

# IRIS CORPORATION BERHAD

Reg No. 199401016552 (302232 - X)  
(Incorporated in Malaysia)

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## Interim Financial Report for the Fourth Quarter Ended 31<sup>st</sup> March 2022

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**Condensed Consolidated Statement of Comprehensive Income**For the Fourth Quarter Ended 31<sup>st</sup> March 2022

	<b>Individual</b>		<b>Cumulative</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>
	<b>March</b>	<b>March</b>	<b>March</b>	<b>March</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Continuing operations</b>				
Revenue	65,619	39,222	210,987	106,618
Cost of sales	(53,485)	(30,006)	(167,247)	(90,006)
Depreciation and amortisation	(949)	(867)	(3,699)	(3,682)
<b>Gross profit</b>	<b>11,185</b>	<b>8,349</b>	<b>40,041</b>	<b>12,930</b>
Other income ( <i>Note 29</i> )	156	13,861	5,669	18,218
Administrative, operating and other expenses	(8,684)	(22,292)	(35,729)	(35,491)
Depreciation and amortisation	(1,205)	(765)	(4,193)	(3,036)
Finance costs	(341)	(429)	(1,648)	(2,204)
Share of results of associates, net of tax	5	2	(4)	14
<b>Profit/(Loss) before taxation</b>	<b>1,116</b>	<b>(1,274)</b>	<b>4,136</b>	<b>(9,569)</b>
Income tax expenses	(301)	(6,088)	(787)	(3,296)
<b>Profit/(Loss) for the period</b>	<b>815</b>	<b>(7,362)</b>	<b>3,349</b>	<b>(12,865)</b>
<b>Other comprehensive income/(loss), net of tax</b>				
Foreign currency translation for foreign operations	2	85	(1)	100
	<b>2</b>	<b>85</b>	<b>(1)</b>	<b>100</b>
<b>Total comprehensive income/(loss) for the period</b>	<b>817</b>	<b>(7,277)</b>	<b>3,348</b>	<b>(12,765)</b>

**Condensed Consolidated Statement of Comprehensive Income**For the Fourth Quarter Ended 31<sup>st</sup> March 2022

(continued)

	<b>Individual</b>		<b>Cumulative</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>
	<b>March</b>	<b>March</b>	<b>March</b>	<b>March</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit/(Loss) attributable to:</b>				
Owners of the Company	819	(5,253)	3,356	(11,022)
Non-controlling interests	(4)	(2,109)	(7)	(1,843)
<b>Profit/(Loss) for the period</b>	<b>815</b>	<b>(7,362)</b>	<b>3,349</b>	<b>(12,865)</b>
<b>Total comprehensive income/(loss) attributable to:</b>				
Owners of the Company	821	(5,168)	3,355	(10,922)
Non-controlling interests	(4)	(2,109)	(7)	(1,843)
<b>Total comprehensive income/(loss) for the period</b>	<b>817</b>	<b>(7,277)</b>	<b>3,348</b>	<b>(12,765)</b>
<b>Earnings/(Loss) per share attributable to owners of the Company:</b>				
Basic (Sen)				
- continuing operations	0.03	(0.18)	0.11	(0.37)
Diluted (Sen)				
- continuing operations	0.03	(0.18)	0.11	(0.37)

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31<sup>st</sup> March 2021 and the accompanying explanatory notes attached to the interim financial report.

**Condensed Consolidated Statement of Financial Position**As at 31<sup>st</sup> March 2022

	31 <sup>st</sup> March 2022 RM'000	31 <sup>st</sup> March 2021 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment & right-of-use assets	90,215	88,276
Intangible assets	129,844	131,110
Operating financial assets	8,099	9,290
Investment in associates	853	4,464
	229,011	233,140
<b>CURRENT ASSETS</b>		
Inventories	17,055	20,292
Operating financial assets	1,192	1,107
Trade receivables	75,938	72,856
Other receivables, deposits & prepayments	13,045	14,480
Contract assets	60,774	7,416
Current tax assets	648	929
Cash and short-term deposits ( <i>Note 30</i> )	111,288	117,273
	279,940	234,353
	508,951	467,493
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	610,759	582,090
Foreign currency translation reserve	129	130
Revaluation reserve	31,153	32,117
Accumulated losses	(316,748)	(296,606)
<b>Total equity attributable to owners of the Company</b>	325,293	317,731
Non-controlling interests	(1,852)	(22,699)
<b>TOTAL EQUITY</b>	323,441	295,032

**Condensed Consolidated Statement of Financial Position**As at 31<sup>st</sup> March 2022

(continued)

	<b>31<sup>st</sup> March 2022</b>	<b>31<sup>st</sup> March 2021</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>NON-CURRENT LIABILITIES</b>		
Lease liabilities	2,341	-
Loans and borrowings	-	6,250
Deferred tax liabilities	13,106	13,254
	<u>15,447</u>	<u>19,504</u>
<b>CURRENT LIABILITIES</b>		
Short-term loans and borrowings	7,500	12,500
Current tax liabilities	1,058	778
Trade payables	51,497	40,527
Other payables and accruals	105,676	99,137
Lease liabilities	1,698	-
Contract liabilities	2,634	15
	<u>170,063</u>	<u>152,957</u>
<b>TOTAL LIABILITIES</b>	<u>185,510</u>	<u>172,461</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>508,951</u>	<u>467,493</u>
<b>Net assets per ordinary share attributable to owners of the Company (sen)</b>	<u>9.97</u>	<u>10.20</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31<sup>st</sup> March 2021 and the accompanying explanatory notes attached to the interim financial report.

**Condensed Consolidated Statement of Changes in Equity**

For the Fourth Quarter Ended 31<sup>st</sup> March 2022

	← Attributable to the owners of the Company →						
	Ordinary Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 <sup>st</sup> April 2020	539,602	30	33,080	(286,547)	286,165	(20,856)	265,309
<b><i>Transactions with owners</i></b>							
Issuance of new shares	42,488	-	-	-	42,488	-	42,488
Total transactions with owners	42,488	-	-	-	42,488	-	42,488
<b><i>Total comprehensive (loss)/income for the financial period</i></b>							
Loss after taxation for the financial period	-	-	-	(11,022)	(11,022)	(1,843)	(12,865)
Other comprehensive income for the financial period, net of tax -foreign currency translation	-	100	-	-	100	-	100
Total comprehensive income/(loss)	-	100	-	(11,022)	(10,922)	(1,843)	(12,765)
Realisation on revaluation reserve	-	-	(963)	963	-	-	-
<b>At 31<sup>st</sup> March 2021</b>	<b>582,090</b>	<b>130</b>	<b>32,117</b>	<b>(296,606)</b>	<b>317,731</b>	<b>(22,699)</b>	<b>295,032</b>

**Condensed Consolidated Statement of Changes in Equity**

For the Fourth Quarter Ended 31<sup>st</sup> March 2022 (continued)

	← Attributable to the owners of the Company →				Sub-Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Ordinary Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000			
At 1 <sup>st</sup> April 2021, as reported	582,090	130	32,117	(296,606)	317,731	(22,699)	295,032
- Adjustment on share of prior years adjusted losses of associates	-	-	-	(3,608)	(3,608)	-	(3,608)
At 1 <sup>st</sup> April 2021, as restated	582,090	130	32,117	(300,214)	314,123	(22,699)	291,424
<b>Transactions with owners</b>							
Issuance of ordinary shares	28,669	-	-	-	28,669	-	28,669
Effect of changes in equity interest in a subsidiary	-	-	-	(20,854)	(20,854)	20,854	-
Total transactions with owners	28,669	-	-	(20,854)	7,815	20,854	28,669
<b>Total comprehensive income/(loss) for the financial period</b>							
Profit after taxation for the financial period	-	-	-	3,356	3,356	(7)	3,349
Other comprehensive loss for the financial period, net of tax							
-foreign currency translation	-	(1)	-	-	(1)	-	(1)
Total comprehensive income/(loss)	-	(1)	-	3,356	3,355	(7)	3,348
Realisation on revaluation reserve	-	-	(964)	964	-	-	-
<b>At 31<sup>st</sup> March 2022</b>	<b>610,759</b>	<b>129</b>	<b>31,153</b>	<b>(316,748)</b>	<b>325,293</b>	<b>(1,852)</b>	<b>323,441</b>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31<sup>st</sup> March 2021 and the accompanying explanatory notes attached to the interim financial report.

**Condensed Consolidated Statement of Cash Flows**For the Fourth Quarter Ended 31<sup>st</sup> March 2022

	<b>Cumulative 12 months ended 31<sup>st</sup> March 2022 RM'000</b>	<b>Cumulative 12 months ended 31<sup>st</sup> March 2021 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation		
- continuing operations	4,136	(9,569)
<i>Adjustments for:</i>		
Amortisation of intangible assets	1,266	1,409
Amortisation of right of use assets	1,321	453
Bad Debt written off	-	51
Depreciation of property, plant and equipment	5,305	4,857
Effect on accretion of interest on operating assets	(788)	(866)
Finance costs	1,648	2,204
Interest income	(1,929)	(1,351)
Loss/(gain) on disposal of plant and equipment	198	(143)
(Reversal of)/allowance for impairment losses of receivables-net	(1,245)	3,754
Reversal of inventories written down	(243)	(1,215)
Share of results of associates	4	(14)
Unrealised foreign exchange gain	(372)	(2,125)
<b>OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES</b>	<b>9,301</b>	<b>(2,555)</b>
<i>Changes in working capital:</i>		
Contract assets/liabilities	(50,739)	(4,812)
Inventories	3,478	(3,251)
Operating financial assets	1,896	1,896
Trade and other receivables	(486)	51,188
Trade and other payables	17,963	(31,116)
<b>NET CASH (USED IN)/FROM OPERATIONS</b>	<b>(18,587)</b>	<b>11,350</b>
Interest received	1,929	1,351
Interest paid	(1,415)	(2,204)
Cash payment for interest portion of lease liabilities	(233)	-
Income tax paid	(372)	(449)
<b>NET CASH (USED IN)/FROM OPERATING ACTIVITIES</b>	<b>(18,678)</b>	<b>10,048</b>

**Condensed Consolidated Statement of Cash Flows**For the Fourth Quarter Ended 31<sup>st</sup> March 2022 (continued)

	<b>Cumulative 12 months ended 31<sup>th</sup> March 2022 RM'000</b>	<b>Cumulative 12 months ended 31<sup>th</sup> March 2021 RM'000</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of development expenditure	-	(177)
Acquisition of plant and equipment	(4,566)	(621)
Proceeds from disposal of plant and equipment	606	143
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(3,960)</b>	<b>(655)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	28,669	42,488
Cash payment for principal portion of lease liabilities	(766)	-
Net Proceeds from short term borrowings	7,500	-
Repayment of term loan	(18,750)	(12,500)
<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>16,653</b>	<b>29,988</b>
Net increase in cash and cash equivalents	(5,985)	39,381
Cash and cash equivalents at the beginning of the period	117,273	76,750
Effect of exchange rates changes on cash and cash equivalents	-	1,142
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>111,288</b>	<b>117,273</b>
<b>Cash and cash equivalents at end of the period comprise the following:</b>		
Cash and bank balances	33,905	21,381
Short-term deposits placed	77,383	95,892
	<b>111,288</b>	<b>117,273</b>

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31<sup>st</sup> March 2021 and the accompanying explanatory notes attached to the interim financial report.

## Notes to the Interim Financial Report

For the Fourth Quarter Ended 31<sup>st</sup> March 2022

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### 1. Basis of preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 31 March 2022 and has been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2021.

### 2. Changes in Accounting Policies

The accounting policies adopted for this interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2021 except for the adoption of the following amendments/improvements to MFRSs, which are effective for financial periods beginning on/or after 1 April 2021:

#### Amendments/Improvements to MFRSs

MFRS 4	Insurance Contracts
MFRS 7	Financial Instruments: Disclosures
MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of the above new amendments/improvements to MFRSs are not expected to have any material impact on the financial statements of the Group.

The Group has not adopted the following new MFRS and amendments/improvements to MFRSs that have been issued, but yet to be effective to the Group:

#### New MFRS

MFRS 17	Insurance Contracts
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#### Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards
MFRS 3	Business Combinations
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations
MFRS 10	Consolidated Financial Statements
MFRS 15	Revenue from Contracts with Customers
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors

## 2. Changes in Accounting Policies (cont'd)

MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment
MFRS 119	Employee Benefits
MFRS 128	Investments in Associates and Joint Ventures
MFRS 132	Financial Instruments: Presentation
MFRS 136	Impairment of Assets
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets
MFRS 138	Intangible Assets
MFRS 140	Investment Property
MFRS 141	Agriculture

## 3. Audit report of preceding annual financial statement

The preceding year audited financial statements were not subject to any qualifications.

## 4. Seasonal or cyclical factors

The business of the Group is not affected by any significant seasonal or cyclical factors in this financial quarter.

## 5. Segment information

The Group's operating segments information for the interim financial report to 31 March 2022 was as follows:-

	← Continuing operations →			
	Trusted ID & IT Division RM'000	Sustainable Development Division RM'000	Adjustments & Eliminations RM'000	Total continuing operations RM'000
Revenue from external customers	206,774	4,213	-	210,987
Segment results (Note A)	21,644	6,317	80	28,041
Share of results of associates, net of tax	(4)	-	-	(4)
Unallocated corporate expenses	-	-	(23,901)	(23,901)
<b>Profit before taxation</b>	21,640	6,317	(23,821)	4,136
Income tax expenses	(787)	-	-	(787)
<b>Profit after taxation</b>	20,853	6,317	(23,821)	3,349

**5. Segment information (cont'd)****Note A:** The following are items included in Segment results:

	← Continuing operations →			
	Trusted ID & IT Division RM'000	Sustainable Development Division RM'000	Adjustments & Eliminations RM'000	Total continuing operations RM'000
Operating results	39,921	3,820	-	43,741
<b>Add/(Less):</b>				
- Depreciation and amortisation	(7,972)	-	80	(7,892)
- Interest income	1,929	-	-	1,929
- Write back of accruals	440	2,452	-	2,892
- Other income	707	141	-	848
- Finance costs	(1,648)	-	-	(1,648)
- Reversal of Impairment loss on trade and other receivables	1,245	-	-	1,245
- Administrative, operating and other expenses	(12,978)	(96)	-	(13,074)
	(18,277)	2,497	80	(15,700)
<b>Segment results</b>	<b>21,644</b>	<b>6,317</b>	<b>80</b>	<b>28,041</b>

**6. Capital Commitments**

**As at  
31<sup>st</sup> March  
2022  
RM'000**

**Approved and contracted for:-**

Purchase of equipment, furniture & fittings

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**7. Debt and equity securities**

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities for this financial quarter.

**8. Changes in the composition of the Group**

There were no changes in the composition of the Group in this financial quarter.

**9. Material changes in estimates**

There were no changes in estimates of amounts reported in prior financial years, which have a material effect in this financial quarter.

**10. Material events subsequent to the end of the interim period**

There were no material events subsequent to the end of this financial quarter.

**11. Items of an unusual nature**

There were no items of unusual nature, which affects assets, liabilities, equity, net income or cash flows in this financial quarter.

**12. Valuations of property, plant and equipment**

There were no valuations made on property, plant and equipment for this financial quarter.

**13. Changes in contingent liabilities and contingent assets**

There are no contingent liabilities and assets incurred or known to be incurred by the Company and/or the Group as at 31 March 2022.

**14. Taxation**

	<b>Individual</b>		<b>Cumulative</b>	
	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>	<b>31<sup>st</sup></b>
	<b>March</b>	<b>March</b>	<b>March</b>	<b>March</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<u>Continuing operations</u>				
Income tax				
- Current financial year	(171)	(73)	(1,342)	(795)
- Over-provision in prior year	60	39	407	39
	<u>(111)</u>	<u>(34)</u>	<u>(935)</u>	<u>(756)</u>
Deferred tax				
- Current financial year	277	(6,054)	615	(2,540)
- Under-provision in prior year	(467)	-	(467)	-
	<u>(190)</u>	<u>(6,054)</u>	<u>148</u>	<u>(2,540)</u>
Income tax (expenses)/credit recognized in profit or loss	<u>(301)</u>	<u>(6,088)</u>	<u>(787)</u>	<u>(3,296)</u>

The Group's effective tax rate for current quarter differ from the statutory tax rate of 24% is mainly due to adjustment for under provision of deferred tax in prior year this quarter.

**15. Related Party Transactions**

The Company has not entered into any significant transactions with related parties of the Group for the cumulative 12 months period ended 31 March 2022.

## **Additional information required by the AMLR**

### **16.1 Review of Performance**

#### *Continuing operations*

For the current financial quarter ended 31 March 2022, the Group recorded a revenue of RM65.6 million, an increase of RM26.4 million or 67.3% from RM39.2 million recorded in the previous comparable financial quarter ended 31 March 2021. The Group recorded a profit before taxation of RM1.1 million in this financial quarter as compared to a loss before taxation of RM1.3 million recorded in the previous comparable financial quarter ended 31 March 2021.

The higher revenue in this financial quarter is mainly due to higher delivery of e-passports for overseas projects and recognition of revenue from an existing domestic project, taking into consideration the total value in the contract, in accordance with MFRS 15 - Revenue from Contracts with Customers, as compared to the previous comparable financial quarter.

The performance of the respective business segments for this 3-month financial quarter ended 31 March 2022 as compared to the previous comparable financial quarter is analysed as follows:

#### **Trusted ID & IT Division**

Trusted ID & IT division recorded a revenue of RM65.6 million in the current financial quarter ended 31 March 2022, as compared to RM38.7 million in the previous comparable financial quarter, representing an increase of 69.5%. The increase in revenue was mainly attributable to the higher delivery of e-passports for overseas projects and the recognition of revenue from an existing domestic project.

#### **Sustainable Development Division**

The contribution from the Sustainable Development division for the current financial quarter is mainly due to the reversal of accruals no longer required arising from closure of the completed projects.

### **16.2 Comparison with Preceding Quarter**

#### *Continuing operations*

For the current financial quarter ended 31 March 2022, the Group recorded a revenue of RM65.6 million as compared to RM70.0 million recorded in the preceding financial quarter ended 31 December 2021.

The Group reported a profit before taxation of RM1.1 million as compared to a profit before taxation of RM4.0 million recorded in the preceding financial quarter.

## **17. Prospects**

Moving forward, the Group will focus on delivering its existing contracts for both domestic and international customers. On the domestic front, the Group will focus on the delivery of the National Integrated Immigration System (“NIISe”) project. At international level, the Group’s revenue will be driven by the delivery and supply of ePassports and eID cards from existing and new customers. The Group will also leverage on its extensive customer networking to actively pursue new growth opportunities in its core Trusted ID & adjacent IT business in both international and domestic markets.

The Group will also continue to focus on cost optimization efforts to ensure the Group remains competitive in the challenging business environment and deliver sustainable growth in the long term.

## **18. Variance between actual results and forecasted profit and shortfall in profit guarantee**

The Group has not provided any profit forecast or profit guarantee in a public document.

## **19. Unquoted Securities and/or Properties**

There were no purchases or disposals of unquoted securities and/or properties for the current financial quarter and financial period to date.

## **20. Quoted Securities**

There were no purchases or disposals of quoted securities for the current financial quarter and financial period to date.

## 21. Status of Corporate Proposals and Utilisation of Proceeds

There were no corporate proposals announced by the company which has not been completed as at 20 May 2022 except as disclosed below:

The Company had on 23 June 2020 announced a proposed Private Placement exercise which involves the issuance of up to 296,628,000 new IRIS Shares (“Placement Shares”), representing up to 10% of the total number of issued shares of the Company, at an issue price to be determined and announced at a later date. Bursa Malaysia had on 7 July 2020 approved the listing and quotation of the Placement Shares to be issued pursuant to the proposed Private Placement exercise.

As of 18 February 2022, the Company had completed the Private Placement via 7 tranches as follows:

Description	Date of Placement Shares Listed on Bursa Securities	Number of Shares Issued (Unit)	Issue Price (RM)	Placement Proceeds (RM)
1 <sup>st</sup> tranche	6 November 2020	75,000,000	0.25240	18,930,000
2 <sup>nd</sup> tranche	16 March 2021	60,000,000	0.31410	18,846,000
3 <sup>rd</sup> tranche	26 March 2021	15,000,000	0.31410	4,711,500
4 <sup>th</sup> tranche	23 September 2021	1,628,000	0.22000	358,160
5 <sup>th</sup> tranche	30 September 2021	44,000,000	0.22000	9,680,000
6 <sup>th</sup> tranche	10 November 2021	27,000,000	0.18300	4,941,000
7 <sup>th</sup> tranche	24 December 2021	74,000,000	0.18500	13,690,000
Total		296,628,000	0.23988	71,156,660

The utilisation of the above Private Placement proceeds up to 20 May 2022 are as follows:

Description	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance to be Utilised (RM'000)	Intended Timeframe for Utilisation
Working capital of ICB Group	71,035	(71,035)	-	Within 18 months
Estimated expenses in relation to the Private Placement	122	(122)	-	Immediate
Total	71,157	(71,157)	-	

## 22. Group Borrowings and Debt Securities

The Group's unsecured bank borrowings (exclude hire purchase and finance lease) from financial institution at the end of the current financial quarter were:

	<b>As at 31<sup>st</sup> March 2022 RM'000</b>
Short Term	7,500
Total	<u>7,500</u>

The above borrowings are denominated in Ringgit Malaysia.

## 23. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 20 May 2022 being the latest practicable date which is not earlier than seven (7) days from date of issue of this quarterly report.

## 24. Material Litigation

Save for the material litigations as disclosed below, there are no other material litigations involving the Group as at 20 May 2022:

(i) **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 of contract by EGM and payment for the balance amount of (Turkish Lira) TL6,195,000 (equivalent to approximately RM1,796,550) due to JVCO for work completed. The JVCO’s claim was rejected by the court. Despite our claim against EGM, 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 for the sum of TL6,195,000 (equivalent to approximately RM1,796,550) was allowed together with interest. The JVCO was also directed to pay TL5,053,84 (equivalent to approximately RM1,466) as expenses arising from their performance of the contract and loss suffered by EGM. EGM’s claim of TL49,761,53 (equivalent to approximately RM14,431) 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 JVCO’s decided to file an appeal against the decision in favour of EGM on 27 November 2018. The appeal is in progress.

The Group had made the appropriate provision in relation to the judgement in the financial year ended 31 March 2015.

**24. Material Litigation (cont'd)**

- (ii) **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 assets 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 it of its contractual rights under the Cooperation Agreement.

The Decision after full trial was delivered by the court on 28 November 2019 whereas the court dismissed the Plaintiff’s claim against the Defendants with costs of RM90,000 each (and RM60,000 for D4 as the case was withdrawn against him prior to the decision).

The Plaintiff/Appellant however filed a Notice of Appeal in the Court of Appeal against the whole decision on 20 December 2019 whereas the hearing of appeal was fixed on 11 November 2020 and both parties to file Written Submission two weeks before the hearing date. The hearing of appeal commenced on 13 August 2021. However, the submissions could not be completed and the Court adjourned the matter to 19 November 2021 for continuation of the appeal.

On 19 November 2021, the Defendants/Respondents completed their oral submission. The Plaintiff/Appellant had requested from the court for another date for rebuttal. Therefore, the court fixed for continuation of the appeal to 11 January 2022 for the Plaintiff/Appellant’s oral submission of their rebuttal.

On 11 January 2022, the Court of Appeal postponed the hearing to 7 February 2022. On 7 February 2022, the Court of Appeal proceeded with the hearing and parties completed their submissions. The Court of Appeal will notify parties the date of decision for the appeal.

The Court fixed 12 May 2022 for Case Management via e-Review for the Court to announce the decision date and on 12 May 2022, the Court rescheduled the announcement of the decision date to 28 July 2022.

**24. Material Litigation (cont'd)**

**(iii) In the High Court of Malaya at Kuala Lumpur; IRIS Corporation Berhad (“Plaintiff”) against nine (9) former members of the Board of Directors (“Defendants”)**

The Company has on 24 April 2019 commenced legal proceedings in Kuala Lumpur High Court (“the suits”) against the Defendants concerning 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.

Items (a) and (b) above have been fully impaired/expensed off by the company in previous financial years.

The trial completed on 17 March 2022 when all the Defendants closed their case. The Court directed as follows:

- (a) Notes of Proceedings to be filed on within 3 weeks from 17 March 2022;
- (b) Parties to file and exchange their written submissions by 17 May 2022;
- (c) Parties to file and exchange their respective reply written submissions by 30 June 2022;
- and
- (d) clarification (if any) and decision by 21 July 2022.

**24. Material Litigation (cont'd)**

**(iv) In the High Court of Malaya at Kuala Lumpur; S5 Systems Sdn Bhd against IRIS Information Technology Systems Sdn Bhd**

On 3 January 2022, the Company's wholly-owned subsidiary, IRIS Information Technology Systems Sdn Bhd ("IITS") has been served with an Originating Summon ("OS") which is fixed for hearing on the 26 January 2022 at the High Court of Malaya. The OS was filed by S5 Systems Sdn Bhd ("S5"), a company incorporated in Malaysia. The OS sought for the following:

- (a) IITS be enjoined from engaging third parties/ subcontractors for the provision of works; and
- (b) any third party/subcontractors already appointed for a specified scope be terminated/halted by IRIS.

The OS was partly heard on 26 January 2022 where counsel for S5 had made oral submissions. On 17 February 2022, counsel for IITS made the submissions to court. The Court has fixed the next hearing on 1 March 2022 and then postponed to 21 March 2022 for counsel of IITS to continue their submissions.

On 21 March 2022, counsel of IITS completed their submissions. On next hearing of 5 April 2022, the Court dismissed the application for injunction by S5 with costs of RM30,000 payable to IITS within 14 days from date of decision.

On 3 May 2022, IITS received a notice of Appeal from S5. The Court of Appeal has fixed the Case Management on 24 June 2022.

**25. Dividend**

The Company did not pay any dividend in the current financial quarter.

**26. Earnings/(Loss) Per Ordinary Share**

	<b>Individual 3 months ended 31<sup>st</sup> March 2022</b>		<b>Cumulative 12 months ended 31<sup>st</sup> March 2022</b>	
	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2021</b>	<b>31<sup>st</sup> March 2021</b>
<b>(a) Basic earnings/(loss) per ordinary share</b>				
Earnings/(Loss) attributable to owners of the Company for the period (RM'000)				
- continuing operations	819	(5,253)	3,356	(11,022)
Weighted average number of ordinary shares ('000) at end of period	3,169,161	2,998,749	3,169,161	2,998,749
<b>Basic earnings/(loss) per ordinary share (Sen)</b>				
- continuing operations	<b>0.03</b>	<b>(0.18)</b>	<b>0.11</b>	<b>(0.37)</b>
<b>(b) Diluted earnings/(loss) per ordinary share</b>				
Earnings/(Loss) attributable to owners of the Company for the period (RM'000)				
- continuing operations	819	(5,253)	3,356	(11,022)
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000) at end of period	3,169,161	2,998,749	3,169,161	2,998,749
<b>Diluted earnings/(loss) per ordinary share (Sen)</b>				
- continuing operations	<b>0.03</b>	<b>(0.18)</b>	<b>0.11</b>	<b>(0.37)</b>

**27. Comparative figures**

Certain comparative figures as shown in the condensed consolidated statement of financial position and statement of comprehensive income have been reclassified in order to conform with the current financial period's presentation.

**28. Profit before taxation**

	<b>Individual 3 months ended 31<sup>st</sup> March 2022 RM'000</b>	<b>Cumulative 12 months ended 31<sup>st</sup> March 2022 RM'000</b>
Profit before taxation is arrived at after charging/(crediting) :		
<i>Continuing operations</i>		
- Reversal of impairment loss of trade and other receivables-net	(155)	(1,245)
- Amortisation of intangible assets, right of use assets and depreciation of property, plant and equipment	2,152	7,892
	<hr/>	<hr/>

**29. Other income**

	<b>Individual 3 months ended 31<sup>st</sup> March 2022 RM'000</b>	<b>Cumulative 12 months ended 31<sup>st</sup> March 2022 RM'000</b>
<i>Continuing operations</i>		
- Interest income	425	1,929
- Foreign currency exchange gain - net	(612)	396
- Write back of accruals	-	2,892
- Others	343	452
	<hr/>	<hr/>
	156	5,669
	<hr/>	<hr/>

**30. Cash and short-term deposits**

	<b>As at 31<sup>st</sup> March 2022 RM'000</b>	<b>As at 31<sup>st</sup> March 2021 RM'000</b>
Cash and bank balances	33,905	21,381
Short-term deposits placed with licensed banks	77,383	95,892
	111,288	117,273

Included in short-term deposits placed with licensed banks is an amount of RM31,214,218 (As at 31 March 2021: RM38,653,491) pledged to licensed banks for credit facilities granted to the Group.

**31. Authorisation for Issue**

This interim financial report was authorised for issuance by the Board of Directors on 27 May 2022.