



General Announcement

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Company Information	
ACE Market Company	
New Announcement	
Submitting Investment Bank/Advisor (if applicable)	
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* Company name	IRIS CORPORATION BERHAD
* Stock name	IRIS
* Stock code	0010
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Announcement reviewed and approved by Sponsor? * NOT APPLICABLE

Type * Announcement

Subject *: OTHERS
(Note : INFORMATION ENTERED IN THE DESCRIPTION FIELD WILL BE DISPLAYED AS THE TITLE OF THE ANNOUNCEMENT IN BURSA MALAYSIA'S WEBSITE)

Description *:-

(Note : Please enter the announcement description in this field and the announcement details in the Announcement Details/Table Section or attach the full announcement details as an attachment)

BOT ("BUILD, OWN TRANSFER") AGREEMENT ENTERED INTO BY AND BETWEEN IRIS CORPORATION BERHAD ("ICB") AND THE GOVERNMENT OF REPUBLIC OF GUINEA RELATING TO THE SUPPLY AND IMPLEMENTATION OF SECURE CHIP TECHNOLOGY SOLUTIONS.

Announcement Details/Table Section :-

(This field is for the details of the announcement, if applicable)

BOT ("BUILD, OWN TRANSFER") AGREEMENT ENTERED INTO BY AND BETWEEN IRIS CORPORATION BERHAD ("ICB") AND THE GOVERNMENT OF REPUBLIC OF GUINEA RELATING TO THE SUPPLY AND IMPLEMENTATION OF SECURE CHIP TECHNOLOGY SOLUTIONS.

1. INTRODUCTION

The Board of Directors of ICB ("the Board") is pleased to announce that ICB has entered into a BOT (Build-Own-Transfer) Agreement ("Contract") for a term of 15 years with the Government of Republic of Guinea ("Client") on 7th October 2013 for the supply and implementation of secure chip technology solutions which includes the electronic passports, visa, permanent residence identification cards and its related software and hardware. ICB was in receipt of the BOT Agreement on 16th October, 2013. The total value of the Agreement is approximately United States Dollars Two Hundred Forty Nine Million Seven Hundred Fifty Thousand (USD249,750,000) (equivalent to approximately MYR793,206,000 based on the exchange rate of USD1: MYR3.176 as at 17 October 2013).

2. SALIENT TERMS

- 2.1 The Contract period is for a term of 15 years ("Term") and shall commence from the date of the Contract hereof.
- 2.2 Under this BOT project financing model, ICB will build and own the information systems, software and hardware under this Contract during the Term only and after the expiration of the Term, ownership of the same will be transferred to the Client. IRIS will finance the costs of design, procurement, supply, manufacture, testing and commissioning of the Products (defined in the Agreement to mean electronic passports, visa, permanent residence identification cards and its related software and hardware) and provide maintenance and operational support during the Term. The operations of the information system shall be undertaken by the Client and hence this is termed as a Build-Own and Transfer model.
- 2.3 ICB shall recoup such costs including the returns from the supply of the Products to the end users via the Client and its authorized Agencies. An estimate of costs and rates of return will be given and validated by the technical services of the Client's Ministry of Finance in accordance to the Contract.
- 2.4 The Client will put in place completely and satisfactorily implement and bring into force all necessary laws for the implementation of the scope of works under the Contract to be carried out by ICB.
- 2.5 The Client shall prepare the physical sites/facilities in an acceptable condition, utilities and wide area network prior to IRIS carrying out the installation of the systems.
- 2.6 Client agrees to make payments as described in Schedule C of the Contract which provides for the supply of the Products for a total value of USD249, 750,000.

3. INFORMATION ON THE CLIENT

The Government of Republic of Guinea is a country in West Africa and headed by the President with an estimated population of 10,057,975 (2009) and French as its national language. The Ministry of Security and Civil Protection is the authorized and primary agency or authority responsible for the issuance of all types of secured national identification in the Republic of Guinea. This Agreement was also executed by the Ministry of Economy & Finances and the General Administrator of Major Projects.

4. SOURCES OF FUNDING

The implementation of this Contract will be funded by internally generated funds and bank borrowing.

5. RISK FACTORSProject Risk

The implementation of the Contract may be subject to unavoidable delays which may arise from non-compliance of specifications and capabilities pursuant to the performance parameters or unanticipated difficulties in installation and configuration of the machines and personalization software and hardware in a foreign jurisdiction. However delays may then affect the profit margins of ICB as time shall be spent to resolve arising issues and will delay the recognition of revenue. Notwithstanding the above, the ICB Group will seek to limit the risks involved through prudent financial management and efficient operating procedures.

Political, Economic And Regulatory

The political, economic and regulatory stand of the Client at the date of this Contract is deemed stable, however the ICB Group shall take necessary precautions to mitigate any risk that may arise if need be during the performance of this Contract.

6. FINANCIAL EFFECTS OF THE CONTRACT

The Contract will not have any material effect on the issued and paid up share capital, substantial shareholder's shareholding, earnings, earnings per share, net assets per share and gearing of the ICB Group. Barring unforeseen circumstances, the Board is of the opinion that the Contract will contribute positively to the earnings and earnings per share of the ICB Group for the next financial year.

7. APPROVALS REQUIRED FOR THE IMPLEMENTATION OF THE AGREEMENT

This Contract is not conditional on the approval of ICB's shareholders or any relevant agencies of the Government of Malaysia.

8. DIRECTORS AND MAJOR SHARE HOLDERS INTERESTS

None of the directors, major shareholders, and persons connected with the directors or major shareholders of ICB have any interest, direct or indirect in the Contract.

9. STATEMENT OF DIRECTORS

The Board, after having considered all aspects of the Contract, is of the opinion that the Contract is in pursuance to its core business, Trusted Identity, is indeed in the best interest of the ICB Group.

10. COMPLIANCE WITH THE SECURITIES COMMISSION'S POLICIES AND GUIDELINES ON ISSUE/OFFER OF SECURITIES

The Contract does not depart from the Securities Commission's Policies and Guidelines on Issue/Offer of Securities.

11. DOCUMENT FOR INSPECTION

The Contract shall be available for inspection at the registered office of ICB during office hours at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, and 59200 Kuala Lumpur for a period of three (3) months from the date of this announcement.

This announcement is dated 17th October 2013

Attachment(s):- (please attach the attachments here)

- No Attachment Found -