

IRIS CORPORATION BERHAD

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

Interim Financial Report for the Fourth Quarter Ended 31st March 2024

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Condensed Consolidated Statement of Comprehensive IncomeFor the Fourth Quarter Ended 31st March 2024

	Individual		Cumulative	
	3 months ended		12 months ended	
	31 st March	31 st March	31 st March	31 st March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Continuing operations				
Revenue	46,137	86,193	371,108	348,871
Cost of sales	(29,843)	(53,280)	(283,773)	(259,934)
Depreciation and amortisation	(390)	(1,265)	(2,304)	(5,176)
Gross profit	15,904	31,648	85,031	83,761
Other income (<i>Note 28</i>)	3,496	19,550	7,161	21,141
Administrative, operating and other expenses	(13,501)	(41,853)	(48,311)	(68,050)
Depreciation and amortisation	(727)	(777)	(2,931)	(3,164)
Finance costs	(72)	(181)	(528)	(748)
Share of results of associates, net of tax	(23)	(90)	(42)	(100)
Profit before taxation	5,077	8,297	40,380	32,840
Income tax expenses	(756)	(2,332)	(8,136)	(10,950)
Profit for the period	4,321	5,965	32,244	21,890
Other comprehensive income/(loss), net of tax				
Foreign currency translation for foreign operations	14	(4)	26	(129)
	14	(4)	26	(129)
Total comprehensive income for the period	4,335	5,961	32,270	21,761

Condensed Consolidated Statement of Comprehensive IncomeFor the Fourth Quarter Ended 31st March 2024

(continued)

	Individual		Cumulative	
	3 months ended		12 months ended	
	31st March	31st March	31st March	31st March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
		Restated		Restated
Profit attributable to:				
Owners of the Company	4,319	5,971	32,247	21,900
Non-controlling interests	2	(6)	(3)	(10)
Profit for the period	4,321	5,965	32,244	21,890
Total comprehensive income attributable to:				
Owners of the Company	4,333	5,967	32,273	21,771
Non-controlling interests	2	(6)	(3)	(10)
Total comprehensive income for the period	4,335	5,961	32,270	21,761
Earnings per share attributable to owners of the Company:				
Basic (Sen)				
- continuing operations	0.53	0.73	3.95	2.68
Diluted (Sen)				
- continuing operations	0.53	0.73	3.95	2.68

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st March 2023 and the accompanying explanatory notes attached to the interim financial report.

Condensed Consolidated Statement of Financial PositionAs at 31st March 2024

	31 st March 2024 RM'000	31 st March 2023 RM'000 Restated
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment & right-of-use assets	78,659	79,722
Intangible assets	100,065	110,310
Operating financial assets	5,436	6,817
Investment in associates	711	752
	184,871	197,601
CURRENT ASSETS		
Inventories	29,210	30,376
Operating financial assets	1,380	1,282
Trade receivables	91,793	89,029
Other receivables, deposits & prepayments	17,685	10,180
Contract assets & contract costs	148,707	9,258
Current tax assets	406	-
Cash and short-term deposits (<i>Note 29</i>)	160,465	91,980
	449,646	232,105
Assets of a disposal group classified as held for sale (<i>Note 30</i>)	-	98,810
	-	98,810
TOTAL ASSETS	634,517	528,516
EQUITY AND LIABILITIES		
EQUITY		
Share capital	180,759	610,759
Foreign currency translation reserve	27	1
Revaluation reserve	29,226	30,189
Retained Earnings/(Accumulated losses)	169,400	(293,828)
Total equity attributable to owners of the Company	379,412	347,121
Non-controlling interests	(1,863)	(1,842)
TOTAL EQUITY	377,549	345,279

Condensed Consolidated Statement of Financial PositionAs at 31st March 2024

(continued)

	31st March 2024	31st March 2023
	RM'000	RM'000
		Restated
NON-CURRENT LIABILITIES		
Lease liabilities	151	-
Deferred tax liabilities	11,144	10,011
	<u>11,295</u>	<u>10,011</u>
CURRENT LIABILITIES		
Short-term loans and borrowings	3,210	2,795
Current tax liabilities	3,077	7,835
Trade payables	82,862	27,486
Other payables and accruals	151,703	103,213
Contract liabilities	4,821	2,555
	<u>245,673</u>	<u>143,884</u>
Liabilities of a disposal group classified as held for sales (<i>Note 30</i>)	-	29,342
	<u>256,968</u>	<u>183,237</u>
TOTAL LIABILITIES	<u>256,968</u>	<u>183,237</u>
TOTAL EQUITY AND LIABILITIES	<u>634,517</u>	<u>528,516</u>
Net assets per ordinary share attributable to owners of the Company (sen)	<u>46.51</u>	<u>42.56</u>

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st March 2023 and the accompanying explanatory notes attached to the interim financial report.

Condensed Consolidated Statement of Changes in Equity

For the Fourth Quarter Ended 31st March 2024

	← Attributable to the owners of the Company →						
	Ordinary Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Accumulated Losses RM'000	Sub-total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 st April 2022	610,759	130	31,153	(316,692)	325,350	(1,852)	323,498
Transactions with owners							
Shares subscribed by non-controlling interest of a subsidiary	-	-	-	-	-	20	20
	-	-	-	-	-	20	20
Total comprehensive income for the financial period							
Profit after taxation for the financial period	-	-	-	21,900	21,900	(10)	21,890
Other comprehensive loss for the financial period, net of tax -foreign currency translation	-	(129)	-	-	(129)	-	(129)
Total comprehensive income	-	(129)	-	21,900	21,771	(10)	21,761
Realisation on revaluation reserve	-	-	(964)	964	-	-	-
At 31st March 2023	610,759	1	30,189	(293,828)	347,121	(1,842)	345,279

Condensed Consolidated Statement of Changes in Equity

For the Fourth Quarter Ended 31st March 2024 (continued)

	← Attributable to the owners of the Company →				Sub-Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Ordinary Share Capital RM'000	Foreign Currency Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings/ (Accumulated Losses) RM'000			
At 1 st April 2023	610,759	1	30,189	(293,828)	347,121	(1,842)	345,279
Transactions with owners							
Change in ownership interest in a subsidiary Capital reduction pursuant to Section 116 of the Companies Act 2016	-	-	-	18	18	(18)	-
	(430,000)	-	-	430,000	-	-	-
	(430,000)	-	-	430,018	18	(18)	-
Total comprehensive income for the financial period							
Profit after taxation for the financial period	-	-	-	32,247	32,247	(3)	32,244
Other comprehensive income for the financial period, net of tax -foreign currency translation	-	26	-	-	26	-	26
Total comprehensive income	-	26	-	32,247	32,273	(3)	32,270
Realisation on revaluation reserve	-	-	(963)	963	-	-	-
At 31st March 2024	180,759	27	29,226	169,400	379,412	(1,863)	377,549

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st March 2023 and the accompanying explanatory notes attached to the interim financial report.

Condensed Consolidated Statement of Cash FlowsFor the Fourth Quarter Ended 31st March 2024

	Cumulative 12 months ended 31st March 2024 RM'000	Cumulative 12 months ended 31st March 2023 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation		
- continuing operations	40,380	32,840
<i>Adjustments for:</i>		
Amortisation of intangible assets	246	1,266
Depreciation of property, plant and equipment and right of use assets	4,989	7,075
Effect on accretion of interest on operating assets	(613)	(704)
Finance costs	528	748
Gain on disposal of property, plant and equipment	(115)	-
Impairment losses on goodwill	10,000	18,268
Impairment losses/(reversal of impairment losses) on receivables - net	1,917	(101)
Interest income	(3,523)	(1,710)
Reversal of inventories written down	(212)	(2,138)
Share of results of associates	43	100
Unrealised foreign exchange (gain)/loss	(11,196)	14,208
Written off of plant and equipment	3	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	42,447	69,852
<i>Changes in working capital:</i>		
Contract assets/liabilities/costs	(76,336)	(8,949)
Inventories	1,378	(9,864)
Operating financial assets	1,896	1,896
Trade and other receivables & prepayments	(8,023)	(20,892)
Trade and other payables	89,053	(5,623)
NET CASH FROM OPERATIONS	50,415	26,420
Interest received	3,523	1,710
Interest paid	(464)	(528)
Income tax paid	(11,386)	(7,400)
NET CASH FROM OPERATING ACTIVITIES	42,088	20,202

Condensed Consolidated Statement of Cash FlowsFor the Fourth Quarter Ended 31st March 2024 (continued)

	Cumulative 12 months ended 31st March 2024 RM'000	Cumulative 12 months ended 31st March 2023 RM'000
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of plant and equipment	(2,761)	(983)
Proceeds from disposal of plant and equipment	122	147
Subscription of shares by non-controlling interests in a subsidiary	-	20
Net movement of deposits with maturity more than 3 months	2,763	(1,023)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES	124	(1,839)
CASH FLOW FROM FINANCING ACTIVITIES		
Payments of lease liabilities	(1,090)	(1,917)
Proceeds from short term borrowings	8,209	2,795
Repayment of short term borrowings	(7,794)	(7,500)
NET CASH USED IN FINANCING ACTIVITIES	(675)	(6,622)
Net increase in cash and cash equivalents	41,537	11,741
Cash and cash equivalents at the beginning of the period	101,444	94,468
Effect of exchange rate changes on cash and cash equivalents	(952)	(1,408)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	142,029	104,801
Cash and cash equivalents at end of the period comprise the following:		
Cash and bank balances	61,623	17,311
Short-term deposits placed	98,842	74,669
	160,465	91,980
Less: Deposits with maturity more than 3 months	(18,436)	(14,486)
	142,029	77,494
Cash and cash equivalents under disposal group classified as asset held for sale (<i>Note 30</i>)	-	30,664
Less: Deposits with maturity more than 3 months	-	(3,357)
	142,029	104,801

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements of the Group for the financial year ended 31st March 2023 and the accompanying explanatory notes attached to the interim financial report.

Notes to the Interim Financial Report

For the Fourth Quarter Ended 31st March 2024

1. Basis of preparation

This interim financial report is based on the unaudited financial statements for the quarter ended 31 March 2024 and has been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 of the ACE Market Listing Requirements (“AMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2023.

2. Changes in Accounting Policies

The accounting policies adopted for this interim financial statements are consistent with those adopted for the annual audited financial statements for the financial year ended 31 March 2023 except for the adoption of the following new MFRS and amendments/improvements to MFRSs, which are effective for financial periods beginning on 1 April 2023:

New MFRS

MFRS 17 Insurance Contracts

Amendments/Improvements to MFRSs

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards #
MFRS 3	Business Combinations#
MFRS 5	Non-current Assets Held for Sale and Discontinued Operations #
MFRS 7	Financial Instruments: Disclosures #
MFRS 9	Financial Instruments #
MFRS 15	Revenue from Contracts with Customers #
MFRS 101	Presentation of Financial Statements #
MFRS 107	Statement of Cash Flows #
MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
MFRS 112	Income Taxes
MFRS 116	Property, Plant and Equipment #
MFRS 119	Employee Benefits #
MFRS 128	Investments in Associates and Joint Ventures #
MFRS 132	Financial Instruments: Presentation #
MFRS 136	Impairment of Assets #
MFRS 137	Provisions, Contingent Liabilities and Contingent Assets#
MFRS 138	Intangible Assets #
MFRS 140	Investment Property #

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

Amendments as to the consequence of effective of MFRS 17 Insurance Contracts

2. Changes in Accounting Policies (cont'd)

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

Amendments/Improvements to MFRSs

MFRS 7	Financial Instruments: Disclosures
MFRS 10	Consolidated Financial Statements
MFRS 16	Leases
MFRS 101	Presentation of Financial Statements
MFRS 107	Statement of Cash Flows
MFRS 128	Investments in Associates and Joint Ventures

3. Audit report of preceding annual financial statement

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

4. Seasonal or cyclical factors

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

5. Segment information

The Group's operating segments information for the interim financial report to 31 March 2024 was as follows:-

	← Continuing operations →			
	Trusted ID & IT Division RM'000	Sustainable Development Division RM'000	Adjustments & Eliminations RM'000	Total continuing operations RM'000
Revenue from external customers	369,084	2,024	-	371,108
Segment results (Note A)	63,820	(2,212)	138	61,746
Share of results of associates, net of tax	(42)	-	-	(42)
Unallocated corporate expenses	-	-	(21,324)	(21,324)
Profit before taxation	63,778	(2,212)	(21,186)	40,380
Income tax expenses	(7,875)	(261)	-	(8,136)
Profit for the period	55,903	(2,473)	(21,186)	32,244

5. Segment information (cont'd)

Note A: The following are items included in Segment results:

	← Continuing operations →			
	Trusted ID & IT Division RM'000	Sustainable Development Division RM'000	Adjustments & Eliminations RM'000	Total continuing operations RM'000
Operating results	85,410	1,925	-	87,335
Add/(Less):				
- Depreciation and amortisation	(5,373)	-	138	(5,235)
- Interest income	3,523	-	-	3,523
- Other income	1,455	798	-	2,253
- Finance costs	(528)	-	-	(528)
- Reversal of impairment losses/ (impairment loss) on receivables	1,378	(3,295)	-	(1,917)
- Impairment loss of goodwill	(10,000)	-	-	(10,000)
- Administrative, operating and other expenses	(12,045)	(1,640)	-	(13,685)
	(21,590)	(4,137)	138	(25,589)
Segment results	63,820	(2,212)	138	61,746

The Group's operating segments information for the interim financial report to 31 March 2023 was as follows:-

	← Continuing operations →			
	Trusted ID & IT Division RM'000	Sustainable Development Division RM'000	Adjustments & Eliminations RM'000	Total continuing operations RM'000
Revenue from external customers	344,162	4,709	-	348,871
Segment results <i>(Note B)</i>	38,961	22,952	47	61,960
Share of results of associates, net of tax	(100)	-	-	(100)
Unallocated corporate expenses	-	-	(29,020)	(29,020)
Profit before taxation	38,861	22,952	(28,973)	32,840
Income tax expenses	(10,770)	(180)	-	(10,950)
Profit for the period	28,091	22,772	(28,973)	21,890

5. Segment information (cont'd)

Note B: The following are items included in Segment results:

	← Continuing operations →			
	Trusted ID & IT Division RM'000	Sustainable Development Division RM'000	Adjustments & Eliminations RM'000	Total continuing operations RM'000
Operating results	79,879	9,058	-	88,937
Add/(Less):				
- Depreciation and amortisation	(8,387)	-	47	(8,340)
- Interest income	1,710	-	-	1,710
- Other income	345	8,957	-	9,302
- Finance costs	(748)	-	-	(748)
- Impairment loss on goodwill	(18,268)	-	-	(18,268)
- Administrative, operating and other expenses	(15,570)	4,937	-	(10,633)
	(40,918)	13,894	47	(26,977)
Segment results	38,961	22,952	47	61,960

6. Capital Commitments

There were no capital commitments reported at the end of this financial quarter.

7. Debt and equity securities

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

8. Changes in the composition of the Group

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

9. Material changes in estimates

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

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

There were no material events subsequent to the end of current financial quarter except for event as disclosed below:

- a) The company had on 10 Feb 2023 entered into a Shares Sale Agreement (“SSA”) with Tass Tech Technologies Sdn. Bhd (“TTTSB”), a company incorporated in Malaysia, for the disposal of 80% equity interest in a wholly-owned subsidiary, namely IRIS Information Technology Systems Sdn Bhd (“IITS”) for a total cash consideration of RM70,000,000.00 only (“Proposed Disposal”).

The Proposed Disposal was initially expected to be completed in May 2024 upon TTTSB settled its Tranche 2 Payment which was due on 29 February 2024 and Tranche 3 Payment which is due on 31 May 2024 respectively.

However TTTSB had failed to make any settlement for Tranche 2 Payment on or before 29 February 2024. In view of that, the Company has elected to effectively terminate the SSA in accordance with Clause 11.2.2(A)(a)(i) of the SSA on 15 April 2024 (“Effective Termination Date”). Pursuant to Clause 11.2.2(A)(a)(i) of the SSA, the Deposit of RM7,000,000.00 shall be forfeited on the Effective Termination Date.

11. Items of an unusual nature

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

12. Valuations of property, plant and equipment

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

13. Changes in contingent liabilities and contingent assets

There are no contingent liabilities and assets incurred or known to be incurred by the Company and/or the Group as at 31 March 2024 except for potential contingent liabilities or assets arising from arbitration proceedings in relation to the termination of NIISe contract as disclosed in Note 23(iii) of this report.

The outcome of the arbitration proceedings is expected to have an impact on the Group’s financial performance. However, the extent of the impact, including potential contingent liabilities or assets, cannot be reliably ascertained at this reporting date.

14. Taxation

	Individual		Cumulative	
	3 months ended		12 months ended	
	31st March	31st March	31st March	31st March
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Continuing operations</u>				
Income tax				
- Current financial year	184	(3,201)	(7,800)	(12,352)
- Over/(under) provision in prior year	(138)	(92)	797	(1,693)
	46	(3,293)	(7,003)	(14,045)
Deferred tax				
- Origination of temporary differences	(802)	961	(1,133)	3,095
	(802)	961	(1,133)	3,095
Income tax expenses recognised in profit or loss	(756)	(2,332)	(8,136)	(10,950)

The Group's effective tax rate for current financial quarter differ from the statutory tax rate of 24% is mainly due to utilisation of unabsorbed tax losses by certain subsidiaries.

15. Related Party Transactions

The Company has not entered into any significant transactions with related parties of the Group for the cumulative 12 months period ended 31 March 2024.

Additional information required by the AMLR

16.1 Review of Performance

Continuing operations

For the current financial quarter ended 31 March 2024, the Group recorded a revenue of RM46.1 million (Revenue from NISe-RM Nil), a decrease of RM40.1 million or 46.5% from RM86.2 million (Revenue from NISe-RM20.3million) recorded in the previous comparable financial quarter ended 31 March 2023. The Group recorded a profit before taxation of RM5.1 million in this financial quarter as compared to a profit before taxation of RM8.3 million recorded in the previous comparable financial quarter ended 31 March 2023.

The lower revenue in this financial quarter is mainly due to lower delivery of eID cards, e-Passports for overseas projects as compared to the previous comparable financial quarter.

The performance of the respective business segments for this financial quarter ended 31 March 2024 as compared to the previous comparable financial quarter is analysed as follows:

Trusted ID & IT Division

Trusted ID & IT division recorded a revenue of RM45.5 million in this financial quarter as compared to RM62.9 million in the previous comparable financial quarter, representing a decrease of 27.6%. The decrease of revenue was mainly attributable low delivery of eID cards, e-Passports in the current financial quarter.

Revenue recorded from NISe project in this financial quarter amounting to RM Nil, as compared to RM20.3 million in the previous comparable financial quarter.

Sustainable Development Division

The contribution from the Sustainable Development division is mainly derived from closure of past completed projects.

16.2 Comparison with Preceding Quarter

Continuing operations

For the current financial quarter ended 31 March 2024, the Group recorded a revenue of RM46.1 million as compared to RM119.1 million recorded in the preceding financial quarter ended 31 December 2023.

The Group reported a profit before taxation of RM5.1 million as compared to a profit before taxation of RM13.6 million recorded in the preceding financial quarter. Lower profit before tax in this financial quarter is mainly due to the lower delivery of eID cards and e-Passports for overseas projects.

17. Prospects

The Group's growth is expected to be driven by the delivery and supply of eID cards and e-Passports from existing and new customers. The Group will also leverage on its extensive customer networking to actively pursue new growth opportunities in its core Trusted ID & adjacent IT business in both international and domestic markets.

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

The Board is cautiously optimistic that the Group shall perform positively in the coming financial year ending 31 March 2025 arising from continued delivery of eID cards and e-Passports to overseas customers.

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

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

19. Unquoted Securities and/or Properties

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

20. Quoted Securities

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

21. Group Borrowings and Debt Securities

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

	As at 31st March 2024 RM'000
Short Term	3,210
Total	<u>3,210</u>

The above borrowings are denominated in Ringgit Malaysia.

22. Off Balance Sheet Financial Instruments

There were no financial instruments with off balance sheet risk as at 13 May 2024 being the latest practicable date which is not earlier than seven (7) days from date of issue of this quarterly report.

23. Material Litigation

Save for the material litigations as disclosed below, there are no other material litigations involving the Group as at 13 May 2024:

(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”)

IRIS had on 24 April 2019 commenced legal proceedings in the Kuala Lumpur High Court (“High Court”) against the Former Directors of IRIS concerning IRIS’s investment in Border Control Solutions Limited (“BCS”). IRIS 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 IRIS at that material time.

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

- (i) the sum of RM11,721,050 being the total amount paid by IRIS for the subscription of the BCS’s shares which is equivalent to total sum of Great Britain Pound (“GBP”) 2.05 million (by reference to the conversion rates prevailing on the respective dates of payments);
- (ii) the sum of RM482,172 being the total amount paid by IRIS 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);
- (iii) pre-judgment interest on the sums awarded in (i) and (ii) above pursuant to section 11 of the Civil Law Act 1956;
- (iv) post-judgment interest on the sums awarded in (i) and (ii) above at the rate of 5% per annum from the date of judgment until the date of full and final realisation;
- (v) alternative to (i) and (ii) above, general damages to be assessed;
- (vi) interest on the general damages awarded in (v) above;
- (vii) costs; and/or
- (viii) all other relief which this Honourable Court deems fit and just.

Items (i) and (ii) above have been fully impaired/expensed off by IRIS in the previous financial year.

On 18 August 2022, the High Court dismissed the claims by IRIS against the Former Directors of IRIS.

The High Court awarded costs in the sum of RM85,000.00 each to Tan Sri Razali, Datuk Tan, YAM Tuanku Dato’ Seri Shahbuddin and Dato’ Hamdan. While a sum of RM85,000.00 was awarded collectively to Dato’ Eow, Chan Feoi Chun, Syed Abdullah and Datuk Nik Azman.

23. Material Litigation (cont'd)

(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”) (cont'd)

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

The e-review date which was fixed on 25 September 2023 and the hearing of the appeal which was fixed on 9 October 2023 had been vacated by the Court of Appeal.

The Registrar has now fixed the Case Management on 17 September 2024 and new hearing date of appeal is fixed on 30 September 2024.

(ii) Notice of Arbitration; S5 Systems Sdn. Bhd. Against IRIS Information Technology Systems Sdn. Bhd.

On 29 June 2022, the Company’s wholly-owned subsidiary, IRIS Information Technology Systems Sdn Bhd (“IITS”) received a Notice of Arbitration (“NOA”) dated 29 June 2022 from S5, for arbitral proceedings in relation to earlier intentions of S5 having a joint venture role in the National Integrated Immigration System (“NIIS”) project (“Project”) awarded by Kementerian Dalam Negeri to IITS.

In the NOA, S5 alleges that such preliminary intentions were binding and that IITS is in breach of the same in subcontracting or engaging third parties to carry out works under the Project.

S5 also sought for damages in lieu of specific performance, interest, and costs of the arbitration proceedings to be borne by IITS.

IITS has since responded to the NOA submitted by S5 via its Response to Notice of Arbitration dated 29 July 2022.

The Arbitral Tribunal had since presided over 2 procedural meetings on 31 May 2023 and 6 July 2023 on the procedural framework and timetable on which the matter will progress.

The Arbitration stands at pre-hearing stage where parties are in the midst of complying with all pre-hearing requirements under the procedural framework and timetable endorsed by the Arbitral Tribunal.

The parties have mutually agreed to withdraw the Arbitration and the Arbitral Tribunal has granted an Arbitral Order for withdrawal on 6 March 2024, and the formal Arbitral Order is in the process of being finalised.

23. Material Litigation (cont'd)

(iii) Notice of Arbitration; IRIS Information Technology Systems Sdn Bhd against Government of Malaysia

IRIS Information Technology Systems Sdn Bhd (“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 Kementerian Dalam Negeri (“KDN”) arising from and in connection with the NIISe Contract to the AIAC for arbitration.

IITS’s solicitors and AG’s Chambers are discussing on the appointment of the Arbitrator.

(iv) 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 Kuala Lumpur High Court against IITS (1st Defendant) and ICB (2nd Defendant) respectively claiming for an outstanding sum of RM30,139,098.87 together with late payment interest of RM993,951.66 as at 7 November 2023 in relation to the supply of computer hardware and/or software and/or programs and/or services for NIISe Project.

The 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. The Plaintiff has filed a Notice of Application for Summary Judgment against 1st Defendant on 23 January 2024. The Plaintiff filed its Reply to the Defendants’ Defence on 29 January 2024.

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

24. Dividend

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

25. Earnings Per Ordinary Share

	Individual 3 months ended 31st March 2024		Cumulative 12 months ended 31st March 2024	
	31st March 2023 Restated	31st March 2023 Restated	31st March 2024	31st March 2023 Restated
(a) Basic earnings per ordinary share				
Earnings attributable to owners of the Company for the period (RM'000)				
- continuing operations	4,319	5,971	32,247	21,900
Weighted average number of ordinary shares ('000) at end of period *	815,728	815,728	815,728	815,728
Basic earnings per ordinary share (Sen)				
- continuing operations	0.53	0.73	3.95	2.68
(b) Diluted earnings per ordinary share				
Earnings attributable to owners of the Company for the period (RM'000)				
- continuing operations	4,319	5,971	32,247	21,900
Weighted average number of ordinary shares for the purpose of diluted earnings per share ('000) at end of period *	815,728	815,728	815,728	815,728
Diluted earnings per ordinary share (Sen)				
- continuing operations	0.53	0.73	3.95	2.68

* The weighted average number of ordinary shares has been restated to reflect the retrospective adjustment arising from share consolidation from 4 existing ordinary shares in the Company into 1 ordinary share, resulting in the reduction in the number of shares from 3,262,910,862 ordinary shares to 815,727,624 ordinary shares, which was completed on 25 March 2024.

26. Comparative figures

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

27. Profit before taxation

	Individual 3 months ended 31st March 2024 RM'000	Cumulative 12 months ended 31st March 2024 RM'000
Profit before taxation is arrived at after charging/(crediting):		
<i>Continuing operations</i>		
- Amortisation of intangible assets, right of use assets and depreciation of property, plant and equipment	1,117	5,235
- Impairment loss on goodwill	10,000	10,000
- Impairment loss on receivables	2	3,302
- Foreign currency exchange loss - net	(1,769)	511

28. Other income

	Individual 3 months ended 31st March 2024 RM'000	Cumulative 12 months ended 31st March 2024 RM'000
<i>Continuing operations</i>		
- Interest income	933	3,523
- Reversal of impairment loss on receivables	1,385	1,385
- Others	1,178	2,253
	3,496	7,161

29. Cash and short-term deposits

	As at 31st March 2024 RM'000	As at 31st March 2023 RM'000
Cash and bank balances	61,623	17,311
Short-term deposits placed with licensed banks	98,842	74,669
	160,465	91,980

Included in cash and bank balances and short-term deposits placed with licensed banks is an amount of RM31,319,356 (As at 31 March 2023: RM14,485,825) pledged to licensed banks for credit facilities.

30. Assets/(liabilities) of a disposal group classified as held for sale

The company had on 10 Feb 2023 entered into a Shares Sale Agreement with Tass Tech Technologies Sdn. Bhd, a company incorporated in Malaysia, for the disposal of 80% equity interest in a wholly-owned subsidiary, namely IRIS Information Technology Systems Sdn Bhd (“IITS”) for a total cash consideration of RM70,000,000.00 only (“Proposed Disposal”).

The Group presented IITS as assets/(liabilities) of a disposal group classified as held for sale since then.

However, on 15 April 2024, the Proposed Disposal was terminated as per disclosed in Note 10(a) of this report. Accordingly, IITS is no longer presented as assets/(liabilities) of a disposal group classified as held for sale in this quarter.

31. Authorisation for Issue

This interim financial report was authorised for issuance by the Board of Directors on 20 May 2024.