IRIS CORPORATION BERHAD
199401016552 (302232-X)

ANNUAL REPORT 2025

INSIDE THIS REPORT

COMPANY OVERVIEW

SUSTAINABILITY & CORPORATE GOVERNANCE

31st ANNUAL GENERAL MEETING

Date : 24 September 2025

Time : 11.00 a.m.

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

REPORTS AND FINANCIAL STATEMENTS

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ANNUAL GENERAL MEETING

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COMPANY OVERVIEW

OVER THREE DECADES OF IMPACT AND INNOVATION

IRIS™ Bringing Solutions to Life

MD™ MALAYSIA DIGITAL

Since our founding in 1994, IRIS Corporation Berhad (ACE Market: IRIS) has consistently exemplified excellence, innovation, and unwavering customer commitment.

From our roots in Malaysia, IRIS has built a global presence, expanding our footprint to 34 countries and counting. As we look to the future, we remain steadfast in our mission to broaden our customer base and extend our reach into new and diverse international markets—pioneering trusted identity solutions that empower nations and safeguard communities.

A Homegrown Technology Leader, Globally Recognised

IRIS is proud to hold Malaysia Digital (MD) status, a mark of national technological leadership. As a trailblazing innovator in Trusted Identification (ID) technologies, our legacy is anchored by breakthrough milestones: the development of the world's first ePassport in 1998 and the first multi-application eID (MyKad) in 2001—both proudly delivered for the Government of Malaysia.

With over 30 years of proven expertise, IRIS stands as a trusted global provider of fully integrated, end-to-end solutions for eID, ePassport, eVisa, Automated Border Control (ABC), smart cards and smart devices. Our solutions are defined by their security, reliability, and holistic design—crafted to meet the evolving needs of governments, institutions, and citizens worldwide.

Driven by Innovation, Guided by Purpose, Committed to Sustainability

Our journey has been continuously propelled by innovation, excellence, and a sense of purpose—not only to shape the future of identity technologies but to do so responsibly. With multiple global ISO accreditations including ISO 14001:2015 Environmental Management System, IRIS is steadfast in its commitment to delivering secure, world-class solutions that respect both people and the planet.

By embracing cutting-edge technologies like Artificial Intelligence (AI) and Post-Quantum Cryptography, we enhance automation, fortify security and ensure resilience against evolving digital threats-delivering sustainable, future-proof identity solutions for an increasingly digital world.

FSC®

Advancing Sustainability, One Report at a Time

As part of our ongoing commitment to environmental sustainability, this IRIS Annual Report is printed in accordance with Forest Stewardship Council (FSC) standards, using paper sourced from responsibly managed forests and produced by an FSC-certified printer audited under the FSC Chain of Custody standard. To further reduce our environmental footprint, we encourage all stakeholders to access the digital version of the IRIS FY2025 Annual Report.

VISION

Global leader in Trusted ID solutions that are

INNOVATIVE – RELEVANT – INTELLIGENT – SECURE

MISSION

To continuously deliver innovative and customised solutions with our Business Partners

IRIS TRUSTED ID SOLUTIONS PORTFOLIO

We offer comprehensive, sustainable and customisable Trusted Identification solutions that are built on secure platforms and architecture. Our proven solutions unify security, inventory, workflow and lifecycle requirements while managing enrolment, production, issuance of physical, electronic, digital documents such as identity cards, ePassports, driver's licenses, voter cards, travel visas and many more.

- eID & Digital Identity Solution
- ePassport Solution
- Border Control Solution
- Voter ID & Management Solution
- Driver's License & Vehicle Registration Solution
- eVisa Solution
- Smart Card Solution
- Secure Document Solution
- Smart Kiosks
- Smart Devices

EXECUTIVE CHAIRMAN'S
MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Shareholders,

The year under review (financial year ended 31 March 2025, "FY2025") presented a challenging and evolving business landscape, shaped by rising geopolitical tensions, currency volatility and global supply chain disruptions. In the face of these multifaceted challenges, IRIS Corporation Berhad ("IRIS") remained agile, resilient and focused on what we do best - delivering innovative and Trusted Identification ("ID") products and solutions around the world.

The Group posted Profit After Tax ("PAT") of RM23.9 million in FY2025, a 25% lower compared to FY2024 PAT of RM32.2 million. The lower PAT was largely impacted by a one-off impairment loss on goodwill amounting to RM12.0 million and lower revenue from ePassports and eID cards deliveries.

In FY2025, IRIS continued to maintain a strong focus on cost-saving measures as a strategic priority to enhance operational efficiency, boost productivity and strengthen cash flow. Amid dynamic market conditions, we implemented a range of initiatives aimed at sustaining long-term business resilience without compromising performance or service quality.

Amongst other, the key initiatives include the following:

- Optimising manufacturing processes to reduce material wastage and improve production yields
- Adopting cloud-based infrastructure, leading to lower capital expenditures and enhanced scalability
- Enhancing resource utilisation, particularly in energy and human capital, through renewable energy, automation, process standardisation and Artificial Intelligence ("AI")

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

At IRIS, our employees are central to our success, playing a pivotal role in driving efficiency, innovation and growth. The Group remains steadfast in its commitment to safeguarding the health, safety and well-being of our employees. In addition, we have significantly ramped up our investment in employee training and development to support our strategic goals and nurture future-ready talent.

In FY2025, we recorded a 47.6% increase in total training hours, underscoring our commitment to strengthen our human capital. These learning initiatives equip our employees with the tools, skills and knowledge necessary to stay ahead of the curve and fuel long-term sustainability for IRIS.

On the Environmental, Social and Governance ("ESG"), IRIS remains firmly committed to upholding our role as a responsible corporate leader by continually strengthening our ESG frameworks and aligning our practices with evolving global standards, regulatory expectations and the priorities of our stakeholders. Our approach to sustainability is integrated into our strategic decision-making, operational practices and long-term value creation agenda.

In support of our material sustainability matters and in alignment with Bursa Malaysia's emphasis on environmental performance, we continuously minimise our environmental footprint through structured, certified and proactive measures. We manage our environmental responsibilities under the ISO 14001:2015 Environmental Management System ("EMS"), which serves as a robust framework to govern our efforts in energy efficiency, water resource management and waste minimisation.

As part of our climate action strategy, we have completed the installation of rooftop solar photovoltaic (PV) panels at our headquarters to generate renewable energy. This initiative underscores our commitment to reducing greenhouse gas emissions by lowering dependency on conventional power sources and promoting the use of clean energy. It also aligns with national and global climate goals, contributing to a more sustainable and resilient future.

In accordance with Bursa Malaysia's principles of good corporate governance and ethical behaviour, the Board of Directors provides oversight of the Group's ESG initiatives and continuously reinforces the importance of accountability, transparency and integrity in all business dealings.

To uphold these values and mitigate reputational and compliance risks, the Group continues to strengthen its governance framework through the enhancement of Anti-Bribery and Anti-Corruption Policy, No Gift Policy, Whistleblowing Policy Sustainability Policy and Fit and Proper Policy.

These policies are integral to our Enterprise Risk Management ("ERM") framework and reflect the Group's zero-tolerance stance on unethical conduct. Regular training, internal audits and stakeholder feedback mechanisms are in place to ensure compliance and awareness across the organization.

In FY2025, IRIS achieved a key milestone in its sustainability journey with its inaugural inclusion in the FTSE4Good Bursa Malaysia Index ("F4GBM"),

earning a
3 -Star ESG rating

Developed by global index provider FTSE Russell, the F4GBM Index serves as a benchmark for Malaysian companies that demonstrate leading ESG practices.

EXECUTIVE CHAIRMAN'S
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

This recognition reflects the tangible progress of our broader ESG strategy, which is anchored in responsible governance, environmental stewardship and inclusive growth. It reinforces our commitment to embedding sustainability into every aspect of our operations—ensuring long-term value creation for our stakeholders, society and the environment.

GROUP FINANCIAL PERFORMANCE

In FY2025, IRIS delivered a resilient performance amidst a challenging operating environment marked by geopolitical uncertainties, supply chain challenges and slower-than-expected global economic recovery. The Group recorded a revenue of RM221.0 million compared to RM371.1 million in FY2024. The contraction was primarily attributable to lower volume deliveries of ePassports and eID cards across several key overseas projects.

Despite the decline in revenue, the Group recorded a Profit Before Tax (PBT) of RM33.4 million compared to PBT of RM40.4 million in FY2024, reflecting strong operational discipline and efficiency gains from cost-optimisation initiatives.

For FY2025, Trusted ID Division remained the core revenue contributor, accounting for RM220.2 million, or over 99% of the Group's total revenue. Trusted ID's PBT was RM56.5 million compared to FY2024's PBT of RM63.9 million, supported by robust margins and enhanced productivity. The division also benefited from gains on disposal of a subsidiary and other income, including forfeiture income of RM7.0 million and interest income totalling RM4.5million.

The PBT for the other non-core business division was RM2.1 million compared to FY2024 Loss Before Tax (LBT) of RM2.4 million.

The Group's Total Equity Attributable to the Owners of the Company improved by 2% to RM387.3 million from RM379.4 million in FY2024. In addition, the net assets per share improved to 47.48 sen from 46.51 sen, indicating sustained value creation and healthy balance sheet management.

As a demonstration of confidence in the Group's long-term prospects and to reward shareholders for their support, IRIS declared and paid two single-tier interim dividends of 1 sen each per ordinary share during FY2025. These payments were made on 20 December 2024 and 28 March 2025, respectively, amounting to a total dividend payout of RM16.3 million.

In addition, I am pleased to announce that the Board is recommending a final single-tier dividend of 0.5 sen per ordinary share for FY2025 to be approved by shareholders in the coming annual general meeting.

Moving forward, IRIS is well-positioned to sustain its revenue stream through ongoing Trusted ID projects across the Africa and Asia regions. We will continue to strengthen our Trusted ID business, unlock further efficiencies and explore strategic growth avenues that prioritise value creation and sustainable shareholder returns.

Group Revenue

RM221.0 million

(RM371.1 million in FY2024)

Profit Before Tax

RM33.4 million

(RM40.4 million in FY2024)

Trusted ID's Profit Before Tax

RM56.5 million

(RM63.9 million in FY2024)

EXECUTIVE CHAIRMAN'S
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

Group Financial Summary 2025

Summary of financial information	FY2025 RM'000	FY2024 RM'000	FY2023 RM'000	FY2022 RM'000	FY2021 RM'000
REVENUE	**221,001**	371,108	348,871	210,987	106,618
Profit/(Loss) before taxation	**33,367**	40,380	32,840	4,192	(9,569)
Profit/(Loss) after taxation	**23,909**	32,244	21,890	3,405	(12,865)
Total Equity attributable to owners of the Company	**387,299**	379,412	347,121	325,350	314,123
Current assets	**433,357**	447,436	330,915	280,000	234,353
Non-current assets	**169,053**	184,870	197,601	229,011	229,532
Total assets	**602,410**	632,306	528,516	509,011	463,885
Current liabilities	**206,411**	243,187	173,226	170,066	152,957
Non-current liabilities	**10,406**	11,570	10,011	15,447	19,504
Total liabilities	**216,817**	254,757	183,237	185,513	172,461
Net assets	**385,593**	377,549	345,279	323,498	291,424

KEY RATIO	Basis					
Pre-tax profit/(loss) margin	(%)	**15.10%**	10.88%	9.41%	1.99%	(8.98%)
Post-tax profit/(loss) margin	(%)	**10.82%**	8.69%	6.27%	1.61%	(12.07%)
Basic earnings/(loss) per share	(sen)	**2.91**	3.95	2.68	0.44	(1.48)
Net assets per ordinary share attributable to owners of the Company	(sen)	**47.48**	46.51	42.56	39.88	40.80
Total borrowings to equity ratio	(%)	**0.48**	0.89	0.81	2.31	5.97

Note: The basic earnings/(loss) per share and net assets per ordinary share for FY2023, FY2022 and FY2021 have been restated to reflect the retrospective adjustment arising from consolidation of shares which was completed on 25 March 2024.

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

STRENGTHENING TRUSTED ID

As the inventor of the world's first ePassport and the world's first multi-application eID card, IRIS has long been synonymous with innovation in Trusted ID. Our brand promise—*Bringing Solutions to Life*—remains the cornerstone of how we think, build and deliver as a trusted technology partner to governments and enterprises worldwide.

IRIS continues to reinforce its reputation as a global provider of Trusted ID solutions. Backed by over 30 years of experience, we have, as of March 2025, deployed

more than **109.1 million** ePassports / inlays

and over **187.3 million** eIDs and driving license cards worldwide.

The sustained demand for ePassport and eID solutions remains underpinned by the global trend towards secure ID documents. According to Future Market Insights, the ePassport market is projected to surge from USD69.6 billion in 2025 to USD497 billion by 2035.

Parallel to this growth in ePassports, the eIDs and Digital ID landscape is also evolving rapidly. Dataintelo Market Report shared that the global biometric ID market is forecast to expand from USD4.2 billion in 2023 to USD14.7 billion by 2032.

IRIS is strongly positioned to seize these emerging market opportunities, backed by our proven expertise, extensive experience and consistent track record in delivering Trusted ID solutions. We are more than technology providers; we are long-term partners in our clients' growth

journeys. Our commitment to putting clients at the heart of everything we do has enabled us to foster and sustain enduring relationships across continents.

In addition, we continue to participate at numerous industry events including ID4Africa, an annual prominent international industry exhibition. ID4Africa serves as a strategic avenue to engage with new prospects, strengthen relationships with existing clients and elevate IRIS's brand visibility in a competitive landscape. Participation in these platforms enables us to stay at the forefront of industry developments, gain critical market intelligence and ensure IRIS remains agile, relevant and future-ready in a rapidly evolving Trusted ID market.

Ensuring timely and high-quality delivery of all our projects remains a top priority at IRIS. In FY2025, we continued to supply ePassports and inlays to Guinea, India, Nigeria, Senegal and the Solomon Islands. As an Intergraf-certified security printer and supplier, IRIS is well-equipped to deliver secure, ICAO (International Civil Aviation Organisation) compliant ePassports tailored to specific customer requirements. We work closely with our clients to incorporate the latest technological advancements and security design innovations into their passport solutions.

EXECUTIVE CHAIRMAN'S
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

The Group also continued to deliver various forms of ID cards to countries such as Brunei, Bhutan, Canada, Malaysia, Senegal, Sri Lanka, Tanzania and Zanzibar. Building on our strong track record of quality and reliability, we secured a new 10-year contract in FY2025 to supply national ID cards to Bhutan.

Another promising avenue for growth lies in the expanding ID Document Readers market. According to Data Insights Market, the global market is valued at approximately

USD2.5 billion

in 2025 and is projected to grow at a compound annual growth rate (CAGR) of 12%, reaching USD7 billion by 2033. This signals significant opportunities for IRIS to capture value in a space where digital identity, security and mobility are increasingly converging.

In tandem with this trend, our Smart ID Document Readers experienced strong domestic uptake across a broad spectrum of industries—including banking, healthcare, insurance, money services, legal firms and retail. This widespread adoption underscores the relevance, reliability and versatility of our solutions in meeting the evolving identity verification needs of both public and private sector clients.

IRIS continued to push the boundaries of identity technology innovation with the launch of our new

Handheld Biometric Tablet

that integrates mobility, biometric authentication and secure ID processing. This cutting-edge device has garnered strong market interest within Malaysia, positioning it as a key enabler for secure, on-the-go identity verification.

In FY2025, the Group continued to supply Touch 'n Go with premium-quality smart cards that seamlessly blend technology with consumer appeal, amplifying brand engagement and reinforcing the growing demand for visually distinctive payment solutions.

Backed by a comprehensive portfolio of smart cards—including LED cards, loyalty and access cards and eco-friendly wooden cards —IRIS is well-positioned to address the diverse needs of modern enterprises. Our smart cards are crafted with a fusion of durability, security and design innovation, offering businesses a strategic edge in customer engagement, branding and operational efficiency.

Our confidence in our strategic direction remains firm. Moving forward, we are committed to executing our strategy to accelerate growth and deliver future-ready identity solutions that meet the evolving needs of a digital-first world.

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

CORPORATE DEVELOPMENTS

I would like to report on the following corporate developments exercise:

1. **Disposal of 100% equity interest in a wholly owned subsidiary, IRIS Tech Ventures Sdn Bhd ("ITV")**

   The Company had on 6 December 2024 entered into a Shares Sale Agreement ("SSA") with PP Cylabs (M) Sdn Bhd ("PCMSB") for the disposal of 100% equity interest comprising 2,749,000 ordinary shares in ITV, for a total cash consideration of RM2,385,500 only ("Proposed Disposal").

   The Proposed Disposal is deemed a related party transaction pursuant to Rule 10.08 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad by virtue of Dr Poh Soon Sim, the Executive Chairman and a major shareholder of IRIS, being the sole director and sole shareholder of PCMSB.

   The Proposed Disposal was completed on 18 February 2025 in accordance with the terms and conditions of the SSA. ITV had ceased to be a wholly owned subsidiary of the Company since then.

2. **(I) Proposed exchange of ordinary shares in IRIS Corporation Berhad ("IRIS") with new ordinary shares in IRIS Group Berhad ("IGB") on the basis of 1 new IGB share for every 1 existing IRIS share held ("Proposed Share Exchange"); and (II) Proposed assumption of the listing status of IRIS by IGB and the admission of IGB to and withdrawal of IRIS from the official list of Bursa Malaysia Securities Berhad ("Proposed Transfer of Listing Status")**

   The Company had on 18 April 2025, announced that it proposed to undertake the proposed internal reorganisation by way of a members' scheme of arrangement under Section 366 of the Companies Act, 2016 ("Act") ("**Scheme of Arrangement**") comprising the following proposals:

   (i) Proposed Share Exchange which entails the proposed exchange of 815,727,624 IRIS Shares, representing the entire issued share capital of IRIS, with 815,727,624 IGB Shares on the basis of 1 new IGB Share for every 1 existing IRIS Share held on the entitlement date to be determined later; and

   (ii) Proposed Transfer of Listing Status which entails the proposed assumption of the listing status of IRIS by IGB and the admission of IGB to and withdrawal of IRIS from the Official List of Bursa Securities with the listing and quotation of all IGB Shares on the ACE Market of Bursa Securities.

   (collectively referred to as the "**Proposed Internal Reorganisation**").

In conjunction with the Proposed Internal Reorganisation, IRIS had on 18 April 2025, entered into a conditional scheme agreement with IGB for the purpose of the implementation of the Proposed Internal Reorganisation ("**Scheme Agreement**").

The Proposed Internal Reorganisation is expected to be completed in the fourth quarter of 2025. On completion of the Proposed Share Exchange, it is agreed that IGB will be the new holding company of IRIS.

On completion of the Proposed Transfer of Listing Status, IRIS will be delisted from the Official List of Bursa Securities and IGB will be admitted to the Official List of Bursa Securities in place of IRIS with the listing and quotation of the entire enlarged issued and paid-up share capital of IGB on the ACE Market of Bursa Securities.

EXECUTIVE CHAIRMAN'S MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*

NAVIGATING FY2026 AND BEYOND

As we enter FY2026, the global Trusted ID industry is undergoing profound transformation. On the demand side, national Digital ID programmes, Digital Travel Credentials (DTC) and smart citizen services are gaining momentum, underpinned by increasing digitisation of government functions and global mobility. Yet, on the supply side, the industry is increasingly competitive due to aggressive Mergers & Acquisitions ("M&As") and technological convergence.

The past year has seen an acceleration of M&As involving global identity providers, cybersecurity software companies and biometric solution firms. These merged entities are reshaping market dynamics and will have more resources, solutions and project references to strengthen their competitiveness.

In this context, IRIS remains focused on strengthening our core competencies to ensure we remain competitive, relevant and resilient. We are implementing key initiatives to adhere to ICAO standards and to ensure our offerings are on par with leading global benchmarks and market expectations.

Additionally, we plan to adopt AI technology to enhance identity registration and authentication processes, while progressively applying

Post Quantum Cryptography ("PQC")

into IRIS' backend systems to future-proof our security infrastructure.

As the Group navigate the challenges ahead, we remain committed to prudent cost optimisation, operational efficiency and business sustainability. Our strategic priorities are closely aligned with our ESG principles, ensuring that growth is both responsible and inclusive.

As we enter FY2026, the Group will continue to focus on cultivating a safe, inclusive and empowering workplace that attracts and retains talent, encourages continuous learning and promotes employee well-being. By embedding a culture of innovation, accountability and sustainability across all levels of the organisation, we aim to enhance IRIS's resilience, agility and competitiveness.

NOTE OF APPRECIATION

I would like to express my heartfelt appreciation to my esteemed colleagues on the Board, the key management team and all employees of IRIS for their continued dedication, passion and resilience throughout this financial year. Your commitment to excellence and innovation has been the bedrock of our performance and enduring progress.

My sincere gratitude also extends to our loyal shareholders for their continued confidence in the Group and belief in our long-term direction. I would like to thank all our valued customers, strategic partners and suppliers for your ongoing collaboration, commitment and alignment with our shared vision. Your engagement has played a vital role in helping IRIS navigate challenges, pursue innovation and continue progressing with clarity and renewed momentum.

As we move forward into FY2026, we remain committed to revolutionising the Trusted ID landscape and delivering secure, intelligent solutions for a better, safer world. Together, we look forward to many more years of shared success, impact and growth.

DR. POH SOON SIM
EXECUTIVE CHAIRMAN

OUR TRUSTED ID GLOBAL FOOTPRINT

CRAFTING BESPOKE IDENTITY SOLUTIONS FOR THE WORLD

Over the years, we have grown our international footprint to 34 countries, and we remain committed to continuously expanding our customer base and strengthening our global presence across diverse markets.

Each day, our agile and future-focused team delivers secure, relevant and bespoke identity solutions that not only meet the needs of our customers but also empower them to thrive in a rapidly evolving technological landscape.

34 COUNTRIES and still expanding...

1 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. Türkiye
18. Turkmenistan
19. United Arab Emirates
20. Uzbekistan

2 OCEANIA

21. New Zealand
22. Solomon Islands

3 AFRICA

23. Egypt
24. Guinea Conakry
25. Nigeria
26. Senegal
27. Somalia
28. Tanzania

4 AMERICAS

29. Bahamas
30. Canada
31. United States

5 EUROPE

32. Italy
33. Netherlands
34. Norway

As of March 2025, we have delivered more than...

109.1 million pieces of ePassport and/or Inlay to 15 countries

187.3 million pieces of eID and/or card-based driving licenses to 12 countries

240.5 thousand contact/contactless card readers and devices sold to 28 countries

CORPORATE STRUCTURE

IRIS™ Bringing Solutions to Life

TRUSTED IDENTIFICATION DIVISION

100%	IRIS Technologies (M) Sdn Bhd
100%	IRIS Information Technology Systems Sdn Bhd
100%	IRIS Corporation (Bangladesh) Limited
100%	IRIS eServices Sdn Bhd
100%	IRIS AMS Sdn Bhd
100%	IRIS Project Management Sdn Bhd
100%	IRIS Advancetech Sdn Bhd
100%	IRIS RK Sdn Bhd
100%	IRIS KM Sdn Bhd
100%	Thetris ISS Sdn Bhd
100%	IRIS Border Control Solutions Sdn Bhd
44.4%	Multimedia Display Technologies Sdn Bhd

SUSTAINABLE DEVELOPMENT DIVISION

49%	Warisan Atlet (M) Sdn Bhd
66.67%	RB Biotech Sdn Bhd
60%	Endah Farm Sdn Bhd*
50%	Ubud Tower Sdn Bhd^

* Subsidiary of IRIS Advancetech Sdn Bhd
^ Associate of IRIS Advancetech Sdn Bhd

- Subsidiaries of IRIS Group
- Associated Companies of IRIS Group

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

Dato' Mohamed Khadar Bin Merican
Independent Non-Executive Director

Dato' Ng Wan Peng
Independent Non-Executive Director

Mr Ling Hee Keat
Independent Non-Executive Director

Haji Hussein Bin Ismail
Independent Non-Executive Director

Mr H'ng Boon Harng
Group Finance Director,
Non-Independent Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Dato' Mohamed Khadar Bin Merican
(Chairman)
Dato' Dr. Abu Talib Bin Bachik
Dato' Ng Wan Peng
Haji Hussein Bin Ismail
Mr Ling Hee Keat

NOMINATION COMMITTEE

Dato' Dr. Abu Talib Bin Bachik
(Chairman)
Mr Ling Hee Keat
Haji Hussein Bin Ismail

REMUNERATION COMMITTEE

Mr Ling Hee Keat
(Chairman)
Dato' Mohamed Khadar Bin Merican
Dato' Ng Wan Peng

COMPANY SECRETARIES

Ms Lim Li Heong (MAICSA 7054716)
Ms Wong Mee Kiat (MAICSA 7058813)

AUDITORS

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Fax : +603 8996 0442
Website : www.iris.com.my

SHARE REGISTRAR

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Tel : +603 2783 9299
Fax : +603 2783 9222

PRINCIPAL BANKERS

- Standard Chartered Bank Malaysia Berhad
- RHB Bank Malaysia Berhad
- Hong Leong Bank Berhad
- Affin Bank Berhad

STOCK EXCHANGE LISTING

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

BOARD OF DIRECTORS' PROFILE

DR. POH SOON SIM
Executive Chairman
Non-Independent Executive Director

Nationality: Malaysian
Age: 80
Appointed: 7 November 2018

Dr. Poh was re-designated as the Executive Chairman on 30 August 2023.

Dr. Poh Soon Sim has been in private medical practice since year 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 Board of Audit and Risk Management Committee, Remuneration Committee and Nomination Committee of HLFG. He was also a Director in Wing Tai Malaysia Berhad previously. He retired from Wing Tai Malaysia Berhad on 29 November 2017.

Currently, he is a Director of Hong Leong Company (Malaysia) Berhad, a public company incorporated in Malaysia.

DATO' DR. ABU TALIB BIN BACHIK
Senior Independent
Non-Executive Director

Nationality: Malaysian
Age: 76
Appointed: 7 November 2016

Dato' Dr. Abu Talib graduated with a BSC and MSC from the Louisiana State University, United States of America and holds a Doctorate in Agriculture Science from the University Of Gent, Belgium.

He has wide experience in 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 year 1999 to 2008.

Prior to joining MDeC, he was a research Scientist in the Malaysia Rubber Board (MRB). He has a wide experience in R&D in Agronomy and Soil Chemistry, and authored about 50 technical, scientific and research papers. In the Rubber Research Institute of Malaysia (RRIM), he held various administrative and management positions. In year 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 year 1999 when he joined MDeC.

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

DATO' MOHAMED KHADAR BIN MERICAN
Independent Non-Executive Director

Nationality: Malaysian
Age: 69
Appointed: 28 November 2018

Dato' Mohamed Khadar is a Fellow of the Institute of Chartered Accountants in England and Wales and is also a Chartered Accountant 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. Dato' Mohamed Khadar has held various senior management positions in Pernas International Holdings Berhad, including as President and Chief Operating Officer. Dato' Mohamed Khadar was previously on the Board of RHB Capital Berhad, as its Independent Non-Executive Chairman, and on the Boards of the Astro group of companies.

Presently, he is also a director of Capital A Berhad, Tune Protect Group Berhad and BNP Paribas Malaysia Berhad.

Dato' Mohamed Khadar currently serves as the Chairman of the Audit and Risk Management Committee and is a member of the Remuneration Committee of the Company.

BOARD OF DIRECTORS' PROFILE *(Continued)*

DATO' NG WAN PENG
Independent Non-Executive Director

Nationality: Malaysian
Age: 62
Appointed: 1 February 2022

Dato' Ng Wan Peng is the Independent Non-Executive Director of Hong Leong Assurance Berhad, Fraser & Neave Holdings Berhad, Autocount Dotcom Berhad, Nano Malaysia Berhad and Lac Med Berhad, and a director of Digital Penang and Paradigm REIT Management Sdn Bhd. She is a council member of SIDEC (Selangor Information Technology & Digital Economy Corporation) and UTAR (University Tunku Abdul Rahman).

Dato' Ng was Chief Operation Officer of Malaysia Digital Economy Corporation, championing the country's digital economy, from year 2009 until December 2020. She is a competent leader and highly motivated professional with more than 30 successful years in the corporate and public environment. Her areas of expertise are in strategy planning, digitalisation, business transformation, organisation development, process improvement and innovation management. She graduated from USM (Universiti Sains Malaysia) and is a HBS (Harvard Business School) Alumni.

Dato' Ng currently serves as a member of Audit and Risk Management Committee and Remuneration Committee of the Company.

MR LING HEE KEAT
Independent Non-Executive Director

Nationality: Malaysian
Age: 53
Appointed: 7 November 2018

Mr. Ling graduated with a Bachelor of Laws degree from the University of Bristol, England in year 1994 and was awarded the Degree of an Utter Barrister from Lincoln's Inn in year 1995. He 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 year 1997 to 2003. In year 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 Deputy Chairman of that company, a position he held till December 2016.

In March 2019, he was appointed as an Independent Non-Executive Director of TrickleStar Limited, a company listed on the Catalyst Market in Singapore. In January 2023, he was appointed as the Chairman of the Board, a position he holds till today.

Mr. Ling is currently a Senior Associate at Leong Partnership Advocates and Solicitors, a boutique law firm focusing on corporate work. He is also a Certified Mediator with the Malaysian Bar Association.

Mr. Ling currently serves as the Chairman of Remuneration Committee and is a member of Audit and Risk Management Committee and Nomination Committee of the Company.

HAJI HUSSEIN BIN ISMAIL
Independent Non-Executive Director

Nationality: Malaysian
Age: 68
Appointed: 28 July 2017

Haji Hussein graduated with a Bachelor of Business Administration (Finance) and Diploma in Accountancy from Universiti Teknologi MARA.

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 year 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 experience in the full range of public accountancy services including audit, accountancy, taxation, secretarial, consultancy services and insolvency assignments covering wide range of clients.

Previously, he was the Non-Independent Non-Executive Chairman of Encorp Berhad from year 2017 – 2021, and also on the Board of Felda Investment Corporation Sdn. Bhd. from year 2017 – 2022.

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

BOARD OF DIRECTORS' PROFILE *(Continued)*

MR H'NG BOON HARNG
Group Finance Director,
Non-Independent Executive Director

Nationality: Malaysian
Age: 52
Appointed: 1 March 2021

Mr H'ng Boon Harng joined our Group in year 2017 and was appointed to the Board as Group Finance Director on 1 March 2021.

He has over 20 years of extensive experience in accounting 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 year 1997 and later obtained his Association of Chartered Certified Accountants (ACCA) qualification in year 2002. He is currently a member of Malaysian Institute of Accountants (MIA) and fellow member of Association of Chartered Certified Accountants (ACCA).

Family Relationship with any Director and/or Major Shareholder	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 2025	The details of the Directors' attendance at Board meetings are disclosed in the 'Corporate Governance Overview Statement' in this Annual Report.

KEY SENIOR MANAGEMENT TEAM

DR. POH SOON SIM
Executive Chairman
Non-Independent Executive Director

Please refer to the Board of Directors' Profile for the profile of Dr. Poh Soon Sim.

MR H'NG BOON HARNG
Group Finance Director,
Non-Independent Executive Director

Please refer to the Board of Directors' Profile for the profile of Mr H'ng Boon Harng.

MR CHIA JEN WEN
Chief Executive Officer

Nationality: Malaysian
Age: 49

Mr Chia is the Chief Executive Officer of IRIS Corporation Berhad and was redesignated to this role from Acting Chief Executive Officer on 1 March 2025. He was appointed as Acting Chief Executive Officer on 1 Jan 2023 and Chief Operating Officer (Special Projects) on 10 February 2022.

Started in year 2000, he has over 20 years of experience in consulting and senior management functions, covering IT consultancy and third-party testing, inspections and certifications (TIC) both locally and abroad.

Mr Chia holds an Upper Second-Class Bachelor's Degree in Mechanical Engineering from Universiti Malaya.

MR CHOONG CHOO HOCK
Chief Operating Officer

Nationality: Malaysian
Age: 63

Mr 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 year 1984, he began his career as a Chemical Engineer with a Japanese conglomerate based in Singapore and later set up their Malaysian operations in year 1985 and progressed to being designated as Factory Manager. In year 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.

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

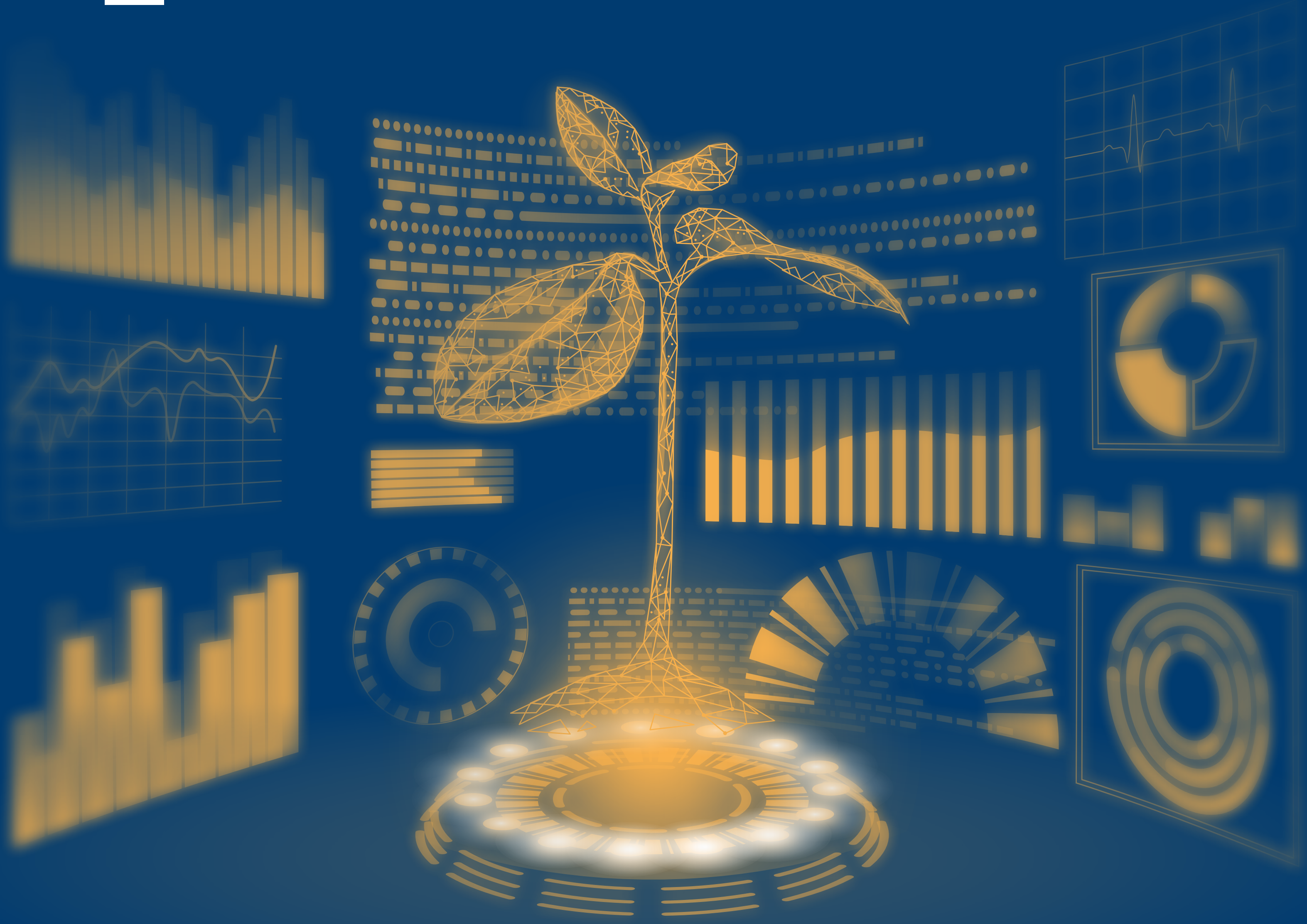
MR TEH TEONG WEE
Chief Technology Officer

Nationality: Malaysian
Age: 54

Mr Teh Teong Wee joined IRIS Corporation Berhad in year 2022 as Chief Technology Officer overseeing the Technology Division to drive all aspects of Trusted ID solutions and leverage on the core expertise of the organisation to design, configure and integrate solutions into a cohesive and efficient system to help our clients' business needs and grow.

He has more than 25 years of vast experience and achievements in the IT industry starting his career in a local IT company before joining a US-based leading MNC in helping organisations across industry such as aviation, retail, semiconductor, telecommunications and financial institution in reaping the benefits of technology through large scale turnkey implementation, complex IT outsourcing and digitisation projects. He has held various leadership positions and managed various robust delivery teams in successful IT outsourcing program.

Mr Teh graduated with a Bachelor's degree in Computer Science from University of Technology Malaysia (UTM).



SUSTAINABILITY STATEMENT

IRIS Corporation Berhad ("IRIS") remains committed to sustainability as a guiding principle in shaping both our long-term corporate strategy and our day-to-day operations. The Group strives to conduct our business in a manner that is environmentally responsible, socially inclusive, and grounded in sound governance. This Sustainability Statement presents an overview of our stakeholder engagement activities, Common Sustainability Matters ("CSM") and our Environmental, Social, and Governance ("ESG") performance for the financial year ended 31 March 2025 ("FY2025").

SUSTAINABILITY STATEMENT *(Continued)*

This Statement has been prepared in accordance with the ACE Market Listing Requirements of Bursa Malaysia as well as in reference to the following frameworks and standards:

- Bursa Malaysia Sustainability Reporting Guide
- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- FTSE4Good Bursa Malaysia Index

In addition, IRIS strongly supports the United Nations Sustainable Development Goals ("UN SDGs") and will progressively integrate these goals into our sustainability practices.

IRIS achieved a significant sustainability milestone in FY2025 with its inaugural inclusion in the FTSE4Good Bursa Malaysia Index ("F4GBM"), earning a strong ESG score of 3.2 and a 3-Star rating. Developed by global index provider FTSE Russell, the F4GBM Index serves as a benchmark for Malaysian companies demonstrating robust ESG practices.

IRIS's ESG score exceeded the average score of 2.65 recorded among Technology sector companies listed on the Main Market, as reported by Bursa Malaysia and FTSE4Good in its December 2024 assessment. This recognition underscores our ongoing commitment to transparency, ethical governance and the integration of sustainable practices across our operations.

SCOPE OF REPORTING

This Statement covers the sustainability performance of IRIS and its wholly owned subsidiaries in Malaysia. It reflects our performance, initiatives and material developments during FY2025.

SUSTAINABILITY GOVERNANCE FRAMEWORK

A robust governance framework ensures our ESG commitments are translated into measurable outcomes:

- The Enterprise Risk Management and Sustainability Organising Committee ("ERMSOC"), supported by the Sustainability Working Group ("SWG"), implements and monitors ESG initiatives across the company.
- These bodies report to the Enterprise Risk Management and Sustainability Committee ("ERMSC") and the Audit & Risk Management Committee ("ARMC"), thereby ensuring Board-level oversight.

IRIS Sustainability Governance Structure

This structure ensures cross-functional accountability, risk alignment and the integration of sustainability considerations into strategic decision-making.

SUSTAINABILITY STATEMENT *(Continued)*

SUSTAINABILITY POLICY

In FY2025, IRIS adopted a Sustainability Policy to strengthen our overarching approach to ESG and ensure long-term value creation. The policy outlines our commitment to integrating sustainability into our strategic planning and decision-making, as well as clearly defining the roles of our Board, management and business units in delivering sustainability outcomes. This policy also formalises our focus on key ESG themes such as climate action, resource efficiency and business ethics.

In upholding sustainability, IRIS is committed to:

ENVIRONMENTAL STEWARDSHIP

Commitment to minimising environmental impact through energy efficiency, waste reduction and climate action initiatives.

SOCIAL RESPONSIBILITY

Fostering a diverse, safe and healthy workplace while supporting community well-being and human rights.

GOVERNANCE AND ETHICS

Clear roles and responsibilities for the Board, senior management and operational teams in driving sustainability across the organisation.

Upholding ethical business practices, compliance with regulations and integration of ESG factors in decision-making.

TRANSPARENCY AND REPORTING

Conducting a comprehensive ESG performance review and publishing the results in the Sustainability Statement of the IRIS Annual Report.

SUSTAINABILITY STATEMENT *(Continued)*

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is a cornerstone of IRIS's sustainability approach, enabling us to understand evolving expectations, build trust and align our strategies with the interests of those who are most impacted by our operations.

Stakeholder Category	Interests & Expectations	Engagement Approach	Engagement Frequency
Investors and Shareholders	• Investment opportunities	Annual General Meeting	Annually
	• Long-term sustainability strategy & outlook	Extraordinary General Meeting	As required
	• Return on investment	Quarterly and Annual Reports	Quarterly and annually
	• Dividends & rewards	Bursa announcements	As required
	• Governance on ESG risks/opportunities	Corporate website	Continuously
	• Transparency and disclosure	Social Media posts	Continuously
Customers	• Business outlook	Corporate website	Continuously
	• Market positioning	Social media interactions	Continuously
	• Transparency on products/services sustainability	Electronic Direct Mail	Continuously
	• Quality of products/services	Customer satisfaction survey	Annually
	• Product information	Technology update sessions	As required
	• Ethical and sustainable practices	Technology transfer & training programmes	As required
		Attend tradeshows	As required
		Exhibition stand	As required
Employees	• Safe and healthy work environment	HR Communication Portal	As required
	• Opportunities for professional/career growth and development	Performance management, reviews and feedback	Annually
		Continuous Learning /Training	Regularly
	• Work-life balance	Festive Celebration	As planned
		Sports Club activities	As planned
		CSR activities	As planned
Suppliers and Supply Chain Partners	• Local partnerships • Business relationships • Operational efficiencies • Sustainable & ethical procurement practices	Supplier Engagement	Continuously
	• Supply chain transparency and accountability	Supplier meetings	As required
Government and Regulatory Bodies	• Compliance with regulations and standards	Dialogue sessions with policymakers	When appropriate
	• Partnerships & collaborations	Regulatory audits	As required
	• Advocacy for supportive policies & regulations: nation building agenda	Meetings & briefings	As required
		Attending to queries	As required
		Attend events & tradeshows	When appropriate
		Exhibition stand	When appropriate

SUSTAINABILITY STATEMENT *(Continued)*

Stakeholder Category	Interests & Expectations	Engagement Approach	Engagement Frequency
Community/ Society	• Corporate Social Responsibility	Sponsorships	As planned
		Charitable works	As planned
		Community outreach programmes	When appropriate
		Blood donation	As planned
	• Job creation for locals	Internship positions	Continuously
Industry Associations and Peers	• Fostering innovation	Industry conferences and tradeshows	Continuously
	• Collaborating on industry-wide sustainability initiatives	Working group collaborations	When appropriate
	• Advocacy for common interests • Knowledge exchange and pursuit	Information sharing platforms and networks	When appropriate
Technology and Business Partners	• Business collaboration	Technology compatibility assessments	When appropriate
	• Technology compatibility and integration	Electronic Direct Mail	When appropriate
		Collaboration platforms and forums	Continuously

MATERIAL MATTERS

The identification and prioritisation of material sustainability matters guide IRIS in focusing our efforts on the ESG topics that are most relevant to our business and stakeholders.

Materiality Assessment

IRIS regularly assesses its sustainability risks and opportunities through engagement with key stakeholders and alignment with Bursa Malaysia's CSM guidelines. In FY2025, our updated materiality review identified the following as priority matters:

Material Topic	Key Risks	Opportunities	Management Approach
Climate Action	Regulatory non-compliance, operational disruption	Emissions reduction, climate resilience	• Preparing for Scope 1, 2 & 3 greenhouse gas ("GHG") disclosures as per Bursa Malaysia's Sustainability reporting guidelines
Energy and Waste Management	Rising operational costs, environmental penalties	Operational savings, circular economy integration	• Reducing energy use • Improving waste management and recyclables tracking

SUSTAINABILITY STATEMENT *(Continued)*

Material Topic	Key Risks	Opportunities	Management Approach
Water Management	Rising operational costs, environmental penalties	Operational savings	• Decreasing water usage through conservation initiatives
Anti-Corruption	Legal non-compliance, reputational damage	Ethical culture, enhanced stakeholder trust	• ABAC Policy updated • ABAC Awareness training for all employees
Diversity	Aging workforce	Enhanced employee engagement, broader talent pool	• Cultivating a diverse work environment • Monitoring diversity data
Data Privacy and Security	Cyber threats, loss of customer trust	Regulatory leadership, enhanced brand trust	• ISO/IEC 27001 compliance • Ongoing privacy policy improvements
Health & Safety	Accidents, absenteeism, insurance liability	Safer workplaces, better retention	• 74% of employees trained • 3 incidents, with enhanced preventive protocols implemented
Community Engagement	Low social impact visibility, missed partnerships	Strengthened brand equity, sustainable livelihoods	• Collaboration with Batik Boutique benefitting 1,700+ artisans and communities
Labour Practices & Standards	Skill gaps, disengagement	Talent retention, upskilling benefits	• 100% employees trained • 5,529 training hours across 276 employees in FY2025
Supply Chain Management	Non-compliance with ESG standards, reputational risk	Improved vendor relationships and compliance	• New Global Vendor Code of Conduct introduced (March 2025)

SUSTAINABILITY STATEMENT *(Continued)*

ENVIRONMENTAL PERFORMANCE

IRIS is committed to minimising our environmental footprint through responsible resource management, continuous improvement and adherence to certified environmental standards across our operations.

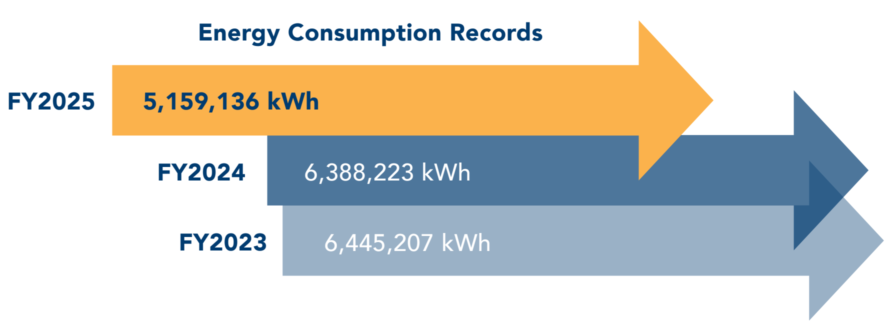
Environmental Objectives	Targets	Measurement Methods	Performance		
			FY2022	FY2023	FY2024
To reduce generation of hazardous waste	>3% reduction on yearly waste generation	Total annual volume of scheduled waste (kg) over total production output	>3%	>3%	**>3%**
To achieve zero (0) major chemical spillage	Zero (0) case	Number of reported incidents	Zero (0)	Zero (0)	**Zero (0)**
To achieve zero (0) environment related fine or violation	Zero (0) case	Number of fines or notices from Department of Environment (DOE)	Zero (0)	Zero (0)	**Zero (0)**

Climate-related Disclosure

As part of our transition towards International Financial Reporting Standards for Climate-related Disclosures ("IFRS S2") compliance, IRIS has begun integrating climate-related risks into our enterprise risk register. We are also preparing for scope 1, 2 and 3 emissions disclosures in line with Bursa Malaysia's ACE Market listing requirements.

Energy Management

In FY2025, total energy consumption decreased to 5.16 million kWh, a 19.2% reduction from FY2024. Energy consumption trends are summarised below:



SUSTAINABILITY STATEMENT *(Continued)*

Energy Consumption	FY2023	FY2024	FY2025
Total Energy Usage (KW/H)	6,445,207	6,388,223	**5,159,136**
Percentage of increase or decrease	23.21% increase from FY2022	0.9% decrease from FY2023	**19.2% decrease from FY2024**

As part of our commitment to environmental sustainability and long-term operational efficiency, we installed a rooftop solar PV system in FY2025. This strategic investment aligns with our goal to reduce carbon emissions. By harnessing renewable energy, we are decreasing our reliance on fossil fuels, lowering our electricity costs and contributing to national efforts to promote green energy adoption.

Our rooftop solar PV system generated **185,675.46** kWh of clean electricity from 20 June 2024 till 31 March 2025.

Waste Management

In FY2025, we made considerable progress in our commitment to responsible waste management, particularly in reducing hazardous waste generated from our manufacturing processes. Total hazardous waste volume dropped to 2,257 kg, marking a substantial 31.9% decrease compared to FY2024.

The reduction in FY2025 reflects enhanced operational controls, improved material handling practices and targeted waste minimisation strategies implemented across our facilities. These efforts are part of our broader environmental sustainability initiatives aimed at reducing the environmental footprint of our manufacturing activities.

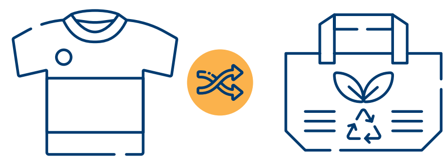
Hazardous Waste	FY2023	FY2024	FY2025
Total Gross Weight (kg)	2,146	3,313	**2,257.5**
Percentage of increase or decrease	29.2% decrease from FY2022	54.3% increase from FY2023	**31.9% decrease from FY2024**

Recyclables Diverted From Landfills	FY2023	FY2024	FY2025
Textiles	330kg	315kg	**373.8kg**
Plastic Containers	617pcs	166pcs	Collection not conducted as employees are recycling on their own
Paper Products	290kg	51.5kg	

Textiles recycling increased from 315 kg in FY2024 to 373.8 kg in FY2025, reflecting our continued commitment to sustainability and waste reduction.

SUSTAINABILITY STATEMENT *(Continued)*

As part of our waste minimisation efforts, IRIS in collaboration with Zero Waste Malaysia, organised t-shirt upcycling activity, where worn-out t-shirts were creatively repurposed into reusable bags. This initiative helped divert textiles from landfill, encouraged sustainable habits and raised awareness about resource conservation among IRIS employees.

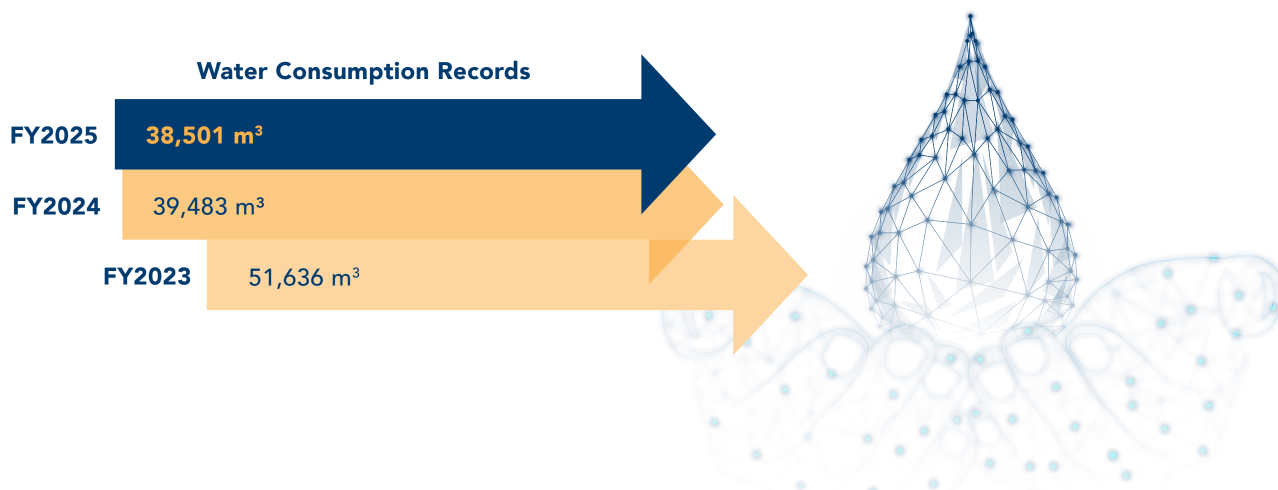


Zero Waste Malaysia

Zero Waste Malaysia is the country's largest environmental community group, dedicated to promoting accessible zero waste living through education, outreach and partnerships that advance sustainability and a circular economy.

Water Management

In FY2025, our water usage decreased by **2.49%** through conservation initiatives.



Water Consumption	FY2023	FY2024	FY2025
Total Usage (m³)	51,636	39,483	**38,501**
Percentage of increase or decrease	4.21% increase from FY2022	23.54% decrease from FY2023	**2.49% decrease from FY2024**

SUSTAINABILITY STATEMENT *(Continued)*

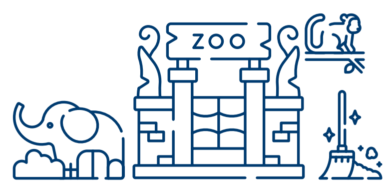
SOCIAL PERFORMANCE

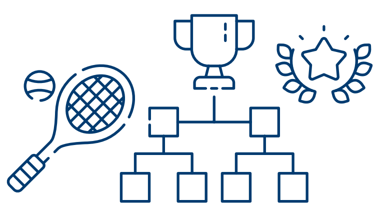
In FY2025, IRIS remained committed to contributing meaningfully to the communities where we operate. Through a range of targeted CSR initiatives, we extended support to charitable programmes and non-profit organisations to ensure meaningful resources reached vulnerable groups. Our employees continued to play an active role in these efforts, volunteering their time, skills, and energy toward impactful community development activities.

Community Contributions and CSR Activities

In FY2025, IRIS remained actively engaged in CSR initiatives that create long-term value for communities and promote inclusive development. Our programmes reflect a multi-dimensional approach, from environmental conservation to social empowerment and youth development:

- **Promoting Volunteerism and Environmental Stewardship**
  A team of IRIS employees volunteered alongside Zoo Negara's maintenance personnel to help clean and beautify the zoo's grounds. This initiative supported Zoo Negara's efforts in conserving endangered species, preserving natural habitats, and enhancing public awareness of environmental issues. By promoting interaction with nature, the programme also fostered positive social impact and community well-being.

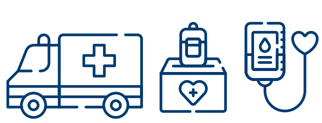




- **Championing Grassroots Sports Development in Penang**
  IRIS extended its support to the Penang Sports Club International Invitational Tennis Tournament 2025, reinforcing our commitment to youth and grassroots sports. Our continued sponsorship provided a platform for both local and international talent to compete at an international level, fostering athletic talent and promoting active living.

- **Empowering Marginalised Communities through Social Enterprise**
  We continued our collaboration by producing our corporate gifts with Batik Boutique, a social enterprise that uplifts marginalised groups. IRIS strongly supports Batik Boutique's initiatives to provide **400 artisans** with fair wages, more than **200 women** with vocational training, and to improve the livelihoods of over **1,700 individuals.**

- **Annual Blood Donation Drives**
  IRIS employees actively participated in blood donation efforts with the National Blood Bank:



TOTAL BLOOD DONORS :	FY2025	FY2024	FY2023
	50	66	57

SUSTAINABILITY STATEMENT *(Continued)*

Workforce Diversity

At IRIS, we embrace diversity as a driver of strength and innovation within our workforce. In FY2025, we employed a total of 355 individuals, with 78% as permanent or core employees and 22% engaged under fixed-term arrangements, reflecting our continued commitment to stable, inclusive employment practices.

Permanent/core employees by gender

Male	47%
Female	53%

Male	48%
Female	52%

Permanent/core employees by age group

≤30	7%
≤50	70%
>50	23%

≤30	11%
≤50	69%
>50	20%

Diversity	FY2023	FY2024	FY2025
Permanent/core employees by gender		52% female 48% male	**53% female 47% male**
Permanent/core employees by age group		11% ≤ 30, 69% ≤ 50, 20% > 50	**7% ≤ 30, 70% ≤ 50, 23% > 50**
Permanent/core employees vs contract & temporary workers		300 core employees, 158 (monthly wage)	**276 core employees, 79 (monthly wage)**
Total employees	512	458	**355**

SUSTAINABILITY STATEMENT *(Continued)*

Percentage of Permanent/Core employees by Gender & Employee Category in FY2025

	Non-Exec	Exec	Manager	GM & Above
Male	18%	16%	9%	4%
Female	19%	22%	11%	1%

Employee Category	Female	Male	Female %	Male %
Non-Exec	52	51	19%	18%
Exec	61	44	22%	16%
Manager	29	24	11%	9%
GM & Above	4	11	1%	4%
Total	146	130	53%	47%
Grand total	**276**		**100%**	

Permanent/Core employees by Age & Employee Category in FY2025

	Non-Exec	Exec	Manager	GM & Above
Age ≤30	5	15	0	0
Age 31-40	33	52	9	0
Age 41-50	41	28	25	5
Age >50	24	10	19	10

SUSTAINABILITY STATEMENT *(Continued)*

Employee Category	Age ≤30	Age 31-40	Age 41-50	Age >50	Total
Non-Exec	5	33	41	24	103
Exec	15	52	28	10	105
Manager	-	9	25	19	53
GM & Above	-	-	5	10	15
Total	**20**	**94**	**99**	**63**	**276**

Employee Health, Safety, and Well-being

At IRIS, the health and safety of our employees remain a top priority. We are committed to safeguarding our workforce through comprehensive safety protocols, including proactive risk assessments, targeted training initiatives, and a robust system for incident reporting and investigation. This structured and preventative approach not only mitigates potential hazards but also cultivates a strong culture of safety awareness across all levels of the organisation.

Our dedication to employee well-being goes beyond physical safety. We recognise the importance of mental and emotional health and support our team through wellness programmes and resources. By fostering a safe, supportive, and healthy work environment, we empower our people to thrive—leading to a more engaged, resilient, and productive workforce.

While IRIS has long placed strong emphasis on cultivating a comprehensive safety culture, we recognise the need for continual improvement. Following a slight increase in work-related incidents, we are taking proactive steps to enhance our safety protocols and training initiatives across the organisation. These efforts will further strengthen our safety culture and support our goal of minimising workplace risks through inclusive and continuous learning.

Safety Records	FY2023	FY2024	FY2025
Work-related fatalities	0	0	**0**
Number of work-related accidents	0	1	**3**
Total employees	512	300	**276**

Upholding Labour Standards

At IRIS, adherence to international and national labour standards, along with ethical business practices, forms the foundation of our commitment to creating a fair and rewarding workplace. This commitment is reflected in our unwavering respect for employee rights, the cultivation of a diverse work environment, and our ongoing investment in training and development opportunities that support both personal growth and professional advancement.

SUSTAINABILITY STATEMENT *(Continued)*

Training Records	FY2023	FY2024	FY2025
Total Training Hours	3,585	3,746	**5,529**
Number of programmes	35	59	**45**

Our emphasis on upskilling and reskilling in FY2025 resulted in

47.6% increase

of the total training hours. By investing in our people, we empower them to play a meaningful role in advancing environmentally and socially responsible practices across the organisation.

Within our production operations, we harness the expertise of both our core workforce and contract or temporary personnel to support a resilient and sustainable supply chain. In collaboration with our partnering agencies, we uphold rigorous social and labour standards throughout the value chain. This includes ensuring fair treatment, compliance with all applicable labour regulations, and the provision of safe, respectful working conditions for all individuals involved in our production processes—regardless of employment status.

GOVERNANCE

Strong governance forms the foundation of IRIS' sustainability journey, ensuring that our business is conducted with integrity, accountability, and compliance with applicable laws and ethical standards.

Anti-Bribery and Anti-Corruption

IRIS has maintained a formal Anti-Bribery and Anti-Corruption ("ABAC") Policy since 2020, underscoring our zero-tolerance stance on bribery and corruption. In FY2025, the policy underwent a comprehensive review and significant amendments to align with current regulatory expectations and best practices, including enhanced due diligence procedures, third-party risk management, and employee training protocols.

SUSTAINABILITY STATEMENT *(Continued)*

Supply Chain Governance

In line with our commitment to ethical governance and sustainable procurement, IRIS introduced a Global Vendor Code of Conduct ("GVCoC") in March 2025. This policy outlines clear expectations for our suppliers and business partners, covering areas such as:

- Compliance with all applicable laws and regulations
- Prohibition of bribery, forced labour, and child labour
- Respect for human rights and fair employment practices
- Environmental responsibility and resource efficiency
- Transparent reporting and grievance mechanisms

All new and existing vendors are required to adhere to the GVCoC as part of our contractual due diligence. This initiative strengthens supply chain accountability and mitigates ESG-related risks across our procurement practices.

SUSTAINABILITY STATEMENT *(Continued)*

Data Privacy and Cybersecurity Governance

As part of our ongoing commitment to responsible data stewardship, IRIS continues to enhance its information security frameworks and privacy safeguards in accordance with international standards.

In FY2025, IRIS:

- Maintained compliance with ISO/IEC 27001, the global standard for information security management.
- Updated its Privacy Policy to reflect evolving legal requirements and technology risk considerations.
- Enhanced internal data protection procedures and employee awareness through ongoing cybersecurity training.

These initiatives are vital to safeguarding customer trust, meeting regulatory obligations, and ensuring operational resilience in an increasingly digital operating environment.

CONCLUSION

In FY2025, IRIS advanced its sustainability agenda through decisive action across environmental stewardship, social responsibility, and sound governance. Highlights included a 17.3% reduction in energy consumption, meaningful engagement with community beneficiaries through strategic CSR partnerships and the successful rollout of a revised ABAC Policy.

Looking ahead, IRIS remains resolute in enhancing our ESG disclosures, aligning with international standards such as IFRS, and setting measurable targets that support the nation's climate transition and inclusive economic development. We recognise that our sustainability journey is a shared responsibility and invite continued collaboration with all stakeholders to shape a more resilient and equitable future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of IRIS Corporation Berhad ("IRIS" or "the Company") is fully dedicated to maintaining 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 2021 ("MCCG 2021" or "the Code") as follows:

The details of the Group's application for each practice set out in the MCCG 2021 during the financial year 2025 are disclosed in the Corporate Governance Report ("CG Report"). A copy of the CG Report is available on the Group's website at www.iris.com.my and announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

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 strategic direction of the Group and creating value for shareholders.

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

- Review and approve the relevant policies, strategies and financial plans of the Group, and address 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 principal officers positions; and
- Assume responsibility for good corporate governance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES *(Cont'd)*

Established Clear Functions Reserved for the Board and Those Delegated to Management *(Cont'd)*

To ensure the effective discharge of its function and responsibilities, the Board delegates the day-to-day management of the Group and the implementation of the Board's decisions and policies to the Executive Chairman. The day-to-day operations of the Group, within the authorities delegated by the Board, are further distributed under the approved Limits of Authority ("LOA") to the Management, comprising Executive Chairman, Chief Executive Officer, Group Finance Director, and C-suite of respective business segments and divisions. The principal responsibilities of the Management are as follows:

- Develop, coordinate and implement business and corporate strategies for the approval of the Board;
- Overseeing the day-to-day operations of the Group; and
- Provide the Board with relevant information, reports, clarifications as and when required by the Board, to enable the Board to arrive at a decision.

The Board also delegates some of its stewardship responsibilities and risk management controls to properly constituted Board Committees, namely the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee, with clearly defined terms of reference. By empowering these Committees to make recommendations on matters within their respective terms of reference, the Board is able to achieve operational efficiency and maintain control over major policies and decisions.

The functions of the Board Committees are as follows:

Type of Committee	Principal Functions
Audit and Risk Management Committee	To review and report on the Group's financial results, systems of internal control, risk management, related parties transactions and conflict of interests.
Nomination Committee	To assess and evaluate the effectiveness of the Board and its committee as a whole. To assess, evaluate and recommend to the Board on the appointment of new Board members and principal officers.
Remuneration Committee	To assess, review and recommend to the Board the Directors' and principal officers' remuneration and benefits package.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES *(Cont'd)*

Reviewing and approving the Company's Strategic Plans

Together with the Management, the Board collectively bring a diverse range of skills and expertise to discharge their responsibilities effectively towards achieving the Group's business strategies and corporate goals, as well as providing advice and judgement for the benefit of the Group and its shareholders. The Board plays an active role in reviewing and adopting the Company's strategic plans by assessing, deliberating, and approving the Management's proposal on a strategic plan for the Group. In this regard, the Management will prepare and present to the Board the Group's Annual Business Plan and Budget for the Board's review and approval for the ensuing financial year at the Board Meeting.

Overseeing the Conduct of the Company's business

The Board oversees the performance of the Company and the Group via the discussion and updates at the Board meeting. The Board would also 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 Group and its business. The Management is also required to present and brief the Board on the quarterly report of the Group's financial performance.

Qualified and Competent Company Secretaries

The Board is assisted by the qualified secretaries who are the members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as Company Secretary under the Companies Act 2016. The Company Secretaries facilitates the Board on the administration and compliance of the Company's matters within the framework of relevant laws and regulations.

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

Board Charter

The Board Charter sets out the roles and responsibilities of the Board, Board Committees and the Management. It is available on the Group's website at *www.iris.com.my*. The Board will review the Board Charter from time to time and make necessary amendments to ensure the Board Charter remains consistent with the Board's objectives, current law and practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES *(Cont'd)*

Whistleblowing Policy

The Whistleblowing Policy provides an avenue for whistleblowers to raise concerns in good faith, confidentially and professionally of any improprieties within the Group and acts as a guidance for employees, directors, stakeholders and/or any other party with a business relationship with the Group to report the improprieties without the fear of victimisation, reprisal, harassment or other unfair treatment as a results of their whistleblowing. This Policy aims to provide a framework to promote responsibility and secure whistleblowing without fear of adverse consequences. The Policy is available on the Company's website at *www.iris.com.my.*

Anti –Bribery and Anti-Corruption Policy

The Board has further strengthened the integrity, governance and anti-corruption framework of the Group by adopting and implementing the Anti-Bribery and Anti-Corruption Policy during the financial year under review.

Sustainability Policy

The Board has established a clear governance structure, integrated with the Group's formalized Sustainability Policy adopted on 28 July 2025. This policy serves as a primary framework guiding the Group's sustainability initiatives and raising awareness among the stakeholders about the Group's commitment and its strategic direction. Details of the sustainability initiatives undertaken by the Group for the financial year ended 31 March 2025 are disclosed in the Sustainability Statement section of this Annual Report. The Sustainability Policy is available on the Company's website at *www.iris.com.my.*

2. BOARD COMPOSITION

The Board has seven (7) directors, comprising two (2) Non-Independent Executive Directors and five (5) Independent Non-Executive Directors. The Chairman is a Non-Independent Executive Director. The number of Independent Directors is in compliance with Rule 15.02 of the Listing Requirements of Bursa Malaysia for ACE Market, which requires 1/3 of the Board to comprise independent directors and at least one (1) board member is a woman.

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

The Nomination Committee ("NC") consists of three (3) Independent Non-Executive Directors.

The primary responsibilities of the NC are as follows:

i. To consider and make recommendations to the Board for the appointment of new directors and principal officers for the Company and the Group;
ii. To recommend to the Board on the composition of Board Committees;

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION *(Cont'd)*

Develop, maintain and review the criteria for recruitment and annual assessment of Directors *(Cont'd)*

iii. To perform an annual review on Board requirements for skill mix, experience and other relevant qualities including core competencies which Non-Executive Directors should bring to the Board;
iv. To perform annual assessments on the effectiveness of the Board and the Board Committees as a whole; and
v. 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 met twice in the financial year ended 31 March 2025. The NC carries out the evaluation exercise annually. The Management will assist the NC in the assessment through annual Board Committee Effectiveness Assessment, Directors' Self and Peer Assessment exercise.

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

i. Board and Board Committees' performance and contributions in relation to accountability, responsibilities, skills, experience and other qualities;
ii. Board and Board Committees' ability to give input at meetings and to demonstrate a high level of professionalism and integrity in the decision-making process;
iii. Non-Executive Directors and Executive Directors performance review based on their contributions and performance;
iv. Assessment of the independence of Independent Directors;
v. Woman candidates to be appointed as Director;
vi. Directors' training needs; and
vii. Retirement and re-election of Directors.

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 the Constitution of the Company and the Fit and Proper Policy adopted by the Board. This process has been reviewed, approved and adopted by the Board. The NC strictly adheres to this process in recommending any new candidate for approval and appointment by the Board. The Company Secretary will ensure that all appointments are in compliance with applicable law and regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION *(Cont'd)*

Re-election and Re-appointment of Director

In accordance with 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 following their appointments. The Constitution further provides that in every subsequent year, one-third of the Directors shall retire and be eligible for re-election, provided always that all Directors, except for a Managing Director (if any) appointed for a fixed period pursuant to the Constitution, shall retire once at least in every three (3) years but shall be eligible for re-election.

Gender Diversity

Although the Board has not formally adopted a Gender Diversity Policy, the Board acknowledges the importance of boardroom diversity and the recommendation of the Code pertaining to the establishment of a Gender Diversity Policy. In its selection for Board appointment, the Board believes in, and provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. The evaluation and selection criteria of a Director are very much dependent on the effective blend of knowledge, skills, competencies, experiences and time commitment of the new Board member.

The Board currently has one (1) female director. The Board is of the view that its current composition provides the necessary knowledge, experience and competence to enable the Board as a whole to discharge their duties and responsibilities effectively.

The Board is mindful that any gender representation should be in the best interest of the Company. Although the Company has not reached the 30% woman representation target at Board level as required, the Board provides equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender.

Assessment of Independent Directors

The NC reviews the independence of Directors annually in accordance with the guidelines stipulated in the Code. In this context, the NC reviews the disclosures of 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 has reviewed the independence of the Independent Directors and is satisfied with the level of independence demonstrated by all the Independent Directors, and their ability to act in the best interest of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION *(Cont'd)*

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 the term is exceeded, has justification or reasons as to why such directors are retained for annual shareholders' approval.

The NC and the Board will recommend and hold the view that the ability of an Independent Director to exercise his/her independent judgement is not affected by the length of his/her service as Independent Director. The suitability and ability of an Independent Director to carry out his/her roles and responsibilities effectively are very much a function of his/her calibre, 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 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 Board's efficiency.

Separation of Positions of the Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer have been clearly segregated to ensure that there is a balance of power and authority. The Chairman of the Board is responsible for the leadership, effectiveness, conduct and governance of the Board, and provides oversight over operations of the Group. The Chief Executive Officer of the Company has overall responsibility for the day-to-day management of the business and implementation of the Board's policies and decisions.

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 is set out in the 'Board of Directors' Profile' section in this Annual Report.

Time commitments

The Directors dedicated sufficient time to carry out their responsibilities.

During the financial year ended 31 March 2025, the Board met seven (7) times, where it deliberated and considered various matters affecting the Group's operations including the Group's financial results, business and investment plans, the Group's budget and the Group's strategic direction.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION *(Cont'd)*

Time commitments *(Cont'd)*

Details of attendance of each Director who held office during the financial year ended 31 March 2025 are as follows:

Name of Directors	Total Meetings Attended By Directors
Dr. Poh Soon Sim	7/7
Dato' Dr. Abu Talib Bin Bachik	7/7
Dato' Mohamed Khadar Bin Merican	7/7
Dato' Ng Wan Peng	7/7
Mr Ling Hee Keat	7/7
Haji Hussein Bin Ismail	7/7
Mr H'ng Boon Harng	7/7

Directors' training

Although the Board does not have a policy to require each of the Directors to attend numbers and types of training programme each year, the Directors, however, are encouraged to attend briefings, 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 2025 are as follows:

Name of Director	Course Attended/Participated
Dr. Poh Soon Sim	• Mandatory Accreditation Program - Part II Leading for Impact (Institute of Corporate Directors Malaysia (ICDM)) • Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd)

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION *(Cont'd)*

Directors' training *(Cont'd)*

Name of Director	Course Attended/Participated
Dato' Dr. Abu Talib Bin Bachik	• Mandatory Accreditation Program - Part II Leading for Impact (Institute of Corporate Directors Malaysia (ICDM)) • Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd)
Dato' Mohamed Khadar Bin Merican	• Mandatory Accreditation Program - Part II Leading for Impact (Institute of Corporate Directors Malaysia (ICDM)) • TCFD Training (Malaysian Institute of Accountants) • In-house Directors' Training on Insuretech (TPG) • Bank Negara Sasana Symposium 2024 (Value Based Finance, Diversifying Funding Sources in the Economy, Interacting Between Monetary and Fiscal Policy, Structural Reforms, Guarding the Security of Digital Payments) • Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • Islamic Finance Training - Hajah and Darurah (BNP Paribas Malaysia Berhad (BNPP)) • PAC Directors' Training on ESG (BNP Paribas Malaysia Berhad (BNPP)) • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd) • Audit Oversight Board - Conversation with Audit Committees - Training on Sustainability Reporting
Dato' Ng Wan Peng	• Addressing Challenges in Implementing ISSB Standards (F&N and KPMG) • Kuala Lumpur International Sustainability Conference (ASB / FIDE Forum) • Mandatory Accreditation Program - Part II Leading for Impact (Institute of Corporate Directors Malaysia (ICDM)) • Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • Future of People@Work (Asia School of Business) • EY FSO Insurance Forum (Earnst & Young)

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

2. BOARD COMPOSITION *(Cont'd)*

Directors' training *(Cont'd)*

Name of Director	Course Attended/Participated
Dato' Ng Wan Peng *(Cont'd)*	• Bursa Malaysia - Building Sustainable Credibility: Assurance, Greenwashing, and the Rise of Green-Hushing (Bursa Malaysia and ICDM) • Board Ethics: Growing Concerns on New Technology, Stakeholders Interests and Conflict of Interest (Bursa Malaysia and ICDM) • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd) • Professional Certification in Corporate Finance (Asia School of Business) • Moving From The Recommendations of the Task Force on Climate-related Financial Disclosures to IFRS S1 and IFRS S2 (Hong Leong Financial Group)
Mr Ling Hee Keat	• Mandatory Accreditation Program - Part II Leading for Impact (Institute of Corporate Directors Malaysia (ICDM)) • Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • CGS: Understanding Directors' Duties in Climate Risk (Singapore Institute of Directors) • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd) • CTP10 - Unlocking Value with Advisory Boards (Singapore Institute of Directors)
Haji Hussein Bin Ismail	• Mandatory Accreditation Program - Part II Leading for Impact (Institute of Corporate Directors Malaysia (ICDM)) • Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd)
Mr H'ng Boon Harng	• Corporate Liability for Corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Wong & Partners) • Key Legal Issues in Digital Transformation • Creative Thinking and Problem-Solving Techniques for Accounting and Finance Professionals (Malaysia Institute of Accountants) • TaxMax - The 50th series Fostering economic growth the MADA (Deloitte Tax Services Sdn Bhd) • Greenhouse Gasses Scope 1, 2, & 3 (IRIS Corporation Bhd)

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

3. REMUNERATION

The Remuneration Committee ("RC") consists of three (3) Independent Non-Executive Directors. The RC is authorised 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 principal officers.

The policy practice on the remuneration by the RC is to provide the remuneration packages necessary to attract, retain and motivate Directors and principal officers 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 principal officers is linked to their level of responsibilities and contributions to the effective functioning of the Company. The RC will review the remuneration annually with assistance from the Management before recommending it to the Board for approval.

Meetings of the RC are held as and when required, and at least once a year. The RC met twice in the financial year ended 31 March 2025.

Remuneration package

The Company has complied with the Listing Requirements of the Bursa Malaysia for ACE Market on the disclosure of remuneration of Directors on a Group basis. The current remuneration policy comprises Directors' fees and Directors' meeting allowance, based on the number of meetings they are attending for the year, which requires shareholders' approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

3. REMUNERATION *(Cont'd)*

Remuneration package *(Cont'd)*

The aggregate remuneration of Directors' for the financial year ended 31 March 2025 are as follows:

Category	Salaries & Bonuses RM	Defined contribution plans and Socso RM	Benefit in Kind RM	Director fees RM	Meeting allowances RM	Total RM
Group and Company						
Executive Directors						
Dr. Poh Soon Sim	1,696,747	818	29,950	22,000	-	1,749,515
Mr H'ng Boon Harng	948,020	114,909	20,200	22,000	-	1,105,129
Non-Executive Directors						
Dato' Dr. Abu Talib Bin Bachik	-	-	-	124,400	14,000	138,400
Dato' Mohamed Khadar Bin Merican	-	-	-	134,600	14,000	148,600
Dato' Ng Wan Peng	-	-	-	120,800	14,000	134,800
Mr Ling Hee Keat	-	-	-	132,800	16,000	148,800
Haji Hussein Bin Ismail	-	-	-	120,800	14,000	134,800
Total	**2,644,767**	**115,727**	**50,150**	**677,400**	**72,000**	**3,560,044**

4. LIMITS OF AUTHORITY

Limits of Authority ("LOA") established the framework of authority and accountability within the Group. The LOA also facilitates decision-making at the appropriate level within the organisation's hierarchy as well as promotes good business practice and corporate governance across the Group.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

1. AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee ("ARMC") comprises five (5) Independent Non-Executive Directors. The ARMC is established to support and 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 an oversight of the Group's financial results, system of internal control, risk management, related party 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.

The composition and summary of activities during the financial year under review is set out in the 'Audit and Risk Management Committee Report' in this Annual Report.

The ARMC has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC.

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 External Auditors have provided a confirmation of their independence to the ARMC 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 ARMC is satisfied that the External Auditors are competent and independent and recommended to the Board for 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

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. This is achieved by identifying principal risks, ensuring the implementation of appropriate systems to manage these risks as well as 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 and the overview of risk management and internal control framework 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, Deloitte Business Advisory Sdn Bhd, which performs regular reviews with impartiality and due professional care, in accordance with the International Professional Practices Framework of the Institute of Internal Auditors in reviewing the adequacy as well as effectiveness of the Group's risk management and internal control systems.

Details of the internal audit function are set out in the 'Statement on Risk Management and Internal Control' and the 'Audit and Risk Management Committee Report' of this Annual Report respectively.

Risk Management Framework

The Board recognises that risk management, which includes creating a risk awareness culture, should be an integral part of the business operation. The Board, through the ARMC, has established an enterprise risk management ("ERM") framework with structured and systematic approaches in identifying, evaluating, monitoring, mitigating and managing enterprise risks.

CORPORATE GOVERNANCE OVERVIEW STATEMENT *(Continued)*

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 have clear and 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 this information via the Company's website at *www.iris.com.my.*

In addition, in the annual general meeting, the Board will brief shareholders on the business and operations of the Group prior to tabling the motion on audited financial statements. Shareholders will be invited to raise questions concerning the financial statements. A 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' meetings and ensures their questions are responded to in a proper and systematic manner.

2. CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") is the principal forum for dialogue with the shareholders. 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 concerns to the Company. An 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 is given for each agenda item in the notice of meeting and/or Annual Report or circular accompanying the notice of meeting. The Company complied with Practice 13.1 of MCCG 2021 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.

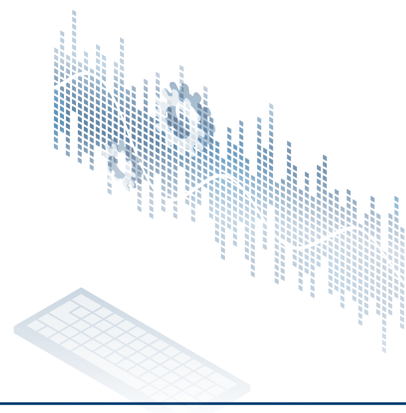
All resolutions set out in the Notice of AGM will be carried out by poll voting. Each shareholder can vote in person or by appointing a proxy/proxies to attend and vote on his/her behalf. Separate issues are tabled in separate resolutions at general meetings, voting is carried out systematically and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

This Statement was approved by the Board on 28 July 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

OBJECTIVES

The Audit and Risk Management Committee ("ARMC") had diligently discharged its duties and responsibilities in accordance with its Terms of Reference and in the course of its duties during the financial period, the ARMC is of the view that there were no material misstatements or losses, contingencies or uncertainties requiring separate disclosure in this report.



COMPOSITION

For the period under review, the composition of the ARMC was as follows:-

ARMC COMPOSITION

Dato' Mohamed Khadar Bin Merican
Chairman
Independent Non-Executive Director

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

Dato' Ng Wan Peng
Member
Independent Non-Executive Director

Haji Hussein Bin Ismail
Member
Independent Non-Executive Director

Mr Ling Hee Keat
Member
Independent Non-Executive Director

AUTHORITY

The ARMC is authorised by the Board of Directors ("the Board") to review any activity of the Group within its Terms of Reference and has full access to information and resources which it needs to discharge its duties.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(Continued)*

ARMC MEETINGS

The ARMC held five (5) meetings during the period from 1 April 2024 to 31 March 2025. The attendance of the members of the ARMC at the meetings is as follows:

Name of ARMC members	Total meetings attended by members
Dato' Mohamed Khadar Bin Merican (Chairman)	**5/5**
Dato' Dr Abu Talib Bin Bachik	**5/5**
Dato' Ng Wan Peng	**5/5**
Haji Hussein Bin Ismail	**5/5**
Mr Ling Hee Keat	**5/5**

The Company Secretaries, or their representatives, were in attendance during the meetings. By invitation, the Management, Internal Auditors, External Auditors and other key personnel, where necessary, were invited to the meetings to assist with deliberations on matters within their purview.

ARMC meeting minutes were distributed to all the members of the Board. The Chairman of the ARMC regularly briefs the Board on the proceedings of the ARMC.

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

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

1. Financial Reporting

a. Reviewed the unaudited quarterly interim financial report of the Group before recommending it to the Board for approval and authorisation for the release of the Group's unaudited quarterly interim financial report announcement to Bursa Malaysia Securities Berhad ("Bursa Malaysia").

b. Reviewed the audited financial statement for the financial year ended 31 March 2025 before recommending it to the Board for approval.

c. Reviewed and discussed significant matters raised by Messrs. Baker Tilly Monteiro Heng PLT ("External Auditors"), including financial reporting issues and significant areas of judgement and estimations made by the Management, in accordance with the requirements set out in the Malaysian Financial Reporting Standards.

d. Discussed and deliberated significant changes and the impact of new or proposed changes in accounting standards and regulatory requirements that would affect the Group and the Company.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(Continued)*

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR *(Cont'd)*

2. External Audit

a. Reviewed with the External Auditors their Audit Planning Memorandum, which outlined 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 and discussed with the External Auditors their Audit Committee Memorandum for the financial year ended 31 March 2025. This memorandum covered 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.
d. 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 for the re-appointment of the External Auditors at the forthcoming Annual General Meeting.
e. Met with the External Auditors once, without the presence of Executive Directors and the Management, to review and discuss key issues and audit matters. There were no major concerns raised by the External Auditors at the meeting.

3. Internal Audit

a. Reviewed the internal audit plan as proposed by the outsourced internal auditors, Messrs. Deloitte Business Advisory Sdn Bhd ("Internal Auditors"), for the financial year 2025 for the Group and the Company to ensure the adequacy of the scope and coverage of the work.
b. Reviewed the internal audit reports presented by the Internal Auditors on their findings and recommendations.
c. Reviewed the progress of the implementation of corrective action plans agreed by the Management on all significant audit issues.
d. Reviewed the status of outstanding audit recommendations as presented by the Internal Auditors.
e. Obtained confirmation on independence and objectivity from the Internal Auditors that the audit personnel were free from any relationship or conflicts of interest with the Group during the audit for the financial year under review.

4. Risk Management

a. Reviewed the adequacy of the risk management framework and recommended it to the Board for approval.
b. Reviewed the framework for the Anti-Bribery and Anti-Corruption Policy and the necessary procedures under Section 17A (5) of the Malaysian Anti-Corruption Act 2009 and recommended to the Board for approval.
c. Reviewed the framework and necessary procedures for the Whistleblowing Policy of the Group and recommended it to the Board for approval.
d. Reviewed and communicated the risk assessment results together with action plans to manage and/or mitigate these risks to the Board.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT *(Continued)*

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR *(Cont'd)*

5. Sustainability

a. Reviewed and recommended the Group's sustainability strategies, policies and targets for the Board's approval.
b. Ensured that the approved sustainability strategies, policies and priorities are aligned with Group's commitment towards sustainability agenda.
c. Reviewed reporting framework, identified and evaluated material sustainability risk and opportunities against sustainable business practices and ensured effective management and oversight.
d. Assessed potential ESG risks and evaluated material sustainability matters referred by the Board.
e. Assessed the effectiveness of the sustainability strategies, policies and principles against the priorities and targets set.
f. Drove the engagement on sustainability awareness to ensure adoption across the Group.
g. Ensured the Company maintains proactive stakeholder engagement.
h. Reviewed Sustainability Statement reporting to ensure compliance with Listing Requirement and adoption of Global Reporting Standards (GRI) as well as the applicable code of corporate governance prior to approval by the Board before its inclusion in the Annual Report.

6. Others

a. Reviewed the Audit and Risk Management Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control ("SORMIC") and recommended to the Board for inclusion in the Annual Report for the financial year ended 31 March 2025.

INTERNAL AUDIT FUNCTION

The outsourced Internal Auditors are independent of the activities or operations of the Group. 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 and the Management in maintaining a sound system of internal controls. The ARMC has full access to the Internal Auditors for internal audit purposes.

During the financial year under review, the Internal Auditors carried out its audit in accordance with the internal audit plan and conducted follow-up audits on agreed management remedial actions on a quarterly basis. The key areas reviewed included Strategic Human Capital Management, Project Management (Pre and Post) for International & Domestic, Product and Solutions Support (inclusive of other technical support), Procurement and Payment Management and Corporate Governance.

The results of the internal audit findings and the recommendations for improvement, including corrective and preventive actions as well as targeted implementation dates, were discussed and agreed with the Management and subsequently presented to the ARMC on a quarterly basis for deliberation.

The cost incurred for internal audit services in respect of the financial year ended 31 March 2025 was approximately RM121,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("the Board") of IRIS Corporation Berhad is committed to maintaining sound risk management and internal control systems and to continually reviewing the adequacy and effectiveness of the system to safeguard shareholders' investments and the Group's assets as well as control liabilities.

This Statement is made following Rule 15.26 (b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") for ACE Market ("ACE LR"), Principle B of the Malaysian Code of Corporate Governance ("MCCG 2021") and is guided by the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers.

The Board is pleased to present the Statement on Risk Management and Internal Control ("Statement"), which outlines the nature and scope of risk management and internal control within the Group for the financial year ended 31 March 2025.

BOARD'S RESPONSIBILITY

The Board acknowledges its overall responsibility in maintaining sound risk management and internal control systems for the group as a matter of good corporate governance. The risk management and internal control systems cover, inter alia, strategy, financial, operational, compliance controls and risk management procedures.

The Board has delegated the responsibility to review the adequacy and integrity of the Group's risk management and internal control systems to the Audit and Risk Management Committee ("ARMC").

By nature, the risk management and internal control system have limitations in assuring the Group from making material misstatements and incurring losses. In this regard, the ARMC together with the Internal Auditors, continuously reviews the Group's risk management and internal control systems to ensure appropriate remedial action is taken to address any significant weaknesses.

This Statement does not cover associate companies or joint ventures which the Group does not have any direct operational control. Nevertheless, the Board appointed representatives or the boards of associate companies or joint ventures will oversee the business and operational activities, and update key matters and significant information to the Board.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of the Group's business operations and has established an Enterprise Risk Management ("ERM") framework.

The ERM framework involves a systematic approach in identifying, assessing, monitoring, mitigating and managing risks that may affect the Group's achievement of its business objectives and strategies. On a day-to-day basis, the respective heads of departments in the Group are responsible for the timely identification, assessment, reporting and management of identified risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

RISK MANAGEMENT FRAMEWORK *(Cont'd)*

An Enterprise Risk Management and Sustainability Committee ("ERMSC") is formed to assist the ARMC in risk management. The ERMSC, comprising the Management and heads of departments, meets regularly and is tasked with carrying out the risk management activities. The activities of the ERMSC are reported to the ARMC on a quarterly basis.

INTERNAL CONTROL SYSTEM

The key elements of the system of internal controls are as follows:

- In order to avoid conflicts of interest, the Group implements segregation of duties through clear delegation of responsibilities and authority among Board Committees and the Management.
- Departmental units are required to prepare annual budgets. The compiled Group budget is required to be approved by the Board to ensure effective execution. Subsequently, the results are monitored against the budget to ensure appropriate remedial action plans are formulated to address the significant variances.
- Adequate reporting systems are in place for information relating to operating and financial performance, key business issues and annual financial statements being communicated to the Board and Management.
- The Group's internal policies and procedures are well documented in respective Standard Operating Procedures to ensure compliance with internal control.
- Periodic management meeting is carried out to review the operational and financial performance of the Group. This is to ensure that they are in line with the corporate objectives and strategies. The Management also formulates strategies, policies and procedures to address changes in the business environment and risks.
- A Limits of Authority ("LOA") Matrix is established as a framework of authority and accountability within the Group. This LOA also facilitates decision-making at the appropriate levels within the organisation's hierarchy.
- A strict Code of Conduct to govern the conduct of the Board members and all employees.
- The Group has adopted a Whistleblowing Policy which serves as an avenue for all employees, directors, stakeholders and/or any party with a business relationship with the Group, to raise concerns about misconduct or malpractice within the Group as well as ensuring the integrity of the process and information and also protecting the rights of informants.
- Adopting and regulating the Anti-Bribery and Anti-Corruption Policy which describes the Group's commitment to ensure zero-tolerance against any forms of bribery and corruption. The group is committed to conduct business with transparency, integrity and accountability.

INTERNAL AUDIT FUNCTION

The outsourced Internal Auditors, Messrs. Deloitte Business Advisory Sdn Bhd ("Internal Auditors") support the ARMC, and by extension, the Board, by providing independent assurance on the adequacy and effectiveness of the Group's internal control system. The Internal Auditors submits internal audit plans and reports to the ARMC. Included in the internal auditors reports are recommended corrective and preventive measures on risks identified, if any, for implementation by the Management.

The internal audit plan, which reflects the risk profile of the Group's major business segments, is reviewed by the ARMC. Upon recommendation from the ARMC, the Board will approve the internal audit plan.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL *(Continued)*

INTERNAL AUDIT FUNCTION *(Cont'd)*

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

The Internal Auditors independently reviews the risk prevention procedures and control processes implemented by the Management, and reports to the ARMC. The Internal Auditors also reviews the internal control 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.

The Internal Auditors also undertakes a review of the Group'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 a quarterly basis and ensures 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, Messrs. Baker Tilly Monteiro Heng PLT, has reviewed this Statement pursuant to Rule 15.23 ACE LR. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is inconsistent with their understanding of the processes that the Board has adopted in the review of the 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 systems were operating adequately and effectively in all material aspects to enable the Group to achieve its business objectives. There were no significant internal control weaknesses that have not been reported in this section, which led to material losses, contingencies or uncertainties that would require a separate disclosure in the Annual Report.

The Board has received assurance from the Executive Chairman, Chief Executive Officer and Group Finance Director 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 28 July 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation of financial statements of the Group and of the Company, as at the end of each financial year, 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 ("Act") in Malaysia.

In preparation of the financial statements for financial year ended 31 March 2025, the Directors have:

- considered appropriate applicable accounting policies and applied them consistently;
- made judgments and estimates that are reasonable and prudent;
- prepared the financial statements, on a going concern basis, with reasonable expectation that the Group and Company have adequate resources to continue in operational existence in the foreseeable future.

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

The Directors have general responsibility for taking all steps as are reasonably open 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 from any corporate proposals during the financial year ended 31 March 2025.

2. NON-AUDIT FEES

The details of the audit and non-audit fees paid/payable for the financial year ended 31 March 2025 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	463	330
Non-audit fees	10	10

3. MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS'

For the financial year ended 31 March 2025, no contract of a material nature was entered into or subsisted between the Company and its Directors or major shareholders save and except for the following:.

IRIS had on 6 December 2024 entered into a share sale agreement with PP Cylabs (M) Sdn. Bhd. ("PP Cylabs") ("SSA – PP Cylabs") for the disposal of 100% equity interest comprising 2,749,000 ordinary shares in ITV Ventures Sdn. Bhd. (formerly known as IRIS Tech Ventures Sdn. Bhd.) for a total cash consideration of RM2,385,500 only ("ITV Disposal Consideration") ("ITV Disposal"). The SSA – PP Cylabs was completed on 18 February 2025, following the full settlement of the ITV Disposal Consideration by PP Cylabs.

The ITV Disposal is deemed a related party transaction pursuant to Rule 10.08 of the Listing Requirements by virtue of Dr. Poh Soon Sim, the Executive Chairman and indirect major shareholder of IRIS, being the sole director and shareholder of PP Cylabs.

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ADDITIONAL COMPLIANCE INFORMATION *(Continued)*

4. LIST OF PROPERTIES

For the financial year ended 31 March 2025, the list of property is set out as 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)	28	17 July 1995	69,600

5. REVALUATION POLICY ON LANDED PROPERTIES

On 31 March 2025, 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

There were no recurrent related party transaction of a revenue or trading nature made during the financial year ended 31 March 2025.

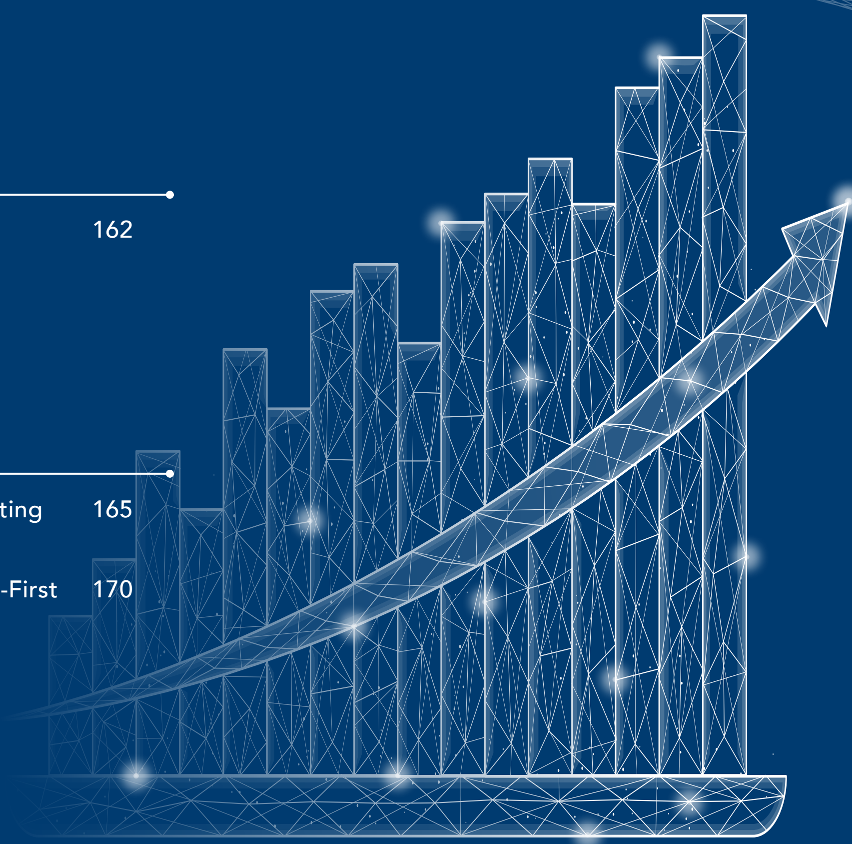
REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

REPORTS AND FINANCIAL STATEMENTS

OTHER INFORMATION

ANNUAL GENERAL MEETING

PROXY FORM



DIRECTORS' REPORT

The directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

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

The principal activities of the subsidiaries include provision of trusted identification related products, services, maintenance and business solution and consulting.

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	23,909	52,794
Attributable to:		
Owners of the Company	23,752	52,794
Non-controlling interests	157	-
	23,909	52,794

DIVIDENDS

The amount of dividend declared and paid by the Company since the end of the previous financial year were as follows:

	RM'000
Single tier first interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 March 2025, paid on 20 December 2024	8,157
Single tier second interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 March 2025, paid on 28 March 2025	8,157
	16,314

DIRECTORS' REPORT *(Continued)*

DIVIDENDS (CONT'D)

At the forthcoming Annual General Meeting, a final single-tier dividend of 0.50 sen per ordinary share in respect of the current financial year, will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 March 2026.

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.

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.

DIRECTORS' REPORT *(Continued)*

CONTINGENT AND OTHER LIABILITIES

The contingencies are disclosed in Note 28 to the financial statements.

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

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

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

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

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

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

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM462,700 and RM330,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

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

DIRECTORS' REPORT *(Continued)*

OPTIONS GRANTED OVER UNISSUED SHARES

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

DIRECTORS

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

Dr. Poh Soon Sim *
Dato' Dr. Abu Talib Bin Bachik
Dato' Mohamed Khadar Bin Merican
Dato' Ng Wan Peng
Ling Hee Keat
Hussein Bin Ismail
H'ng Boon Harng *

* Directors of the Company and certain subsidiaries

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

Chia Jen Wen
Siti Doreen Dazila Binti Syed Alias

DIRECTORS' INTERESTS

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

	Number of ordinary shares			
	At 1.4.2024	Bought	Sold	At 31.3.2025
Direct interests:				
Dr. Poh Soon Sim	18,125,000	719,600	-	**18,844,600**
Ling Hee Keat	27,700,000	-	-	**27,700,000**
H'ng Boon Harng	250,000	-	-	**250,000**
Indirect interests:				
Dr. Poh Soon Sim *	87,622,550	-	-	**87,622,550**

* *Deemed interests pursuant to Section 8 of the Companies Act 2016 in Malaysia via Poh Associates Sdn. Bhd. and Orientalgold Equity Sdn. Bhd. and by virtue of his son's direct shareholdings under Section 59 of the Companies Act 2016 in Malaysia.*

DIRECTORS' REPORT *(Continued)*

DIRECTORS' INTEREST (CONT'D)

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 by the directors as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any deemed benefit which may arise from transactions as disclosed in Note 29 to the financial statements.

The directors' benefits of the Group and the Company during the financial year are as follows:

	Group and Company RM'000
Director of the Company	
Directors' fees	677
Directors' meeting allowances	72
Directors' remuneration:	
- salaries and other remuneration	2,645
- defined contribution plans and SOCSO	116
- estimated money value of benefits-in-kind	50
	3,560

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage and insurance premium paid for the directors and certain officers of the Company and the subsidiaries were RM5,000,000 and RM104,483 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 9 to the financial statements.

The available auditors' reports on the accounts of the subsidiaries did not contain any qualification.

DIRECTORS' REPORT *(Continued)*

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

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

DR. POH SOON SIM
Director

H'NG BOON HARNG
Director

Date: 28 July 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	**76,439**	78,659	**76,157**	78,920
Intangible assets	7	**88,000**	100,064	**-**	64
Operating financial assets	8	**3,952**	5,436	**3,952**	5,436
Investment in subsidiaries	9	**-**	-	**77,935**	77,935
Investment in associates	10	**662**	711	**732**	732
Investment in joint ventures	11	**-**	-	**-**	-
Total non-current assets		**169,053**	184,870	**158,776**	163,087
Current assets					
Inventories	12	**16,749**	29,209	**15,407**	26,177
Operating financial assets	8	**1,485**	1,380	**1,485**	1,380
Trade and other receivables	13	**100,968**	105,815	**126,926**	115,056
Prepayments		**1,109**	1,349	**1,109**	1,349
Contract assets	14	**146,510**	148,707	**2,868**	5,065
Current tax assets		**674**	510	**-**	-
Cash and short-term deposits	15	**165,862**	160,466	**135,334**	121,231
Total current assets		**433,357**	447,436	**283,129**	270,258
TOTAL ASSETS		**602,410**	632,306	**441,905**	433,345

STATEMENTS OF FINANCIAL POSITION *(Continued)*
AS AT 31 MARCH 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	16	**180,759**	180,759	**180,759**	180,759
Other reserves	17	**28,739**	29,253	**8,814**	8,569
Retained earnings		**177,801**	169,400	**57,912**	21,151
		387,299	379,412	**247,485**	210,479
Non-controlling interests		**(1,706)**	(1,863)	**-**	-
TOTAL EQUITY		**385,593**	377,549	**247,485**	210,479
Non-current liabilities					
Lease liabilities	6(b)	**-**	79	**-**	79
Deferred tax liabilities	18	**10,406**	11,491	**10,406**	11,491
Total non-current liabilities		**10,406**	11,570	**10,406**	11,570
Current liabilities					
Loans and borrowings	19	**1,763**	3,210	**1,763**	3,210
Current tax liabilities		**4,382**	2,730	**3,715**	1,715
Trade and other payables	20	**199,162**	232,460	**177,432**	201,584
Lease liabilities	6(b)	**79**	72	**79**	72
Contract liabilities	14	**1,025**	4,715	**1,025**	4,715
Total current liabilities		**206,411**	243,187	**184,014**	211,296
TOTAL LIABILITIES		**216,817**	254,757	**194,420**	222,866
TOTAL EQUITY AND LIABILITIES		**602,410**	632,306	**441,905**	433,345

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	21	**221,001**	371,108	**217,251**	289,417
Cost of sales		**(146,603)**	(286,077)	**(150,550)**	(223,060)
Gross profit		**74,398**	85,031	**66,701**	66,357
Other income		**15,153**	18,139	**39,163**	10,899
Administrative expenses		**(32,435)**	(34,465)	**(29,348)**	(28,180)
Net reversal of impairment losses/ (impairment losses) on financial instruments		**145**	(1,917)	**(1,267)**	(7,930)
Other expenses		**(24,098)**	(25,839)	**(13,319)**	(19,050)
Operating profit		**33,163**	40,949	**61,930**	22,096
Finance costs	22	**(300)**	(528)	**(300)**	(458)
Share of results of associates, net of tax		**(49)**	(41)	**-**	-
Share of results of joint venture, net of tax		**553**	-	**-**	-
Profit before tax	23	**33,367**	40,380	**61,630**	21,638
Income tax expense	24	**(9,458)**	(8,136)	**(8,836)**	(7,630)
Profit for the financial year		**23,909**	32,244	**52,794**	14,008
Other comprehensive income, net of tax					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**(77)**	26	**-**	-
Revaluation gain on property, plant and equipment		**526**	-	**526**	-
Other comprehensive income for the financial year		**449**	26	**526**	-
Total comprehensive income for the financial year		**24,358**	32,270	**53,320**	14,008

STATEMENTS OF COMPREHENSIVE INCOME *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) attributable to:					
Owners of the Company		**23,752**	32,247	**52,794**	14,008
Non-controlling interests		**157**	(3)	**-**	-
		23,909	32,244	**52,794**	14,008
Total comprehensive income/(loss) attributable to:					
Owners of the Company		**24,201**	32,273	**53,320**	14,008
Non-controlling interests		**157**	(3)	**-**	-
		24,358	32,270	**53,320**	14,008
Earnings per share attributable to owners of the Company (sen per share)					
Basic	25(a)	**2.91**	3.95		
Diluted	25(b)	**2.91**	3.95		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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	Retained earnings RM'000	Sub-total RM'000		
At 1 April 2024		180,759	27	29,226	169,400	379,412	(1,863)	377,549
Total comprehensive income/(loss) for the financial year								
Profit for the financial year		-	-	-	23,752	23,752	157	23,909
Other comprehensive (loss)/income for the financial year		-	(77)	526	-	449	-	449
Total comprehensive income/(loss)		-	(77)	526	23,752	24,201	157	24,358
Transactions with owners								
Dividend paid	26	-	-	-	(16,314)	(16,314)	-	(16,314)
Total transactions with owners		-	-	-	(16,314)	(16,314)	-	(16,314)
Realisation of revaluation reserve	17(b)	-	-	(963)	963	-	-	-
At 31 March 2025		180,759	(50)	28,789	177,801	387,299	(1,706)	385,593

STATEMENTS OF CHANGES IN EQUITY *(Continued)*

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

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 lossess)/ Retained earnings RM'000	Sub-total RM'000		
At 1 April 2023		610,759	1	30,189	(293,828)	347,121	(1,842)	345,279
Total comprehensive income/(loss) for the financial year								
Profit for the financial year		-	-	-	32,247	32,247	(3)	32,244
Other comprehensive income for the financial year		-	26	-	-	26	-	26
Total comprehensive income/(loss)		-	26	-	32,247	32,273	(3)	32,270
Transactions with owners								
Change in ownership interest in a subsidiary	9(b)	-	-	-	18	18	(18)	-
Capital reduction	16	(430,000)	-	-	430,000	-	-	-
Total transactions with owners		(430,000)	-	-	430,018	18	(18)	-
Realisation of revaluation reserve	17(b)	-	-	(963)	963	-	-	-
At 31 March 2024		180,759	27	29,226	169,400	379,412	(1,863)	377,549

STATEMENTS OF CHANGES IN EQUITY *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

Company	Note	Attributable to the owners of the Company			Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	(Accumulated losses)/ Retained earnings RM'000	
At 1 April 2023		610,759	8,851	(423,139)	196,471
Total comprehensive income for the financial year					
Profit for the financial year		-	-	14,008	14,008
Total comprehensive income		-	-	14,008	14,008
Transactions with owners					
Capital reduction	16	(430,000)	-	430,000	-
Total transactions with owners		(430,000)	-	430,000	-
Realisation of revaluation reserve	17(b)	-	(282)	282	-
At 31 March 2024		**180,759**	**8,569**	**21,151**	**210,479**
Total comprehensive income for the financial year					
Profit for the financial year		**-**	**-**	**52,794**	**52,794**
Other comprehensive income for the financial year		**-**	**526**	**-**	**526**
Total comprehensive income		**-**	**526**	**52,794**	**53,320**
Transactions with owners					
Dividend paid	26	**-**	**-**	**(16,314)**	**(16,314)**
Total transaction with owners		**-**	**-**	**(16,314)**	**(16,314)**
Realisation of revaluation reserve	17(b)	**-**	**(281)**	**281**	**-**
At 31 March 2025		**180,759**	**8,814**	**57,912**	**247,485**

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		**33,367**	40,380	**61,630**	21,638
Adjustments for:					
Amortisation of intangible assets		**64**	246	**64**	246
Bad debts written off		**67**	-	**67**	-
Deposit forfeited		**(7,000)**	-	**(7,000)**	-
Depreciation of property, plant and equipment		**4,150**	5,605	**4,512**	4,514
Dividend income		**-**	-	**(25,599)**	-
Effect of accretion of interest on operating financial assets		**(517)**	(613)	**(517)**	(613)
Finance costs		**300**	528	**300**	458
Gain on disposal of property, plant and equipment		**(4)**	(114)	**(4)**	(68)
Gain on disposal of a subsidiary		**(1,872)**	-	**(2,386)**	-
Gain on termination of lease		**-**	(105)	**-**	-
Impairment loss on:					
- goodwill on consolidation		**12,000**	10,000	**-**	-
- trade and other receivables		**578**	3,302	**7,436**	11,481
- investment in subsidiaries		**-**	-	**-**	2,749
- investment in associate		**-**	-	**-**	20
Interest income		**(4,539)**	(3,523)	**(3,615)**	(2,430)
Net provision/(reversal) of inventories written down		**7,723**	150	**7,265**	(216)
Property, plant and equipment written off		**-**	1,281	**-**	3
Reversal of impairment loss on trade and other receivables		**(723)**	(1,385)	**(6,169)**	(3,551)
Share of results of associates		**49**	41	**-**	-
Share of results of joint venture		**(553)**	-	**-**	-
Unrealised loss/(gain) on foreign exchange		**3,667**	(12,363)	**1,904**	(7,026)
Operating profit before changes in working capital		**46,757**	43,430	**37,888**	27,205

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities (Cont'd)					
Changes in working capital:					
Contract (liabilities)/assets		**(1,493)**	(36,024)	**(1,493)**	4,997
Inventories		**4,737**	1,017	**3,505**	2,870
Operating financial assets		**1,896**	1,896	**1,896**	1,896
Trade and other payables		**(34,361)**	38,475	**(24,894)**	4,235
Trade and other receivables		**11,985**	(2,465)	**(19,860)**	7,971
Prepayments		**240**	778	**240**	331
Net cash from/(used in) operations		**29,761**	47,107	**(2,718)**	49,505
Dividend received		**-**	-	**25,599**	-
Interest paid		**(293)**	(452)	**(293)**	(446)
Interest received		**4,539**	3,523	**3,615**	2,430
Income tax paid		**(9,221)**	(11,491)	**(8,087)**	(11,450)
Net cash from operating activities		**24,786**	38,687	**18,116**	40,039
Cash flows from investing activities					
Acquisition/addition in investment in subsidiaries		**-**	-	**-**	(2,749)
Addition in investment in joint venture		**(239)**	-	**-**	-
Repayment from subsidiaries		**-**	-	**14,158**	10,012
Proceeds from disposal of plant and equipment		**8**	121	**8**	75
Purchase of property, plant and equipment	(a)	**(1,242)**	(2,740)	**(1,061)**	(3,146)
Withdrawal/(Placement) of fixed deposits		**90**	(780)	**(2,713)**	(693)
Proceeds from disposal of a subsidiary, net of cash disposed	9(b)	**2,382**	-	**2,386**	-
Net cash from/(used in) investing activities		**999**	(3,399)	**12,778**	3,499

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Cash flows from financing activities					
Dividend paid		**(16,314)**	-	**(16,314)**	-
(Repayment)/Proceeds from bankers' acceptance	(b)	**(1,447)**	415	**(1,447)**	415
Payments of lease liabilities	(b)	**(79)**	(996)	**(79)**	(79)
Net cash (used in)/from financing activities		**(17,840)**	(581)	**(17,840)**	336
Net increase in cash and cash equivalents		**7,945**	34,707	**13,054**	43,874
Cash and cash equivalents at the beginning of the financial year		**141,843**	104,801	**106,052**	60,062
Effect of exchange rate changes on cash and cash equivalents		**(2,459)**	2,335	**(1,664)**	2,116
Cash and cash equivalents at the end of the financial year	15(a)	**147,329**	141,843	**117,442**	106,052

(a) Purchase of property, plant and equipment

During the financial year, the Group and the Company made the following cash payments to purchase property, plant and equipment:

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Purchase of property, plant and equipment	**1,242**	2,958	**1,061**	3,364
Financed by way of lease arrangement	**-**	(218)	**-**	(218)
Cash payments on purchase of property, plant and equipment	**1,242**	2,740	**1,061**	3,146

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

(b) Reconciliation of liabilities arising from financing activities:

	1.4.2024 RM'000	Non-cash Interest expenses RM'000	Cash flows RM'000	31.3.2025 RM'000
Group				
Lease liabilities	151	7	(79)	**79**
Bankers' acceptance	3,210	-	(1,447)	**1,763**
	3,361	7	(1,526)	**1,842**

	1.4.2023 RM'000	Non-cash Transfer from disposal group classified as held for sale RM'000	Non-cash Acquisition RM'000	Non-cash Lease termination RM'000	Non-cash Interest expenses RM'000	Cash flows RM'000	31.3.2024 RM'000
Group							
Lease liabilities	-	2,341	218	(1,488)	76	(996)	151
Bankers' acceptance	2,795	-	-	-	-	415	3,210
	2,795	2,341	218	(1,488)	76	(581)	3,361

STATEMENTS OF CASH FLOWS *(Continued)*
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

(b) Reconciliation of liabilities arising from financing activities: (Cont'd)

	1.4.2024 RM'000	Non-cash Interest expenses RM'000	Cash flows RM'000	31.3.2025 RM'000
Company				
Lease liabilities	151	7	(79)	**79**
Bankers' acceptance	3,210	-	(1,447)	**1,763**
	3,361	7	(1,526)	**1,842**

	1.4.2023 RM'000	Non-cash Acquisition RM'000	Interest expenses RM'000	Cash flows RM'000	31.3.2024 RM'000
Company					
Lease liabilities	-	218	12	(79)	151
Bankers' acceptance	2,795	-	-	415	3,210
	2,795	218	12	336	3,361

(c) Total cash outflows for leases as a lessee

During the financial year, the total cash outflows incurred for leases of the Group and Company amounting to RM223,635 and RM192,779 (2024: RM1,212,000 and RM202,000) respectively.

NOTES TO THE 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 7, Mercu 3, No.3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur.

The principal place of business of the Company is located at IRIS Smart Technology Complex, Lot 8 & 9, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur.

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

The principal activities of its subsidiaries are disclosed in Note 9 to the financial statements.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 28 July 2025.

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 amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year:

Amendments to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows

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

Amendments to MFRS 101 Presentation of Financial Statements

The amendments include specifying that an entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period; clarifying that classification of a liability is unaffected by the likelihood of the entity to exercise its right to defer settlement of the liability for at least twelve months after the reporting period; clarifying how lending conditions affect classification of a liability; and clarifying requirements for classifying liabilities an entity will or may settle by issuing its own equity instruments.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. BASIS OF PREPARATION (CONT'D)

2.2 Adoption of amendments to MFRSs (Cont'd)

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies, except as discussed below. (Cont'd)

Amendments to MFRS 101 Presentation of Financial Statements (Cont'd)

The latest amendments to MFRS 101 clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. As such, the amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to the financial statements.

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 107 and MFRS 7 respond to investors' concerns that some supplier finance arrangements – also referred to as supply chain finance, trade payables finance or reverse factoring arrangements – used by entities are not sufficiently visible, hindering investors' analysis.

The disclosure requirements require entities to disclose information that would enable users of financial statements to assess how supplier finance arrangements affect an entity's operations; including the effects supplier finance arrangements have on an entity's liability, cash flows and exposures to liquidity risk. The new disclosure requirements would also inform users of financial statements on how an entity might be affected if the arrangements were no longer available to it.

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective

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

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	**1 January 2027**
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	**1 January 2026**
MFRS 7	Financial Instruments: Disclosures	**1 January 2026**
MFRS 9	Financial Instruments	**1 January 2026**
MFRS 10	Consolidated Financial Statements	**1 January 2026/ Deferred**
MFRS 107	Statement of Cash Flows	**1 January 2026**
MFRS 121	The Effects of Changes in Foreign Exchange Rates	**1 January 2025**
MFRS 128	Investments in Associates and Joint Ventures	**Deferred**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective (Cont'd)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 *Presentation of Financial Statements*. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 respond to stakeholder feedback and concerns about diversity in practice in accounting for a lack of exchangeability between currencies.

Applying the Amendments, entities will be applying a consistent approach in determining if a currency can be exchanged into another currency. These amendments provide guidance on the spot exchange rate to use when a currency is not exchangeable into another currency and the disclosures entities need to provide to enable users of financial statements to understand the impact on the entities' financial performance, financial position and cash flows as a result of a currency being not exchangeable into another currency.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRS and amendments to MFRSs that have been issued, but are yet to be effective (Cont'd)

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below. (Cont'd)

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.

- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

(c) The financial effects of the adoption of the new MFRS and amendments to MFRSs that have been issued but are yet to be effective are currently still being assessed by the Group and the Company.

2.4 Functional and presentation currency

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

2.5 Basis of measurement

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group.

(b) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at their acquisition-date fair values.

(c) Associates

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

(d) Joint arrangements

The Group classifies its joint arrangements as disclosed in Note 11 as "joint venture" and accounts its interests using equity method as the Group has rights to the net assets of arrangements.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries, associates and joint ventures are measured at cost less any accumulated impairment losses.

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

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

<u>Debt instruments at amortised cost</u>

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.3 Financial instruments (Cont'd)

Financial assets – subsequent measurement and gains and losses (Cont'd)

<u>Debt instruments at fair value through other comprehensive income</u>

The Group and the Company subsequently measure these assets at fair value. Interest income calculated under the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost or fair value through profit or loss. Financial liabilities are classified as fair value through profit or loss if it is classified as held for trading, it is a derivative, it is contingent consideration of an acquirer in a business combination or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment (other than leasehold land and buildings) are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

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

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

NOTES TO THE
FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.4 Property, plant and equipment (Cont'd)

Upon disposal, any revaluation surplus relating to the particular asset being sold is transferred to retained earnings.

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

	Useful lives (years)
Leasehold buildings	50 years
Office buildings	2 years
Office equipment, furniture and fittings	3 to 10 years
Motor vehicles	5 years
Plant and machinery	3 to 13 years

3.5 Leases

Lessee accounting

The Group and the Company present right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 5 and Note 6(a) to the financial statements and lease liabilities as separate lines in the statements of financial position and Note 6(b) to the financial statements.

<u>Short-term leases and leases of low value assets</u>

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

<u>Right-of-use asset</u>

The right-of-use assets (other than leasehold land that measures using revaluation model) are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

<u>Lease liabilities</u>

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.6 Intangible assets

Intangible assets, other than goodwill and licenses, that are acquired by the Group and the Company, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses

The amortisation methods used and the estimated useful lives are as follows:

	Method	Useful lives (years)
Development costs	Straight-line	5 years
Intellectual properties	Straight-line	10 years to 20 years

3.7 Inventories

Inventories are measured at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

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

3.8 Service concession arrangements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.8 Service concession arrangements (Cont'd)

Financial assets model

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

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

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

3.9 Revenue and other income

Financing components

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

(a) Sale of goods

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

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

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

Based on the terms of the contracts with certain customers, it is the Group's and the Company's obligation to repair or replace faulty products under different warranty terms to customers.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(b) Rendering of services

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

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

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

Sales are made with a credit term of 14 to 60 days, therefore, no element of financing is deemed present. The Group and the Company become entitled to invoice customers for services based on achieving a series of performance-related milestones.

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

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Rental income

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

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

3.9 Revenue and other income (Cont'd)

(e) Construction and integration system contracts

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

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

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

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

Based on the terms of the contracts with certain customers, defect liability period are usually 24 months from the date of certificate of practical completion as provided in the contracts with customers.

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

4. SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS (CONT'D)

(a) Impairment of goodwill

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

The carrying amount of the Group's goodwill and key assumptions used to determine the recoverable amount for cash-generating unit, including sensitivity analysis, are disclosed in Note 7(a) to the financial statements.

(b) Impairment of financial assets and contract assets

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

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

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

(c) Valuation of leasehold land and buildings

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, 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 and Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Group						
Cost/Valuation						
At 1 April 2024	67,000	25,101	1,179	73,142	16,218	182,640
Additions	-	1,024	189	29	-	1,242
Disposals	-	(71)	(8)	-	-	(79)
Elimination	(11,376)	-	-	-	(2,716)	(14,092)
Revaluation	(10,224)	-	-	-	10,916	692
At 31 March 2025	45,400	26,054	1,360	73,171	24,418	170,403
Accumulated depreciation and impairment loss						
At 1 April 2024	9,480	24,036	909	67,219	2,337	103,981
Depreciation charge for the financial year	1,896	597	238	894	525	4,150
Disposals	-	(68)	(7)	-	-	(75)
Elimination	(11,376)	-	-	-	(2,716)	(14,092)
At 31 March 2025	-	24,565	1,140	68,113	146	93,964
Carrying amounts						
At 31 March 2025	45,400	1,489	220	5,058	24,272	76,439

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Group						
Cost/Valuation						
At 1 April 2023	67,000	23,990	558	70,774	16,000	178,322
Additions	-	207	165	2,368	218	2,958
Disposals	-	(12)	(139)	-	-	(151)
Derecognition	-	-	-	-	(4,977)	(4,977)
Transfer from disposal group classified as held for sale	-	3,327	595	-	4,977	8,899
Written off	-	(2,411)	-	-	-	(2,411)
At 31 March 2024	67,000	25,101	1,179	73,142	16,218	182,640
Accumulated depreciation and impairment loss						
At 1 April 2023	7,584	22,943	437	65,824	1,812	98,600
Depreciation charge for the financial year	1,896	851	109	1,395	1,354	5,605
Disposals	-	(5)	(139)	-	-	(144)
Derecognition	-	-	-	-	(3,594)	(3,594)
Transfer from disposal group classified as held for sale	-	1,377	502	-	2,765	4,644
Written off	-	(1,130)	-	-	-	(1,130)
At 31 March 2024	9,480	24,036	909	67,219	2,337	103,981
Carrying amounts						
At 31 March 2024	57,520	1,065	270	5,923	13,881	78,659

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Company						
Cost/Valuation						
At 1 April 2024	67,000	24,508	1,363	73,125	16,218	182,214
Additions	-	1,024	9	28	-	1,061
Disposals	-	(71)	(8)	-	-	(79)
Elimination	(11,376)	-	-	-	(2,716)	(14,092)
Revaluation	(10,224)	-	-	-	10,916	692
At 31 March 2025	45,400	25,461	1,364	73,153	24,418	169,796
Accumulated depreciation and impairment loss						
At 1 April 2024	9,480	23,446	836	67,195	2,337	103,294
Depreciation charge for the financial year	1,896	597	206	1,288	525	4,512
Disposals	-	(68)	(7)	-	-	(75)
Elimination	(11,376)	-	-	-	(2,716)	(14,092)
At 31 March 2025	-	23,975	1,035	68,483	146	93,639
Carrying amounts						
At 31 March 2025	45,400	1,486	329	4,670	24,272	76,157

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold buildings RM'000 (At valuation)	Office equipment, furniture and fittings RM'000	Motor vehicles RM'000	Plant and machinery RM'000	Right-of-use assets RM'000 (Note 6(a))	Total RM'000
Company						
Cost/Valuation						
At 1 April 2023	67,000	23,985	1,174	70,756	16,000	178,915
Additions	-	534	243	2,369	218	3,364
Disposals	-	(8)	(54)	-	-	(62)
Written off	-	(3)	-	-	-	(3)
At 31 March 2024	67,000	24,508	1,363	73,125	16,218	182,214
Accumulated depreciation and impairment loss						
At 1 April 2023	7,584	22,941	696	65,802	1,812	98,835
Depreciation charge for the financial year	1,896	506	194	1,393	525	4,514
Disposals	-	(1)	(54)	-	-	(55)
Written off	-	*	-	-	-	-
At 31 March 2024	9,480	23,446	836	67,195	2,337	103,294
Carrying amounts						
At 31 March 2024	57,520	1,062	527	5,930	13,881	78,920

* Represent amount less than RM1,000

(a) Revaluation on leasehold land and leasehold buildings

Had the revalued leasehold land and leasehold buildings been carried at historical cost less accumulated depreciation, the net carrying amount of the leasehold land and buildings and that would have been included in the financial statement of the Group and the Company are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Leasehold buildings	**20,863**	21,909
Right-of-use assets - Leasehold land	**7,002**	7,029

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Revaluation on leasehold land and leasehold buildings (Cont'd)

Had the revalued leasehold land and leasehold buildings been carried at historical cost less accumulated depreciation, the net carrying amount of the leasehold land and buildings and that would have been included in the financial statement of the Group and the Company are as follows: (Cont'd)

Fair value information

	Group and Company	
	2025 RM'000	2024 RM'000
Level 3		
Leasehold land	**24,200**	16,000
Leasehold buildings	**45,400**	67,000

There is no transfer between the level of fair value hierarchy during the financial year ended 31 March 2025. There is a change to the valuation technique during the financial year. The change in the valuation method is to reflect the current situation or condition of the property.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in valuation models.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair value
2025			
Leasehold land	Comparison approach	Price per square foot RM121	The higher the price per square foot, the higher the fair value.
Leasehold buildings	Cost approach	Estimated average price per square foot RM70-RM230	The higher the price per square foot, the higher the fair value.
		Estimated average outgoings per square foot RM0.75	The lower the estimated outgoings per square foot, the higher the fair value.
2024			
Leasehold land and leasehold buildings	Income approach	Estimated average rental rate per square foot per month RM1.90	The higher the estimated rental/ average rental rate per square foot per month, the higher the fair value.

Valuation process applied by the Group and the Company

The fair value of leasehold land and leasehold buildings are determined based on the valuation performed by an external independent firm of professional valuers, Raine & Home International Zaki + Partners Sdn. Bhd., a member of the Institute of Valuers in Malaysia on 31 March 2025.

Highest and best use

In estimating the fair value of the leasehold land and leasehold buildings, the highest and best use of the leasehold land and leasehold buildings is their current use.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

The Group and the Company leases several assets which including leasehold land and office building as their office space and operation site.

The leasehold land has a remaining lease term of 30 years (2024: 31 years).

The lease of office building has remaining lease term of 1 year (2024: 2 years).

The information about leases of the Group and the Company as lessees are presented below:

	Leasehold land (At valuation) RM'000	Office buildings (At cost) RM'000	Total RM'000
Group			
Cost/Valuation			
At 1 April 2023	**16,000**	**-**	**16,000**
Addition	**-**	**218**	**218**
Derecognition	**-**	**(4,977)**	**(4,977)**
Transfer to disposal group classified as held for sale	**-**	**4,977**	**4,977**
At 31 March 2024	**16,000**	**218**	**16,218**
Elimination	**(2,716)**	**-**	**(2,716)**
Revaluation	**10,916**	**-**	**10,916**
At 31 March 2025	**24,200**	**218**	**24,418**
Accumulated depreciation			
At 1 April 2023	**1,812**	**-**	**1,812**
Depreciation charge for the financial year	**452**	**902**	**1,354**
Derecognition	**-**	**(3,594)**	**(3,594)**
Transfer to disposal group classified as held for sale	**-**	**2,765**	**2,765**
At 31 March 2024	**2,264**	**73**	**2,337**
Depreciation charge for the financial year	**452**	**73**	**525**
Elimination	**(2,716)**	**-**	**(2,716)**
At 31 March 2025	**-**	**146**	**146**
Carrying amount			
At 31 March 2025	**24,200**	**72**	**24,272**
At 31 March 2024	13,736	145	13,881

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(a) Right-of-use assets (Cont'd)

The information about leases of the Group and the Company as lessees are presented below: (Cont'd)

	Leasehold land (At valuation) RM'000	Office buildings (At cost) RM'000	Total RM'000
Company			
Cost/Valuation			
At 1 April 2023	**16,000**	**-**	**16,000**
Addition	**-**	**218**	**218**
At 31 March 2024	**16,000**	**218**	**16,218**
Elimination	**(2,716)**	**-**	**(2,716)**
Revaluation	**10,916**	**-**	**10,916**
At 31 March 2025	**24,200**	**218**	**24,418**
Accumulated depreciation			
At 1 April 2023	**1,812**	**-**	**1,812**
Depreciation charge for the financial year	**452**	**73**	**525**
At 31 March 2024	**2,264**	**73**	**2,337**
Depreciation charge for the financial year	**452**	**73**	**525**
Elimination	**(2,716)**	**-**	**(2,716)**
At 31 March 2025	**-**	**146**	**146**
Carrying amount			
At 31 March 2025	**24,200**	**72**	**24,272**
At 31 March 2024	13,736	145	13,881

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(b) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Minimum lease payment:		
Not later than 1 year	**82**	79
Later than 1 year and not later than 5 years	**-**	82
	82	161
Less: Future finance charges	**(3)**	(10)
Present value of minimum lease payments	**79**	151
Present value of minimum lease payments:		
Not later than 1 year	**79**	72
Later than 1 year and not later than 5 years	**-**	79
	79	151
Less: Amount due within 12 months	**(79)**	(72)
Amount due after 12 months	**-**	79

The lease liabilities of the Group and the Company bear interest at rate of 6.70% (2024: 6.70%) per annum.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. INTANGIBLE ASSETS

	Goodwill on consolidation RM'000	Development costs RM'000	Intellectual properties RM'000	Total RM'000
Group				
Cost				
At 1 April 2024/31 March 2025	**129,689**	**16,451**	**40,391**	**186,531**
Accumulated amortisation and impairment loss				
At 1 April 2024	**29,689**	**16,387**	**40,391**	**86,467**
Amortisation charge for the financial year	**-**	**64**	**-**	**64**
Impairment loss for the financial year	**12,000**	**-**	**-**	**12,000**
At 31 March 2025	**41,689**	**16,451**	**40,391**	**98,531**
Carrying amounts				
At 31 March 2025	**88,000**	**-**	**-**	**88,000**
Cost				
At 1 April 2023/31 March 2024	129,689	16,451	40,391	186,531
Accumulated amortisation and impairment loss				
At 1 April 2023	19,689	16,345	40,187	76,221
Amortisation charge for the financial year	-	42	204	246
Impairment loss for the financial year	10,000	-	-	10,000
At 31 March 2024	29,689	16,387	40,391	86,467
Carrying amounts				
At 31 March 2024	100,000	64	-	100,064

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. INTANGIBLE ASSETS (CONT'D)

	Development costs RM'000	Intellectual properties RM'000	Total RM'000
Company			
Cost			
At 1 April 2024/31 March 2025	**16,451**	**40,391**	**56,842**
Accumulated amortisation			
At 1 April 2024	**16,387**	**40,391**	**56,778**
Amortisation charge for the financial year	**64**	**-**	**64**
At 31 March 2025	**16,451**	**40,391**	**56,842**
Carrying amounts			
At 31 March 2025	**-**	**-**	**-**
Cost			
At 1 April 2023/31 March 2024	16,451	40,391	56,842
Accumulated amortisation			
At 1 April 2023	16,345	40,187	56,532
Amortisation charge for the financial year	42	204	246
At 31 March 2024	16,387	40,391	56,778
Carrying amounts			
At 31 March 2024	64	-	64

(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.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. INTANGIBLE ASSETS (CONT'D)

(a) Goodwill on consolidation (Cont'd)

Impairment of goodwill (Cont'd)

The carrying amount of goodwill allocated to the CGU of the Group, according to operating segment is as follows:

	Group	
	2025 RM'000	2024 RM'000
Trusted identification	**88,000**	100,000

Goodwill is assessed at each reporting period regardless of any indication of impairment by comparing the carrying amount with the recoverable amount of the CGU.

The recoverable amount of CGU has been determined based on value-in-use calculations using cash flows projection from financial budgets and forecasts approved by the directors covering a three-year period to be more reflective of the recent new contracts entered or renewed by the Group and the Company.

As at 31 March 2025, an impairment loss of RM12,000,000 (2024: RM10,000,000) is recognised as the carrying amount of the CGU exceeded the recoverable amount. The impairment loss is fully allocated to goodwill and is recorded within other expenses line in profit or loss of the Group.

The value-in-use calculation is most sensitive to the following key assumptions:

	CGU	
	2025	2024
Average gross margin	**30%**	27%
Discount rate	**14%**	15%

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).

The calculation of value-in-use for the CGU is most sensitive to the following assumptions:

- Sales are based on the secured contracts with customers over the three-year projection period.
- Gross margin is the forecasted margin as a percentage of revenue over the three-year projection period.
- Discount rate was estimated based on the industry weighted average cost of capital. The discount rate applied to the cash flow projections is pre-tax and reflects directors' estimate of the risks specific to the CGU at the date of assessment.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

7. INTANGIBLE ASSETS (CONT'D)

(b) Development costs

The development costs principally comprise internally generated expenditure incurred for developing the devices and software where it is reasonably anticipated that the costs will be recovered through future activities.

(c) Intellectual properties

The intellectual properties mainly consist of trademarks, patents, licenses and copyright.

(d) Amortisation

All the amortisation of development costs and intellectual properties of the Group and the Company are included in cost of sales.

8. OPERATING FINANCIAL ASSETS

	Group and Company	
	2025 RM'000	2024 RM'000
At the beginning of the financial year	**6,816**	8,099
Add: Effect on accretion of interest from discounting	**517**	613
Less: Payment received	**(1,896)**	(1,896)
At the end of the financial year	**5,437**	6,816
Non-current	**3,952**	5,436
Current	**1,485**	1,380
	5,437	6,816

The Group and the Company had entered into the following concession agreements:

Financial assets model

(a) The Group and the Company had entered into a concession agreement with the Government of Republic of Senegal on 3 September 2007 for the Built-Own-Transfer ("BOT") implementation of electronic passport system for a period of 20 years comprising 6 months of construction work and 19 years and 6 months of maintenance work and supply of products. Upon the expiry of the concession period, the Group and the Company are required to handover the facilities and infrastructure at no cost to the Government of Republic of Senegal in a well-maintained condition, fair of wear and tear.

(b) The Group and the Company had entered into a concession agreement with the Government of Republic of Guinea on 4 October 2013 for the establishment of information and management system of electronic passport, visa and permanent residence ID for a period of 15 years comprising of 6 months of construction work and 14 years and 6 months of maintenance work and supply of products. Upon the expiry of the concession period, the Group and the Company are required to handover the facilities and infrastructure at no cost to the Government of Republic of Guinea in a well-maintained condition, fair of wear and tear.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

8. OPERATING FINANCIAL ASSETS (CONT'D)

The Group and the Company had entered into the following concession agreements (Cont'd):

Financial assets model (Cont'd)

(c) The Group and the Company had entered into a concession agreement with the Government of Solomon Islands on 24 November 2015 for the establishment of information and management system of electronic passport and border control for a period of 20 years comprising of 6 months of construction work and 19 years and 6 months of maintenance work and supply of products. Upon the expiry of the concession period, the Group and the Company are required to handover the facilities and infrastructure at no cost to the Government of Solomon Islands in a well-maintained condition, fair of wear and tear.

The amount, being the financial assets arising from the above concession agreements represents the fair value of the consideration receivable for the construction services delivered during the stage of construction. The interest at the rates ranging from 7.41% to 7.63% (2024: 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.

9. INVESTMENT IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
At cost		
Unquoted shares		
At the beginning of the financial year	**326,918**	318,169
Add: Additions during the financial year	**-**	2,749
Add: Transfer from disposal group classified as held for sale	**-**	6,000
Less: Disposed during the financial year	**(2,749)**	-
At the end of the financial year	**324,169**	326,918
Less: Accumulated impairment losses		
At the beginning of the financial year	**248,983**	246,234
Add: Impairment loss during the financial year	**-**	2,749
Less: Disposed during the financial year	**(2,749)**	-
At the end of the financial year	**246,234**	248,983
Carrying amounts		
At the end of the financial year	**77,935**	77,935

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %	Principal activities
IRIS Information Technology Systems Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification and information technology related products, services and business solutions.
IRIS Advancetech Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification related products.
IRIS Project Management Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification related products, services, maintenance and business solution.
IRIS RK Sdn. Bhd.	Malaysia	**100**	100	Provision of trusted identification and information technology related products, services and business solutions.
IRIS Corporation (Bangladesh) Limited +	Bangladesh	**100**	100	Provision of trusted identification services and maintenance.
IRIS AMS Sdn. Bhd.	Malaysia	**100**	100	Provision of attendance management solution and other trusted identification related products.
IRIS Tech Ventures Sdn.Bhd. *	Malaysia	**-**	100	Investment holding.
IRIS eServices Sdn. Bhd.	Malaysia	**100**	100	Investment holding.
IRIS Technologies (M) Sdn. Bhd.	Malaysia	**100**	100	Dormant.
IRIS KM Sdn. Bhd.	Malaysia	**100**	100	Dormant.
Thetris ISS Sdn. Bhd.	Malaysia	**100**	100	Dormant.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Details of the subsidiaries are as follows: (Cont'd)

Name of company	Principal place of business/ country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %	Principal activities
IRIS Border Control Solutions Sdn. Bhd.	Malaysia	**100**	100	Dormant.
RB Biotech Sdn. Bhd.	Malaysia	**66.67**	66.67	Dormant.
Warisan Atlet (M) Sdn. Bhd. ^	Malaysia	**49**	49	Dormant.
Subsidiary of IRIS Advancetech Sdn. Bhd.				
Endah Farm Sdn. Bhd.	Malaysia	**60**	60	Dormant.

\+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

^ *The Group has control over the subsidiary pursuant to MFRS 10 Consolidated Financial Statements, due to the parent company has significant representation on subsidiary's board of directors.*

* *Disposed in current financial year.*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(b) Disposal of a subsidiary

2025

Disposal of 100% interest of IRIS Tech Ventures Sdn. Bhd. ("ITV")

On 6 December 2024, the Company disposed off 2,749,000 shares representing 100% of the issued and fully paid-up shares of RM1 each in ITV for a total consideration of RM2,385,500.

(i) Summary of the effects of disposals:

	RM'000
Recognised:	
Cash consideration received, representing fair value of consideration	2,386
Derecognised:	
Investment in joint venture (Note 11)	239
Cash and cash equivalents	4
Trade and other payables	(282)
Share of profit from investment in a joint venture	553
Gain on disposal	1,872

(ii) Effects of disposal on cash flows:

	RM'000
Fair value of consideration received	2,386
Less: Cash and cash equivalents of a subsidiary disposed	(4)
Disposal of a subsidiary, net of cash disposed	2,382

(c) Acquisition/Incorporation of subsidiaries

2024

(i) Acquisition of remaining 22.22% equity interest of Thetris ISS Sdn. Bhd.

On 10 June 2023, the Company acquired additional 20,000 shares representing 22.22% of the remaining issued and fully paid-up shares of RM1 each in Thetris ISS Sdn. Bhd. for a total consideration of RM1. Thetris ISS Sdn. Bhd. then become a wholly owned subsidiary of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Acquisition/Incorporation of subsidiaries (Cont'd)

2024 (Cont'd)

(i) Acquisition of remaining 22.22% equity interest of Thetris ISS Sdn. Bhd. (Cont'd)

Effect of the increase in the ownership interest is as follows:

	RM'000
Fair value of consideration transferred	- *
Increase in share of net liabilities (before intra-group elimination)	(18)
Excess charged directly to equity	(18)

* Represent amount less than RM1,000

(ii) Incorporation of wholly owned subsidiary, IRIS Border Control Solutions Sdn. Bhd.

On 12 July 2023, the Company incorporated a wholly owned subsidiary, IRIS Border Control Solutions Sdn. Bhd., which has 2 shares representing 100% of the issued and fully paid-up shares of RM1 each for a total consideration of RM2.

(d) Allotment of additional investment in subsidiaries

2024

(i) Allotment of shares in IRIS Tech Ventures Sdn. Bhd.

On 30 October 2023, the Company subscribed additional RM2,748,998 interest (representing 2,748,998 ordinary shares) in IRIS Tech Ventures Sdn. Bhd. at a price of RM1 per share by way of allotment of shares.

(e) Non-controlling interests in subsidiaries

The financial information of the Group's and the Company's subsidiaries that have material non-controlling interests are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest	
		2025 %	2024 %
Warisan Atlet (M) Sdn. Bhd.	Malaysia	**51**	51
RB Biotech Sdn. Bhd.	Malaysia	**33.33**	33.33
Endah Farm Sdn. Bhd.	Malaysia	**40**	40

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

9. INVESTMENT IN SUBSIDIARIES (CONT'D)

(f) Summarised financial information of material non-controlling interests

The summarised financial information of the Group's and the Company's subsidiaries that have non-controlling interests has not been presented as the non-controlling interests in subsidiaries are not individually material to the Group.

10. INVESTMENT IN ASSOCIATES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At cost				
Unquoted shares	**5,000**	5,000	**5,000**	5,000
Share of post-acquisition reserves, net of dividend received	**(4,338)**	(4,289)	**-**	-
	662	711	**5,000**	5,000
Less: Impairment losses	**-**	-	**(4,268)**	(4,268)
	662	711	**732**	732

Details of the associates are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %	Principal activities
Multimedia Display Technologies Sdn. Bhd. ("MDT") + * #	Malaysia	**44.4**	44.4	Research, development, marketing and distribution of CRT/LCD display monitors and Radio Frequency Identity System (RFID). The activities contribute to the Group's trusted identification business segment.
Associate of IRIS Advancetech Sdn. Bhd.				
Ubud Tower Sdn. Bhd.	Malaysia	**50**	50	Dormant.

+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

* *The financial year end of this associate is not coterminous with the Group. As such, for the purpose of applying equity method of accounting, the management financial statements of the associate for the financial period ended 31 March 2025 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.*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

10. INVESTMENT IN ASSOCIATES (CONT'D)

(a) Summarised financial information of material associate

Summarised financial information of the associates has not been presented as the associates and the share of results of associates are not individually material to the Group.

(b) Unrecognised share of losses of Ubud Tower Sdn. Bhd.

The Group has not recognised its share of losses of Ubud Tower Sdn. Bhd. amounting to RM3,057 (2024: RM3,787) 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 RM34,433 (2024: RM31,376).

11. INVESTMENT IN JOINT VENTURES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At cost				
Unquoted shares				
At the beginning of the financial year	**39,037**	39,037	**39,037**	39,037
Add: Additions during the financial year	**239**	-	**-**	-
Share of post-acquisition reserves	**(29,940)**	(30,493)	**-**	-
Less: Liquidated during the financial year	**(8,544)**	-	**(39,037)**	-
Less: Disposed during the financial year	**(792)**	-	**-**	-
At the end of the financial year	**-**	8,544	**-**	39,037
Less: Impairment losses				
At the beginning of the financial year	**8,752**	8,752	**39,037**	39,037
Add: Exchange differences	**(208)**	(208)	**-**	-
Less: Liquidated during the financial year	**(8,544)**	-	**(39,037)**	-
At the end of the financial year	**-**	8,544	**-**	39,037
	-	-	**-**	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

11. INVESTMENT IN JOINT VENTURES (CONT'D)

(a) Details of the joint ventures are as follows:

Name of company	Principal place of business/ country of incorporation	Ownership interest		Principal activities
		2025 %	2024 %	
Plaman Resources Limited ("Plaman") +	New Zealand	-	51	Liquidated.
Subsidiary of Plaman Resources Limited				
Plaman Services Limited + #	New Zealand	-	100	Liquidated.
Plaman Services (Australia) Pty. Ltd. + #	Australia	-	100	Liquidated.
Plaman Services Corporation + #	United States of America	-	100	Liquidated.

\+ *Audited by auditors other than Baker Tilly Monteiro Heng PLT.*

\# *The financial statements of the subsidiaries have not been consolidated in Plaman's financial statements as all the subsidiaries have been liquidated.*

(b) Liquidation of Plaman Resources Limited ("Plaman")

Plaman, a company incorporated in New Zealand, had on 13 June 2019, passed a shareholders' special resolution to wind up Plaman by way of voluntary liquidation and had appointed Conor McElhinney and Andrew Grenfell of the firm McGrath Nicol, of Auckland New Zealand as joint and several liquidators for the purpose of winding up of the affairs and distributing the assets of Plaman, where necessary.

The liquidation process was completed on 7 March 2024 and Plaman had been removed from New Zealand Companies Office on 24 April 2024.

The voluntary liquidation has no any material impact on the earnings and net assets of the Group and the Company as the investment in Plaman had been fully impaired in the previous financial years and the Company does not provide any corporate guarantee to Plaman.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

11. INVESTMENT IN JOINT VENTURES (CONT'D)

(c) Acquisition and disposal of joint venture – Port City BPO (Private) Limited ("PCBPO")

On 22 April 2024, IRIS Tech Ventures Sdn. Bhd. ("ITV"), a wholly owned subsidiary of the Company, has entered into a Shareholders' Agreement ("SA") with Aitken Spence International Pte Ltd, which is a wholly owned subsidiary of Aitken Spense PLC ("AS") to form a joint venture company, Port City BPO (Private) Limited ("PCBPO"). The joint venture started off with offshore company which carry out business as a service provider of outsourcing of business processes in the Colombo Port City Special Economic Zone in Sri Lanka.

The Proposed Disposal was completed on 18 February 2025 in accordance with the terms and conditions of the SSA. ITV had ceased to be a wholly-owned subsidiary of the Company since then. Consequently, the Group disposed its 50% equity investment in PCBPO.

12. INVENTORIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Raw materials	**5,332**	8,774	**5,332**	8,774
Work-in-progress	**6,312**	9,075	**6,312**	9,075
Finished goods	**5,105**	11,360	**3,763**	8,328
	16,749	29,209	**15,407**	26,177

The cost of inventories of the Group and of the Company recognised as an expense in cost of sales during the financial year was RM43,873,702 (2024: RM87,870,281) and RM42,281,653 (2024: RM69,085,948) respectively.

The cost of inventories of the Group and of the Company recognised in cost of sales in respect of net provision/(reversal) of written down inventories to net realisable value are:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net provision/(reversal) of inventories written down	**7,723**	150	**7,265**	(216)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. TRADE AND OTHER RECEIVABLES

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Current:					
Trade					
Third parties	(a)	**103,854**	107,652	**99,049**	67,984
Amount owing by a subsidiary		**-**	-	**5**	5,157
		103,854	107,652	**99,054**	73,141
Less: Accumulated impairment losses		**(11,688)**	(15,859)	**(8,684)**	(14,256)
		92,166	91,793	**90,370**	58,885
Non-trade					
Other receivables	(b)	**4,868**	14,367	**918**	10,417
Value added tax refundable		**2,955**	3,190	**2,596**	2,596
Withholding tax refundable		**7,645**	7,567	**7,645**	7,567
Deposits	(b)	**20,241**	21,082	**13,441**	14,744
Advances to suppliers		**848**	4,686	**848**	4,686
Amount owing by subsidiaries	(b)	**-**	-	**129,375**	136,623
Amount owing by associates	(b)	**65**	59	**65**	59
		36,622	50,951	**154,888**	176,692
Less: Accumulated impairment losses					
- other receivables	(b)	**(4,849)**	(13,964)	**(900)**	(10,015)
- value added tax refundable		**(2,596)**	(2,596)	**(2,596)**	(2,596)
- withholding tax refundable		**(2,765)**	(2,765)	**(2,765)**	(2,765)
- deposits	(b)	**(17,545)**	(17,545)	**(11,684)**	(11,684)
- amount owing by subsidiaries	(b)	**-**	-	**(100,322)**	(93,402)
- amount owing by associates	(b)	**(65)**	(59)	**(65)**	(59)
		(27,820)	(36,929)	**(118,332)**	(120,521)
		8,802	14,022	**36,556**	56,171
Total trade and other receivables		**100,968**	105,815	**126,926**	115,056

(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 (2024: 14 to 60 days) from the date of invoices. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

13. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 April	**15,859**	16,566	**14,256**	10,014
Transfer from disposal group classified as held for sale	**-**	267	**-**	-
Charge for the financial year				
- Individually assessed	**572**	3,295	**-**	8,444
Reversal of impairment losses				
- Individually assessed	**(285)**	(1,385)	**(5,221)**	(1,318)
Written off for the financial year	**(4,107)**	(3,253)	**-**	(3,253)
Exchange differences	**(351)**	369	**(351)**	369
At 31 March	**11,688**	15,859	**8,684**	14,256

Included in trade receivables of the Group and of the Company is an amount owing of RM27,400,747 (2024: RM29,184,392) owing by a contract customer of which credit is enhanced by a security deposit received as disclosed in Note 20(b) to the financial statements.

The information about the credit exposures is disclosed in Note 27(b)(i) to the financial statements.

(b) Other receivables, deposits, amount owing by subsidiaries and associates

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

The reconciliation of movement in the Group's and the Company's impairment of other receivables, deposits and non-trade amount owing by subsidiaries and associates are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 April	**36,929**	36,922	**120,521**	119,717
Charge for the financial year	**6**	7	**7,436**	3,037
Reversal for the financial year	**(438)**	-	**(948)**	(2,233)
Written off for the financial year	**(8,677)**	-	**(8,677)**	-
At 31 March	**27,820**	36,929	**118,332**	120,521

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Contract assets relating to contract works with customers	**146,510**	148,707	**2,868**	5,065
Contract liabilities relating to contract works with customers	**(1,025)**	(4,715)	**(1,025)**	(4,715)

(a) The contract assets represent the Group's and the Company's rights to consideration for goods or services transferred but are yet to be billed. Contract assets are transferred to receivables when the Group and the Company issue progress billings to the customers.

(b) The contract liabilities represent advance consideration received from the customers for the goods or services which are yet to fulfil the performance obligations.

(c) Significant changes in contract assets and liabilities balance.

	2025		2024	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	**-**	**4,715**	-	2,555
Increases due to consideration received from customers, but revenue not recognised	**-**	**(1,025)**	-	(4,715)
Increases due to unbilled revenue recognised	**579**	**-**	97,855	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(2,776)**	**-**	(17,474)	-
Transfer from disposal group classified as held for sale	**-**	**-**	59,068	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

14. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(c) Significant changes in contract assets and liabilities balances (Cont'd)

	2025		2024	
	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000	Contract assets Increase/ (decrease) RM'000	Contract liabilities (Increase)/ decrease RM'000
Company				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	**-**	**4,715**	-	2,555
Increases due to consideration received from customers, but revenue not recognised	**-**	**(1,025)**	-	(4,715)
Increases due to unbilled revenue recognised	**579**	**-**	3,346	-
Transfers from contract assets recognised at the beginning of the period to receivables	**(2,776)**	**-**	(6,183)	-

(d) Revenue recognised in relation to contract assets and liabilities balances

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue recognised that was included in contract liability at the beginning of the financial year	**4,715**	2,555	**4,715**	2,555

(e) Included in the contract assets of the Group is an amount of RM143,642,636 (2024: RM143,642,636) in relation to NIISe contract. As disclosed in Note 32(ii) to the financial statements, the NIISe contract was terminated on 10 August 2023.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

15. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	**59,641**	61,624	**42,119**	41,409
Short-term deposits placed with licensed banks	**106,221**	98,842	**93,215**	79,822
	165,862	160,466	**135,334**	121,231

(a) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term deposits placed with licensed banks	**106,221**	98,842	**93,215**	79,822
Less: Pledged deposits and deposits with maturity period of more than three months	**(18,533)**	(18,623)	**(17,892)**	(15,179)
	87,688	80,219	**75,323**	64,643
Cash and bank balances	**59,641**	61,624	**42,119**	41,409
	147,329	141,843	**117,442**	106,052

(b) Included in cash and bank balances and short-term deposits placed with licensed banks of the Group and of the Company are amounts of RM31,416,421 and RM17,892,163 (2024: RM31,322,015 and RM14,995,208) respectively pledged to licensed banks for bank guarantee facilities and credit facilities granted to the Group and the Company as disclosed in Note 19 to the financial statements and hence, are not available for general use.

(c) The weighted average effective interest rates of the short-term deposits at the end of the reporting date ranged from 2.15% to 5.50% (2024: 2.50% to 5.50%) per annum. The fixed deposits have maturity periods ranging from 30 to 365 days (2024: 30 to 365 days).

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit'000	2024 Unit'000	2025 RM'000	2024 RM'000
Ordinary shares				
Issued and fully paid up: (no par value)				
At 1 April	**815,727**	3,262,910	**180,759**	610,759
Capital reduction during the financial year	**-**	-	**-**	(430,000)
Share consolidation during the financial year	**-**	(2,447,183)	**-**	-
At 31 March	**815,727**	815,727	**180,759**	180,759

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

In the previous financial year,

(i) On 1 March 2024, the High Court approved the resolution for the capital reduction, which entailed reduction of the issued share capital of Company pursuant to Section 116 of the Companies Act 2016. The credit of RM430,000,000 arising from capital reduction was used to eliminate the accumulated losses of the Company; and

(ii) On 25 March 2024, the Company completed its share consolidation exercise which involved every four (4) existing ordinary shares in the Company held by shareholders into one (1) consolidated share of the Company. Pursuant to the share consolidation, the total number of ordinary shares reduced from 3,262,910,862 units to 815,727,624 units.

17. OTHER RESERVES

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Foreign exchange translation reserve	(a)	**(50)**	27	**-**	-
Revaluation reserve	(b)	**28,789**	29,226	**8,814**	8,569
		28,739	29,253	**8,814**	8,569

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

17. OTHER RESERVES (CONT'D)

(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.

18. DEFERRED TAX LIABILITIES

Presented after appropriate offsetting as follows:

	Group and Company	
	2025 RM'000	2024 RM'000
Deferred tax liabilities	**(10,406)**	(11,491)

Deferred tax relates to the following:

	At 1 April 2024 RM'000	Recognised in profit or loss RM'000	At 31 March 2025 RM'000
Group and Company			
Deferred tax liabilities:			
Property, plant and equipment	(14,476)	2,960	**(11,516)**
Deferred tax assets:			
Other items	2,985	(1,875)	**1,110**
	(11,491)	1,085	**(10,406)**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

18. DEFERRED TAX LIABILITIES (CONT'D)

Deferred tax relates to the following (Cont'd):

	At 1 April 2023 RM'000	Recognised in profit or loss RM'000	At 31 March 2024 RM'000
Group and Company			
Deferred tax liabilities:			
Property, plant and equipment	(15,030)	554	(14,476)
Deferred tax assets:			
Other items	5,019	(2,034)	2,985
	(10,011)	(1,480)	(11,491)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2025 RM'000	2024 RM'000
Temporary differences on property, plant and equipment	**(36)**	3
Unabsorbed capital allowances	**15,384**	15,372
Unutilised tax losses	**84,153**	85,065
Other items	**555**	-
	100,056	100,440
Potential deferred tax assets not recognised at 24% (2024: 24%)	**24,013**	24,106

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

18. DEFERRED TAX LIABILITIES (CONT'D)

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, any accumulated tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment. The Finance Act 2021 was published on 31 December 2021 with extension of the time period for carrying forward unused tax losses to 10 years from existing 7 years. The 10 years expiry of the unutilised tax losses is as below:

	Group	
	2025 RM'000	2024 RM'000
Year of assessment		
2028	**59,383**	59,383
2029	**1,409**	1,409
2030	**959**	959
2031	**2,952**	5,559
2032	**919**	919
2033	**414**	414
2034	**16,422**	16,422
2035	**1,695**	-
	84,153	85,065

19. LOANS AND BORROWINGS

	Group and Company	
	2025 RM'000	2024 RM'000
Current:		
Unsecured		
Bankers' acceptance	**1,763**	3,210

The bankers' acceptance bears effective interest rates range between 5.03% to 5.04% (2024: 4.96%) per annum at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

20. TRADE AND OTHER PAYABLES

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Current:					
Trade					
Third parties	(a)	**53,452**	58,549	**12,620**	14,652
Accruals		**73,599**	87,995	**39,763**	51,057
		127,051	146,544	**52,383**	65,709
Non-trade					
Other payables		**24,647**	25,779	**999**	1,674
Sales and services tax and value added tax payable		**1,146**	1,012	**1,146**	1,012
Deposits	(b)	**28,294**	38,036	**27,668**	37,092
Accruals		**18,024**	21,089	**15,314**	14,002
Amount owing to subsidiaries	(c)	**-**	-	**79,922**	82,095
		72,111	85,916	**125,049**	135,875
Total trade and other payables		**199,162**	232,460	**177,432**	201,584

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company ranging from 30 to 90 days (2024: 30 to 90 days).

(b) Deposits

Included in deposits of the Group and the Company is an amount of RM27,665,612 (2024: RM30,075,741) represents the security deposits made by a contract customer.

(c) Amount owing to subsidiaries

In previous financial year, the trade amount owing was subject to the normal trade credit terms ranging from 30 to 90 days. The amount owing was expected to be settled in cash.

The non-trade amounts owing represent unsecured, interest free advances, payments made on behalf, repayable on demand and are expected to be settled in cash.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 27(b)(ii) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

21. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contract customers:				
Sales of goods	**116,931**	203,474	**113,412**	203,944
Maintenance and services	**8,982**	41,638	**8,751**	9,894
Construction and integration system contract	**-**	50,417	**-**	-
Construction contracts	**794**	1,995	**794**	1,995
Concession arrangements *	**94,294**	73,584	**94,294**	73,584
	221,001	371,108	**217,251**	289,417

* These relate to construction revenue recognised in accordance with IC Interpretation 12 *Service Concession Arrangements* and MFRS 15 *Revenue from Contracts with Customers* in respect of the construction of public services pursuant to the concession arrangements as disclosed in Note 8 to the financial statements.

(a) Disaggregation of revenue

The Group reports the following major segments: trusted identification and sustainable development in accordance with MFRS 8 *Operating Segments*. For disclosure of disaggregation of revenue, it disaggregates revenue into primary geographical markets, major goods or services and timing of revenue recognition (i.e. goods transferred at a point in time or services transferred over time).

For information about disaggregation of revenue into primary geographical market, refer to Note 31 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

21. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Trusted identification RM'000	Sustainable development RM'000	Total RM'000
Group			
2025			
Major goods or services:			
Sales of goods	**116,917**	**14**	**116,931**
Maintenance and services	**8,982**	**-**	**8,982**
Construction contracts	**-**	**794**	**794**
Concession arrangements	**94,294**	**-**	**94,294**
	220,193	**808**	**221,001**
Timing of revenue recognition:			
At a point in time	**116,917**	**14**	**116,931**
Over time	**103,276**	**794**	**104,070**
	220,193	**808**	**221,001**
2024			
Major goods or services:			
Sales of goods	203,445	29	203,474
Maintenance and services	41,638	-	41,638
Construction and integration system contract	50,417	-	50,417
Construction contracts	-	1,995	1,995
Concession arrangements	73,584	-	73,584
	369,084	2,024	371,108
Timing of revenue recognition:			
At a point in time	203,445	29	203,474
Over time	165,639	1,995	167,634
	369,084	2,024	371,108

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

21. REVENUE (CONT'D)

(a) Disaggregation of revenue (Cont'd)

	Trusted identification RM'000	Sustainable development RM'000	Total RM'000
Company			
2025			
Major goods or services:			
Sales of goods	**113,412**	**-**	**113,412**
Maintenance and services	**8,751**	**-**	**8,751**
Construction contracts	**-**	**794**	**794**
Concession arrangements	**94,294**	**-**	**94,294**
	216,457	**794**	**217,251**
Timing of revenue recognition:			
At a point in time	**113,412**	**-**	**113,412**
Over time	**103,045**	**794**	**103,839**
	216,457	**794**	**217,251**
2024			
Major goods or services:			
Sales of goods	203,944	-	203,944
Maintenance and services	9,894	-	9,894
Construction contracts	-	1,995	1,995
Concession arrangements	73,584	-	73,584
	287,422	1,995	289,417
Timing of revenue recognition:			
At a point in time	203,944	-	203,944
Over time	83,478	1,995	85,473
	287,422	1,995	289,417

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

21. REVENUE (CONT'D)

(b) Transaction price allocated to the remaining performance obligations

The Group and the Company apply the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less. Also, the Group and the Company do not disclose information about remaining performance obligations that have original expected durations of more than one year as it is impractical to disclose.

22. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expenses on:				
- bankers' acceptances	**-**	171	**-**	171
- lease liabilities	**7**	76	**7**	12
- others	**293**	281	**293**	275
	300	528	**300**	458

23. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration - statutory audit:				
- Baker Tilly Monteiro Heng PLT	**444**	463	**330**	325
- Member firm of Baker Tilly International	**19**	32	**-**	-
Other services				
- Baker Tilly Monteiro Heng PLT	**10**	45	**10**	45
Amortisation of intangible assets	**64**	246	**64**	246
Bad debts written off	**67**	-	**67**	-
Depreciation of property, plant and equipment	**4,150**	5,605	**4,512**	4,514

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

23. PROFIT BEFORE TAX (CONT'D)

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at profit before tax: (Cont'd)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' fees	**677**	584	**677**	584
Directors' meeting allowances	**72**	71	**72**	71
Directors' remuneration:				
- salaries and other remuneration	**2,645**	2,248	**2,645**	2,248
- defined contribution plans and SOCSO	**116**	110	**116**	110
Dividend received	**-**	-	**(25,599)**	-
Deposit forfeited	**(7,000)**	-	**(7,000)**	-
Effect of accretion of interest on operating financial assets	**(517)**	(613)	**(517)**	(613)
Expenses relating to short-term leases	**145**	188	**114**	122
Expenses relating to lease of low value assets	**-**	28	**-**	1
Gain on disposal of property, plant and equipment	**(4)**	(114)	**(4)**	(68)
Gain on termination of lease	**-**	(105)	**-**	-
Gain on disposal of a subsidiary	**(1,872)**	-	**(2,386)**	-
Impairment loss on:				
- goodwill on consolidation	**12,000**	10,000	**-**	-
- trade and other receivables	**578**	3,302	**7,436**	11,481
Impairment loss on:				
- investment in subsidiaries	**-**	-	**-**	2,749
- investment in associate	**-**	-	**-**	20
Interest income	**(4,539)**	(3,523)	**(3,615)**	(2,430)
Loss/(Gain) on foreign exchange:				
- realised	**8,956**	12,874	**8,230**	13,248
- unrealised	**3,667**	(12,363)	**1,904**	(7,026)
Net provision/(Net reversal of) inventories written down	**7,723**	150	**7,265**	(216)
Property, plant and equipment written off	**-**	1,281	**-**	3
Reversal of impairment loss on trade and other receivables	**(723)**	(1,385)	**(6,169)**	(3,551)
Staff costs:				
- salaries and other remuneration	**29,196**	31,930	**26,724**	26,525
- defined contribution plans	**2,746**	3,673	**2,487**	2,403

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

24. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 March 2025 and 31 March 2024 are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Statements of comprehensive income				
Current income tax:				
- current year	**12,464**	7,715	**11,817**	7,453
- prior years	**(1,755)**	(1,059)	**(1,730)**	(1,303)
	10,709	6,656	**10,087**	6,150
Deferred tax:				
Origination of temporary differences	**(1,085)**	1,480	**(1,085)**	1,480
Revaluation of property, plant and equipment	**(166)**	-	**(166)**	-
	(1,251)	1,480	**(1,251)**	1,480
Income tax expense recognised in profit or loss	**9,458**	8,136	**8,836**	7,630

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

24. INCOME TAX EXPENSE (CONT'D)

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	**33,367**	40,380	**61,630**	21,638
Tax at Malaysian statutory income tax rate of 24% (2024: 24%)	**8,008**	9,691	**14,791**	5,193
Adjustments:				
Income not subject to tax	**(2,119)**	(582)	**(7,346)**	(147)
Non-deductible expenses	**5,576**	5,062	**3,198**	4,222
Tax effect on share of results of associates	**12**	10	**-**	-
Tax effect on share of results of joint venture	**133**	-	**-**	-
Utilisation of previously unrecognised tax losses	**(93)**	(4,700)	**-**	(270)
Adjustment in respect of income tax of prior years	**(1,755)**	(1,059)	**(1,730)**	(1,303)
Adjustment in respect of deferred tax of prior years	**-**	24	**-**	24
Adjustment in respect of revaluation reserves	**(292)**	(304)	**(77)**	(89)
Effect of changes in tax rate	**(12)**	(6)	**-**	-
Income tax expense	**9,458**	8,136	**8,836**	7,630

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

25. EARNINGS PER SHARE

(a) Basic earnings per ordinary share

Basic earnings per share are based on the profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit attributable for the financial year attributable to owners of the Company	**23,752**	32,247
	Unit'000	Unit'000
Weighted average number of ordinary shares for basic earnings per share	**815,727**	815,727
Basic earnings per ordinary share (sen):	**2.91**	3.95

(b) Diluted earnings per ordinary share

The basic and diluted earnings per ordinary shares are the same as the Company has no dilutive potential ordinary shares.

26. DIVIDENDS

	2025 RM'000
Recognised during the financial year:	
Dividends on ordinary shares:	
- Single tier first interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 March 2025, paid on 20 December 2024	**8,157**
- Single tier second interim dividend of 1.00 sen per ordinary share in respect of the financial year ended 31 March 2025, paid on 28 March 2025	**8,157**
	16,314

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:

	Carrying amount RM'000	Amortised cost RM'000
As at 31 March 2025		
Financial assets		
Group		
Operating financial assets	**5,437**	**5,437**
Trade and other receivables #	**94,881**	**94,881**
Cash and short-term deposits	**165,862**	**165,862**
	266,180	**266,180**
Company		
Operating financial assets	**5,437**	**5,437**
Trade and other receivables #	**121,198**	**121,198**
Cash and short-term deposits	**135,334**	**135,334**
	261,969	**261,969**
Financial liabilities		
Group		
Loans and borrowings	**(1,763)**	**(1,763)**
Trade and other payables *	**(198,016)**	**(198,016)**
	(199,779)	**(199,779)**
Company		
Loans and borrowings	**(1,763)**	**(1,763)**
Trade and other payables *	**(176,286)**	**(176,286)**
	(178,049)	**(178,049)**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (Cont'd)

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: (Cont'd)

	Carrying amount RM'000	Amortised cost RM'000
As at 31 March 2024		
Financial assets		
Group		
Operating financial assets	6,816	6,816
Trade and other receivables #	95,733	95,733
Cash and short-term deposits	160,466	160,466
	263,015	263,015
Company		
Operating financial assets	6,816	6,816
Trade and other receivables #	105,568	105,568
Cash and short-term deposits	121,231	121,231
	233,615	233,615
Financial liabilities		
Group		
Loans and borrowings	(3,210)	(3,210)
Trade and other payables *	(231,448)	(231,448)
	(234,658)	(234,658)
Company		
Loans and borrowings	(3,210)	(3,210)
Trade and other payables *	(200,572)	(200,572)
	(203,782)	(203,782)

Excluded advances to suppliers, value added tax refundable and withholding tax refundable.

* *Excluded sales and service tax and value added tax payable.*

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not use derivative financial instruments to hedge certain exposures and do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Group's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

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

At the end of the reporting period, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events evidence that a financial asset is credit-impaired include observable data about the following events:
- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

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

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by their carrying amounts in the statements of financial position.

The carrying amount of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group and the Company consider any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows:

	Group			
	2025		2024	
	RM'000	%	RM'000	%
Trade receivables				
Trusted identification	**90,683**	**38**	90,310	37
Others	**1,483**	**1**	1,483	1
	92,166	**39**	91,793	38
Contract assets				
Trusted identification	**146,510**	**61**	148,707	62
	238,676	**100**	240,500	100

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

Credit risk concentration profile (Cont'd)

The Group and the Company determine the credit risk concentration of its trade receivables and contract assets by industry sector profile on an ongoing basis. The credit risk concentration profile of the Group's and the Company's trade receivables and contract assets at the reporting date are as follows: (Cont'd)

	Company			
	2025		2024	
	RM'000	%	RM'000	%
Trade receivables				
Trusted identification	**88,887**	**95**	57,402	89
Others	**1,483**	**2**	1,483	2
	90,370	**97**	58,885	91
Contract assets				
Trusted identification	**2,868**	**3**	5,065	9
	93,238	**100**	63,950	100

The Group and the Company apply the simplified approach to provide for impairment losses prescribed by MFRS 9 *Financial Instruments*, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. To measure the impairment losses, trade receivables and contract assets have been grouped based on geographical region, shared credit characteristics and the days past due. The impairment losses also incorporate forward-looking information.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets are as follows:

	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
At 31 March 2025			
Group			
Contract assets	146,510	-	146,510
Trade receivables			
Current (not past due)	14,027	-	14,027
1 - 90 days past due	9,628	-	9,628
91 - 180 days past due	14,945	-	14,945
More than 181 days past due	53,566	-	53,566
Credit impaired (individually assessed)	11,688	(11,688)	-
	103,854	(11,688)	92,166
	250,364	(11,688)	238,676
Company			
Contract assets	2,868	-	2,868
Trade receivables			
Current (not past due)	13,800	-	13,800
1 - 90 days past due	8,946	-	8,946
91 - 180 days past due	14,945	-	14,945
More than 181 days past due	52,679	-	52,679
Credit impaired (individually assessed)	8,684	(8,684)	-
	99,054	(8,684)	90,370
	101,922	(8,684)	93,238

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

The information about the credit risk exposure on the Group's and the Company's trade receivables and contract assets are as follows: (Cont'd)

	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
At 31 March 2024			
Group			
Contract assets	148,707	-	148,707
Trade receivables			
Current (not past due)	18,873	-	18,873
1 - 90 days past due	28,659	-	28,659
91 - 180 days past due	11,894	-	11,894
More than 181 days past due	32,367	-	32,367
Credit impaired (individually assessed)	15,859	(15,859)	-
	107,652	(15,859)	91,793
	256,359	(15,859)	240,500
Company			
Contract assets	5,065	-	5,065
Trade receivables			
Current (not past due)	12,720	-	12,720
1 - 90 days past due	16,858	-	16,858
91 - 180 days past due	4,485	-	4,485
More than 181 days past due	24,822	-	24,822
Credit impaired (individually assessed)	14,256	(14,256)	-
	73,141	(14,256)	58,885
	78,206	(14,256)	63,950

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables and contract assets (Cont'd)

For trusted identification segment, as there are a few customers from different countries with different credit risk characteristics, the Group and the Company assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings for individual country, where applicable.

Included in trade receivables of the Group are amounts totalling RM80,699,491 (2024: RM68,804,652) due from 3 (2024: 3) of its significant receivables respectively.

Other receivables and other financial assets

For other receivables and other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets are represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days to 60 days past due in making a contractual payment.

Some intercompany advances between entities within the Group are repayable on demand. For advances that are repayable on demand, impairment losses are assessed based on the assumption that repayment of the advance is demanded at the reporting date. If the borrower does not have sufficient highly liquid resources when the advance is demanded, the Group and the Company will consider the expected manner of recovery and recovery period of the intercompany advance.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk. As at the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than those as disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables, lease liabilities, loans and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds from operational collections to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's treasury department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows		
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Group				
At 31 March 2025				
Trade and other payables *	**198,016**	**198,016**	**-**	**198,016**
Bankers' acceptance	**1,763**	**1,763**	**-**	**1,763**
Lease liabilities	**79**	**82**	**-**	**82**
	199,858	**199,861**	**-**	**199,861**
At 31 March 2024				
Trade and other payables *	231,448	231,448	-	231,448
Bankers' acceptance	3,210	3,210	-	3,210
Lease liabilities	151	79	82	161
	234,809	234,737	82	234,819

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturity at the reporting date based on contractual undiscounted repayment obligations are as follows: (Cont'd)

		Contractual cash flows		
	Carrying amount RM'000	On demand or within 1 year RM'000	Between 1 and 5 years RM'000	Total RM'000
Company				
At 31 March 2025				
Trade and other payables *	**176,287**	**176,287**	-	**176,287**
Bankers' acceptance	**1,763**	**1,763**	-	**1,763**
Lease liabilities	**79**	**82**	-	**82**
	178,129	**178,132**	-	**178,132**
At 31 March 2024				
Trade and other payables *	200,572	200,572	-	200,572
Bankers' acceptance	3,210	3,210	-	3,210
Lease liabilities	151	79	82	161
	203,933	203,861	82	203,943

* *Excluded sales and services tax and value added tax payable.*

(iii) Foreign currency risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of a financial instrument as results of changes in foreign exchange rates. The Group's and the Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's and the Company's operating activities (when sales and purchases that are denominated in foreign currency) and the Group's net investments in foreign subsidiaries.

The Board of Directors has set up a policy that requires all companies within the Group and the Company to manage their treasury activities and exposures. The Group and the Company do not hedge their foreign currency exposure. In addition, the Group and the Company also take advantage of any natural effects of its foreign currencies revenues and expenses by maintaining current accounts in foreign currencies.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

The Group's and the Company's unhedged financial assets and liabilities that are not denominated in their functional currencies are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets and liabilities not held in functional currencies				
Trade and other receivables				
US Dollar	**40,886**	80,771	**14,642**	47,860
Euro	**42,856**	14,619	**42,856**	14,619
	83,742	95,390	**57,498**	62,479
Cash and short-term deposits				
US Dollar	**52,319**	64,332	**49,410**	58,437
Euro	**2,652**	4,794	**2,652**	4,794
Others	**600**	665	**599**	665
	55,571	69,791	**52,661**	63,896
Trade and other payables				
US Dollar	**(61,759)**	(91,210)	**(61,524)**	(88,285)
Euro	**(25,386)**	(8,923)	**(25,386)**	(8,830)
Others	**(1,754)**	(3,477)	**(1,754)**	(3,454)
	(88,899)	(103,610)	**(88,664)**	(100,569)

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The Group's and the Company's principal foreign currency exposure relates mainly to United States Dollar ("USD") and Euro.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year.

	Change in rate	Effect on profit for the financial year RM'000	Effect on equity RM'000
Group			
31 March 2025			
US Dollar	**+10%**	**3,145**	**3,145**
	-10%	**(3,145)**	**(3,145)**
Euro	**+10%**	**2,012**	**2,012**
	-10%	**(2,012)**	**(2,012)**
Others	**+10%**	**(115)**	**(115)**
	-10%	**115**	**115**
31 March 2024			
US Dollar	+10%	5,389	5,389
	-10%	(5,389)	(5,389)
Euro	+10%	1,049	1,049
	-10%	(1,049)	(1,049)
Others	+10%	(281)	(281)
	-10%	281	281

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (Cont'd)

(iii) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

The following table demonstrates the sensitivity to a reasonably possible change in the foreign currencies, with all other variables held constant on the Group's and the Company's total equity and profit for the financial year. (Cont'd)

	Change in rate	Effect on profit for the financial year RM'000	Effect on equity RM'000
Company			
31 March 2025			
US Dollar	**+10%**	**253**	**253**
	-10%	**(253)**	**(253)**
Euro	**+10%**	**2,012**	**2,012**
	-10%	**(2,012)**	**(2,012)**
Others	**+10%**	**(116)**	**(116)**
	-10%	**116**	**116**
31 March 2024			
US Dollar	+10%	1,801	1,801
	-10%	(1,801)	(1,801)
Euro	+10%	1,058	1,058
	-10%	(1,058)	(1,058)
Others	+10%	(279)	(279)
	-10%	279	279

(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 the loans and borrowings with floating interest rates. The Group and the Company do not hedge their interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

27. FINANCIAL INSTRUMENTS (CONT'D)

(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 (2024: no transfer in either direction).

The following table provides the fair value measurement hierarchy of the Group's and the Company's financial instruments:

	Carrying amount Total	Fair value of financial instruments not carried at fair value			
		Fair value			
	RM'000	Level 1	Level 2	Level 3	Total
Group and Company					
31 March 2025					
Financial assets					
Operating financial assets	**5,437**	**-**	**-**	**5,437**	**5,437**
31 March 2024					
Financial assets					
Operating financial assets	6,816	-	-	6,816	6,816

Level 3 fair value

<u>Fair value of financial instruments not carried at fair value</u>

The fair value of operating financial assets is determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

28. CONTINGENCIES

As disclosed in Note 32(ii) to the financial statements, the Group is currently involved in an arbitration proceeding with KDN arising from termination of NIISe contract. As the outcome of these litigations are not presently known, the financial impact cannot be estimated or ascertained with reasonable certainty. Should the outcome of the litigation be unfavourable to the Group, the Group will make the necessary provision.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

29. RELATED PARTIES

(a) Identification of related parties

Parties are considered related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Associates;
(iii) Joint ventures; and
(iv) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sales				
Subsidiaries	**-**	-	**2,298**	8,228
Purchases				
Subsidiary	**-**	-	**(2,294)**	(1,139)
Rental income				
Subsidiaries	**-**	-	**21**	101
Management fee paid				
Subsidiary	**-**	-	**(206)**	(206)
Sales/(Purchase) of assets				
Subsidiary	**-**	-	**2**	(562)
Dividend income				
Subsidiary	**-**	-	**25,599**	-
Gain on disposal of a subsidiary				
Related party	**1,872**	-	**2,386**	-

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

29. RELATED PARTIES (CONT'D)

(c) Compensation of key management personnel

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short-term employee benefits	**4,743**	4,521	**4,743**	4,204
Post-employment employee benefits	**306**	295	**306**	285
	5,049	4,816	**5,049**	4,489

30. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustment to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 March 2025 and 31 March 2024.

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	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total loans and borrowings	19	**1,763**	3,210	**1,763**	3,210
Total equity		**385,593**	377,549	**247,485**	210,479
Gearing ratio		**<1%**	1%	**1%**	2%

There was no change in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirement.

Gearing ratios are not governed by the MFRSs and their definitions and calculations may vary between reporting entities.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

31. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by the Executive Chairman, the Chief Executive Officer and the Group Finance Director for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	Products and services
Trusted identification division	e-Passports, e-Identification cards, banking cards, transportation and other related Trusted Identification's devices, equipments and services including consulting
Sustainable development and other division	Construction of buildings and modern integrated farms and provision of food and agro produce and equipment and other services

Inter-segment pricing is determined on negotiated basis.

Segment profit

Segment performance is used to measure performance as the Executive Chairman, the Chief Executive Officer and the Group Finance Director believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets

The total segment asset is measured based on all assets (excluding investments in associates and joint ventures, deferred tax assets and tax recoverable) of a segment, as included in the internal reports that are reviewed by the Executive Chairman, the Chief Executive Officer and the Group Finance Director.

Segment liabilities

Segment liabilities are not included in the internal reports that are reviewed by the Executive Chairman, the Chief Executive Officer and the Group Finance Director. Hence, no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

31. SEGMENT INFORMATION (CONT'D)

	Note	Trusted identification division RM'000	Sustainable development division: Property development & construction sub-division RM'000	Sustainable development division: Food & agro technology sub-division RM'000	Adjustments and eliminations RM'000	Total RM'000
2025						
Revenue:						
Revenue from external customers		220,193	794	14	-	221,001
Inter-segment revenue	A	-	-	-	-	-
		220,193	794	14	-	221,001
Results						
Operating results		74,963	884	10	-	75,857
Interest income		4,539	-	-	-	4,539
Other operating income		1,742	-	-	-	1,742
Depreciation and amortisation		(4,607)	-	-	393	(4,214)
Finance costs		(300)	-	-	-	(300)
Forfeiture of income		7,000	-	-	-	7,000
Gain in disposal of a subsidiary		1,872	-	-	-	1,872
Impairment loss on goodwill on consolidation		(12,000)	-	-	-	(12,000)
Net impairment (losses)/gain on financial assets		(69)	214	-	-	145
Unrealised loss on foreign exchange		(3,667)	-	-	-	(3,667)
Administrative and operating expenses	B	(12,914)	(76)	517	-	(12,473)
Reportable segment profit		56,559	1,022	527	393	58,501
Unallocated corporate expenses	B	-	-	-	(25,638)	(25,638)
Share of results of associates and joint ventures		(49)	-	553	-	504
Segment profit/(loss)		56,510	1,022	1,080	(25,245)	33,367
Income tax expense		(9,195)	(200)	(63)	-	(9,458)
Profit/(Loss) for the financial year	B	47,315	822	1,017	(25,245)	23,909
Assets:						
Investments in associates		662	-	-	-	662
Addition to capital expenditure		3,328	-	-	-	3,328
Segment assets	C	699,995	1,798	-	(99,383)	602,410

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

31. SEGMENT INFORMATION (CONT'D)

	Note	Trusted identification division RM'000	Sustainable development division: Property development & construction sub-division RM'000	Sustainable development division: Food & agro technology sub-division RM'000	Adjustments and eliminations RM'000	Total RM'000
2024						
Revenue:						
Revenue from external customers		369,084	1,995	29	-	371,108
Inter-segment revenue	A	-	-	-	-	-
		369,084	1,995	29	-	371,108
Results						
Operating results		85,410	1,897	29	-	87,336
Interest income		3,523	-	-	-	3,523
Other operating income		1,455	781	17	-	2,253
Depreciation and amortisation		(5,989)	-	-	138	(5,851)
Finance costs		(528)	-	-	-	(528)
Impairment loss on goodwill on consolidation		(10,000)	-	-	-	(10,000)
Net impairment gain/(losses) on financial instruments		1,378	(3,295)	-	-	(1,917)
Unrealised gain on foreign exchange		12,363	-	-	-	12,363
Administrative and operating expenses	B	(23,642)	(1,603)	(190)	-	(25,435)
Reportable segment profit		63,970	(2,220)	(144)	138	61,744
Unallocated corporate expenses	B	-	-	-	(21,323)	(21,323)
Share of results of associates		(41)	-	-	-	(41)
Segment profit		63,929	(2,220)	(144)	(21,185)	40,380
Income tax expense		(7,875)	(261)	-	-	(8,136)
Profit for the financial year	B	56,054	(2,481)	(144)	(21,185)	32,244
Assets:						
Investments in associates		711	-	-	-	711
Addition to capital expenditure		2,958	-	-	-	2,958
Segment assets	C	734,389	1,609	-	(103,692)	632,306

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

31. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment revenue, profit or loss, assets and other material items are as follows:

A Inter-segment revenue

Inter-segment revenues are eliminated on consolidation.

B Reconciliation of profit or loss

	2025 RM'000	2024 RM'000
Unallocated other corporate expenses	**(25,638)**	(21,323)

C Reconciliation of assets

	2025 RM'000	2024 RM'000
Investments in associates	**662**	711
Inter-segment assets	**(100,045)**	(104,403)
	(99,383)	(103,692)

Disaggregation of revenue by geographical information

Revenue information based on the geographical location of customers are as follows:

	Trusted identification RM'000	Property development & construction RM'000	Food & agro-technology RM'000	Total RM'000
Group				
31 March 2025				
Malaysia	**41,011**	**794**	**14**	**41,819**
Asia	**10,780**	**-**	**-**	**10,780**
Oceania	**6,554**	**-**	**-**	**6,554**
Africa	**161,659**	**-**	**-**	**161,659**
North America	**189**	**-**	**-**	**189**
	220,193	**794**	**14**	**221,001**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

31. SEGMENT INFORMATION (CONT'D)

Disaggregation of revenue by geographical information (Cont'd)

Revenue information based on the geographical location of customers are as follows: (Cont'd)

	Trusted identification RM'000	Property development & construction RM'000	Food & agro-technology RM'000	Total RM'000
Group				
31 March 2024				
Malaysia	76,228	1,995	29	78,252
Asia	58,560	-	-	58,560
Oceania	5,242	-	-	5,242
Africa	228,933	-	-	228,933
North America	121	-	-	121
	369,084	1,995	29	371,108

Geographical information

Non-current assets (excluding deferred tax assets and financial instruments) information based on the geographical location of customers are as follows:

	Group	
	2025 RM'000	2024 RM'000
Non-current assets		
Malaysia	**165,101**	179,434

Information about major customers

For trusted identification segment, revenue from two customers (2024: four customers) approximately RM148,944,019 (2024: RM 250,944,038) for the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

32. MATERIAL LITIGATIONS

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

The Company had on 24 April 2019 commenced legal proceedings in the Kuala Lumpur High Court ("High Court") against the Former Directors of the Company concerning the Company's investment in Border Control Solutions Limited ("BCS"). The Company brought this action for loss suffered from the Former Directors of IRIS' failure to discharge their respective fiduciary duty, duty of fidelity and/or duty to exercise reasonable care, skill and diligence as directors of the Company at that material time.

The Company sought the following reliefs against the Former Directors of the Company jointly and severally:

(a) The sum of RM11,721,050 being the total amount paid by the Company for the subscription of the BCS's shares which is equivalent to total sum of GBP2.05 million (by reference to the conversion rates prevailing on the respective dates of payments);
(b) The sum of RM482,172 being the total amount paid by the Company to Joseph Vijay Kumar ("JVK") as consultant fees which is equivalent to total sum of GBP84,000 (by reference to the conversion rates prevailing on the respective dates of payments);
(c) Pre-judgment interest on the sums awarded in (a) and (b) above pursuant to section 11 of the Civil Law Act 1956;
(d) Post-judgment interest on the sums awarded in (a) and (b) above at the rate of 5% per annum from the date of judgment until the date of full and final realisation;
(e) Alternative to (a) and (b) above, general damages to be assessed;
(f) Interest on the general damages awarded in (e) above;
(g) Costs; and/or
(h) All other relief which this Honourable Court deems fit and just.

Item (a) and (b) above had been fully impaired/expense off to profit or loss in the previous financial year.

On 18 August 2022, the High Court dismissed the claims by the Plaintiff against the Defendants.

The High Court awarded costs in the sum of RM85,000 to Tan Sri Razali, Datuk Tan, YAM Tunku Dato' Seri Shahbuddin and Dato' Hamdan. While a sum of RM85,000 was awarded collectively to Dato' Eow, Chan Feoi Chun, Syed Abdullah and Datuk Nik Azman.

The Company had on 12 September 2022 filed an appeal to the Court of Appeal against the decision of the High Court.

The hearing of the appeal was completed on 26 March 2025. The Court of Appeal initially fixed on 17 June 2025 for decision but later adjourned the date for decision to 13 August 2025.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

32. MATERIAL LITIGATIONS (CONT'D)

(ii) Notice of Arbitration; IRIS Information Technology Systems Sdn. Bhd. ("IITS") against Kementerian Dalam Negeri ("KDN")

On 10 August 2023, KDN had issued a letter to terminate the National Integrated Immigration System Contract ("NIISe Contract"). IITS has on 24 November 2023, via its solicitors, filed a Notice of Arbitration ("NOA") under the Asian International Arbitration Centre ("AIAC") Arbitration Rules 2023 to refer the disputes with KDN arising from and in connection with the NIISe Contract to the AIAC for arbitration.

The parties have appointed the arbitrator and the arbitration is scheduled for hearing between 1 December 2025 and 18 December 2025.

(iii) Writ of Summons and Statement of Claim; Tec D Distribution (Malaysia) Sdn. Bhd. ("Tec D") against IRIS Information Technology Systems Sdn. Bhd. ("IITS") and IRIS Corporation Berhad ("ICB")

Tec D had on 5 December 2023 commenced legal action in High Court against IITS ("1st Defendant") and ICB ("2nd Defendant") (collectively "Two Defendants") respectively claiming for an outstanding sum of RM30,139,099 together with late payment interest in relation to the supply of computer hardware and/or software and/or programs and/or services for the National Integrated Immigration System Contract ("NIISe") Project awarded by KDN and/or the Government of Malaysia.

The Two Defendants have filed and served their respective Statement of Defence on 4 January 2024. The 2nd Defendant has filed a Notice of Application for Striking-Out on 19 January 2024. Tec D has filed a Notice of Application for Summary Judgment against 1st Defendant on 23 January 2024. Tec D filed its Reply to the Defendants' Defence on 29 January 2024.

The High Court has dismissed the 2nd Defendant's Notice of Application for Striking Out and Tec D's Notice of Application for Summary Judgment respectively on 13 May 2024 and fixed full trial dates on 17 January 2028 – 20 January 2028 and 24 January 2028.

(iv) Notice of Arbitration; Datamicron Systems Sdn Bhd ("Datamicron") against IRIS Information Technology Systems Sdn. Bhd. ("IITS")

On 21 May 2024, Datamicron served a Notice of Arbitration on IITS for an arbitral proceedings for services rendered and software licence fees in relation to the NIISe project awarded by KDN.

On 29 May 2025, the arbitrator directed the parties to discuss the draft procedural order and timetable in advance of the first preliminary meeting to be fixed.

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

(a) Disposal of 100% equity interest in IRIS Tech Ventures Sdn. Bhd. ("ITV")

The Company had on 6 December 2024 entered into a Shares Sale Agreement ("SSA") with PP Cylabs (M) Sdn. Bhd. ("PCMSB") for the disposal of 100% equity interest comprising 2,749,000 ordinary shares in ITV, for a total cash consideration of RM2,385,500 only ("Proposed Disposal").

The Proposed Disposal is deemed a related party transaction pursuant to Rule 10.08 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad by virtue of Dr Poh Soon Sim, the Executive Chairman and a major shareholder of IRIS, being the sole director and sole shareholder of PCMSB.

The Proposed Disposal was completed on 18 February 2025 in accordance with the terms and conditions of the SSA. ITV had ceased to be a wholly owned subsidiary of the Company since then.

(b) Proposed exchange of ordinary shares in the company ("IRIS share(s)") with new ordinary shares in IRIS Group Berhad ("IGB") ("IGB share(s)") on the basis of 1 new IGB share for every 1 existing IRIS share held ("Proposed Share Exchange") and Proposed assumption of the listing status of the Company by IGB and the admission of IGB to and withdrawal of the Company from the official list of Bursa Malaysia Securities Berhad ("Proposed Transfer of Listing Status")

The Company had on 18 April 2025, announced that it proposed to undertake the proposed internal reorganisation by way of a members' scheme of arrangement under Section 366 of the Companies Act, 2016 ("Act") ("Scheme of Arrangement") comprising the following proposals:

- Proposed Share Exchange which entails the proposed exchange of 815,727,624 IRIS Shares, representing the entire issued share capital of IRIS, with 815,727,624 IGB Shares on the basis of 1 new IGB Share for every 1 existing IRIS Share held on the entitlement date to be determined later; and
- Proposed Transfer of Listing Status which entails the proposed assumption of the listing status of IRIS by IGB and the admission of IGB to and withdrawal of IRIS from the Official List of Bursa Securities with the listing and quotation of all IGB Shares on the ACE Market of Bursa Securities. (collectively referred to as the "Proposed Internal Reorganisation").

In conjunction with the Proposed Internal Reorganisation, IRIS had on 18 April 2025, entered into a conditional scheme agreement with IGB for the purpose of the implementation of the Proposed Internal Reorganisation ("Scheme Agreement").

The Proposed Internal Reorganisation is expected to be completed in the fourth quarter of 2025. On completion of the Proposed Share Exchange, it is agreed that IGB will be the new holding company of IRIS.

On completion of the Proposed Transfer of Listing Status, IRIS will be delisted from the Official List of Bursa Securities and IGB will be admitted to the Official List of Bursa Securities in place of IRIS with the listing and quotation of the entire enlarged issued and paid-up share capital of IGB on the ACE Market of Bursa Securities.

STATEMENT BY DIRECTORS

(PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016)

We, **DR. POH SOON SIM** and **H'NG BOON HARNG**, being two of the directors of **IRIS CORPORATION BERHAD**, do hereby state that in the opinion of the directors, the accompanying financial statements set out on pages 68 to 154 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 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors:

DR. POH SOON SIM
Director

H'NG BOON HARNG
Director

Kuala Lumpur

Date: 28 July 2025

STATUTORY **DECLARATION**

(PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016)

I, **H'NG BOON HARNG**, being the director primarily responsible for the financial management of **IRIS CORPORATION BERHAD**, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 68 to 154 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

H'NG BOON HARNG
Director
MIA Membership No.: 15998

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 28 July 2025.

Before me,

Commissioner for Oaths
HADINUR MOHD SYARIF W761

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of IRIS Corporation Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 68 to 154.

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 2025, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Key Audit Matters (Cont'd)

Group

Goodwill (Note 4(a) and 7(a) to the financial statements)
The Group's goodwill amounted to RM88,000,000 as at 31 March 2025. The goodwill is tested for impairment annually. In performing the impairment assessment, the Group has identified the trusted identification segment as the cash generating unit to which the goodwill is allocated. We focused on this area because the assessment requires significant judgements by the directors on the discount rate applied in the recoverable amount calculation and assumptions supporting the underlying cash flows projections which include future sales, forecast growth rate, inflation rate, gross profit margins and operating expenses. Cash flows that are projected based on those inputs or assumptions may have a significant effect on the Group's financial position and results if the actual cash flows are less than expected.
Our response: Our audit procedures focused on evaluating the cash flow forecasts and the Group's forecasting procedures which included, among others: • reviewing the valuation methodology adopted by the Group; • comparing the actual results with previous budgets to assess the performance of the business; • understanding the key assumptions which include consideration of the current economic and business environment to assess their reasonableness and the achievability of the forecasts; and • testing the mathematical accuracy of the impairment assessment.

Group and Company

Trade receivables, other receivables and contract assets (Note 4(b), 13 and 14 to the financial statements)
The Group and the Company have significant trade and other receivables and contract assets as at 31 March 2025. We focused on this area because the directors made significant judgements over assumptions about risk of default and impairment losses provided. In making the assumptions, the directors selected inputs to the impairment calculation, based on the Group's and the Company's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period.
Our response: Our audit procedures included, among others: • discussing with the Group's and the Company's management on the recoverability of the trade and other receivables and contract assets; • understanding the major contracts and agreements with the customers, if any; • obtaining confirmation of balances from selected receivables; • obtaining the confirmation from legal advisors for the updates of the material litigation; • checking subsequent receipts, customer correspondences and consideration of the level of activities with the customers on the recoverability with significantly past due balances; and • understanding the reasonableness and calculation of impairment losses provided as at the end of the reporting period.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Key Audit Matters (Cont'd)

Revaluation of leasehold land and buildings (Note 4(c), 5 and 6(a) 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 Group 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 measurement of fair value 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 competence, capabilities and objectivity of the external valuers which included consideration of their qualifications and experience; • reading the valuation report and discussing with external valuers on their valuation approach and the significant judgements made; • understanding the valuation approach used and appropriateness of the key assumptions based on our knowledge of the property industry; and • testing the mathematical accuracy and key input data used in the assessment.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT **TO THE MEMBERS OF** IRIS CORPORATION BERHAD (Incorporated in Malaysia) *(Continued)*

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 9 to the financial statements.

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the contents of this report.

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ong Teng Yan
No. 03076/07/2027 J
Chartered Accountant

Kuala Lumpur

Date: 28 July 2025

ANALYSIS OF SHAREHOLDINGS AS AT 23 JUNE 2025

SHARE CAPITAL

Total Number of Issued Shares	:	815,727,624 Ordinary Shares
Issued Share Capital	:	RM 180,758,803
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	1,887	9.811	73,512	0.009
100 to 1,000	3,642	18.937	1,774,486	0.217
1,001 to 10,000	9,318	48.450	36,409,630	4.463
10,001 to 100,000	3,797	19.743	114,624,450	14.051
100,001 to less than 5% of issued shares	586	3.047	528,850,446	64.831
5% and above of issued shares	2	0.010	133,995,100	16.426
Total	**19,232**	**100.000**	**815,727,624**	**100.000**

STATEMENT OF DIRECTORS' SHAREHOLDINGS

	Direct		Indirect	
Name of Directors	No. of Shares	%	No. of Shares	%
Dr Poh Soon Sim	18,875,000.00	2.314	87,622,550.00	^10.742
Dato' Dr. Abu Talib Bin Bachik	-	-	-	-
Dato' Mohamed Khadar Bin Merican	-	-	-	-
Dato' Ng Wan Peng	-	-	-	-
Mr. Ling Hee Keat	27,700,000.00	3.396	-	-
Haji Hussein Bin Ismail	-	-	-	-
Mr. H'ng Boon Harng	250,000.00	0.031	-	-

Note:-

^ *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 and deemed interest by virtue of his son direct shareholdings pursuant to Section 59 of the Companies Act, 2016.*

ANALYSIS OF SHAREHOLDINGS AS AT 23 JUNE 2025 *(Continued)*

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Dr Poh Soon Sim	18,875,000	2.314	87,622,550	^10.742
Dato' Seri Robin Tan Yeong Ching	61,422,550	7.530	-	-
Orientalgold Equity Sdn Bhd	86,322,550	10.582	-	-

Note:-

^ *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 and deemed interest by virtue of his son direct shareholdings pursuant to Section 59 of the Companies Act, 2016.*

THIRTY (30) LARGEST SHAREHOLDERS AS AT 23 JUNE 2025

No.	Name of Shareholders	No. of Shares	%
1	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ORIENTALGOLD EQUITY SDN. BHD.	86,322,550	10.582
2	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR ROBIN TAN YEONG CHING (PB)	47,672,550	5.844
3	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. BERJAYA MUTUAL BERHAD FOR AMANAH RAYA BERHAD FOR COMMON FUND	31,535,000	3.865
4	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR REGIONAL EQUITIES SDN BHD	19,603,400	2.403
5	TIRAM TRAVEL SDN BHD	18,780,925	2.302
6	POH SOON SIM	18,000,000	2.206
7	NG CHAI GO	17,002,475	2.084
8	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	16,829,500	2.063
9	MCS MICROSYSTEMS SDN BHD	16,333,333	2.002
10	TEO TONG KOOI	15,732,000	1.928
11	ROBIN TAN YEONG CHING	13,750,000	1.685
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LING HEE KEAT	12,700,000	1.556
13	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN.BHD. EXEMPT AN FOR BERJAYA MUTUAL BERHAD	11,742,000	1.439

ANALYSIS OF SHAREHOLDINGS AS AT 23 JUNE 2025 *(Continued)*

No.	Name of Shareholders	No. of Shares	%
14	SETAPAK HEIGHTS DEVELOPMENT SDN. BHD.	11,250,000	1.379
15	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR LOW KANG HAI RICHARD	10,750,000	1.317
16	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR STUART SAW TEIK SIEW	7,639,600	0.936
17	MAYBANK NOMINEES (ASING) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MULTI TECHNOLOGIES LIMITED (PW-M01299) (426725)	7,570,139	0.928
18	KENANGA NOMINEES (ASING) SDN BHD EXEMPT AN FOR GUOTAI JUNAN SECURITIES (HONG KONG) LIMITED (CLIENT ACCOUNT)	7,500,000	0.919
19	MOHD JOHAR BIN ARIF	7,117,025	0.872
20	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR NG CHAI GO (SMART)	7,000,900	0.858
21	MUHAMMAD NAZIM BIN IBRAHIM	6,462,500	0.792
22	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SELVA KUMAR A/L VEERAPPAN	5,475,000	0.671
23	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOO WENG SENG (7003217)	5,352,800	0.656
24	ARQGATE SDN BHD	5,000,000	0.612
25	NG CHAI GO	4,561,025	0.559
26	HLB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOW KANG HAI RICHARD (SIN 9131-9)	4,500,025	0.551
27	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	4,335,050	0.531
28	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR REGIONAL EQUITIES SDN BHD (8125381)	4,121,600	0.505
29	ZULKIFLI BIN ISMAIL	3,522,675	0.431
30	LEE KOWI ENG	3,500,000	0.429
	TOTAL	**431,662,072**	**52.917**

NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM)

NOTICE IS HEREBY GIVEN THAT the Thirty-First (31st) Annual General Meeting ("AGM") of the Company will be held at Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 24 September 2025 at 11.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modification to transact the following businesses:

AGENDA

Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2025 together with the Reports of the Directors and the Auditors thereon.	**Please refer to Note B**
2.	To approve a Final Single-Tier Dividend of 0.5 sen per ordinary share of the Company in respect of the financial year ended 31 March 2025.	Ordinary Resolution 1
3.	To re-elect the following Directors who retire pursuant to Clause 97 of the Company's Constitution:	
	(a) Dato' Dr Abu Talib Bin Bachik	Ordinary Resolution 2
	(b) Dato' Mohamed Khadar Bin Merican	Ordinary Resolution 3
	(c) Ling Hee Keat	Ordinary Resolution 4
4.	To approve the Directors' fees and allowances of up to RM950,000-00 from the 31st AGM until the next Annual General Meeting.	Ordinary Resolution 5
5.	To re-appoint Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	Ordinary Resolution 6

Special Business

To consider and, if thought fit, to pass with or without modifications, the following ordinary resolutions:-

NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM) *(Continued)*

6. **AUTHORITY TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** — Ordinary Resolution 7

"**THAT** subject always to the Companies Act, 2016, Company's Constitution, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental/regulatory bodies, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Companies Act, 2016 to issue and allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being.

AND FURTHER THAT pursuant to Section 85 of the Companies Act, 2016 read together with Clause 54 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the existing shareholders of the Company and to be offered with new shares ranking equally to the existing issued shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **AND THAT** the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company."

Any Other Business

7. To transact any other business for which due notice shall have been given in accordance with the Companies Act, 2016 and the Company's Constitution.

NOTICE OF DIVIDEND ENTITLEMENT

NOTICE IS HEREBY GIVEN THAT a Final Single-Tier Dividend of 0.5 sen per ordinary share of the Company in respect of the financial year ended 31 March 2025 will be payable on 24 October 2025 to Depositors registered in the Record of Depositors at the close of business on 10 October 2025.

A Depositor shall qualify for entitlement only in respect of:-

a. Shares transferred to the Depositor's Securities Account before 5.00 p.m. on 10 October 2025 in respect of ordinary transfers; and

b. Shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM) *(Continued)*

BY ORDER OF THE BOARD,

MS LIM LI HEONG (MAICSA 7054716)
SSM Practising Certificate No. 202008001981

MS WONG MEE KIAT (MAICSA 7058813)
SSM Practising Certificate No. 202008001958

Company Secretaries

Kuala Lumpur
30 July 2025

NOTES:

A. Appointment of Proxy

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/her. 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/she specifies the proportions of his/her 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.

NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM) *(Continued)*

7. The duly completed Form of Proxy must be deposited at the registered office of the Company at Acclime Corporate Services Sdn Bhd, Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) 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/her/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 Clause 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 17 September 2025. Only a depositor whose name appears on the Record of Depositors as at 17 September 2025 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his/her stead.

B. Item 1 of the Agenda - Audited Financial Statements for the Financial Year Ended 31 March 2025

The Audited Financial Statements under Agenda 1 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.

EXPLANATORY NOTES: -

1. **Ordinary Resolution 1 - Approval of a Final Single-Tier dividend of 0.5 sen**

   Pursuant to Sections 131 and 132 of the Companies Act, 2016, the Company may only make a distribution to the shareholders out of the profits available if the Company is solvent. Having performed the solvency test on the Company, the Board is satisfied that the Company will remain solvent for a period of 12 months immediately after the distribution.

2. **Ordinary Resolution 5 – Directors' Fees and Allowances**

   Pursuant to Section 230(1) of the Companies Act, 2016, the fees and any allowances payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at AGM on the payment of Directors' fees and allowances for the period commencing from 25 September 2025 until the next AGM in year 2026.

   The Directors' fees and allowances consist of:-
   - Monthly fixed fee for duties as Director; and
   - Meeting allowance for each Board and Board Committee meeting attended.

   The Directors' fees and allowances are estimated not to exceed RM950,000.00. This calculation is based on the estimated number of Directors and the number of scheduled Board and Board Committee meetings until the next AGM in year 2026.

NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM) *(Continued)*

3. **Ordinary Resolution 7 - Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   The Proposed Ordinary Resolution 7, if passed, is to give the Directors of the Company flexibility to issue and allot shares up to an amount not exceeding ten per centum (10%) of the Company's total number of issued share capital for the time being upon such terms and conditions and for such purposes and to such person or persons as Directors of the Company in their absolute discretion consider to be in the interest of the Company, without having to convene a separate general meeting so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund-raising exercises including but not limited to further placement of shares for purposes of funding current and/or future investment projects, working capital and/or acquisitions.

   The general mandate sought for issue of shares is a renewal of the mandate approved by the shareholders at the last AGM held on 25 September 2024 which will lapse at the conclusion of this AGM.

   Up to the date of this Notice, the Company did not issue any shares pursuant to the mandate granted to the Directors at the last AGM as the need does not arise for any fundraising activity for the purpose of investment, acquisition or working capital.

   The approval of the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive and deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act, 2016 and Clause 54 of the Constitution of the Company and will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under General Mandate which this will result in a dilution to their shareholding percentage in the Company.

STATEMENT ACCOMPANYING NOTICE OF **THIRTY-FIRST ANNUAL GENERAL MEETING (31ST AGM)**

1. The Directors who are standing for re-election at the Thirty-First Annual General Meeting (31st AGM) of the Company pursuant to the Constitution of the Company are: -

    (a) Dato' Dr Abu Talib Bin Bachik (Clause 97)
    (b) Dato' Mohamed Khadar Bin Merican (Clause 97)
    (c) Ling Hee Keat (Clause 97)

    The Board of Directors, taking into the recommendation of Nomination Committee, supported the abovementioned Directors of their re-election as Director at the Thirty-First Annual General Meeting of the Company.

    Based on the assessment and evaluation conducted by the Nomination Committee, the retiring Director met the performance criteria required of an effective and a high-performance Board.

    The details of the above Directors seeking re-election are set out in the 'Board of Directors' section as disclosed on pages 16 to 18 of the Annual Report.

IRIS™
Bringing Solutions to Life

PROXY FORM

IRIS CORPORATION BERHAD
Registration No. 199401016552 (302232-X)
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

I/We* ______________________________ NRIC No./Passport No./ Registration 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/her, the Chairman of the meeting as my/our proxy/proxies to vote for me/us on my/our behalf, at the Thirty-First (31st) Annual General Meeting ("AGM") of the Company will be held at Auditorium, 1st Floor, Lot 8 & 9, IRIS Smart Technology Complex, Technology Park Malaysia, Bukit Jalil, 57000 Kuala Lumpur on Wednesday, 24 September 2025 at 11.00 a.m. and any adjournment thereof:-

No.	Information of Proxy/Proxies	Proportion of shareholdings to be represented by my/our proxies	
		No. of Shares	%
1.	Full Name:		
	NRIC/Passport No.:		
	Full Address:		
	Contact No.:		
	Email address:		
2.	Full Name:		
	NRIC/Passport No.:		
	Full Address:		
	Contact No.:		
	Email address:		

No.	Resolution		For	Against
1.	Approval of Final Single-Tier Dividend of 0.5 sen per ordinary share of the Company in respect of the financial year ended 31 March 2025	*Ordinary Resolution 1*		
2.	Re-election of Dato' Dr Abu Talib Bin Bachik	*Ordinary Resolution 2*		
3.	Re-election of Dato' Mohamed Khadar Bin Merican	*Ordinary Resolution 3*		
4.	Re-election of Ling Hee Keat	*Ordinary Resolution 4*		
5.	Approval of the Directors' fees and allowances of up to RM950,000.00 from the 31st AGM until the next Annual General Meeting	*Ordinary Resolution 5*		
6.	Reappointment of Messrs Baker Tilly Monteiro Heng PLT as Auditors of the Company and to authorise the Directors to fix their remuneration	*Ordinary Resolution 6*		
7.	Authority to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act, 2016	*Ordinary Resolution 7*		

Please indicate with an "X" in the appropriate spaces 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 spaces above, the proxy will vote as he/she thinks fit.

____
Date

____
Signature/Common Seal of Member(s)

** Delete whichever not applicable*

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NOTES:
Appointment of Proxy

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/her. 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/she specifies the proportions of his/her 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 Acclime Corporate Services Sdn Bhd, Level 7, Mercu 3, No. 3, Jalan Bangsar, KL Eco City, 59200 Kuala Lumpur not less than twenty-four (24) 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/her/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 Clause 62 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 17 September 2025. Only a depositor whose name appears on the Record of Depositors as at 17 September 2025 shall be entitled to attend this meeting or appoint proxy/proxies to attend and/or vote in his/her stead.

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AFFIX
STAMP

The Company Secretaries

IRIS Corporation Berhad
Level 7, Mercu 3,
No.3, Jalan Bangsar,
KL Eco City, 59200 Kuala Lumpur,
Malaysia

www.iris.com.my

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