4 Financial instruments (continued)

Accounting policies applied until 31 March 2018 (continued)

(d) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to receive the cash flows from the financial asset expire or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. 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 other comprehensive income is recognised in profit or loss.

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 expired. 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.

(e) Offsetting of financial instruments

Same accounting policies applied until 31 March 2018 and from 1 April 2018.

3.5 Property, Plant And Equipment

(a) Recognition and measurement

Property, plant and equipment (other than leasehold land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

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

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

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

3. Summary Of Significant Accounting Policies (continued)

3.5 Property, Plant And Equipment (continued)

(a) Recognition and measurement (continued)

Cost of assets includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs in Note 3.16 to the financial statements.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group or the Company and their cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Freehold land has an unlimited useful life and therefore is not depreciated. Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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

	USEFUL LIVES (YEARS)
Leasehold land	Over the lease term
Leasehold buildings	50 years
Office equipment, furniture and fittings	3-10 years
Motor vehicles	5 years
Plant and machinery	3-13 years

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period and adjusted as appropriate.

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognised in profit or loss.

3. Summary Of Significant Accounting Policies (continued)

3.6 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases that do not meet this criterion are classified as operating leases.

(a) Lessee accounting

If an entity in the Group is a lessee in a finance lease, it capitalises the leased asset and recognises the related liability. The amount recognised at the inception date is the fair value of the underlying leased asset or, if lower, the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are charged as expenses in the periods in which they are incurred.

The capitalised leased asset is classified by nature as property, plant and equipment or investment property.

For operating leases, the Group and the Company do not capitalise the leased asset or recognise the related liability. Instead lease payments under an operating lease are recognised as an expense on the straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the user's benefit.

Any upfront lease payments are classified as land use rights within intangible assets.

(b) Lessor accounting

If an entity in the Group is a lessor in a finance lease, it derecognises the underlying asset and recognises a lease receivable at an amount equal to the net investment in the lease. Finance income is recognised in profit or loss based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

If an entity in the Group is a lessor in an operating lease, the underlying asset is not derecognised but is presented in the statements of financial position according to the nature of the asset. Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

3.7 Goodwill and other intangible assets

(a) Goodwill

Goodwill arising from business combinations is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

3. Summary Of Significant Accounting Policies (continued)

3.7 Goodwill and other intangible assets (continued)

(a) Goodwill (continued)

In respect of equity-accounted associates and joint venture, goodwill is included in the carrying amount of the investment and is not tested for impairment individually. Instead, the entire carrying amount of the investment is tested for impairment as a single asset when there is objective evidence of impairment.

(b) Development costs

An intangible asset arising from development is recognised when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- the Group and the Company intend to complete the intangible asset and use or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the intangible asset will generate future economic benefits;
- adequate resources to complete the development and to use or sell the intangible asset are available; and
- the expenditures attributable to the intangible asset during its development can be reliably measured.

Other development costs that do not meet these criteria are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an intangible asset in a subsequent period.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses. The development costs are amortised on a straight-line basis over the period of 5 years during which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(b) to the financial statements.

(c) Intellectual properties

Intellectual properties consist of the acquisition costs of the exclusive rights of a suite of software modules, including the trademarks, licenses, copyright, source codes and associated documentation. The acquisition costs are capitalised as intangible assets as they are able to generate future economic benefits to the Group and the Company.

The intellectual properties are amortised on a straight-line basis over the period range from 10 years to 20 years during which their economic benefits are expected to be consumed. The policy for the recognition and measurement of impairment of any losses is in accordance with Note 3.12(b) to the financial statements.

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

(d) Concession rights

Service concession arrangements are recognised using the intangible assets model as the Group and the Company receive a right to charge users of the public service. The policy for the recognition and measurement of service concession arrangements are disclosed in Note 3.9 to the financial statements.

3. Summary Of Significant Accounting Policies (continued)

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

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

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3.9 Service concession arrangements

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

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

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

(a) Financial assets model

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

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

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

3. Summary Of Significant Accounting Policies (continued)

3.9 Service concession arrangements (continued)

(b) Intangible asset model

The intangible asset model is used to the extent that the Group and the Company receive a right (a license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

The Group and the Company measure the consideration indirectly by reference to the stand-alone selling price of the construction services by reference to the costs of providing such services plus a reasonable profit margin.

The Group and the Company amortise its concession intangible asset in a way that reflects the pattern in which the asset's economic benefits are consumed by the Group and the Company, starting from the date when the right to operate begins. Based on these principles, the intangible asset is amortised in line with the actual usage of the specific public facility, up to the maximum of the duration of the concession.

Any asset carried under concession arrangements is derecognised when the contractual rights to the financial asset expire or when no future economic benefits are expected from its use or disposal.

3.10 Non-current assets or disposal groups held for sale

Non-current assets or disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The criteria for held for sale classification is regarded as met only when:

- the asset or disposal group is available for immediate sale in its present condition;
- the Group is committed to a plan to sell the asset and the asset or disposal group is actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to be completed within one year from the date of classification and actions required to complete the plan indicates that it is unlikely that significant changes to the plan will be made or that the sale will be withdrawn.

Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal group are measured at the lower of carrying amount and fair value less costs to sell.

Any impairment loss on the disposal group is first allocated to goodwill, and to remaining assets and liabilities on pro-rata basis, except that no loss is allocated to inventories, financial assets and deferred tax assets that is measured at fair value, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. A gain for any subsequent increase in fair value less costs to sell of an asset is recognised but not in excess of the cumulative impairment loss that has been recognised.

Intangible assets and property, plant and equipment once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale.

Asset and liabilities classified as held for sale are presented separately as current items in the statements of financial position.

3. Summary Of Significant Accounting Policies (continued)

3.11 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash in hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.12 Impairment of assets

(a) Impairment of financial assets and contract assets

Accounting policies applied from 1 April 2018

Financial assets measured at amortised cost, financial assets measured at fair value through other comprehensive income (FVOCI), lease receivables, contract assets, a loan commitment and financial guarantee contracts will be subject to the impairment requirement in MFRS 9 which is related to the accounting for expected credit losses on the financial assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

The Group and the Company measure loss allowance at an amount equal to lifetime expected credit loss, except for the following, which are measured as 12-month expected credit loss:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

For trade receivables, contract assets and lease receivables, the Group and the Company apply the simplified approach permitted by MFRS 9 to measure the loss allowance at an amount equal to lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

3. Summary Of Significant Accounting Policies (continued)

3.12 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

Accounting policies applied from 1 April 2018 (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of lifetime expected credit losses that represent the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

Expected credit losses are discounted at the effective interest rate of the financial assets.

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default of past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

The amount of impairment losses (or reversal) shall be recognised in profit or loss, as an impairment gain or loss. For financial assets measured at FVOCI, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statements of financial position.

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

3. Summary Of Significant Accounting Policies (continued)

3.12 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

Accounting policies applied until 31 March 2018

At each reporting date, all financial assets (except for financial assets categorised as fair value through profit or loss and investment in subsidiaries, associates and joint ventures) are assessed 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 financial asset that can be reliably estimated. Losses expected as a result of future events, no matter how likely, are not recognised.

Evidence of impairment may include indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables and held-to-maturity investments

The Group and the Company first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If no objective evidence for impairment exists for an individually assessed financial asset, whether significant or not, the Group and the Company may include the financial asset in a group of financial assets with similar credit risk characteristics and collectively assess them for impairment. Financial assets that are individually assessed for impairment for which an impairment loss is or continues to be recognised are not included in the collective assessment of impairment.

The amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced through the use of an allowance account and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases due to an event occurring after the impairment that was recognised, the previously recognised impairment loss is then reversed by adjusting an allowance account to the extent that the carrying amount of the financial asset does not exceed what the amortised cost would have been had the impairment not been recognised.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group and the Company. If a write-off is later recovered, the recovery is credited to the profit or loss.

3. Summary Of Significant Accounting Policies (continued)

3.12 Impairment of assets (continued)

(a) Impairment of financial assets and contract assets (continued)

Available-for-sale financial assets

In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value below its cost is considered to be objective evidence of impairment. The Group and the Company use their judgement to determine what is considered as significant or prolonged decline, evaluating past volatility experiences and current market conditions.

Where there is objective evidence that the asset is impaired, the decline in the fair value of an available-for-sale financial asset together with the cumulative loss recognised in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognised. The amount of cumulative loss that is reclassified from equity to profit or loss shall be the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss.

Impairment losses on available-for-sale equity investments are not reversed through profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss, is recognised in other comprehensive income.

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

Unquoted equity instruments carried at cost

In the case of unquoted equity instruments carried at cost, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses shall not be reversed.

(b) Impairment of non-financial assets

The carrying amounts of non-financial assets (except for inventories, contract assets, deferred tax assets and non-current assets or disposal group classified as held for sale) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill and intangible assets that have indefinite useful life and are not yet available for use, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs"). Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a CGU or a group of CGUs that are expected to benefit from the synergies of business combination.

3. Summary Of Significant Accounting Policies (continued)

3.12 Impairment of assets (continued)

(b) Impairment of non-financial assets (continued)

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of asset is reduced to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss, except for assets that were previously revalued with the revaluation surplus recognised in other comprehensive income. In the latter case, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

Impairment losses in respect of goodwill are not reversed. For other assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. An impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. Reversal of impairment loss is restricted by the asset’s carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.13 Share capital

Ordinary shares

Ordinary shares are equity instruments. An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group and the Company.

(b) Defined contribution plans

As required by law, the companies in Malaysia make contributions to the Employees Provident Fund (“EPF”), the national defined contribution plan. Some of the Group’s foreign subsidiaries’ companies make contributions to their respective countries’ statutory pension scheme. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3. Summary Of Significant Accounting Policies (continued)

3.15 Revenue and other income

Accounting policies applied from 1 April 2018

The Group and the Company recognise revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services.

Revenue recognition of the Group and the Company are applied for each contract with a customer or a combination of contracts with the same customer.

The Group and the Company measure revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group and the Company use the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group and the Company expect to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group and the Company estimate it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group and the Company have assessed the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

Financing components

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

(a) Sale of goods

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

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

3. Summary Of Significant Accounting Policies (continued)

3.15 Revenue and other income (continued)

Accounting policies applied from 1 April 2018 (continued)

(a) Sale of goods (continued)

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

(b) Rendering of services

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

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

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

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

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

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

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

(e) Rental income

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

3. Summary Of Significant Accounting Policies (continued)

3.15 Revenue and other income (continued)

Accounting policies applied from 1 April 2018 (continued)

(f) Construction contracts

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

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

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

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

Accounting policies applied until 31 March 2018

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received and receivable, net of discounts, rebates, returns and taxes.

(a) Sale of goods

Revenue from sale of goods is recognised upon transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or possible return of goods.

(b) Rendering of services

Revenue from contract to provide services is recognised upon rendering of services. Where the contract customers cannot be measured reliably, revenue is recognised to the extent of the expenses recognised that are recoverable.

(c) Interest income, dividend income and rental income

Same accounting policies applied until 31 March 2018 and from 1 April 2018.

3. Summary Of Significant Accounting Policies (continued)

3.15 Revenue and other income (continued)

Accounting policies applied until 31 March 2018 (continued)

(d) Construction contracts

Revenue from construction contracts is accounted for by the stage of completion method. The stage of completion method is measured by reference to the proportion of contract costs incurred for work performed to-date to the estimated total contract costs.

3.16 Borrowing costs

Borrowing costs are interests and other costs that the Group and the Company incur in connection with borrowing of funds.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

The Group and the Company begin capitalising borrowing costs when the Group and the Company have incurred the expenditures for the asset, incurred related borrowing costs and undertaken activities that are necessary to prepare the asset for its intended use or sale.

3.17 Taxes

Income tax expense in profit or loss comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected taxes payable or receivable on the taxable income or loss for the financial year, using the tax rates that have been enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the statements of financial position. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

3. Summary Of Significant Accounting Policies (continued)

3.17 Taxes (continued)

(b) Deferred tax (continued)

Deferred tax is not recognised if the temporary differences arise from the initial recognition of assets and liabilities in a transaction which is not a business combination and that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, associates and interests in joint venture, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax is 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 tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

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 transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different tax entities, but they intend to settle their income tax recoverable and income tax payable on a net basis or their tax assets and liabilities will be realised simultaneously.

(c) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax ("GST") except:

- where the GST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST.

The net amount of GST refundable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

The GST in Malaysia was abolished and replaced by the sales and services tax effective from 1 September 2018.

3. Summary Of Significant Accounting Policies (continued)

3.17 Taxes (continued)

(d) Sales and services tax

Revenue, expenses and assets are recognised net of the amount of sales and services tax except:

- where the sales and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.18 Discontinued operation

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale. When an operation is classified as a discontinued operation, the comparative statements of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3.19 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The President & Group Managing Director, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chief operating decision-maker that makes strategic decisions.

3.20 Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as 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. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For a non-financial asset, the fair value measurement takes into account a market 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.

3. Summary Of Significant Accounting Policies (continued)

3.20 Fair value measurements (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group and the Company can access at the measurement date.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

3.21 Earnings per ordinary share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.22 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:

(a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.23 Contract assets/(liabilities)

Contract asset is the right to consideration in exchange for goods or services transferred to the customers when that right is conditioned on something other than the passage of time (for example, the Group's and the Company's future performance).

The policy for the recognition and measurement of impairment losses is in accordance with Note 3.12(a) to the financial statements.

Contract liability is the obligation to transfer goods or services to customer for which the Group and the Company have received the consideration or have billed the customer.

3. Summary Of Significant Accounting Policies (continued)

3.24 Contract costs

(a) Recognition and measurement

Contract costs include costs of obtaining and fulfilling a contract.

The costs incurred in fulfilling a contract with a customer which are not within the scope of another MFRSs, such as MFRS 102 *Inventories*, MFRS 116 *Property, Plant and Equipment* or MFRS 138 *Intangible Assets*, are recognised as part of contract costs when all of the following criteria are met:

(a) the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
(b) the costs generate or enhance resources of the Group and the Company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
(c) the costs are expected to be recovered.

(b) Amortisation

The costs of obtaining and fulfilling a contract are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimate and Errors*.

(c) Impairment

Impairment loss are recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

(a) the remaining amount of consideration that the Group and the Company expect to receive in exchange for the goods or services to which the asset relates; less
(b) the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Before an impairment loss is recognised for contract costs, the Group and the Company shall recognise any impairment loss for assets related to the contract that are recognised in accordance with another MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group and the Company shall include the resulting carrying amount of the contract costs in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying MFRS 136 *Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

The Group and the Company have applied the practical expedient to recognise the incremental costs of obtaining a contract as an expense when incurred if the amortisation period of the asset that the entity would have recognised is one year or less.

4. Significant Accounting Estimates, Judgements And Assumptions

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:

(a) Impairment of goodwill

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

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for different cash-generating units, including sensitivity analysis, are disclosed in Note 6(a) to the financial statements.

(b) Impairment of financial assets and contract assets

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

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

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

(c) Revenue recognition for contract customers

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the estimated total contract revenue, as well as the recoverability of the projects. In making the judgement, the Group and the Company evaluate based on past experience.

In accordance with IC Int 12 *Service Concession Arrangements*, revenue associated with construction works under the Concession Agreements shall be recognised and measured in accordance with MFRS 15 *Revenue from Contracts with Customers* ("MFRS 15"). The consideration received or receivable from construction works rendered by the Group and the Company are measured in accordance with MFRS 15, i.e. based on the allocated transaction price.

In order to determine the construction revenue, revenue from delivery of goods, maintenance and service contracts to be recognised, the directors have estimated and recognised a margin in the construction of the infrastructure asset and upon delivery of other performance obligations. The estimated margin is based on relative comparison with general industry trend although actual margins may differ.

The construction revenue arising from concession agreements that was recognised during the year is disclosed in Note 6(d) and 7 to the financial statements.

The carrying amounts of contract assets and contract liabilities are disclosed in Note 15 to the financial statements.

4. Significant Accounting Estimates, Judgements And Assumptions (continued)

(d) Valuation of property, plant and equipment

Leasehold land and buildings are carried at revalued amount. Revaluation of these assets is based on valuation performed by independent professional property valuers. The independent professional property valuers may exercise judgement in determining discount rates, estimates of future cash flows, capitalisation rate, market rental rate and other factors used in their valuation process. Judgement has been applied in estimating prices for less readily observable external parameters. Other factors such as model assumptions, market dislocations and unexpected correlations may materially affect these estimates and the resulting valuation estimates.

The carrying amounts of the leasehold land and buildings are disclosed in Note 5 to the financial statements.

5. Property, Plant And Equipment

GROUP	NOTE	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000 (AT VALUATION)	BUILDING RM'000	LEASEHOLD BUILDINGS RM'000 (AT VALUATION)	OFFICE EQUIPMENT, FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	PLANT AND MACHINERY RM'000	CONSTRUCTION IN PROGRESS RM'000	TOTAL RM'000
Cost/Valuation										
At 1 April 2018										
- as previously reported		1,824	36,000	27,479	60,000	28,840	5,625	130,764	5,691	296,223
- retrospective restatement	32	(1,824)	–	–	–	–	–	–	–	(1,824)
Restated balance at 1 April 2018		–	36,000	27,479	60,000	28,840	5,625	130,764	5,691	294,399
Additions		–	–	–	–	239	1,134	146	–	1,519
Disposals		–	–	–	–	(209)	(1,183)	(28,415)	–	(29,807)
Written off		–	–	(1,219)	–	(701)	(171)	(10,669)	(1,886)	(14,646)
Revaluation		–	(15,644)	–	14,260	–	–	–	–	(1,384)
Elimination		–	(4,356)	–	(7,260)	–	–	–	–	(11,616)
Exchange differences		–	–	–	–	1	–	–	–	1
Disposal of subsidiaries		–	–	(19,654)	–	(366)	–	(20,049)	(3,805)	(43,874)
At 31 March 2019		–	16,000	6,606	67,000	27,804	5,405	71,777	–	194,592
Accumulated depreciation and impairment loss										
At 1 April 2018		–	3,485	27,460	5,808	27,082	5,349	123,609	5,691	198,484
Depreciation charge for the financial year		–	871	7	1,452	594	276	1,464	–	4,664
Disposals		–	–	–	–	(67)	(1,174)	(26,485)	–	(27,726)
Written off		–	–	(1,209)	–	(692)	(171)	(10,633)	(1,886)	(14,591)
Elimination		–	(4,356)	–	(7,260)	–	–	–	–	(11,616)
Exchange differences		–	–	–	–	1	–	–	–	1
Disposal of subsidiaries		–	–	(19,654)	–	(366)	–	(20,049)	(3,805)	(43,874)
At 31 March 2019		–	–	6,604	–	26,552	4,280	67,906	–	105,342
Carrying amounts										
At 31 March 2019		**-**	**16,000**	**2**	**67,000**	**1,252**	**1,125**	**3,871**	**-**	**89,250**

5. Property, Plant And Equipment (continued)

GROUP	NOTE	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000 (AT VALUATION)	BUILDING RM'000	LEASEHOLD BUILDINGS RM'000 (AT VALUATION)	OFFICE EQUIPMENT, FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	PLANT AND MACHINERY RM'000	CONSTRUCTION IN PROGRESS RM'000	TOTAL RM'000
Cost/Valuation										
At 1 April 2017										
- as previously reported		1,955	36,000	29,123	60,000	47,018	9,004	140,075	13,723	336,898
- retrospective restatement	32	(1,955)	–	–	–	–	–	–	–	(1,955)
Restated balance at 1 April 2017		–	36,000	29,123	60,000	47,018	9,004	140,075	13,723	334,943
Additions		–	–	–	–	389	2	7	–	398
Disposals		–	–	–	–	(471)	(2,143)	–	(69)	(2,683)
Written off		–	–	(827)	–	(2,411)	(24)	(6,711)	–	(9,973)
Reclassification		–	–	–	–	–	–	(1,774)	(7,606)	(9,380)
Exchange differences		–	–	(817)	–	(17)	–	(833)	(357)	(2,024)
Disposal of subsidiaries		–	–	–	–	(15,668)	(1,214)	–	–	(16,882)
At 31 March 2018		–	36,000	27,479	60,000	28,840	5,625	130,764	5,691	294,399
Accumulated depreciation and impairment loss										
At 1 April 2017		–	2,614	24,316	4,356	41,052	7,268	128,469	13,541	221,616
Depreciation charge for the financial year		–	871	769	1,452	1,846	671	2,595	–	8,204
Impairment loss for the financial year		–	–	3,978	–	18	27	854	1,887	6,764
Disposals		–	–	–	–	(311)	(1,927)	–	–	(2,238)
Written off		–	–	(786)	–	(2,060)	(104)	(6,236)	–	(9,186)
Reclassification		–	–	–	–	–	–	–	(9,380)	(9,380)
Exchange differences		–	–	(817)	–	(11)	–	(2,073)	(357)	(3,258)
Disposal of subsidiaries		–	–	–	–	(13,452)	(586)	–	–	(14,038)
At 31 March 2018		–	3,485	27,460	5,808	27,082	5,349	123,609	5,691	198,484
Carrying amounts										
At 31 March 2018		**-**	**32,515**	**19**	**54,192**	**1,758**	**276**	**7,155**	**-**	**95,915**
At 1 April 2017		**-**	**33,386**	**4,807**	**55,644**	**5,966**	**1,736**	**11,606**	**182**	**113,327**

5. Property, Plant And Equipment (continued)

COMPANY	LEASEHOLD LAND RM'000 (AT VALUATION)	LEASEHOLD BUILDINGS RM'000 (AT VALUATION)	BUILDING RM'000	OFFICE EQUIPMENT, FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	PLANT AND MACHINERY RM'000	TOTAL RM'000
Cost/Valuation							
At 1 April 2018	36,000	60,000	6,600	25,713	2,704	97,718	228,735
Additions	–	–	–	203	262	145	610
Disposals	–	–	–	(21)	(431)	(27,630)	(28,082)
Revaluation	(15,644)	14,260	–	–	–	–	(1,384)
Elimination	(4,356)	(7,260)	–	–	–	–	(11,616)
At 31 March 2019	16,000	67,000	6,600	25,895	2,535	70,233	188,263
Accumulated depreciation and impairment loss							
At 1 April 2018	3,485	5,808	6,600	24,324	2,680	90,635	133,532
Depreciation charge for the financial year	871	1,452	–	491	28	1,420	4,262
Disposals	–	–	–	(21)	(431)	(25,700)	(26,152)
Elimination	(4,356)	(7,260)	–	–	–	–	(11,616)
At 31 March 2019	–	–	6,600	24,794	2,277	66,355	100,026
Carrying amounts							
At 31 March 2019	**16,000**	**67,000**	**–**	**1,101**	**258**	**3,878**	**88,237**
Cost/Valuation							
At 1 April 2017	36,000	60,000	6,600	25,573	3,468	97,711	229,352
Additions	–	–	–	151	–	7	158
Disposals	–	–	–	(11)	(764)	–	(775)
At 31 March 2018	36,000	60,000	6,600	25,713	2,704	97,718	228,735
Accumulated depreciation and impairment loss							
At 1 April 2017	2,614	4,356	2,370	23,571	3,408	89,172	125,491
Depreciation charge for the financial year	871	1,452	497	759	36	1,463	5,078
Impairment loss for the financial year	–	–	3,733	–	–	–	3,733
Disposals	–	–	–	(6)	(764)	–	(770)
At 31 March 2018	3,485	5,808	6,600	24,324	2,680	90,635	133,532
Carrying amounts							
At 31 March 2018	**32,515**	**54,192**	**–**	**1,389**	**24**	**7,083**	**95,203**

5. Property, Plant And Equipment (continued)

(a) Construction in progress

In the previous financial year, the construction in progress of the Group was mainly in relation to the construction of a recycling plant for environment and renewable energy in China.

(b) Assets under finance leases and hire purchase arrangements

The carrying amount of assets under finance lease and hire purchase arrangements are as follows:

	GROUP			COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	1.4.2017 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Office equipment	–	–	58	–	–
Motor vehicles	–	247	1,119	–	–
Plant and machinery	40	1,914	2,495	–	1,914
	40	**2,161**	**3,672**	**–**	**1,914**

(c) Assets pledged as security

Property plant and equipment with net carrying amount of RM83,000,000 (31.3.2018: RM86,707,000; 1.4.2017: RM89,030,000) of the Group and of the Company have been pledged to financial institutions as security for banking facilities as disclosed in Note 20 to the financial statements.

Leased assets are pledged as security for the related finance lease liabilities as disclosed in Note 20 to the financial statements.

(d) Revaluation on leasehold land and buildings

Had the revalued land and buildings been carried at cost less accumulated depreciation, the net carrying amount of the property would have been RM35,665,140 (31.3.2018: RM37,021,710; 1.4.2017: RM38,378,280) as at the end of the reporting year.

5. Property, Plant And Equipment (continued)

(d) Revaluation on leasehold land and buildings (continued)

Fair value information

GROUP AND COMPANY	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000
31.3.2019			
Leasehold land and buildings	-	83,000	83,000
31.3.2018			
Leasehold land and buildings	86,707	-	86,707
1.4.2017			
Leasehold land and buildings	89,030	-	89,030

There was a transfer between Level 2 and Level 3 during the financial year ended 31 March 2019.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair value:

GROUP AND COMPANY	31.3.2019 RM'000
At 1 April	–
Transfer into level 3	83,000
At 31 March	83,000

During the financial year, considering the remaining lease period of the land, the Group and the Company had revised their valuation technique based on income approach using average rental rate of similar properties that uses significant unobservable inputs. Accordingly, the fair value was therefore reclassified to Level 3.

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

DESCRIPTION	VALUATION TECNIQUE	SIGNIFICANT UNOBSERVABLE INPUTS	RELATIONSHIP OF UNOBSERVABLE INPUTS TO FAIR VALUE
Leasehold land and buildings	Income approach	Estimated average rental rate per square feet per month RM2.50	The higher the estimated rental/ average rental rate per square feet per month, the higher the fair value.
		Estimated average outgoings per square feet per month RM0.58	The lower the estimated outgoings square feet per month, the higher the fair value.

5. Property, Plant And Equipment (continued)

(d) Revaluation on leasehold land and buildings (continued)

Fair value information (continued)

Valuation process applied by the Group and the Company

The fair value of leasehold land and buildings are determined by external independent property valuers, Knight Frank Malaysia Sdn. Bhd., a member of the Institute of Valuers in Malaysia, with appropriate recognised professional qualifications and recent experience in the location and category of property being valued on 28 February 2019.

Changes in valuation technique

In the previous financial year, the fair value of the land and buildings of the Group and of the Company were categorised under 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 were adjusted for differences in key attributes such as property size. The most significant input in to this valuation approach was price per square foot.

Highest and best use

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

6. Intangible Assets

GROUP	NOTE	GOODWILL ON CONSOLIDATION RM'000	DEVELOPMENT COSTS RM'000	MINING PERMITS RM'000	INTELLECTUAL PROPERTIES RM'000	CONCESSION ASSET RM'000	TOTAL RM'000
Cost							
At 1 April 2018							
- as previously reported		129,689	16,246	18,567	40,391	19,344	224,237
- retrospective restatement	32	–	–	(18,567)	–	–	(18,567)
Restated balance at 1 April 2018		129,689	16,246	–	40,391	19,344	205,670
Additions		–	–	–	–	237	237
Less: Reversal		–	(3)	–	–	–	(3)
At 31 March 2019		129,689	16,243	–	40,391	19,581	205,904
Accumulated amortisation and impairment loss							
At 1 April 2018							
- as previously reported		1,421	16,231	3,136	33,340	12,941	67,069
- retrospective restatement	32	–	–	(3,136)	–	–	(3,136)
Restated balance at 1 April 2018		1,421	16,231	–	33,340	12,941	63,933
Amortisation charge for the financial year		–	4	–	1,573	2,724	4,301
At 31 March 2019		1,421	16,235	–	34,913	15,665	68,234
Carrying amounts							
At 31 March 2019		**128,268**	**8**	**–**	**5,478**	**3,916**	**137,670**

6. Intangible Assets (continued)

GROUP	NOTE	GOODWILL ON CONSOLIDATION RM'000	DEVELOPMENT COSTS RM'000	MINING PERMITS RM'000	INTELLECTUAL PROPERTIES RM'000	CONCESSION ASSET RM'000	TOTAL RM'000
Cost							
At 1 April 2017							
- as previously reported		145,421	16,243	18,768	53,362	12,816	246,610
- retrospective restatement	32	–	–	(18,768)	–	–	(18,768)
Restated balance at 1 April 2017		145,421	16,243	–	53,362	12,816	227,842
Additions		–	3	–	–	6,528	6,531
Written off		–	–	–	(2,400)	–	(2,400)
Disposal of subsidiaries		(15,732)	–	–	(10,571)	–	(26,303)
At 31 March 2018		129,689	16,246	–	40,391	19,344	205,670
Accumulated amortisation and impairment loss							
At 1 April 2017							
- as previously reported		17,153	16,227	1,725	43,460	4,325	82,890
- retrospective restatement	32	–	–	(1,725)	–	–	(1,725)
Restated balance at 1 April 2017		17,153	16,227	–	43,460	4,325	81,165
Amortisation charge for the financial year		–	4	–	2,618	8,616	11,238
Written off		–	–	–	(2,400)	–	(2,400)
Disposal of subsidiaries		(15,732)	–	–	(10,338)	–	(26,070)
At 31 March 2018		1,421	16,231	–	33,340	12,941	63,933
Carrying amounts							
At 31 March 2018		**128,268**	**15**	**–**	**7,051**	**6,403**	**141,737**
At 1 April 2017		**128,268**	**16**	**–**	**9,902**	**8,491**	**146,677**

6. Intangible Assets (continued)

COMPANY	DEVELOPMENT COSTS RM'000	INTELLEC-TUAL PROPERTIES RM'000	CONCESSION ASSET RM'000	TOTAL RM'000
Cost				
At 1 April 2018	16,246	40,391	19,344	75,981
Additions	–	–	237	237
Less: Reversal	(3)	–	–	(3)
At 31 March 2019	16,243	40,391	19,581	76,215
Accumulated amortisation				
At 1 April 2018	16,231	33,340	12,941	62,512
Amortisation charge for the financial year	4	1,573	2,724	4,301
At 31 March 2019	16,235	34,913	15,665	66,813
Carrying amounts				
At 31 March 2019	**8**	**5,478**	**3,916**	**9,402**
Cost				
At 1 April 2017	16,243	40,391	12,816	69,450
Additions	3	–	6,528	6,531
At 31 March 2018	16,246	40,391	19,344	75,981
Accumulated amortisation				
At 1 April 2017	16,227	30,736	4,325	51,288
Amortisation charge for the financial year	4	2,604	8,616	11,224
At 31 March 2018	16,231	33,340	12,941	62,512
Carrying amounts				
At 31 March 2018	**15**	**7,051**	**6,403**	**13,469**

(a) Goodwill on consolidation

Impairment of goodwill

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

6. Intangible Assets (continued)

(a) Goodwill on consolidation (continued)

Impairment of goodwill (continued)

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

	GROUP	
	31.3.2019 RM'000	31.3.2018 RM'000
Trusted identification	128,268	128,268

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

The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by the directors covering a ten-years period. The same method has also been used in the previous financial year.

In the current financial year, the estimated recoverable amount of the CGU exceeds the carrying amount. As a result of the analysis, the directors did not identify any impairment for this CGU. Based on the sensitivity analysis performed, the directors believe that there is no reasonably possible change in key assumptions that would cause the carrying value of the CGU to exceed its recoverable amount.

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

31.3.2019	**CGU**
Average gross margin	25%
Average annual revenue growth rate	1%
Discount rate	20%

31.3.2018	**CGU**
Average gross margin	23%
Average annual decline in revenue rate	3%
Discount rate	20%

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

6. Intangible Assets (continued)

(a) Goodwill on consolidation (continued)

Impairment of goodwill (continued)

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

- Sales volume is the forecasted annual growth rate over the ten-year projection period. It is based on the average growth levels experienced over the past ten years.
- Sales price is the forecasted annual growth rate over the ten-year projection period. It is based on current industry trends and includes long-term inflation forecasts for each territory.
- Gross margin is the forecasted margin as a percentage of revenue over the ten-year projection period.
- Cash flows beyond the ten-year projection period are extrapolated without any growth rate.
- Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects directors' estimate of the risks specific to the CGU at the date of assessment.

(b) Development costs

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

(c) Intellectual properties

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

(d) Concession asset

Intangible assets model

The Group and the Company had entered into an agreement with the Government of Republic of Senegal on 2 May 2016 to produce and supply 10 million multi-application identity biometric cards over a period of five years. Intangible asset model is used to the extent that the Group and the Company receive a right (a license) to charge users of the public service. A right to charge users of the public service is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service.

(e) Amortisation

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

7. Operating Financial Assets

	GROUP AND COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000
At the beginning of the financial year	15,183	12,104
Add: Increase during the year	662	3,246
Add: Effect on accretion of interest from discounting	1,505	3,844
Less: Payment received	(4,967)	(4,011)
At the end of the financial year	**12,383**	**15,183**
Non-current	11,427	14,591
Current	956	592
	12,383	**15,183**

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

Financial assets model

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

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

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

The amount, being the financial assets arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. They carry interest at the rates range from 7.41% to 7.63% (31.3.2018: 7.41% to 7.63%) per annum repayable in the form of availability charges upon fulfilment of the terms and conditions in the concession assets.

8. Investment In Subsidiaries

	NOTE	COMPANY 2019 RM'000	COMPANY 2018 RM'000 (RESTATED)
At cost			
Unquoted shares			
At the beginning of the financial year			
- as previously reported		267,079	275,287
- retrospective restatement	32	(39,037)	(39,037)
- as restated		228,042	236,250
Add: Additions during the financial year		1,000	–
Less: Disposal during the financial year		(951)	(8,208)
At the end of the financial year		228,091	228,042
Less: Accumulated impairment losses			
At the beginning of the financial year			
- as previously reported		185,009	184,650
- retrospective restatement	32	(30,832)	(22,265)
- as restated		154,177	162,385
Less: Disposal during the financial year		(951)	(8,208)
At the end of the financial year		153,226	154,177
Carrying amounts			
At the end of the financial year		**74,865**	**73,865**

(a) Details of the subsidiaries are as follows:

NAME OF COMPANY	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 31.3.2019 %	OWNERSHIP INTEREST 31.3.2018 % (RESTATED)	PRINCIPAL ACTIVITIES
IRIS Technologies (M) Sdn. Bhd.	Malaysia	100	100	Dormant.
IRIS Corporation North America Limited #	United States of America	100	100	Dormant.
IRIS Eco Power Sdn. Bhd.	Malaysia	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.

8. Investment In Subsidiaries (continued)

(a) Details of the subsidiaries are as follow (continued):

NAME OF COMPANY	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 31.3.2019 %	OWNERSHIP INTEREST 31.3.2018 % (RESTATED)	PRINCIPAL ACTIVITIES
IRIS Agrotech Sdn. Bhd.	Malaysia	100	100	Professional dealers for the design, construction and maintenance of automatic watering and feeding system for agricultural horticultural and other purposes.
IRIS Koto (M) Sdn. Bhd.	Malaysia	51	51	Manufacture and supply of intergrated building system ("IBS") and building material.
IRIS Land Sdn. Bhd.	Malaysia	100	100	Dormant.
IRIS eServices Sdn. Bhd. *(formerly known as IRIS Healthcare Sdn. Bhd.)*	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 intergrated farms.
IRIS Corporation (Bangladesh) Limited * +	Bangladesh	100	100	Provision of trusted identification related products, services and maintenance and business solution.
RB Biotech Sdn. Bhd.	Malaysia	66.67	66.67	Dormant.
Regal Energy Limited # +	Hong Kong	–	100	Investment holding.
IRIS Cafe Kaseh Sdn. Bhd.	Malaysia	100	100	Dormant.
Subsidiary of IRIS Agrotech Sdn. Bhd.				
Endah Farm Sdn. Bhd.	Malaysia	60	60	Dormant.
Subsidiary of Regal Energy Limited				
Weinan IRIS Envirowerks Zhouji Renewable Resources Co., Ltd. # +	China	–	65	Operation and maintenance of food waste-to-fertilizer plant.
Subsidiary of IRIS Land Sdn. Bhd.				
IRIS Land (PNG) Limited # +	Papua New Guinea	100	100	Property development.

8. Investment In Subsidiaries (continued)

(a) Details of the subsidiaries are as follow (continued):

* *Subsidiaries without audited financial statement and auditors' report but the unaudited financial statements of the subsidiaries were reviewed for the purpose of the financial statements of the Group.*

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

^ *The Group has control over the subsidiary.*

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

(b) Acquisition of additional interest in IRIS Information Technology Systems Sdn. Bhd.

On 22 March 2019, the Company acquired additional RM1,000,000 interest (representing 1,000,000 ordinary shares) in IRIS Information Technology Systems Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

(c) Disposal of subsidiaries

<u>For the financial year ended 31 March 2019</u>

On 26 July 2018, the Company had entered into a Shares Sale Agreement ("SSA") with Speedy K-Gital Co., Ltd ("the Purchaser"), a company incorporated in Kingdom of Cambodia to disposed of 100% equity interest in Regal Energy Limited ("REL") for a cash consideration of RM1.00.

REL held 65% of the equity interest in Weinan IRIS Envirowerks Zhouji Renewable Resources Co., Ltd ("Weinan"), a company incorporated in the People's Republic of China.

The disposal was completed on 26 July 2018 as the Purchaser had fully settled the sale consideration upon execution of the Shares Sale Agreement. Consequently, REL and Weinan had ceased to be subsidiaries of the Group.

8. Investment In Subsidiaries (continued)

(c) Disposal of subsidiaries (continued)

For the financial year ended 31 March 2019 (continued)

The summary effects of the disposal of the investment in subsidiaries on the financial position of the Group are as follows:

	REGAL ENERGY LIMITED GROUP RM'000
Asset	
Cash and bank balances	70
Liabilities	
Trade and other payables	54,915
Current tax liabilities	37
	54,952
	(54,882)
Non-controlling interests	14,329
Reclassification adjustment of foreign exchange translation reserve	(2,080)
Waiver of shareholders' net advance	39,335
Fair value of net liabilities identified	(3,298)
Cash consideration received	–*
Gain on disposal of subsidiaries	(3,298)
Cash flows	
Cash consideration received	–*
Less: Cash and cash equivalents of subsidiaries disposed	(70)
Net cash outflows on disposal	(70)

* *Represent amount less than RM1,000*

8. Investment In Subsidiaries (continued)

(c) Disposal of subsidiaries (continued)

For the financial year ended 31 March 2018

On 31 March 2018, the Group disposed of its equity interest in four subsidiaries for a total cash consideration of RM100,003 as follows:

(i) 73.3% of the issued and paid up capital of Seri Stamford College Sdn. Bhd.;
(ii) 75.5% of the issued and paid up capital of Stamford College (Malacca) Sdn. Bhd.;
(iii) 100% of the issued and paid up capital of Platinum Encoded Sdn. Bhd.; and
(iv) 51% of the issued and paid up capital of Formula IRIS Racing Sdn. Bhd.

The effect of the disposal of the investment in subsidiaries on the financial position of the Group are as follows:

	SERI STAMFORD COLLEGE SDN. BHD. RM'000	STAMFORD COLLEGE (MALACCA) SDN. BHD. RM'000	PLATINUM ENCODED SDN. BHD. RM'000	FORMULA IRIS RACING SDN. BHD. RM'000	TOTAL RM'000
Assets					
Property, plant and equipment	2,255	83	–	506	2,844
Intangible assets	233	–	–	–	233
Deferred tax assets	20	–	–	–	20
Inventories	–	14	–	–	14
Trade and other receivables	3,485	542	1,809	54	5,890
Current tax assets	338	81	39	–	458
Cash and bank balances	28	100	21	2	151
	6,359	820	1,869	562	9,610
Liabilities					
Trade and other payables	28,128	1,547	11,706	1,028	42,409
Hire purchase payables	173	30	–	47	250
	28,301	1,577	11,706	1,075	42,659
	(21,942)	(757)	(9,837)	(513)	(33,049)
Non-controlling interests	5,859	185	–	251	6,295
Realisation of goodwill shared by non-controlling interests	(6,371)	(213)	–	–	(6,584)
Waiver of shareholders' net advance	20,907	134	6,837	181	28,059
Fair value of net liabilities identified	(1,547)	(651)	(3,000)	(81)	(5,279)
Cash consideration receivable	(100)	–*	–*	–*	(100)
Gain on disposal of subsidiaries	(1,647)	(651)	(3,000)	(81)	(5,379)
Cash consideration received	–	–	–	–	–
Less: Cash and cash equivalents of subsidiaries disposed	(28)	(100)	(21)	(2)	(151)
Net cash outflows on disposal	(28)	(100)	(21)	(2)	(151)

* *Represent amount less than RM1,000*

8. Investment In Subsidiaries (continued)

(d) Non-controlling interests in subsidiaries

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

Equity interest held by non-controlling interests:

NAME OF COMPANY	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 31.3.2019 %	31.3.2018 % (RESTATED)	1.4.2017 % (RESTATED)
IRIS Koto (M) Sdn. Bhd. ("IRIS Koto")	Malaysia	49	49	49
Warisan Atlet (M) Sdn. Bhd.	Malaysia	51	51	51
RB Biotech Sdn. Bhd.	Malaysia	33.33	33.33	33.33
Formula IRIS Racing Sdn. Bhd.	Malaysia	–	–	49
Seri Stamford College Sdn. Bhd.	Malaysia	–	–	26.7
Stamford College (Malacca) Sdn. Bhd.	Malaysia	–	–	24.5
Endah Farm Sdn. Bhd.	Malaysia	40	40	40
Weinan IRIS Envirowerks Zhouji Renewable Resources Co., Ltd ("Weinan")	China	–	35	35

Carrying amount of material non-controlling interests:

NAME OF COMPANY	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)
IRIS Koto	(20,451)	(19,631)	(16,775)
Weinan	–	(14,329)	(16,164)
Other subsidiaries	(2,146)	(2,214)	(759)
	(22,597)	**(36,174)**	**(33,698)**

Profit or loss allocated to material non-controlling interests:

NAME OF COMPANY	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)
IRIS Koto	(820)	(2,856)	(6,407)
Weinan	–	1,212	(21,531)
Other subsidiaries	68	(1,165)	124
	(752)	**(2,809)**	**(27,814)**

8. Investment In Subsidiaries (continued)

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

The summarised financial information (before intra-group elimination) of the Group's and Company's subsidiaries that have material non-controlling interests are as follows:

	IRIS KOTO RM'000
Summarised statement of financial position	
As at 31 March 2019	
Current assets	4,628
Current liabilities	(26,365)
Net liabilities	(21,737)
Summarised statement of comprehensive income	
Financial year ended 31 March 2019	
Revenue	123
Loss for the financial year	(1,674)
Total comprehensive loss	(1,674)
Summarised statement of cash flows information	
Financial year ended 31 March 2019	
Cash flows used in operating activities	(836)
Cash flows from investing activities	1,014
Cash flows used in financing activities	(257)
Net decrease in cash and cash equivalents	(79)

8. Investment In Subsidiaries (continued)

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

The summarised financial information (before intra-group elimination) of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows (continued):

	IRIS KOTO RM'000	WEINAN RM'000
Summarised statement of financial position		
As at 31 March 2018		
Current assets	7,590	63
Current liabilities	(27,653)	(41,004)
Net liabilities	(20,063)	(40,941)
Summarised statements of comprehensive income		
Financial year ended 31 March 2018		
Revenue	267	–
(Loss)/profit for the financial year	(5,828)	3,463
Total comprehensive (loss)/income	(5,828)	3,463
Summarised statements of cash flows information		
Financial year ended 31 March 2018		
Cash flows used in operating activities	(1,312)	(122)
Cash flows from investing activities	300	–
Cash flows from financing activities	956	–
Net decrease in cash and cash equivalents	(56)	(122)
Summarised statements of financial position		
As at 1 April 2017		
Current assets	23,842	19,277
Non-current assets	3,377	–
Current liabilities	(41,382)	(79,854)
Non-current liabilities	(72)	–
Net liabilities	(14,235)	(60,577)

9. Investment In Associates

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
At cost				
Unquoted shares	14,323	14,323	5,500	5,500
Share of post-acquisition reserves, net of dividend received	(1,870)	(4,657)	–	–
Add: Effect to profit or loss on dilution of investment	–	3,357	–	–
	12,453	13,023	5,500	5,500
Less: Impairment losses	(1,553)	(1,213)	(500)	(500)
	10,900	**11,810**	**5,000**	**5,000**

Details of associates are as follows:

NAME OF COMPANY	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST 31.3.2019 %	OWNERSHIP INTEREST 31.3.2018 %	PRINCIPAL ACTIVITIES / NATURE OF RELATIONSHIP
Multimedia Display Technologies Sdn. Bhd. ("MDT") + *	Malaysia	44.4	44.4	Research, development, marketing and distribution of CRT/LCD display monitors and Radio frequeny identity system (RFID). The activites contribute to the Group's trusted identification business segment.
Neuralogy Sdn. Bhd. + #	Malaysia	20	20	Research and development in electronics and IT.
Associate of IRIS Agrotech Sdn. Bhd.				
Ubud Tower Sdn. Bhd.	Malaysia	50	50	Dormant.
Associate of IRIS Information Technology Systems Sdn. Bhd.				
IRIS Global Blue TRS Malaysia Sdn. Bhd. ("IGB") + ^ #	Malaysia	23.9	23.9	To market & operate as an agent for goods & services tax refund. The activities contribute to the Group's trusted identification business segment.

9. Investment In Associates (continued)

Details of associates are as follows: (continued)

+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*
^ *The Group has no control but has significant influence over the associate.*
* *The financial year end of this associate is not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management financial statements of the associate for the financial period ended 31 March 2019 have been used.*
# *The audited financial statements and auditors' report of the associates are not available. The management accounts have been used for the purpose of consolidation.*

Summarised financial information of material associates

The following table illustrates the summarised financial information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates:

GROUP	MDT RM'000	IGB RM'000
At 31 March 2019		
Assets and liabilities:		
Current assets	1,381	31,293
Non-current assets	1,252	–
Current liabilities	(689)	(10,036)
Net assets	**1,944**	**21,257**
Results:		
Profit/(loss) from continuing operations	74	(2,522)
Other comprehensive income	–	–
Total comprehensive income/(loss)	74	(2,522)
Included in the total comprehensive income/(loss) is:		
Revenue	838	3,481
At 31 March 2018		
Assets and liabilities:		
Current assets	1,151	40,228
Non-current assets	1,330	420
Current liabilities	(605)	(6,717)
Net assets	**1,876**	**33,931**
Results:		
Profit from continuing operations	142	9,809
Other comprehensive income	–	–
Total comprehensive income	142	9,809
Included in the total comprehensive income is:		
Revenue	917	18,604

9. Investment In Associates (continued)

Summarised financial information of material associates (continued)

The following table illustrates the summarised financial information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates (continued):

GROUP	MDT RM'000	IGB RM'000	TOTAL RM'000
At 31 March 2019			
Reconciliation of net assets to carrying amount:			
Share of net assets at fair value	4,000	8,823	12,823
Goodwill on acquisition	1,000	–	1,000
Cost of investment	5,000	8,823	13,823
Less: Share of post-acquisition loss	(554)	(1,316)	(1,870)
	4,446	7,507	11,953
Less: Accumulated impairment loss	–	(1,053)	(1,053)
Carrying amount in the statements of financial positions	**4,446**	**6,454**	**10,900**
Group's share of results			
Group's share of profit or loss during the financial year from:			
- Continuing operations	33	(603)	(570)
Group's share of other comprehensive income	–	–	–
Group's share of total comprehensive income/(loss)	**33**	**(603)**	**(570)**
At 31 March 2018			
Reconciliation of net assets to carrying amount:			
Share of net assets at fair value	4,000	8,823	12,823
Goodwill on acquisition	1,000	–	1,000
Cost of investment	5,000	8,823	13,823
Less: Share of post-acquisition loss	(587)	(4,070)	(4,657)
Add: Effect to profit or loss on dilution of investment	–	3,357	3,357
	4,413	8,110	12,523
Less: Accumulated impairment loss	–	(713)	(713)
Carrying amount in the statements of financial positions	**4,413**	**7,397**	**11,810**
Group's share of results			
Group's share of profit or loss during the financial year from:			
- Continuing operations	63	2,506	2,569
Group's share of other comprehensive income	–	–	–
Group's share of total comprehensive income	**63**	**2,506**	**2,569**

9. Investment In Associates (continued)

(a) Unrecognised share of losses of Ubud Tower Sdn. Bhd. and Neuralogy Sdn. Bhd.

The Group has not recognised its share of losses of Ubud Tower Sdn. Bhd. and Neuralogy Sdn. Bhd. amounting to RM4,267 (31.3.2018: RM19,183) because the Group's cumulative share of losses has exceeded its interest in the associates and the Group has no obligation in respect of these losses. The Group's cumulative accumulated losses not recognised were RM415,017 (31.3.2018: RM410,750).

(b) Dilution of 27.1% equity interest in IRIS Global Blue TRS Malaysia Sdn. Bhd. ("IGB")

In previous financial year, an associate company, IGB had increased its issued and fully paid up share capital from 17,300,000 ordinary shares to 36,910,000 ordinary shares. The Company's effective ownership in IGB decreased from 51% to 23.9% as result of the dilution in the investment.

The summary of the effects of dilution in the Group's ownership interest of IGB is as follows:

	GROUP 31.3.2018 RM'000
Share of net assets before dilution of investment of 51%	2,504
Share of net assets after dilution of investment of 23.9%	5,861
Gain on dilution of investment in an associate recognised in profit or loss	3,357

10. Investment In Joint Ventures

	GROUP			COMPANY		
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)
At cost						
Unquoted shares	39,037	39,037	39,037	39,037	39,037	39,037
Share of post-acquisition reserves	(30,493)	(11,585)	(4,667)	–	–	–
	8,544	27,452	34,370	39,037	39,037	39,037
Less: Impairment losses	(8,752)	(20,663)	(19,127)	(39,037)	(30,832)	(22,265)
Add: Exchange differences	208	272	1,529	–	–	–
	–	7,061	16,772	–	8,205	16,772

10. Investment In Joint Ventures (continued)

Details of joint ventures are as follows:

NAME OF COMPANY	PRINCIPAL PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	OWNERSHIP INTEREST			PRINCIPAL ACTIVITIES
		31.3.2019 %	31.3.2018 % (RESTATED)	1.4.2017 % (RESTATED)	
Plaman Resources Limited (""Plaman"") +	New Zealand	51	51	51	Involved in mining activities.
Subsidiary of Plaman Resources Limited					
Plaman Services Limited + #	New Zealand	100	100	–	Dormant.
Plaman Services (Australia) Pty Ltd. + #	Australia	100	–	–	Dormant.
Plaman Services Corporation + #	United States of America	100	–	–	Dormant.

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

\# *The financial statements of the subsidiaries have not been consolidated in Plaman's financial statements as all the subsidiaries have not commenced their business operations and two of the subsidiaries were newly incorporated during the financial year.*

During the financial year, the Group and the Company reviewed and reassessed the Shareholders Agreement ("SA") dated 30 April 2014 in relation to the Group's investment in Plaman Resources Limited ("Plaman"), a company incorporated in New Zealand. The Group and the Company are of the view that under the provision of the SA, no shareholder in Plaman can direct the relevant activities of Plaman without the co-operation of the others and therefore, no shareholder individually controls Plaman.

In view of the above, the Group and the Company had reclassified its investment in Plaman as jointly-controlled entity in accordance with MFRS 11 *Joint Arrangement* and have accounted for the investment in Plaman using the equity method in accordance with MFRS 128 *Investments in Associate and Joint Ventures*. In the previous financial years, the investment in Plaman was treated as a subsidiary of the Group and the Company in accordance with MFRS 10 *Consolidated Financial Statements*. For further details, please refer to Note 32 to the financial statements.

Shares pledged as security

The Company's ordinary shares in Plaman has been pledged as security for Plaman's term loan.

10. Investment In Joint Ventures (continued)

Summarised financial information of material joint venture

The following table illustrates the summarised financial information of the Group's and the Company's material joint venture, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's and the Company's interest in the joint venture:

GROUP	PLAMAN 31.3.2019 RM'000	PLAMAN 31.3.2018 RM'000	PLAMAN 1.4.2017 RM'000
Assets and liabilities:			
Current assets	48,090	1,110	1,023
Non-current assets	17,749	14,242	18,997
Current liabilities *	(4,703)	(2,687)	(538)
Non-current liabilities #	(87,465)	–	–
Cash and cash equivalents	7,300	1,180	13,405
Results:			
Loss from continuing operations	(37,075)	(13,565)	(7,609)
Other comprehensive income	–	–	–
Total comprehensive loss	(37,075)	(13,565)	(7,609)
Included in the total comprehensive loss is:			
Amortisation	1,112	1,050	813
Interest expense	7,798	–	–
Interest income	462	37	122
At 31 March 2019			
Reconciliation of net assets to carrying amount:			
Cost of investment	39,037	39,037	39,037
Share of post-acquisition loss	(30,493)	(11,585)	(4,667)
	8,544	27,452	34,370
Less: Accumulated impairment loss	(8,752)	(20,663)	(19,127)
Add: Exchange differences	208	272	1,529
Carrying amount in the statements of financial position	–	7,061	16,772
Group's share of results			
Group's share of profit or loss during the financial year from:			
- Continuing operations	(18,908)	(6,918)	(3,881)
Group's share of other comprehensive income	–	–	–
Group's share of total comprehensive loss	(18,908)	(6,918)	(3,881)

* *Current liabilities consist only other payables.*

\# *Non-current liabilities consist only loans and borrowings.*

11. Other Investments

	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000
Non-current				
Financial assets at fair value through other comprehensive income ("FVOCI")				
- Unquoted equity shares	–	–	–	–
Available-for-sale ("AFS") financial assets				
At cost				
- Unquoted equity shares				
- in Malaysia	–	7,500	–	–
- in Singapore	–	2,378	–	2,378
- in Hong Kong	–	981	–	–
- in Republic of Palau	–	7,055	–	–
- Less: Accumulated impairment losses	–	(17,914)	–	(2,378)
	–	–	–	–
- Golf club membership	–	406	–	406
- Less: Accumulated impairment losses	–	(190)	–	(190)
	–	216	–	216
	–	**216**	**–**	**216**

12. Deferred Tax Assets/(Liabilities)

Deferred tax assets/(liabilities) relates to the following:

GROUP	AT 1 APRIL 2018 RM'000	RECOGNISED IN PROFIT OR LOSS RM'000	AT 31 MARCH 2019 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(13,443)	(892)	(14,335)
Deferred tax assets:			
Unutilised tax losses	12,760	(4,099)	8,661
Other items	683	1,717	2,400
	13,443	(2,382)	11,061
	-	**(3,274)**	**(3,274)**

GROUP	AT 1 APRIL 2017 RM'000	RECOGNISED IN PROFIT OR LOSS RM'000	DISPOSAL OF SUBSIDIARIES RM'000	AT 31 MARCH 2018 RM'000
Deferred tax liabilities:				
Property, plant and equipment	(17,895)	4,452	-	(13,443)
Deferred tax assets:				
Unutilised tax losses	2,196	10,434	130	12,760
Other items	780	53	(150)	683
	2,976	10,487	(20)	13,443
	(14,919)	**14,939**	**(20)**	**-**

COMPANY	AT 1 APRIL 2018 RM'000	RECOGNISED IN PROFIT OR LOSS RM'000	AT 31 MARCH 2019 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(13,443)	(892)	(14,335)
Deferred tax assets:			
Unutilised tax losses	12,760	(4,099)	8,661
Other items	683	1,717	2,400
	13,443	(2,382)	11,061
	-	**(3,274)**	**(3,274)**

12. Deferred Tax Assets/(Liabilities) (continued)

Deferred tax assets/(liabilities) relates to the following (continued):

COMPANY	AT 1 APRIL 2017 RM'000	RECOGNISED IN PROFIT OR LOSS RM'000	AT 31 MARCH 2018 RM'000
Deferred tax liabilities:			
Property, plant and equipment	(17,895)	4,452	(13,443)
Deferred tax assets:			
Unutilised tax losses	2,326	10,434	12,760
Other items	629	54	683
	2,955	10,488	13,443
	(14,940)	**14,940**	**–**

Presented after appropriate offsetting as follows:

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Deferred tax assets	–	–	–	–
Deferred tax liabilities	(3,274)	–	(3,274)	–
	(3,274)	**–**	**(3,274)**	**–**

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Temporary differences on property, plant and equipment	24,664	26,462	–	–
Unabsorbed capital allowances	757	877	–	–
Unutilised tax losses	115,560	98,896	3,405	–
Impairment loss for trade receivables	13,958	78,415	13,958	78,415
Other items	27,197	30,388	27,197	30,388
	182,136	**235,038**	**44,560**	**108,803**
Potential deferred tax assets not recognised at 24% (31.3.2018: 24%)	**43,713**	**56,409**	**10,694**	**26,113**

12. Deferred Tax Assets/(Liabilities) (continued)

Pursuant to Section 11 of the Act 812, special provision relating to Section 43 and 44 of Income Tax Act 1967, a time limit has been imposed on the unutilised business losses, to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent year of assessment.

Any unutilised business losses brought forward from year of assessment 2019 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2020 to 2026).

13. Inventories

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
At cost:				
Raw materials	12,919	5,788	12,919	5,021
Work-in-progress	4,622	9,790	4,622	9,782
Finished goods	1,054	9,578	1,054	9,368
	18,595	**25,156**	**18,595**	**24,171**

The cost of inventories of the Group and of the Company recognised as an expense in cost of sales during the financial year in respect of continuing operations was RM66,623,413 (31.3.2018: RM52,968,800) and RM52,558,533 (31.3.2018: RM50,655,000) respectively.

The cost of inventories of the Group and of the Company recognised as (income)/expense in cost of sales in respect of (reversal of written down)/written down of inventories to net realisable value are RM(3,652,000) (31.3.2018: RM7,826,000) and RM(3,191,149) (31.3.2018: RM7,968,032) respectively as results of technology obsolescence on certain products in trusted identification segment and decreased in sales price in certain markets.

14. Trade And Other Receivables

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	GROUP 1.4.2017 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000
Current:						
Trade						
Third parties	(a)	108,796	224,170	308,356	81,606	189,611
Amount owing by subsidiaries	(b)	–	–	–	–	638
Amount owing by associates	(b)	–	272	–	–	272
Amount owing by related parties	(c)	–	4,044	11,931	–	4,044
		108,796	228,486	320,287	81,606	194,565
Less: Accumulated impairment losses						
- third parties	(a)	(30,332)	(91,308)	(103,778)	(13,958)	(77,514)
- amount owing by related parties	(c)	–	(901)	(901)	–	(901)
		(30,332)	(92,209)	(104,679)	(13,958)	(78,415)
		78,464	136,277	215,608	67,648	116,150
Non-trade						
Other receivables	(b)	36,304	30,625	58,565	22,495	16,950
Goods and service tax and value added tax refundable		4,005	3,541	1,932	3,135	2,907
Witholding tax refundable		5,544	232	93	5,544	232
Deposits	(b)	41,674	47,846	50,298	15,799	16,804
Advances to suppliers		5,083	33,848	26,597	5,063	33,848
Amount owing by subsidiaries	(b)	–	–	–	194,110	272,112
Amount owing by associates	(b)	19	13	290	19	13
Amount owing by related parties	(c)	–	–	6	–	–
		92,629	116,105	137,781	246,165	342,866
Less: Accumulated impairment losses						
- other receivables	(b)	(22,073)	(27,438)	(39,894)	(8,801)	(14,161)
- deposits	(b)	(36,149)	(40,007)	(44,820)	(11,684)	(11,934)
- amount owing by subsidiaries	(b)	–	–	–	(178,271)	(227,725)
		(58,222)	(67,445)	(84,714)	(198,756)	(253,820)
		34,407	48,660	53,067	47,409	89,046
Total trade and other receivables		**112,871**	**184,937**	**268,675**	**115,057**	**205,196**

14. Trade And Other Receivables (continued)

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit term offered by the Group and the Company ranging from 30 to 60 days (31.3.2018: 30 to 60 days; 1.4.2017: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

Receivables that are impaired

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

	GROUP			COMPANY	
	31.3.2019 RM'000	31.3.2018* RM'000 (RESTATED)	1.4.2017* RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018* RM'000
At 1 April	92,209	104,679	19,613	78,415	86,458
Charge for the financial year					
- Individually assessed	8,820	9,766	94,427	5,805	5,140
Reversal of impairment losses					
- Individually assessed	(69,162)	(13,396)	(4,695)	(68,727)	(13,183)
- Collectively assessed	–	–	(4,666)	–	–
Written off for the financial year	(1,535)	–	–	(1,535)	–
Disposal of subsidiaries	–	(8,840)	–	–	–
At 31 March	**30,332**	**92,209**	**104,679**	**13,958**	**78,415**

* *Loss allowance disclosed in comparative period is based on incurred loss model in accordance with MFRS 139 Financial Instruments: Recognition and Measurement. Trade receivables that are individually determined to be impaired at the reporting date relate to receivables that are in significant financial difficulties and have defaulted on payments.*

Include in trade receivables of the Group and the Company are amounts totalling RM47,555,728 (31.3.2018: RM88,750,612; 1.4.2017: RM123,807,610) due from 1 (31.3.2018: 2; 1.4.2017: 2) of its significant receivables.

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

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

The trade amounts owing by subsidiaries and associates are non-interest bearing and normal credit term offered by the Group and the Company are 30 days (31.3.2018: 30 days; 1.4.2017: 30 days) from the date of invoices.

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

14. Trade And Other Receivables (continued)

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

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

	GROUP			COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000
At 1 April	67,445	84,714	21,522	253,820	272,651
Charge for the financial year	1,087	4,542	63,192	14,274	13,353
Reversal for the financial year	(5,081)	(2,706)	–	(27,389)	(4,125)
Written off for the financial year	(5,229)	–	–	(41,949)	(28,059)
Disposal of subsidiaries	–	(19,105)	–	–	–
At 31 March	**58,222**	**67,445**	**84,714**	**198,756**	**253,820**

(c) Amounts owing by related parties

Amount owing by related parties are non-interest bearing and normal credit term offered by the Group and the Company ranging from 30 to 60 days (31.3.2018: 30 to 60 days; 1.4.2017: 30 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

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

15. Contract Assets/(Liabilities)/Other Current Assets/(Liabilities)

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Contract assets relating to contract works with customers	7,267	–	7,267	–
Amount due from contract customers for contract works	–	9,375	–	9,361
Contract liabilities relating to contract works with customers	(3,859)	–	(3,859)	–

15. Contract Assets/(Liabilities)/Other Current Assets/(Liabilities) (continued)

(a) Significant changes in contract balances

	GROUP AND COMPANY 31.3.2019	
	CONTRACT ASSETS INCREASE/ (DECREASE) RM'000	CONTRACT LIABILITIES (INCREASE)/ DECREASE RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	–	1,698
Increases as a result of changes in the measure of progress	6,134	–
Transfers from contract assets recognised at the beginning of the period to receivables	(9,047)	–

(b) Revenue recognised in relation to contract balances

	GROUP AND COMPANY 31.3.2019 RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	**1,698**

In the previous financial year, the Group and the Company had written off amount owing by contract customers of RM23,723,000 in the profit or loss.

16. Cash And Short-Term Deposits

	GROUP			COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000
Cash and bank balances	29,206	24,162	29,936	6,886	19,321
Short-term deposits placed with licensed banks	88,202	11,045	11,538	87,581	10,448
	117,408	**35,207**	**41,474**	**94,467**	**29,769**

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16. Cash And Short-Term Deposits (continued)

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

	GROUP			COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000
Short-term deposits placed with licensed banks	88,202	11,045	11,538	87,581	10,448
Less: Pledged deposits	(14,320)	(10,238)	(10,295)	(14,320)	(10,238)
	73,882	807	1,243	73,261	210
Cash and bank balances	29,206	24,162	29,936	6,886	19,321
	103,088	**24,969**	**31,179**	**80,147**	**19,531**

(b) Included in short-term deposits placed with licensed banks of the Group and of the Company is an amount of RM14,319,930 (31.3.2018: RM10,237,613; 1.4.2017: RM10,295,287) pledged to licensed banks for credit facilities granted to the Group and the Company as disclosed in Note 20 to the financial statements.

(c) The weighted average effective interest rates of the short-term deposits at the end of the reporting date ranged from 1.40% to 14.00% (31.3.2018: 2.75% to 13.50%; 1.4.2017: 2.90% to 3.00%) per annum. The fixed deposits have maturity periods ranging from 30 to 90 days (31.3.2018: 30 days; 1.4.2017: 30 days).

17. Assets/(Liabilities) Of A Disposal Group Classified As Held For Sale And Discontinued Operations

(a) Assets/(liabilities) of a disposal group classified as held for sale

In the previous financial years, the Board of Directors approved a plan to sell a subsidiary, IRIS Land (PNG) Ltd., which operates in Papua New Guinea. The assets and liabilities related to IRIS Land (PNG) Ltd. have been presented as held for sale since the previous financial years. The transaction is expected to be completed within the next twelve months. Further details refer to Note 34(a) to the financial statements.

In accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, the assets and liabilities held for sales of the above disposal group had been written down to their fair value less cost to sell.

Liabilities of a disposal group classified as held for sale

	GROUP	
	31.3.2019 RM'000	31.3.2018 RM'000
Trade and other payables	**5,479**	**5,479**

17. Assets/(Liabilities) Of A Disposal Group Classified As Held For Sale And Discontinued Operations (continued)

(b) Discontinued operations

(i) Discontinued property development business in Papua New Guinea

As disclosed in Note 17(a) above, in the previous financial years, the Group had discontinued its property development business in Papua New Guinea on 30 December 2016 and had classified the property development segment as held for sale and discontinued operation. The consolidated statement of comprehensive income for the financial year ended 31 March 2019, 31 March 2018 and 31 March 2017 have presented the discontinued operation separately from continuing operations.

(ii) Disposal of subsidiaries – education division

As disclosed in Note 8(c) to the financial statements, the Group had disposed four of its subsidiaries on 31 March 2018 and hence discontinued its education business. The segment was not a discontinued operation as at 31 March 2017 and the comparative statements of comprehensive income for the financial year ended 31 March 2018 has been re-presented to show the discontinued operation separately from continuing operations.

(iii) Analysis of the results of discontinued operations and the results recognised on the disposal group is as follows:

	PROPERTY DEVELOPMENT AND CON-STRUCTION SUB-DIVISION 31.3.2018 RM'000	EDUCATION DIVISON 31.3.2018 RM'000	TOTAL RM'000
Revenue	–	5,418	5,418
Expenses	(11,373)	(13,590)	(24,963)
Gain on disposal of subsidiaries (Note 8(c))	–	5,379	5,379
Loss before tax from discontinued operations	(11,373)	(2,793)	(14,166)
Income tax expense	–	(31)	(31)
Loss after tax for the financial year from discontinued operations, net of tax	**(11,373)**	**(2,824)**	**(14,197)**

17. Assets/(Liabilities) Of A Disposal Group Classified As Held For Sale And Discontinued Operations (continued)

(b) Discontinued operations (continued)

(iv) The following items have been charged/(credited) in arriving at loss before tax:

	31.3.2018 RM'000
Amortisation of intangible assets	14
Auditors' remuneration	71
Depreciation of property, plant and equipment	380
Gain on disposal of investment in subsidiaries	(5,379)
Impairment loss on trade and other receivables	3,528
Impairment loss on property, plant and equipment	861
Inventories written down	5,182
Interest expenses on hire purchase and finance lease	8
Staff costs:	
- salaries and other remuneration	3,624
- defined contribution plans	395

(v) Cash flows from/(used in) discontinued operations:

	31.3.2018 RM'000
Net cash flows used in operating activities	(11,465)
Net cash flows from investing activities	289
Net cash flows used in financing activities	(25)
	(11,201)

18. Share Capital

	GROUP AND COMPANY			
	NUMBER OF ORDINARY SHARES		AMOUNT	
	31.3.2019 UNIT '000	31.3.2018 UNIT '000	31.3.2019 RM'000	31.3.2018 RM'000
Ordinary shares				
Issued and fully paid up:				
At 1 April	2,471,902	2,247,184	480,276	448,816
Issued during the financial year	494,380	224,718	59,326	31,460
At 31 March	**2,966,282**	**2,471,902**	**539,602**	**480,276**

18. Share Capital (continued)

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

The new Companies Act 2016 (the "Act"), which came into operation on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, the amount standing to the credit of the share premium account of RM111,738,310 become part of the Company's share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

During the financial year, the Company issued 494,380,400 (31.3.2018: 224,718,405) new ordinary shares pursuant to a private placement exercise at an issue price of RM0.12 (31.3.2018: RM0.14) per ordinary share.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

19. Other Reserves

		GROUP			COMPANY	
	NOTE	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000
Foreign exchange translation reserve	(a)	158	4,908	7,156	–	–
Revaluation reserve	(b)	34,043	36,074	37,129	9,983	11,333
		34,201	**40,982**	**44,285**	**9,983**	**11,333**

(a) Foreign exchange translation reserve

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

(b) Revaluation reserve

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

20. Loans And Borrowings

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000
Non-current:					
Secured					
Term loans	(a)	31,250	59,535	31,250	59,535
Hire purchase payables	(b)	83	218	–	–
		31,333	59,753	31,250	59,535
Current:					
Secured					
Term loans	(a)	12,500	29,250	12,500	29,250
Hire purchase payables	(b)	127	223	–	–
Finance lease liabilities	(c)	–	281	–	281
Unsecured					
Revolving loans	(d)	10,000	15,000	10,000	15,000
		22,627	44,754	22,500	44,531
		53,960	**104,507**	**53,750**	**104,066**
Total loans and borrowings:					
Term loans		43,750	88,785	43,750	88,785
Hire purchase payables		210	441	–	–
Finance lease liabilities		–	281	–	281
Revolving loans		10,000	15,000	10,000	15,000
		53,960	**104,507**	**53,750**	**104,066**

(a) Term loans

Group and Company

Term loan 1 of RM43,750,000 (31.3.2018: RM56,250,000) bears interest at 7.00% (31.3.2018: 7.00%) per annum and is repayable by quarterly instalments of RM3,125,000 over eight years commencing from 1 December 2014 and is secured by fixed charges over the leasehold land and buildings as disclosed in Note 5 to the financial statements.

In the previous financial year, term loan 2 of RM32,534,803 bore quarterly interest ranged from 7.75% to 8.08% per annum and was repayable by bi-annually instalments of RM8,375,000 over four years commencing from 31 December 2015 and was secured by the charge and assignment of designated accounts of the Company. During the financial year, the Group and the Company had made a full settlement of term loan 2. All secured assets have been discharged.

20. Loans And Borrowings (continued)

(b) Hire purchase payables

	GROUP	
	31.3.2019 RM'000	31.3.2018 RM'000
Minimum hire purchase payments:		
- Not later than one year	134	239
- Later than one year and not later than 5 years	85	228
	219	467
Less: Future finance charges	(9)	(26)
Present value of hire purchase payables	**210**	**441**
Represented by:		
Current		
- Not later than one year	127	223
Non-current		
- Later than one year and not later than 5 years	83	218
	210	**441**

Hire purchase payables of the Group bear effective interest rates ranging from 4.58% to 6.48% (31.3.2018: 3.49% to 5.06%) per annum at the end of the reporting period.

(c) Finance lease liabilities

	GROUP AND COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000
Minimum lease payments:		
- Not later than one year	–	291
Less: Future finance charges	–	(10)
Present value of minimum lease payments	**–**	**281**
Represented by:		
Current		
- Not later than one year	**–**	**281**

In the previous financial year, the finance lease liabilities of the Group and of the Company bore effective interest rate ranging from 4.46% to 9.41% per annum at the end of the reporting period.

20. Loans And Borrowings (continued)

(d) Revolving loans

The revolving loans bore effective interest rate at 5.81% (31.3.2018: 5.80%) per annum at the end of the financial year.

The revolving loans are secured by way of:

(i) deed of Assignment of contracts' proceeds; and
(ii) letter of negative pledge.

21. Trade And Other Payables

	NOTE	GROUP 31.3.2019 RM'000	GROUP 31.3.2018 RM'000 (RESTATED)	GROUP 1.4.2017 RM'000 (RESTATED)	COMPANY 31.3.2019 RM'000	COMPANY 31.3.2018 RM'000
Current:						
Trade						
Third parties	(a)	57,851	128,200	113,698	43,875	106,327
Amount owing to subsidiaries	(b)	–	–	–	26,462	84,827
		57,851	128,200	113,698	70,337	191,154
Non-trade						
Other payables		9,268	32,360	67,430	5,963	10,698
Goods and services tax and sales and services tax payable		167	197	277	110	197
Deposits		52,168	49,205	57,202	50,477	47,503
Accruals		73,195	71,931	65,642	65,168	67,205
Amount owing to an associate	(b)	6,454	–	–	–	–
Amount owing to subsidiaries	(b)	–	–	–	70,825	71,057
		141,252	153,693	190,551	192,543	196,660
Total trade and other payables		**199,103**	**281,893**	**304,249**	**262,880**	**387,814**

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from 30 to 120 days (31.3.2018: 30 to 120 days; 1.4.2017: 30 to 120 days).

(b) Amount owing to subsidiaries and an associate

The trade amount owing is subject to the normal trade credit terms ranging from 30 to 90 days (31.3.2018: 30 to 90 days). The amount owing is expected to be settled in cash.

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

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

22. Revenue

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Continuing operations				
Revenue from contract customers:				
Sales of goods	135,056	150,977	127,521	145,372
Maintenance and services	22,650	33,051	21,687	18,920
Construction contracts	3,002	5,159	3,002	5,159
Concession arrangements *	68,529	145,505	68,529	145,505
	229,237	**334,692**	**220,739**	**314,956**

* *These relate to construction revenue recognised in accordance with IC Interpretation 12 Service Concession Arrangements and MFRS 15 Revenue from Contracts with Customers in respect of the construction of public services pursuant to the concession arrangements as disclosed in Note 6(d) and Note 7 to the financial statements.*

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

For information about disaggregation of revenue into primary geographical market, refer to Note 31 to the financial statements.

(a) Disaggregation of revenue

GROUP	TRUSTED IDENTIFICA-TION RM'000	PROPERTY DEVELOP-MENT & CONSTRUC-TION RM'000	FOOD & AGRO-TECHNOLOGY RM'000	TOTAL RM'000
2019				
Major goods or services:				
Sale of goods	132,905	123	2,028	135,056
Maintenance and services	22,650	–	–	22,650
Construction contracts	–	3,002	–	3,002
Concession arrangements	68,529	–	–	68,529
	224,084	**3,125**	**2,028**	**229,237**
Timing of revenue recognition:				
At a point in time	132,905	123	2,028	135,056
Over time	91,179	3,002	–	94,181
	224,084	**3,125**	**2,028**	**229,237**

22. Revenue (continued)

(a) Disaggregation of revenue (continued)

GROUP	TRUSTED IDENTIFICATION RM'000	PROPERTY DEVELOPMENT & CONSTRUCTION RM'000	FOOD & AGRO-TECHNOLOGY RM'000	TOTAL RM'000
2018				
Major goods or services:				
Sale of goods	148,769	267	1,941	150,977
Maintenance and services	33,051	–	–	33,051
Construction contracts	–	5,159	–	5,159
Concession arrangements	145,505	–	–	145,505
	327,325	**5,426**	**1,941**	**334,692**
Timing of revenue recognition:				
At a point in time	148,769	267	1,941	150,977
Over time	178,556	5,159	–	183,715
	327,325	**5,426**	**1,941**	**334,692**

COMPANY	TRUSTED IDENTIFICATION RM'000	PROPERTY DEVELOPMENT & CONSTRUCTION RM'000	TOTAL RM'000
2019			
Major goods or services:			
Sale of goods	127,521	–	127,521
Maintenance and services	21,687	–	21,687
Construction contracts	–	3,002	3,002
Concession arrangements	68,529	–	68,529
	217,737	**3,002**	**220,739**
Timing of revenue recognition:			
At a point in time	127,521	–	127,521
Over time	90,216	3,002	93,218
	217,737	**3,002**	**220,739**

22. Revenue (continued)

(a) Disaggregation of revenue (continued)

COMPANY	TRUSTED IDENTIFICATION RM'000	PROPERTY DEVELOPMENT & CONSTRUCTION RM'000	TOTAL RM'000
2018			
Major goods or services:			
Sale of goods	145,372	–	145,372
Maintenance and services	18,920	–	18,920
Construction contracts	–	5,159	5,159
Concession arrangements	145,505	–	145,505
	309,797	**5,159**	**314,956**
Timing of revenue recognition:			
At a point in time	145,372	–	145,372
Over time	164,425	5,159	169,584
	309,797	**5,159**	**314,956**

(b) Transaction price allocated to the remaining performance obligations

In accordance with the transitional provisions in paragraph D34 of MFRS 1, the Group and the Company have applied the practical expedient in paragraph C5(d) of MFRS 15 and, for all reporting periods presented before the beginning of the first MFRS reporting period, do not disclose the amount of the transaction price allocated to the remaining performance obligations.

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

23. Finance Costs

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Continuing operations				
Interest expense on:				
- hire purchase and finance lease	51	249	34	218
- term loans	5,485	7,037	5,485	7,324
- revolving loans	749	894	749	894
- trade loans	–	347	–	347
- others	117	245	97	190
	6,402	**8,772**	**6,365**	**8,973**

24. Profit/(Loss) Before Tax

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

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)
Continuing operations				
Auditors' remuneration:				
- audit services				
- current year	521	624	365	356
- prior year	15	135	15	100
- other services	60	10	60	10
Amortisation of intangible assets	4,301	11,224	4,301	11,224
Amount owing by contract customers written off	–	23,723	–	23,723
Bad debts written off	2,615	2,120	2,615	2,120
Depreciation of property, plant and equipment	4,664	7,824	4,262	5,078
Directors' fee	409	474	409	474
Directors' remuneration:				
- salaries and other remuneration	723	655	723	655
- defined contribution plans	74	64	74	64
- others	1	–	1	–
Effect of accretion of interest on operating financial assets	(1,505)	(3,844)	(1,505)	(3,844)
Gain on dilution of investment in an associate	–	(3,357)	–	–
Gain on disposal of investment in subsidiaries	(3,298)	–	–*	(100)
Gain on disposal of other investment	(15)	–	(15)	–
Gain on disposal of property, plant and equipment	(1,453)	(568)	(256)	(252)
Impairment loss on trade and other receivables	9,907	14,308	20,079	18,493
Impairment loss on other investments	–	190	–	190

24. Profit/(Loss) Before Tax (continued)

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

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)
Continuing operations				
Impairment loss on investment in associates	340	713	–	–
Impairment loss on investment in joint ventures	–	1,536	8,205	8,567
Impairment loss on property, plant and equipment	–	5,903	–	3,733
Interest income	(1,062)	(335)	(1,060)	(323)
Loss/(gain) on foreign exchange:				
- realised	1,900	(4,366)	1,900	(4,411)
- unrealised	(1,009)	21,174	(736)	22,418
Net/(reversal) of inventories written down	(3,652)	7,826	(3,191)	7,968
Other investment written off	16	–	16	–
Property, plant and equipment written off	55	787	–	–
Reversal of impairment loss on investment in joint ventures, transferred to share of results of joint ventures	(11,911)	–	–	–
Reversal of impairment loss on trade and other receivables	(74,243)	(16,102)	(96,116)	(17,308)
Staff costs:				
- salaries and other remuneration	43,290	41,648	31,955	27,775
- defined contribution plans	3,829	4,139	2,644	2,589

* *Represent amount less than RM1,000*

25. Income Tax Expense/(Credit)

The major components of income tax expense/(credit) for the financial years ended 31 March 2019 and 31 March 2018 are as follows:

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Statements of comprehensive income				
Continuing operations				
Current income tax:				
- current year	–*	2,670	–	–
- prior years	(297)	1,492	–	1,536
	(297)	4,162	–	1,536
Deferred tax:				
Origination/(reversal) of temporary differences	3,274	(14,939)	3,274	(14,940)
Revaluation of property, plant and equipment	332	–	332	–
	3,606	(14,939)	3,606	(14,940)
Income tax expense/(credit) attributable to continuing operations	3,309	(10,777)	3,606	(13,404)
Income tax expense attributable to discontinued operations (Note 17(b))	–	31	–	–
Income tax expense/(credit) recognised in profit or loss	**3,309**	**(10,746)**	**3,606**	**(13,404)**

* *Represent amount less than RM1,000*

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (31.3.2018: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

25. Income Tax Expense/(Credit) (continued)

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

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000
Profit/(loss) before tax				
- Continuing operations	40,816	(122,940)	60,702	(128,648)
- Discontinued operations	–	(14,166)	–	–
	40,816	(137,106)	60,702	(128,648)
Tax at Malaysian statutory income tax rate of 24% (31.3.2018: 24%)	9,796	(32,905)	14,568	(30,876)
Adjustments:				
Income not subject to tax	(9,427)	(8,705)	(8,029)	(4,105)
Non-deductible expenses	7,063	24,401	8,128	24,640
Deferred tax not recognised on tax losses and temporary differences	(12,696)	7,157	(15,419)	(18)
Tax effect on share of results of associates	137	617	–	–
Tax effect on share of results of joint ventures	4,538	1,660	–	–
Adjustment in respect of income tax of prior years	(297)	1,492	–	1,536
Adjustment in respect of deferred tax of prior years	4,430	(4,210)	4,430	(4,210)
Adjustment in respect of revaluation reserves	(235)	(253)	(72)	(371)
Income tax expense/(credit)	**3,309**	**(10,746)**	**3,606**	**(13,404)**

26. Earnings/(Loss) Per Share

(a) Basic earnings/(loss) per ordinary share

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

	GROUP	
	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)
Profit/(loss) attributable to owners of the Company:		
- Continuing operations	38,259	(110,427)
- Discontinued operations	–	(13,124)
	38,259	**(123,551)**
	UNIT'000	UNIT'000
Weighted average number of ordinary shares for basic earnings/(loss) per share	2,734,669	2,412,183
Basic earnings/(loss) per ordinary share (sen):		
- Continuing operations	1.40	(4.58)
- Discontinued operations	–	(0.54)
	1.40	**(5.12)**

(b) Diluted earnings/(loss) per ordinary share

The basic and diluted earnings/(loss) per ordinary shares is the same as the Company has no dilutive potential ordinary shares.

27. Financial Instruments

(a) Categories of financial instruments

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

From 1 April 2018
(i) Amortised cost ("AC"); and
(ii) Fair value through other comprehensive income ("FVOCI").

On or before 31 March 2018
(iii) Loan and receivables ("L&R");
(iv) Available-for-sale financial assets ("AFS"); and
(v) Other financial liabilities ("FL").

27. Financial Instruments (continued)

(a) Categories of financial instruments (continued)

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

	CARRYING AMOUNT RM'000	AC RM'000
As 31 March 2019		
Financial assets		
Group		
Operating financial assets	12,383	12,383
Trade and other receivables #	98,239	98,239
Cash and short-term deposits	117,408	117,408
	228,030	**228,030**
Company		
Operating financial assets	12,383	12,383
Trade and other receivables #	101,315	101,315
Cash and short-term deposits	94,467	94,467
	208,165	**208,165**
As 31 March 2019		
Financial liabilities		
Group		
Loans and borrowings	(53,960)	(53,960)
Trade and other payables *	(198,936)	(198,936)
	(252,896)	**(252,896)**
Company		
Loans and borrowings	(53,750)	(53,750)
Trade and other payables *	(262,770)	(262,770)
	(316,520)	**(316,520)**

27. Financial Instruments (continued)

(a) Categories of financial instruments (continued)

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

	CARRYING AMOUNT RM'000	L&R/ (FL) RM'000	AFS RM'000
As 31 March 2018			
Financial assets			
Group			
Operating financial assets	15,183	15,183	–
Other investments	216	–	216
Trade and other receivables #	147,316	147,316	–
Cash and short-term deposits	35,207	35,207	–
	197,922	**197,706**	**216**
Company			
Operating financial assets	15,183	15,183	–
Other investments	216	–	216
Trade and other receivables #	168,209	168,209	–
Cash and short-term deposits	29,769	29,769	–
	213,377	**213,161**	**216**
As 31 March 2018			
Financial liabilities			
Group			
Loans and borrowings	(104,507)	(104,507)	–
Trade and other payables *	(281,696)	(281,696)	–
	(386,203)	**(386,203)**	**–**
Company			
Loans and borrowings	(104,066)	(104,066)	–
Trade and other payables *	(387,617)	(387,617)	–
	(491,683)	**(491,683)**	**–**

\# *Excluded prepayments, advances to suppliers, goods and services tax and value added tax refundable and withholding tax refundable.*

* *Excluded goods and service tax and sales and services tax payable.*

27. Financial Instruments (continued)

(b) Financial risk management

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

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

(i) Credit risk

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

Trade receivables and contract assets

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

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

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Credit risk concentration profile

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

	GROUP			
	31.3.2019		31.3.2018	
	RM'000	%	RM'000	%
Trade receivables				
Trusted identification, payment and transportation	64,622	75	116,150	80
Others	13,842	16	20,127	14
	78,464	91	136,277	94
Contract assets/amount owing by contract customers				
Trusted identification, payment and transportation	7,267	9	9,375	6
	85,731	**100**	**145,652**	**100**

	COMPANY			
	31.3.2019		31.3.2018	
	RM'000	%	RM'000	%
Trade receivables				
Trusted identification, payment and transportation	58,480	78	111,922	89
Others	9,168	12	4,228	3
	67,648	90	116,150	92
Contract assets/amount owing by contract customers				
Trusted identification, payment and transportation	7,267	10	9,361	8
	74,915	**100**	**125,511**	**100**

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

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

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

	GROSS CARRYING AMOUNT RM'000	IMPAIRMENT LOSS RM'000	NET BALANCE RM'000
At 31 March 2019			
Group			
Contract assets	7,267	–	7,267
Trade receivables			
Current (not past due)	26,013	–	26,013
1 - 90 days past due	–	–	–
91 - 180 days past due	1,087	–	1,087
More than 181 days past due	51,364	–	51,364
Credit impaired (individually assessed)	30,332	(30,332)	–
	108,796	(30,332)	78,464
	116,063	**(30,332)**	**85,731**
Company			
Contract assets	7,267	–	7,267
Trade receivables			
Current (not past due)	20,455	–	20,455
1 - 90 days past due	–	–	–
91 - 180 days past due	79	–	79
More than 181 days past due	47,114	–	47,114
Credit impaired (individually assessed)	13,958	(13,958)	–
	81,606	(13,958)	67,648
	88,873	**(13,958)**	**74,915**

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

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Trade receivables and contract assets (continued)

Comparative information under MFRS 139 *Financial Instruments: Recognition and Measurement*

As at 31 March 2018, the ageing analysis of the Group's and the Company's trade receivables were as follows:

	GROUP 31.3.2018 RM'000	COMPANY 31.3.2018 RM'000
Neither past due nor impaired	28,899	27,878
Past due but not impaired		
1 - 90 days past due not impaired	20,666	16,080
91 - 180 days past due not impaired	21,775	21,618
more than 181 days past due not impaired	64,937	50,574
	107,378	88,272
Impaired (individually)	92,209	78,415
	228,486	**194,565**

Other receivables and other financial assets

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

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

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

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

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(i) Credit risk (continued)

Other receivables and other financial assets (continued)

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company did not recognised any loss allowance for impairment for other receivables and other financial assets other than those as disclosed in Note 14 to the financial statements.

Refer to Note 3.12(a) to the financial statements for the Group's and the Company's other accounting policies for impairment of financial assets.

(ii) Liquidity risk

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

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

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(ii) Liquidity risk (continued)

Maturity analysis

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

GROUP	CARRYING AMOUNT RM'000	CONTRACTUAL CASH FLOWS ON DEMAND OR WITHIN 1 YEAR RM'000	BETWEEN 1 AND 5 YEARS RM'000	MORE THAN 5 YEARS RM'000	TOTAL RM'000
At 31 March 2019					
Trade and other payables *	198,936	198,936	–	–	198,936
Hire purchase payables	210	134	85	–	219
Term loans	43,750	15,169	34,077	–	49,246
Revolving loans	10,000	10,506	–	–	10,506
	252,896	**224,745**	**34,162**	**–**	**258,907**
At 31 March 2018					
Trade and other payables *	281,696	281,696	–	–	281,696
Hire purchase payables	441	239	228	–	467
Financial lease liabilities	281	291	–	–	291
Term loans	88,785	34,610	65,539	–	100,149
Revolving loans	15,000	15,870	–	–	15,870
	386,203	**332,706**	**65,767**	**–**	**398,473**

COMPANY	CARRYING AMOUNT RM'000	CONTRACTUAL CASH FLOWS ON DEMAND OR WITHIN 1 YEAR RM'000	BETWEEN 1 AND 5 YEARS RM'000	MORE THAN 5 YEARS RM'000	TOTAL RM'000
At 31 March 2019					
Trade and other payables*	262,770	262,770	–	–	262,770
Term loans	43,750	15,169	34,077	–	49,246
Revolving loans	10,000	10,506	–	–	10,506
	316,520	**288,445**	**34,077**	**–**	**322,522**
At 31 March 2018					
Trade and other payables*	387,617	387,617	–	–	387,617
Financial lease liabilities	281	291	–	–	291
Term loans	88,785	34,610	65,539	–	100,149
Revolving loans	15,000	15,870	–	–	15,870
	491,683	**438,388**	**65,539**	**–**	**503,927**

* *Excluded goods and services tax and sales and services tax payable.*

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk

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

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

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

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Financial assets and liabilities not held in functional currencies				
Trade and other receivables				
US Dollar	69,166	79,822	69,724	79,703
Euro	6,747	44,195	6,747	44,195
Egyptian Pound	146	551	146	551
Tanzanian Shiling	6,760	1,268	6,760	1,268
Others	64	2,139	64	7,507
	82,883	**127,975**	**83,441**	**133,224**
Cash and short-term deposits				
US Dollar	3,244	3,316	3,244	3,316
Euro	2,144	4,307	2,144	4,307
Egyptian Pound	640	316	640	316
	6,028	**7,939**	**6,028**	**7,939**
Trade and other payables				
US Dollar	(17,191)	(65,244)	(15,509)	(65,244)
Euro	(3,524)	(5,708)	(3,411)	(5,708)
Egyptian Pound	(29)	(15)	(29)	(15)
Others	(558)	(687)	(531)	(687)
	(21,302)	**(71,654)**	**(19,480)**	**(71,654)**

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The Group's and the Company's principal foreign currency exposure relates mainly to United States Dollar ("USD"), Euro and Egyptian Pound.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

GROUP	CHANGE IN RATE	EFFECT ON PROFIT FOR THE FINANCIAL YEAR RM'000	EFFECT ON EQUITY RM'000
31 March 2019			
US Dollar	+10%	5,522	5,522
	-10%	(5,522)	(5,522)
Euro	+10%	537	537
	-10%	(537)	(537)
Egyptian Pound	+10%	76	76
	-10%	(76)	(76)
Tanzanian Shiling	+10%	676	676
	-10%	(676)	(676)
Others	+10%	(49)	(49)
	-10%	49	49
31 March 2018			
US Dollar	+10%	1,789	1,789
	-10%	(1,789)	(1,789)
Euro	+10%	4,279	4,279
	-10%	(4,279)	(4,279)
Egyptian Pound	+10%	85	85
	-10%	(85)	(85)
Tanzanian Shiling	+10%	127	127
	-10%	(127)	(127)
Others	+10%	145	145
	-10%	(145)	(145)

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(iii) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk (continued)

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year. (continued)

COMPANY	CHANGE IN RATE	EFFECT ON PROFIT FOR THE FINANCIAL YEAR RM'000	EFFECT ON EQUITY RM'000
31 March 2019			
US Dollar	+10%	5,746	5,746
	-10%	(5,746)	(5,746)
Euro	+10%	548	548
	-10%	(548)	(548)
Egyptian Pound	+10%	76	76
	-10%	(76)	(76)
Tanzanian Shiling	+10%	676	676
	-10%	(676)	(676)
Others	+10%	(47)	(47)
	-10%	47	47
31 March 2018			
US Dollar	+10%	1,778	1,778
	-10%	(1,778)	(1,778)
Euro	+10%	4,279	4,279
	-10%	(4,279)	(4,279)
Egyptian Pound	+10%	85	85
	-10%	(85)	(85)
Tanzanian Shiling	+10%	127	127
	-10%	(127)	(127)
Others	+10%	682	682
	-10%	(682)	(682)

27. Financial Instruments (continued)

(b) Financial risk management (continued)

(iv) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as results of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates. The Group and the Company do not hedge their interest rate risk.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

GROUP	CHANGE IN RATE	EFFECT ON PROFIT FOR THE FINANCIAL YEAR RM'000	EFFECT ON EQUITY RM'000
31 March 2019	+1%	(100)	(100)
	-1%	100	100
31 March 2018	+1%	(475)	(475)
	-1%	475	475
31 March 2019	+1%	(100)	(100)
	-1%	100	100
31 March 2018	+1%	(475)	(475)
	-1%	475	475

27. Financial Instruments (continued)

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings reasonably approximate to their fair values due to the relatively short-term nature of these financial instruments.

There have been no transfers between Level 1 and Level 2 during the financial year (31.3.2018: no transfer in either directions; 1.4.2017: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's and of the Company's financial instruments:

	CARRYING AMOUNT TOTAL	FAIR VALUE OF FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE			
		FAIR VALUE			
GROUP	RM'000	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
31 March 2019					
Financial assets					
Operating financial assets	12,383	–	–	12,383	12,383
Financial liabilities					
Hire purchase payables	(210)	–	–	(214)	(214)
Term loans (fixed)	(43,750)	–	–	(42,470)	(42,470)
31 March 2018					
Financial assets					
Operating financial assets	15,183	–	–	15,183	15,183
Financial liabilities					
Hire purchase payables	(441)	–	–	(448)	(448)
Finance lease liabilities	(281)	–	–	(264)	(264)
Term loans (fixed)	(56,250)	–	–	(54,679)	(54,679)
COMPANY					
31 March 2019					
Financial assets					
Operating financial assets	12,383	–	–	12,383	12,383
Financial liabilities					
Term loans (fixed)	(43,750)	–	–	(42,470)	(42,470)
31 March 2018					
Financial assets					
Operating financial assets	15,183	–	–	15,183	15,183
Financial liabilities					
Finance lease liabilities	(281)	–	–	(264)	(264)
Term loans (fixed)	(56,250)	–	–	(54,679)	(54,679)

27. Financial Instruments (continued)

(c) Fair value measurement (continued)

Level 3 fair value

Fair value of financial instruments not carried at fair value

The fair value of operating financial assets, hire purchase payables, finance lease liabilities and term loans are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

28. Capital Commitments

The Group and the Company have made commitments for the following capital expenditures:

	GROUP AND COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000
- Plant and equipment	6,882	36

29. Related Parties

(a) Identification of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Joint ventures; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

29. Related Parties (continued)

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Sales				
Subsidiaries	–	–	10,545	9,159
Associates	–	854	–	854
Related party *	3,624	1,116	3,624	1,116
	3,624	1,970	14,169	11,129
Purchases				
Subsidiaries	–	–	–	(1)
Disposed subsidiaries	–	–	–	(20)
	–	–	–	(21)
Rental income				
Subsidiaries	–	–	372	461
Management fee income				
Subsidiary	–	–	100	240
Rental expenses				
Subsidiary	–	–	–	(393)

* *During the financial year, Federal Land Development Authority has ceased to be a substantial shareholder of the Company pursuant to Section 139 of Companies Act 2016 in Malaysia.*

(c) Compensation of key management personnel

	GROUP		COMPANY	
	31.3.2019 RM'000	31.3.2018 RM'000	31.3.2019 RM'000	31.3.2018 RM'000
Short-term employee benefits	2,961	1,544	2,961	1,544
Post-employment employee benefits	296	125	296	125
	3,257	**1,669**	**3,257**	**1,669**

30. Capital Management

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 March 2019, 31 March 2018 and 1 April 2017.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total loans and borrowings divided by total equity. The gearing ratio as at the reporting date are as follows:

		GROUP			COMPANY	
	NOTE	31.3.2019 RM'000	31.3.2018 RM'000 (RESTATED)	1.4.2017 RM'000 (RESTATED)	31.3.2019 RM'000	31.3.2018 RM'000
Total loans and borrowings	20	53,960	104,507	181,595	53,750	104,066
Total equity		249,984	143,569	240,384	110,501	(1,464)
Gearing ratio		22%	73%	76%	49%	N/A

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Company is required to comply with certain debts equity ratios in respect of its term loans.

Gearing ratios are not governed by the MFRSs and their definitions and calculations may vary between reporting entities.

31. Segment Information

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segment*s based on the internal reports of the Group's strategic business units which are regularly reviewed by the President & Group Managing Director for the purpose of making decisions about resource allocation and performance assessment.

31. Segment Information (continued)

The five reportable operating segments are as follows:

SEGMENTS	PRODUCTS AND SERVICES
Trusted identification division	e-Passports, e-Identification cards, banking cards, transportation and other related Trusted Identification's devices, equipments and services
Property development and construction sub-division	Construction of buildings and modern integrated farms and manufacturing of Koto industrialised building systems
Food and agro technology sub-division	Provision of food and agro produce and equipment
Environment and renewable energy sub-division	Provision of waste management and power and energy related systems
Education division	Provision of academic, tertiary and professional courses

Inter-segment pricing is determined on negotiated basis.

Segment profit
Segment performance is used to measure performance as the President & Group Managing Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets
The total of segment asset is measured based on all assets (excluding investments in associates and joint ventures, deferred tax assets and tax recoverable) of a segment, as included in the internal reports that are reviewed by the President & Group Managing Director.

Segment liabilities
Segment liabilities are not included in the internal reports that are reviewed by the President & Group Managing Director, hence no disclosures are made on segment liabilities.

31. Segment Information (continued)

	NOTE	CONTINUING OPERATIONS						
			SUSTAINABLE DEVELOPMENT DIVISION					
		TRUSTED IDENTIFICATION DIVISION RM'000	PROPERTY DEVELOPMENT & CONSTRUCTION SUB-DIVISION RM'000	FOOD & AGRO TECHNOLOGY SUB-DIVISION RM'000	ENVIRONMENT & RENEWABLE ENERGY SUB-DIVISION RM'000	ADJUSTMENTS AND ELIMINATIONS RM'000	TOTAL CONTINUING OPERATIONS RM'000	TOTAL RM'000
2019								
Revenue:								
Revenue from external customers		224,084	3,125	2,028	–	–	229,237	229,237
Inter-segment revenue	A	–	–	–	–	–	–	–
		224,084	3,125	2,028	–	–	229,237	229,237
Results								
Operating results		64,597	(1,190)	(11,333)	(37)	–	52,037	52,037
Interest income		1,062	–	–	–	–	1,062	1,062
Other operating income		17,556	1,246	2,150	–	–	20,952	20,952
Depreciation and amortisation		(8,635)	(95)	(235)	–	–	(8,965)	(8,965)
Finance costs		(6,386)	(5)	(11)	–	–	(6,402)	(6,402)
Gain on disposal of subsidiaries		–	–	–	3,298	–	3,298	3,298
Reversal of/(Allowance for) impairment loss of trade and other receivables		66,214	(2,153)	275	–	–	64,336	64,336
Unrealised gain on foreign exchange		1,009	–	–	–	–	1,009	1,009
Administrative and operating expenses	B	(38,150)	(12,290)	(2,485)	(104)	11,911	(41,118)	(41,118)
Reportable segment profit/ (loss)		97,267	(14,487)	(11,639)	3,157	11,911	86,209	86,209
Unallocated corporate expenses	B	–	–	–	–	(25,915)	(25,915)	(25,915)
Share of results of associates and joint ventures		(570)	–	(18,908)	–	–	(19,478)	(19,478)
Segment profit/(loss)		96,697	(14,487)	(30,547)	3,157	(14,004)	40,816	40,816
Income tax expense		(3,309)	–	–	–	–	(3,309)	(3,309)
Profit/(loss) for the financial year	B	**93,388**	**(14,487)**	**(30,547)**	**3,157**	**(14,004)**	**37,507**	**37,507**
Assets:								
Investments in associates and joint ventures		10,900	–	–	–	–	10,900	10,900
Addition to capital expenditure		1,519	–	–	–	–	1,519	1,519
Segment assets	C	555,162	27,308	49,523	287	(116,617)	515,663	515,663

31. Segment Information (continued)

	NOTE	CONTINUING OPERATIONS						DISCONTINUED OPERATIONS		
			SUSTAINABLE DEVELOPMENT DIVISION							
	NOTE	TRUSTED IDENTIFICATION DIVISION RM'000	PROPERTY DEVELOPMENT & CONSTRUCTION SUB-DIVISION RM'000	FOOD & AGRO TECHNOLOGY SUB-DIVISION RM'000	ENVIRONMENT & RENEWABLE ENERGY SUB-DIVISION RM'000	ADJUSTMENTS AND ELIMINATIONS RM'000	TOTAL CONTINUING OPERATIONS RM'000	PROPERTY DEVELOPMENT & CONSTRUCTION SUB-DIVISION RM'000	EDUCATION DIVISION RM'000	TOTAL RM'000
2018										
Revenue:										
Revenue from external customers		327,325	5,426	1,941	–	–	334,692	–	5,418	340,110
Inter-segment revenue	A	–	–	–	–	(393)	(393)	–	393	–
		327,325	5,426	1,941	–	(393)	334,299	–	5,811	340,110
Results										
Operating results		56,194	(6,708)	(22,255)	–	–	27,231	(12)	(1,345)	25,874
Interest income		325	10	–	–	–	335	–	–	335
Other operating income		34,643	1,408	1,056	851	100	38,058	–	435	38,493
Gain on disposal of subsidiries		100	–	–	–	(100)	–	–	5,379	5,379
Depreciation and amortisation		(16,362)	(1,538)	(1,148)	–	–	(19,048)	–	(394)	(19,442)
Amount owing by contract customers written off		(23,723)	–	–	–	–	(23,723)	–	–	(23,723)
Reversal of/(Allowance for) impairment loss of trade and other receivables		2,976	(772)	(410)	–	–	1,794	(3,528)	–	(1,734)
Inventories written down		(7,495)	(163)	(168)	–	–	(7,826)	(5,182)	–	(13,008)
Impairment loss on property, plant and equipment		–	(1,084)	(3,733)	(1,086)	–	(5,903)	(861)	–	(6,764)
Unrealised loss on foreign exchange		(21,174)	–	–	–	–	(21,174)	–	–	(21,174)
Interest expenses		(9,021)	(7)	(31)	287	–	(8,772)	–	(8)	(8,780)
Administrative and operating expenses		(57,482)	(17,594)	(5,140)	(307)	–	(80,523)	(1,790)	(6,860)	(89,173)
Reportable segment loss		(41,019)	(26,448)	(31,829)	(255)	–	(99,551)	(11,373)	(2,793)	(113,717)
Unallocated corporate expenses	B	–	–	–	–	(19,040)	(19,040)	–	–	(19,040)
Share of results of associates and joint ventures		2,569	–	(6,918)	–	–	(4,349)	–	–	(4,349)
Segment loss		(38,450)	(26,448)	(38,747)	(255)	(19,040)	(122,940)	(11,373)	(2,793)	(137,106)
Income tax expense		10,777	–	–	–	–	10,777	–	(31)	10,746
Loss for the financial year	B	**(27,673)**	**(26,448)**	**(38,747)**	**(255)**	**(19,040)**	**(112,163)**	**(11,373)**	**(2,824)**	**(126,360)**
Assets:										
Investments in associates and joint ventures		11,810	–	7,061	–	–	18,871	–	–	18,871
Addition to capital expenditure		326	–	–	1	–	327	–	71	398
Segment assets	C	688,827	8,932	60,683	26,048	(247,077)	537,413	–	–	537,413

31. Segment Information (continued)

Reconciliation of reportable segment revenue, profit or loss, assets and other material items are as follows:

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

B Reconciliation of profit or loss

	31.3.2019 RM'000	31.3.2018 RM'000
Reversal of impairment loss on investment in joint ventrures, transferred to share of results of joint ventures	11,911	–
Unallocated other corporate expenses	(25,915)	(19,040)
	(14,004)	**(19,040)**

C Reconciliation of assets

	31.3.2019 RM'000	31.3.2018 RM'000
Investment in associates and joint ventures	10,900	18,871
Inter-segment assets	(127,517)	(265,948)
	(116,617)	**(247,077)**

Disaggregation of revenue by geographical information

Revenue information based on the geographical location of customers are as follows:

GROUP	TRUSTED IDENTIFICA-TION RM'000	PROPERTY DEVELOP-MENT & CONSTRUC-TION RM'000	FOOD & AGRO-TECHNOLOGY RM'000	OTHERS RM'000	TOTAL RM'000
31 March 2019					
Malaysia	29,392	3,125	2,028	–	34,545
Asia Pacific	32,625	–	–	–	32,625
Oceania	3,478	–	–	–	3,478
Africa	147,919	–	–	–	147,919
North America	10,670	–	–	–	10,670
	224,084	**3,125**	**2,028**	**–**	**229,237**
31 March 2018					
Malaysia	50,643	5,426	1,941	5,418	63,428
Asia Pacific	18,097	–	–	–	18,097
Oceania	3,235	–	–	–	3,235
Africa	240,589	–	–	–	240,589
North America	14,761	–	–	–	14,761
	327,325	**5,426**	**1,941**	**5,418**	**340,110**

31. Segment Information (continued)

Geographical information

Non-current assets (excluding deferred tax assets and financial instruments) information based on the geographical location of customers are as follows:

	GROUP	
	31.3.2019 RM'000	31.3.2018 RM'000
Non-current assets		
Malaysia	237,818	249,460
Asia Pacific	2	2
Oceania and Europe	–	7,061
	237,820	**256,523**

Information about major customers

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

	GROUP		
	31.3.2019 RM'000	31.3.2018 RM'000	SEGMENTS
Customer A	55,113	132,580	Trusted identification
Customer B	82,604	88,751	Trusted identification
	137,717	**221,331**	

32. Retrospective Restatement

As disclosed in Note 10 to the financial statements, the Group and the Company have reassessed and reclassified its investment in Plaman Resources Limited from investment in subsidiaries to investment in joint ventures.

As such, the audited financial statements for the financial year ended 31 March 2018 and 31 March 2017 of the Group and of the Company were restated during the financial year as below:

GROUP	AS PREVIOUSLY REPORTED RM'000	ADJUSTMENT RM'000	AS RESTATED RM'000
Statements of Financial Position			
As at 1 April 2017			
Non-current assets			
Property, plant and equipment	115,282	(1,955)	113,327
Intangible assets	163,720	(17,043)	146,677
Investment in joint ventures	–	16,772	16,772
Current assets			
Trade and other receivables	269,699	(1,024)	268,675
Cash and short-term deposits	54,879	(13,405)	41,474
Equity			
Other reserves	44,451	(166)	44,285
Accumulated losses	(205,109)	(13,910)	(219,019)
Non-controlling interests	(31,659)	(2,039)	(33,698)
Current liabilities			
Trade and other payables	304,789	(540)	304,249
Statements of Financial Position			
As at 31 March 2018			
Non-current assets			
Property, plant and equipment	97,739	(1,824)	95,915
Intangible assets	157,168	(15,431)	141,737
Investment in joint ventures	–	7,061	7,061
Current assets			
Trade and other receivables	186,047	(1,110)	184,937
Cash and short-term deposits	36,387	(1,180)	35,207
Equity			
Other reserves	41,148	(166)	40,982
Accumulated losses	(327,605)	(13,910)	(341,515)
Non-controlling interests	(40,453)	4,279	(36,174)
Current liabilities			
Trade and other payables	284,580	(2,687)	281,893

32. Retrospective Restatement (continued)

GROUP	AS PREVIOUSLY REPORTED RM'000	ADJUSTMENT RM'000	AS RESTATED RM'000
Statements of Comprehensive Income For the financial year ended 31 March 2018			
Other income	23,065	(774)	22,291
Administrative expenses	(55,078)	12,802	(42,276)
Share of results of joint ventures, net of tax	–	(6,918)	(6,918)
Loss for the financial year from continuing operations	(117,273)	5,110	(112,163)
Total comprehensive loss for the financial year	(134,304)	6,318	(127,986)
Company			
Statement of Financial Position As at 1 April 2017			
Non-current assets			
Investment in subsidiaries	90,637	(16,772)	73,865
Investment in joint ventures	–	16,772	16,772
Statement of Financial Position As at 31 March 2018			
Non-current assets			
Investment in subsidiaries	82,070	(8,205)	73,865
Investment in joint ventures	–	8,205	8,205

33. Significant Event During The Financial Year

Private placement exercise

On 14 June 2018, the Company had entered into a subscription agreement with Dato' Sri Robin Tan Yeong Ching, Dato' Poh Yang Hong and Dato' Rozabil @ Rozamujib Bin Abdul Rahman for the proposed issuance and allotment of 494,380,400 new ordinary shares, representing approximately 20% of the total number of issued shares of the Company, at an issue price of RM0.12 per subscription share to be satisfied in cash.

The private placement exercise was completed on 21 September 2018, whereby 494,380,400 new ordinary shares were issued at an issue price of RM0.12 each share and were subsequently listed and quoted on the ACE Market of Bursa Malaysia Securities Berhad on the same date.

34. Significant Events Subsequent To The End Of The Financial Year

(a) Disposal of the entire equity interest in a subsidiary, IRIS Land (PNG) Limited

On 7 May 2019, the Company entered into a Shares Sales Agreement with Prior Vital Sdn. Bhd. (Company No. 1273016-T), a company incorporated in Malaysia, to dispose of its entire equity interests in IRIS Land (PNG) Limited ("ILPNG"), a wholly-owned subsidiary of the Group, which is incorporated in Papua New Guinea, for a total cash consideration of RM1.00 only. Consequently, ILPNG ceased to be the subsidiary of the Group.

34. Significant Events Subsequent To The End Of The Financial Year (continued)

(b) Voluntary winding up of Plaman Resources Limited and its subsidiaries

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

Plaman was incorporated on 13 February 2014 and is currently having three (3) wholly-owned dormant subsidiaries as disclosed in Note 10 to the financial statements. Plaman is a jointly-controlled entity with 51% equity owned by the Company.

The voluntary liquidation is not expected to have any material impact on the earnings and net assets of the Group and the Company as the investment in Plaman had been fully impaired during the financial year and the Company does not provide any corporate guarantee to Plaman.

(c) Capital reduction in IRIS Global Blue TRS Malaysia Sdn. Bhd.

IRIS Global Blue TRS Sdn. Bhd. ("IGB") had on 14 February 2019 passed a special resolution whereas its existing paid-up share capital was approved to be reduced from RM36,910,000 divided into 36,910,000 ordinary shares (collectively the "IGB Shares" and each an "IGB Share") to RM1,000 divided into 1,000 IGB shares, by cancelling the paid-up share capital of RM36,909,000 divided into 36,909,000 IGB Shares, and by effecting a capital repayment of RM27,000,000 in cash to the shareholders of those 36,909,000 IGB Shares which are being cancelled, representing approximately RM0.73 for each existing IGB Share which is being cancelled, rounded to the nearest RM10 for each shareholder.

On 2 July 2019, the Group received the Notice of Confirming Reduction of IGB Share from Companies Commission of Malaysia dated 24 June 2019. After the completion of the capital reduction, IGB had ceased to become an associate of the Group.

35. Material Litigations

(i) IRIS Corporation Berhad ("ICB") vs The Government of the United States ("U.S.") ("U.S. Government")

The lawsuit commenced on 24 February 2015. The lawsuit is a claim for patent infringement of IRIS' U.S. Patent No. 6,111,506, "Method of Making an Improved Security Identification Document Including Contactless Communication Insert Unit" against the U.S. Government. It is alleged that U.S. electronic passports manufactured for the U.S. Government, as well as use of foreign and U.S. Passports by the U.S. Government and by entities acting on behalf of the U.S. Government constitute infringements of that aforementioned IRIS patent, for which infringements IRIS is claiming just compensation.

In February 2016, the U.S. Government filed a petition with the United States Patent and Appeals Board ("PTAB"), to have the aforementioned IRIS patent declared invalid. While the PTAB proceedings are pending, the litigation in the United States Court of Federal Claims is put on hold. At the time the litigation was put on hold, the proceedings was still in the discovery phase. Appeal filed by Department of Justice ("DOJ") on 17 August 2017 requesting for rehearing to PTAB against the dismissal of their Petition earlier was dismissed by PTAB on 22 January 2018. As such, the main proceeding which is the infringement proceedings itself will commence soon.

The U.S. Government filed another Motion to dismiss ICB's First Amended Complaint on 14 June 2018. The Motion was denied by the Court on 26 October 2018 and instructed both parties to file a Joint Status Report on/before 16 November 2018. ICB's Motion for entry of default judgment (for non-replying by U.S. Government) was also denied by the Court on 30 October 2018 and instructed the U.S. Government to file its answer on/or before 6 November 2018.

For the infringement proceedings, the court directed the parties to file their respective responsive claim construction briefs on/before 22 November 2019 and all facts discovery on issues of liability shall be completed by 20 December 2019. Then the court shall fix a schedule for further proceedings after the order for construction claim is given.

35. Material Litigations (continued)

(i) IRIS Corporation Berhad ("ICB") vs The Government of the United States ("U.S.") ("U.S. Government") (continued)

The solicitors are of the view that it is estimated that the litigation will last for another twelve (12) to eighteen (18) months. A reasonable estimate as to the outcome of the litigation must await completion of briefing and hearing on patent claim construction. The solicitors are of the view that in the compensation phase, IRIS will be required to hire an expert to testify on the value of the patent to the U.S. Government.

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

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 JVCO for works completed was rejected. 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. The JVCO to pay TL5,053,84 (equivalent to RM7,354) as expenses arising from their performance of the contract and loss suffered by EGM. 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.

The Group was informed that a decision was declared on 16 September 2014 and was duly served on the JVCO on 28 January 2015.

The Judgment were as follows:

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 ; and

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.

The JVCO had on 27 November 2018 filed an appeal to Cassation Court in Turkey and the next hearing is fixed on 16 April 2019. The Court needs to determine whether the previous Solicitors who represented JVCO has also represented ITSB individually. On 16 May 2019, the JVCO's present counsel provided the court a copy of Power of Attorney ("POA") to show that the former counsel only represented the JVCO at the earlier proceedings, and not ITSB. The procedural objection raised by the JVCO's present counsel (who is also representing ITSB) due to the non-representative of ITSB at the earlier proceedings has been accepted by the court. Therefore, EGM appealed against the court decision. The next hearing is fixed on 15 October 2019.

The Company had made appropriate provision in relation to the Judgement in previous financial year.

35. Material Litigations (continued)

(iii) Saudi Arabia Quad Communication & Security Solutions ("Plaintiff") vs IRIS Corporation Berhad ("ICB")

The Plaintiff filed its claim against ICB for the alleged non-payment of goods and service rendered arose from an agreement and contractual relationship to implement a project with the Ministry of Interiors, Department of Passports and Immigration, People's Republic of Bangladesh for the Enrolment of Bangladeshi Citizens in Kingdom of Saudi Arabia for Machine Readable Passports ("MRP") (the "Project") for the amount of USD3,477,522.

On 29 March 2015, Quad via its solicitors issued a Notice of Demand ("NOD") to ICB claiming sum of USD3,477,522 allegedly payable to them under the Supply and Services Agreement.

On 16 February 2016, ICB disputed the claims and did not make any payments. Quad via its solicitors filed a suit against ICB in the Riyadh Court. ICB has appointed Messrs Adel Yousef Al-Atalah based in Riyadh to represent ICB.

The Court has appointed an expert accounting firm to conduct the accounting in respect of the case between both parties. The expert accountant submitted their final report on 24 June 2019 and ICB to submit its response on 23 July 2019. The Hearing date is fixed on 28 August 2019.

(iv) In the High Court of Malaya at Kuala Lumpur Suit No. WA-22NCVC-126-03/2018; Roxwell Group Sdn Bhd (755819-U) ("Plaintiff") against (1) IRIS Corporation Berhad ("ICB") or ("D1"), (2) Tan Say Jim ("D2"), (3) Su Thai Ping ("D3"), (4) Hamdan Bin Mohd Hassan ("D4") & (5) Sylla Ibrahima Sory ("D5")

The Plaintiff and D1 entered into a Cooperation Agreement on 17 November 2011 and among the salient terms of the Cooperation Agreement was for the Plaintiff to identify for ICB potential projects in the Republic of Guinea and Guinea Bissau ("Territory") for a period of three (3) years from the date of the Cooperation Agreement. In consideration of any and all services in respect of the Cooperation Agreement involving the sale of plant, equipment, machinery or asset arranged by the Plaintiff, D1 agreed to pay the Plaintiff a commission of 15%.

In 2013, D1 separately tendered and was awarded the BOT Passport Contract by the Government of the Republic of Guinea ("the BOT project"). The Plaintiff is claiming for an alleged commission payment in the amount of RM169,480,350.00 (together with interest deemed appropriate by the court) under the Cooperation Agreement calculated based on the formula of 15% on the reported value. The Plaintiff is also alleging that D1 has colluded with D2, D3, D4 and D5 to deprive of its contractual rights under the Cooperation Agreement.

It is relevant to note that the BOT project does not fall under the Cooperation Agreement as it does not involve the sale of plant, equipment, machinery or asset sold, and no deposit or payment was received from the Republic of Guinea under the Cooperation Agreement.

The BOT project was secured via public tender directly from the Government of the Republic of Guinea. Therefore, D1 denies it has breached the Cooperation Agreement and wishes to reiterate that the Plaintiff had never in any way secured any contract whatsoever in favour of ICB within the two years from the execution of the Cooperation Agreement.

The full trial was conducted from 16 October 2018 to 15 July 2019. The Defendants closed their case on 15 July 2019 and the Court directed all parties to file and serve their respective Written Submissions & Bundle of Authorities and the Hearing for oral submissions is fixed on 24 October 2019.

35. Material Litigations (continued)

(v) In the High Court of Malaya at Kuala Lumpur; IRIS Corporation Berhad ("Plaintiff") against its former members and an existing member of the Board of Directors ("Defendants")

The Company has on 24 April 2019 commenced legal proceedings in Kuala Lumpur High Court ("the suits") against its former members and an existing member of the Board of Directors concerns the Company's investment in Border Control Solutions Limited ("BCS"). The Company brought this action for loss suffered from the Defendants' failure to discharge their respective fiduciary duty, duty of fidelity and/or duty to exercise reasonable care, skill and diligence as Directors of the Company at that material time.

The Company seeks the following reliefs against the Defendants jointly and severally:

(a) The sum of RM11,721,050 being the total amount paid by the Company for the subscription of the BCS's shares which is equivalent to total sum of GBP2.05 million (by reference to the conversion rates prevailing on the respective dates of payments);

(b) The sum of RM482,172 being the total amount paid by the Company to Joseph Vijay Kumar ("JVK") as consultant fees which is equivalent to total sum of GBP84,000 (by reference to the conversion rates prevailing on the respective dates of payments);

(c) Pre-judgment interest on the sums awarded in (a) and (b) above pursuant to section 11 of the Civil Law Act 1956 at the following rates:

(i) Interest at the rate of 5% per annum on the sum of RM11,721,050 from 24 August 2016 (i.e. the date of the last payment to BCS) until the date of full settlement;
(ii) Interest at the rate of 5% per annum on RM482,172 from 10 October 2016 (i.e. the date of the last payment to JVK) until the date of full settlement thereof;

(d) Post-judgment interest on the sums awarded in (a) and (b) above at the rate of 5% per annum from the date of judgment until the date of full and final realization;
(e) Alternative to (a) and (b) above,
(f) General damages to be assessed;
(g) Interest on the general damages awarded in (e) above;
(h) Costs; and/or
(i) All other relief which this Honourable Court deems fit and just.

At the Case Management on 28 May 2019, the Court was informed that all Defendants have filed their Memorandum of Appearance except for one of the Defendants as the Writ and Statement of Claims was unsuccessfully served on him.

The Court directed as follows:

(i) the Plaintiff to file an application for Substituted Service on the said Defendant on/before 11 June 2019;
(ii) the other respective Defendants shall file their Defence on/before 25 June 2019;
(iii) the Plaintiff to file its reply to the Defendants' Defence on/before 23 July 2019; and
(iv) any interlocutory application shall be filed on/before 30 July 2019.

The next Case Management is fixed on 7 August 2019.

Item (a) and (b) above had been fully impaired/expense of in previous financial year.

STATEMENT BY DIRECTORS
(Pursuant to Section 251(2) of the Companies Act 2016)

We, **TAN SRI NIK MOHAMED BIN NIK YAACOB** and **DATO' POH YANG HONG**, being two of the directors of **IRIS CORPORATION BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 75 to 207 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

TAN SRI NIK MOHAMED BIN NIK YAACOB
Director

DATO' POH YANG HONG
Director

Kuala Lumpur

Date: 29 July 2019

STATUTORY DECLARATION
(Pursuant to Section 251(1) of the Companies Act 2016)

I, **H'NG BOON HARNG,** being the officer primarily responsible for the financial management of **IRIS CORPORATION BERHAD,** do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 75 to 207 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

H'NG BOON HARNG
MIA membership no.: 15998

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 29 July 2019.

Before me,

Hadinur Mohd Syarif
License No. W761
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF IRIS CORPORATION BERHAD

(Incorporated in Malaysia)

Report On The Audit Of The Financial Statements

Opinion

We have audited the financial statements of IRIS Corporation Berhad, which comprise the statements of financial position as at 31 March 2019 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 75 to 207.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2019, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Group

Goodwill (Note 4(a) and 6(a) to the financial statements)

The Group's goodwill amounted to RM128,268,000 as at 31 March 2019. The goodwill is tested for impairment annually. In performing the impairment assessment, the Group has identified the trusted identification segment as the cash generating unit to which the goodwill is allocated. We focused on this area because the assessment requires significant judgements by the directors on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flows projections which include future sales, forecast growth rate, inflation rate, gross profit margins and operating expenses.

Our response:

Our audit procedures focused on evaluating the cash flow forecasts and the Group's forecasting procedures which included, among others:

- assessing the valuation methodology adopted by the Group in accordance with the requirements of MFRS 136 *Impairment of Assets*;
- comparing the actual results with previous budgets to assess the performance of the business;
- reviewing the key assumptions to assess their reasonableness and the achievability of the forecasting;
- testing the mathematical accuracy of the impairment assessment; and
- performing stress test analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

Key Audit Matters (continued)

Group and Company

Trade and other receivables and contract assets (Note 4(b), 14 and 15 to the financial statements)

The Group and the Company have significant trade and other receivables and contract assets as at 31 March 2019 which include certain amounts which are long outstanding. We focused on this area because the directors made significant judgements over assumptions about risk of default and impairment losses provided. In making the assumptions, the directors selected inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:

- discussing with the Group's and the Company's management on the recoverability of the trade and other receivables and contract assets;
- understanding the major contracts and agreements with the debtors, if any;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence and considering the level of activity with the customer and directors' explanation on recoverability with significantly past due balances; and
- assessing the reasonableness and calculation of expected credit losses as at the end of the reporting period.

Revenue recognition for contract customers (Note 4(c) and 22 to the financial statements)

We focused on this area because significant directors' judgement is required, in particular, the identification and separation of different performance obligations, the allocation of transaction price to separate performance obligations, the determination of progress towards satisfaction of performance obligations, as well as the recoverability of identified contracts with customers.

Our response:

Our audit procedures included, among others:

- reading the terms and conditions of agreements with customers;
- assessing the appropriateness of the allocation of transaction price to the separate performance obligations of the contract customers towards complete satisfaction of performance obligation for identified projects; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Property, plant and equipment (Note 4(d) and 5 to the financial statements)

The Group's and the Company's leasehold land and buildings are measured at revaluation model subsequent to their initial recognition. The directors estimated the fair value of the leasehold land and buildings based on the market valuation performed by an external independent valuer. We focused on this area because the valuation requires significant judgement in determining the appropriate valuation methods and the key assumptions used in the valuations.

Our response:

Our audit procedures included, among others:

- understanding the scope and purpose of the valuation by reading the terms of engagement to review whether any matters that might have affected their objectivity or limited the scope of their work;
- reading the valuation reports for leasehold land and buildings and discussed with external valuers on their valuation approach and the significant judgements they made, including the selection of comparable properties and adjustments for differences in key attributes made to the transacted value of comparable properties; and
- assessing the valuation approach used and appropriateness of the key assumptions based on our knowledge of the property industry.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
LLP0019411-LCA & AF 0117
Chartered Accountants

Heng Fu Joe
No. 02966/11/2020 J
Chartered Accountant

Kuala Lumpur

Date: 29 July 2019

ANALYSIS OF SHAREHOLDINGS
AS AT 12 JULY 2019

Share Capital

Total Number of Issued Shares	:	2,966,282,862 Ordinary Shares
Issued Share Capital	:	RM539,602,143
Class of Shares	:	Ordinary Shares
Voting Rights	:	Every member of the Company, present in person or by proxy, shall have one (1) vote for each share held

Distribution Of Shareholdings

SIZE OF SHAREHOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	185	1.06	5,313	0.00
100 to 1,000	1,373	7.83	882,741	0.03
1,001 to 10,000	6,131	34.97	39,867,328	1.34
10,001 to 100,000	7,786	44.41	317,992,712	10.72
100,001 to less than 5% of issued shares	2,054	11.72	2,113,930,425	71.27
5% and above of issued shares	2	0.01	493,604,343	16.64
Total	**17,531**	**100.00**	**2,966,282,862**	**100.00**

Statement Of Directors' Shareholdings

	DIRECT		INDIRECT	
NAME OF DIRECTORS	NO. OF SHARES	%	NO. OF SHARES	%
Tan Sri Nik Mohamed Bin Nik Yaacob	–	–	12,000	*0.00
Dato' Poh Yang Hong	–	–	–	–
Dr. Poh Soon Sim	18,680,000	0.63	346,790,200	^11.69
Dato' Dr. Abu Talib Bin Bachik	–	–	–	–
Dato' Mohamed Khadar Bin Merican	–	–	–	–
Hussein Bin Ismail	–	–	–	–
Ling Hee Keat	96,800,000	3.26	–	–

Notes:-

* Deemed interest by virtue of the shares held by Tan Sri Nik Mohamed Bin Nik Yaacob's spouse pursuant to Section 59(11)(c) of the Companies Act, 2016

^ Deemed interest by virtue of his shareholdings in Poh Associates Sdn Bhd and Orientalgold Equity Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

ANALYSIS OF SHAREHOLDINGS
AS AT 12 JULY 2019
continued

Substantial Shareholders As Per Register Of Substantial Shareholders

NAME OF SHAREHOLDERS	DIRECT		INDIRECT	
	NO. OF SHARES	%	NO. OF SHARES	%
Dr Poh Soon Sim	18,680,000	0.63	346,790,200	^11.69
Dato' Seri Robin Tan Yeong Ching	290,690,200	9.80	–	–
Orientalgold Equity Sdn Bhd	345,290,200	11.64	–	–

Notes:-

^ Deemed interest by virtue of his shareholdings in Poh Associates Sdn Bhd and Orientalgold Equity Sdn Bhd pursuant to Section 8 of the Companies Act, 2016.

Thirty (30) Largest Shareholders As At 12 July 2019

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Orientalgold Equity Sdn Bhd (PB)	345,290,200	11.64
2	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Robin Tan Yeong Ching (PBCL-0G0445)	148,314,143	5.00
3	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Robin Tan Yeong Ching (PB)	142,376,057	4.80
4	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account – Ambank Islamic Berhad For Felda Investment Corporation Sdn Bhd	109,279,946	3.68
5	Versatile Paper Boxes Sdn Bhd	71,346,533	2.41
6	MCS Microsystems Sdn Bhd	65,333,333	2.20
7	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	61,732,500	2.08
8	Citigroup Nominees (Tempatan) Sdn Bhd Exempt An For AIA Bhd	57,624,600	1.94
9	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt An For UOB Kay Hian Pte Ltd (A/C Clients)	57,147,400	1.93
10	Citigroup Nominees (Asing) Sdn Bhd CBLDN For Polunin Emerging Markets Small Cap Fund, LLC	44,726,490	1.51

Thirty (30) Largest Shareholders As At 12 July 2019 (continued)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
11	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Rozabil @ Rozamujib Bin Abdul Rahman	43,000,000	1.45
12	HSBC Nominees (Asing) Sdn Bhd Exempt An For BNP Paribas Singapore Branch (A/C Client-FGN)	39,280,556	1.32
13	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Gunasekar A/L Veerappan (REM 118)	35,060,100	1.18
14	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kalaiyarasi A/P R Veerappan (MY3132)	35,000,000	1.18
15	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Selva Kumar A/L Veerappan	30,525,200	1.03
16	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank For Ling Hee Keat (PB-0J0058)	27,800,000	0.94
17	Gan Kok Hong	19,790,000	0.67
18	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Koo Weng Seng (7003217)	17,661,200	0.60
19	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Thian Cheong Meng (E-TMI)	17,541,400	0.59
20	Citigroup Nominees (Asing) Sdn Bhd CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	17,215,200	0.58
21	Citigroup Nominees (Asing) Sdn Bhd CBNY For Dimensional Emerging Markets Value Fund	16,417,800	0.55
22	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Lee Mee (E-TMI)	15,918,000	0.54
23	Ling Hee Keat	15,000,000	0.51
24	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Jaganath Derek Steven Sabapathy	15,000,000	0.51
25	Poh Soon Sim	14,670,000	0.49
26	Felda Investment Corporation Sdn Bhd	13,588,835	0.46

ANALYSIS OF SHAREHOLDINGS
AS AT 12 JULY 2019
continued

Thirty (30) Largest Shareholders As At 12 July 2019 (continued)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES	%
27	Gan Kok Wee	13,550,000	0.46
28	Citigroup Nominees (Asing) Sdn Bhd CBHK PBGSGP For Sunnyvale Holdings Ltd	13,000,000	0.44
29	Shaiful Zahrin Bin Subhan	12,500,000	0.42
30	Citigroup Nominees (Asing) Sdn Bhd CBNY For DFA Emerging Markets Small Cap Series	12,157,700	0.41
	Total	**1,527,847,193**	**51.51**

NOTICE IS HEREBY GIVEN THAT the Twenty-Fifth (25th) Annual General Meeting ("25th AGM") of the Company will be held at the Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 25 September 2019 at 11.00 a.m. to transact the following businesses:

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2019 together with the Reports of the Directors and the Auditors thereon.	**Please refer to Explanatory Note 1**
2.	To re-elect the following Directors who retire pursuant to Article 93 of the Company's Articles of Association:	
	(a) Tan Sri Nik Mohamed Bin Nik Yaacob	Resolution 1
	(b) Dato' Mohamed Khadar Bin Merican	Resolution 2
	(c) Dr. Poh Soon Sim	Resolution 3
	(d) Mr. Ling Hee Keat	Resolution 4
3.	To re-elect Dato' Poh Yang Hong who retires pursuant to Article 86 of the Company's Articles of Association.	Resolution 5
4.	To approve the Directors' Fees and allowances of up to RM1,000,000.00 from 1 April 2019 until the next Annual General Meeting.	Resolution 6
5.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Resolution 7

Special Business

To consider and, if thought fit, to pass the following ordinary resolutions:-

6. **AUTHORITY TO ISSUE SHARES** — Resolution 8

"**THAT** subject always to the Companies Act, 2016 ("Act"), Articles of Association of the Company, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and approvals of the relevant governmental/regulatory bodies (if any), the Directors be and are hereby authorised and empowered pursuant to Section 76 of the Act to issue new shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued in any one financial year of the Company pursuant to this resolution does not exceed ten percentage (10%) of the total issued and paid-up share capital of the Company at the time of issue 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 Bursa Securities and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

Please refer to Explanatory Note 2

7.	**PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY ("PROPOSED ADOPTION OF NEW CONSTITUTION")** "**THAT** the existing Company's Constitution be deleted in its entirety and that the new Constitution as set out in the Circular to Shareholders dated 31 July 2019 be and is hereby adopted as the new Constitution of the Company. **AND THAT** the Directors of the Company be and are hereby authorised to do all such acts and things as necessary and/or expedient in order to give full effect to the Proposed Adoption of New Constitution with full power to assent to any conditions, modifications, and/or amendments as may be required by any relevant authorities to give effect to the Proposed Adoption of New Constitution."	Special Resolution **Please refer to Explanatory Note 3**
8.	To transact any other business for which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Articles of Association.	

BY ORDER OF THE BOARD,

WONG YOUN KIM (MAICSA 7018778)
Company Secretary

Kuala Lumpur
31 July 2019

NOTES:

1. A member of the Company entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Registrar of Companies.

2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.

3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.

4. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act, 1991 there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

6. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.

7. The duly completed Form of Proxy must be deposited at the registered office of the Company at HMC Corporate Services Sdn Bhd, Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy.

8. **General Meeting Record of Depositors**

   For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 September 2019. Only a depositor whose name appears on the Record of Depositors as at 19 September 2019 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

EXPLANATORY NOTES:

1. **Item 1 of the Agenda – Audited Financial Statement for the Financial Year Ended 31 March 2019**

   The Audited Financial Statements are for discussion only as the approval of the shareholders is not required pursuant to the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, this Agenda is not put forward for voting by the shareholders of the Company.

2. **Ordinary Resolution 8 – Authority to Issue and Allot Shares pursuant to Section 76 of the Companies Act, 2016**

   The proposed Ordinary Resolution 8 is intended to renew the authority granted to the Directors of the Company at the Twenty-Fourth Annual General Meeting of the Company held on 28 September 2018 to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being. This authority will, unless revoked or varied by the Company in general meeting, expire at the conclusion of the next Annual General Meeting.

3. **Special Resolution – Proposed Adoption of New Constitution of the Company**

   The proposed Special Resolution, if passed, will align the Constitution of the Company with the Companies Act 2016 which came into force on 31 January 2017, the updated provision of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad and the prevailing laws, guidelines or requirements of the relevant authorities, to render greater clarity and consistency throughout as well as to enhance administrative efficiency.

   Further details relating to this proposed resolution are set out in the Circular to Shareholders dated 31 July 2019, which was circulated together with the Company's Annual Report.

STATEMENT ACCOMPANYING NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

1. The Directors who are standing for re-election at the Twenty-Fifth Annual General Meeting of the Company pursuant to the Articles of Association of the Company are:-

   (a) Tan Sri Nik Mohamed Bin Nik Yaacob (Article 93)
   (b) Dato' Mohamed Khadar Bin Merican (Article 93)
   (c) Dr. Poh Soon Sim (Article 93)
   (d) Mr. Ling Hee Keat (Article 93)
   (e) Dato' Poh Yang Hong (Article 86)

   The details of the above Directors seeking re-election are set out in the Profile of Board of Directors as disclosed on pages 24 to 27 of the Annual Report.

PROXY FORM

IRIS
Bringing Solutions to Life

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

I/We NRIC No./Company No.
(Full name in block letters)

of
(Full address)

being a member/members of **IRIS CORPORATION BERHAD**, hereby appoint the following person(s) or failing him, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Twenty-Fifth (25th) Annual General Meeting ("25th AGM") of the Company will be held at the Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 25 September 2019 at 11.00 a.m. and any adjournment thereof:-

NO.	NAME OF PROXY, NRIC NO. & ADDRESS	NO. OF SHARES TO BE REPRESENTED BY PROXY
1.	Name NRIC No. Address	
2.	Name NRIC No. Address	

NO.	RESOLUTIONS		FOR	AGAINST
1.	Re-election of Tan Sri Nik Mohamed Bin Nik Yaacob	**Resolution 1**		
2.	Re-election of Dato' Mohamed Khadar Bin Merican	**Resolution 2**		
3.	Re-election of Dr. Poh Soon Sim	**Resolution 3**		
4.	Re-election of Mr. Ling Hee Keat	**Resolution 4**		
5.	Re-election of Dato' Poh Yang Hong	**Resolution 5**		
6.	Approval of the Directors' fees and allowances of up to RM1,000,000.00 from 1 April 2019 until the next Annual General Meeting	**Resolution 6**		
7.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	**Resolution 7**		
8.	Authority to allot and issue shares pursuant to Section 76 of the Companies Act, 2016	**Resolution 8**		
9.	Adoption of new Constitution	**Special Resolution**		

Please indicate with an "X" in the appropriate boxes on how you wish your vote to be cast on the Resolutions specified in the Notice of Meeting. Unless voting instructions are indicated in the space above, the proxy will vote as he/she thinks fit.

NUMBER OF SHARES		CDS A/C NO.	

Date Signature of member(s)/Seal

NOTES:

1. A member of the Company entitled to be present and vote at the meeting is entitled to appoint a proxy/proxies, to attend and vote instead of him. A proxy may but need not be a member of the Company and need not be an advocate, an approved company auditor or a person appointed by the Registrar of Companies.
2. A member shall be entitled to appoint not more than two (2) proxies to attend and vote at the same meeting.
3. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
4. If the appointer is a corporation, the Form of Proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
5. Where a member is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), as defined under the Securities Industry (Central Depositories) Act, 1991 there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. A proxy appointed to attend and vote in a meeting of the Company shall have the same rights as the member to speak at the meeting.
7. The duly completed Form of Proxy must be deposited at the registered office of the Company at HMC Corporate Services Sdn Bhd, Level 2, Tower 1, Avenue 5, Bangsar South City, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting or any adjournment thereof. Provided that in the event the Member(s) duly executes the form of proxy but does not name any proxy, such member(s) shall be deemed to have appointed the Chairman of the meeting as his/their proxy.
8. **General Meeting Record of Depositors**
   For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd in accordance with Article 55(3) of the Company's Articles of Association and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 September 2019. Only a depositor whose name appears on the Record of Depositors as at 19 September 2019 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his stead.

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AFFIX
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The Company Secretary
IRIS CORPORATION BERHAD
Level 2, Tower 1, Avenue 5
Bangsar South City, 59200 Kuala Lumpur

www.iris.com.my

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