3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

RAKI CS TAN & RAMANAN (NO. AF 0190)
CHARTERED ACCOUNTANTS

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
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3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The directors have pleasure to present their report together with the audited financial statements of the Company for the financial year ended 31 March 2021.

1. PRINCIPAL ACTIVITIES

The principal activities of the Company are that of providing information technology applications solutions and services consultancy.

There has been no change in these activities during the financial year.

2. RESULTS FOR THE FINANCIAL YEAR

	RM
Loss for the financial year	(3,617,365)

3. RESERVES AND PROVISIONS

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

4. DIVIDENDS

No dividends have been recommended or paid since the end of the previous financial year. The directors do not recommend the payment of any dividend in respect of the current financial year.

5. ISSUE OF SHARES AND DEBENTURES

No shares or debentures were issued by the Company during the financial year.

6. SHARE OPTIONS

No share options were granted by the Company during the financial year. There are no unissued shares under options at the end of the financial year.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As of the end of the financial year, there were no unissued shares of the Company under options.

7. DIRECTORS

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Padmanabhan Nemmara Ranganathan Iyer (resigned on 12.05.2021)
Uma Shanker Singh (resigned on 12.05.2021)
Tia Hwei Ping
Mrinal Manoj Ghosh
Suryanarayan Kasichainula (resigned on 12.05.2021)
Giri Mohana Krishnan Natarajan (resigned on 12.05.2021)
Saridah Binti Ismail
Sreerupa Sengupta (appointed on 12.05.2021)

8. DIRECTORS' INTERESTS

None of the directors in office at the end of the financial year had any interest in the shares of the Company during the financial year.

9. DIRECTORS' BENEFITS

Since the end of previous financial year, no director has received or become entitled to receive any benefits by reason of a contract made by the Company or a related corporation with any 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.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

10. DIRECTORS' REMUNERATION

The amount of the remuneration of the directors of the Company comprising remuneration received and receivable from the Company during the financial year is disclosed in Note 7 to the financial statements.

None of the directors of the Company have received any other benefits otherwise than in cash from the Company during the year.

No payment has been paid or payable to any third party in respect of the services provided to the Company by the directors of the Company during the financial year.

11. INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

No indemnities have been given or insurance premium paid, during or since the end of the financial year, for any person who is or has been the director, officer or auditor of the Company.

12. OTHER STATUTORY INFORMATION

Before the financial statements of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to be realised at their book values in the ordinary course of business have been written down to their estimated realisable values.

As of the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts inadequate to any substantial extent in the financial statements of the Company; or

(b) which would render the values attributed to current assets in the financial statements of the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate; or

(d) not otherwise dealt with in this report or financial statements which would render any amount stated in the financial statements of the Company misleading.

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

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

(b) any contingent liability of the Company which has arisen since the end of the financial year.

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

In the opinion of the directors:

(a) except for the discontinued operation disclosed in Note 9, the results of the operations of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

(b) 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 operations of the Company for the financial year in which this report is made.

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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13. HOLDING AND ULTIMATE HOLDING COMPANY

The directors regard 3i Infotech Asia Pacific Pte. Ltd., a company incorporated in Singapore, and 3i Infotech Limited, a company incorporated in India, as the holding and ultimate holding company respectively.

14. AUDITORS

Total amount receivable by the auditors as remuneration for their services as auditors of the Company for financial year is disclosed in Note 7 to the financial statements.

The auditors, Messrs. Raki CS Tan & Ramanan, Chartered Accountants, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with their resolution dated 17 MAY 2021.

MRINAL MANOJ GHOSH
Director

SREERUPA SENGUPTA
Director

NOTARY
S. M. H. ZAIDI
Mumbai & Thane Dist.
Reg. No. 3640
GOVT. OF INDIA

NOTARIAL

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

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

.. ZAIDI
Thane Dist.
No. 3640
OF INDIA

The directors of 3i Infotech Sdn. Bhd. state that, in their opinion, the financial statements set out on pages 10 to 45 are drawn up in accordance with Malaysia 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 Company as at 31 March 2021 and of its financial performance and of its cash flows of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with their resolution dated 17 MAY 2021.

MRINAL MANOJ GHOSH
Director

SREERUPA SENGUPTA
Director

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

I, **Mrinal Manoj Ghosh**, the director primarily responsible for the financial management of **3I INFOTECH SDN. BHD.**, do solemnly and sincerely declare that to the best of my knowledge and belief the financial statements set out on pages 10 to 45 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Notaries Act,1952/Oaths Act, 1969.

MRINAL MANOJ GHOSH
Director

Subscribed and solemnly declared

At India on 17 MAY 2021.

Before me,

NOTARY
S. M. H. ZAIDI
Mumbai & Thane Dist.
Reg. No. 3640
GOVT. OF INDIA

ATTESTED BY ME
S. M. H. ZAIDI
NOTARY
Government of India
Mumbai & Thane Dist.

17 MAY 2021

NOTED & REGISTERED
S. No. 605 Page No. 65
Date 17 MAY 2021

RAKI CS TAN & RAMANAN (NO. AF 0190)
CHARTERED ACCOUNTANTS
Suite 23-04, 23rd Floor, Menara Zurich, No. 15, Jalan Dato Abdullah Tahir 80300 Johor Bahru, Johor.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of 3i Infotech Sdn. Bhd., which comprise the statement of financial position as at 31 March 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 10 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2021, and of its financial performance and its 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 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.

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 Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements 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 the Directors' Report, 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 Company that give a true and fair view in accordance with Malaysia 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 Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3I INFOTECH SDN. BHD. 200201026164 (593827 - M) (CONT'D)
(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements 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 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 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 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 3I INFOTECH SDN. BHD. 200201026164 (593827 - M) (CONT'D)
(Incorporated in Malaysia)

Other Matters

This report is made solely to the member 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 content of this report.

Signed at Johor Bahru on 17 MAY 2021.

Rak. CS Tan & Ram

RAKI CS TAN & RAMANAN
(NO. AF 0190)
CHARTERED ACCOUNTANTS

VENKATRAMANAN VISWANATHAN
(NO. 01284/12/2021 J)
CHARTERED ACCOUNTANT
PARTNER

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	NOTE	2021 RM	2020 RM
Continuing operations			
REVENUE	6	1,810,206	17,469,544
Cost of sales		(4,773,327)	(15,276,867)
Gross (loss)/profit		(2,963,121)	2,192,677
Other operating income		5,420,445	3,045,685
Other operating expenses		(5,129,562)	(3,973,917)
(Loss)/profit from operations		(2,672,238)	1,264,445
Finance cost		(4,532)	(2,940)
(Loss)/profit before tax	7	(2,676,770)	1,261,505
Income tax expense	8	(1,389,000)	189,000
(Loss)/profit from continuing operations, net of tax		(4,065,770)	1,450,505
Discontinued operations			
Profit from discontinued operations, net of tax	9	448,405	-
Other comprehensive income, net of tax		448,405	-
Total comprehensive income for the year, net of tax		(3,617,365)	1,450,505

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

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	NOTE	2021 RM	2020 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	32,726	91,652
Right-of-use assets	11	41,588	99,891
Intangible assets	12	-	3,795,829
Other receivables	13	27,058,915	26,993,896
Deferred tax asset	14	-	1,389,000
		27,133,229	32,370,268
Current assets			
Trade receivables	15	388,683	5,387,699
Other receivables	13	9,311,005	9,351,062
Cash and bank balances		3,568,592	906,093
		13,268,280	15,644,854
Total assets		40,401,509	48,015,122
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	5,000,000	5,000,000
Retained earnings	17	21,378,204	24,995,569
Total equity		26,378,204	29,995,569
Non-current liability			
Lease liabilities	18	-	44,295
Current liabilities			
Trade payable	19	13,412,126	13,449,389
Other payables	20	566,884	4,468,760
Lease liabilities	18	44,295	57,109
		14,023,305	17,975,258
Total liabilities		14,023,305	18,019,553
Total equity and liabilities		40,401,509	48,015,122

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

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Share capital RM	Retained earnings RM	Total RM
As at 1 April 2019	5,000,000	23,545,064	28,545,064
Profit for the financial year	-	1,450,505	1,450,505
As at 31 March 2020	5,000,000	24,995,569	29,995,569
Loss for the financial year	-	(3,617,365)	(3,617,365)
As at 31 March 2021	5,000,000	21,378,204	26,378,204

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

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax		
- Continuing operations	(2,676,770)	1,261,505
- Discontinued operations	448,405	-
Adjustments for:		
Allowance for impairment of trade receivables - reversed	(127,928)	-
Allowance for impairment of trade receivables (specific)	80,663	345,712
Amortisation of intangible assets	-	304,492
Amortisation of intangible assets overstated in prior year	-	(444,000)
Depreciation of property, plant and equipment	43,694	47,469
Depreciation of right-to-use assets	53,462	22,289
Intangible assets written off	3,795,829	-
Interest on advances to related companies	(1,198,379)	(1,405,647)
Interest on fixed deposit	-	(4,589)
Interest on lease liabilities	4,532	2,940
Gain on disposal of property, plant and equipment	-	(250)
Gain on disposal of discontinued operation	(3,675,207)	-
Gain on foreign exchange (unrealised)	(531,261)	(1,537,774)
Operating loss before working capital changes	(3,782,960)	(1,407,853)
Decrease in receivables	3,632,002	34,150
(Decrease)/increase in payables	(389,951)	1,593,808
Cash (used in)/generated from operations	(540,909)	220,105
Interest on fixed deposits	-	4,589
Interest paid	(5,291)	(2,940)
Tax paid	(33,624)	(62,038)
Tax refund	-	84,000
Net cash (used in)/generated from operating activities	(579,824)	243,716
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(21,139)	(31,370)
Proceeds from disposal of property, plant and equipment	-	250
Proceeds from disposal of discontinued operations	3,314,971	-
Net cash generated from/(used in) investing activities	3,923,832	(31,120)

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

	2021 RM	2020 RM
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(56,350)	(20,776)
Remeasurement of right-of-use asset	4,841	-
Net cash used in financing activities	(51,509)	(20,776)
Net increase in cash and cash equivalents	2,662,499	191,820
Cash and cash equivalents brought forward	906,093	714,273
Cash and cash equivalents carried forward	3,568,592	906,093
Cash and cash equivalents comprise:		
Cash and bank balances	3,568,592	906,093

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The Company, 3i Infotech Sdn. Bhd., is a private company incorporated and domiciled in Malaysia.

The principal activities of the Company are that of providing information technology applications solutions and services consultancy.

There has been no change in these activities during the financial year.

The Company's registered office is located at 12th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor and the principal place of business is located at Suite 2A-7-2, Level 7 Block 2A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

The financial statements of the Company were authorised for issue by the Board of Directors on 17 MAY 2021.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company have been prepared under the historical cost convention, unless otherwise disclosed in the financial statements, to comply with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Company are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

The statement of cash flows is prepared by using the indirect method.

3. ADOPTION OF NEW AND AMENDED MALAYSIA FINANCIAL STANDARDS ("MRFS")

The Company adopted the following new and amended MFRSs relevant to current operations of the Company for the financial year ended 31 March 2021:

MFRS	
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform

The above new and amended MFRSs did not have any significant impact on the financial statements of the Company.

3. ADOPTION OF NEW AND AMENDED MALAYSIA FINANCIAL STANDARDS ("MRFS") (CONT'D)

The Company has not elected for early adoption of the following new and amended MFRSs relevant to current operations of the Company, which were issued but not yet effective for the financial year ended 31 March 2021.

MFRS and Interpretations		**Effective for financial periods beginning on or after**
Amendment to MFRS 16	Covid-19-Related Rent Concessions	1 June 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standards 2018 – 2020		1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds	1 January 2022
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023

The new and amended MFRSs are not expected to have any significant impact on the financial statements of the Company upon their initial applications.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires management to make judgements, estimates and assumptions when applying accounting policies that have significant effect on the amounts recognised in the financial statements. As actual results may differ, such estimates and underlying assumptions are reviewed on an on-going basis. The key assumptions made on estimation uncertainty and critical judgements that could cause material adjustments to the carrying amounts of assets and liabilities in the next financial year are as follows:

(a) Impairment of intangible assets

The method of testing for impairment is detailed in Note 5(h)(i). This requires management to determine the recoverable amount which is the higher of an asset or cash generating units (CGU) fair value less cost to sell or its value in use.

The determination of value in use requires an estimation of the future cash flows of the respective CGU and a suitable discount rate. The determination of an asset or CGU's fair value requires an estimation of its future earnings and earnings multiple.

The carrying values of intangible assets are disclosed in Note 12 to the financial statements.

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

(b) Allowance for trade and other receivables

The Company uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical observed default rates are updated and changes in the forward looking estimates are analysed.

The assessment of the correlation between historical observed defaults rates, forecast economic conditions and ECLs is significant estimate. The information about the ECLs on the Company's trade receivable is disclosed in Note 24 to the financial statements.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and temporary timing differences items in the statement of financial position to the extent that it is probable that taxable profit will be available against which can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying amount of recognised deferred tax assets arising from unused tax losses and taxable items in the statement of financial position of the Company was RM Nil (2020: RM1,389,000).

(d) Leases

The Company assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Company entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if any option to extend is not taken, to help them determine the lease term.

The Company also applied judgement and assumptions in determining the incremental borrowing rate of the respective lease. The Company entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the rem, security, value or economic environment of the respective leases.

5. SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

Revenue from products is recognised on delivery or installation, as the case may be, as per determined policies laid down for different software products across all geographies. Maintenance revenue in respect of products is deferred and recognised rateably over the year on the underlying maintenance agreement.

Revenue from services is recognised as follows:

(i) on time and material based contracts, as and when services are performed;
(ii) on fixed price based contracts, on percentage of completion method;
(iii) in the other circumstances based on certain measurable criteria as set out in the relevant agreements.

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(b) EMPLOYEE BENEFITS

(i) Short term employee benefits

Wages, salaries and material benefits are expensed in the period in which the associated services are rendered by the employees of the Company.

(ii) Defined contribution plans

The Company's contribution to Employees' Provident Fund and other defined contribution plan are charged to the statement of comprehensive income in the period to which they relate.

(c) INCOME TAX

Tax in profit or loss for the financial year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the financial year, using applicable statutory tax rates, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided where considered material, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using applicable statutory tax rates.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) FOREIGN CURRENCY

(i) Functional and presentation currency

The financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is Ringgit Malaysia.

(ii) Foreign currency transaction

Transactions in currencies other than the entity's functional currency are recorded, in the functional currencies at exchange rates prevailing at the dates of the transactions or at contracted rates where applicable. Monetary assets are translated at the rates prevailing on the reporting date. All exchange differences are taken to profit or loss.

(iii) Closing rates

The principal closing rates used in translation of foreign currency amounts are as follows:

	2021 RM	**2020 RM**
Foreign currency		
1 US dollar	4.1463	4.3115
1 Singapore Dollar	3.0814	3.0274
1 Thai Baht	0.1329	0.1321

(e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any Note 5(h)(ii). Depreciation of property, plant and equipment is provided on the straight line basis calculated to write off the cost of the assets over their estimated useful lives which are:

Computers	1 year
Furniture and fittings, office equipment	3 years
Renovations	over the period of the lease

The useful lives of property, plant and equipment are reviewed and adjusted as appropriate, in accordance with applicable MFRS, at each reporting date.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to carrying amount of the assets when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken in profit or loss.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) LEASES

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, if any, Note 5(h)(ii) and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Condominium units are depreciated over lease term of 24 months and 26 months.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) LEASES (CONT'D)

(ii) Lease liabilities

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(g) INTANGIBLE ASSETS

Intangible assets relate to computer software and represents ownership of Intellectual Property Rights (IPR) of the software being licensed to the company's customers in the usual course of business.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Costs incurred in the licensing or development of software which are not or have ceased to be commercially viable are written off.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any Note 5(h)(i). The intangible assets are amortised on a straight–line basis over 10 years to their residual value of 20%.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) IMPAIRMENT OF NON CURRENT ASSETS

(i) Intangible assets

The carrying values of intangible assets which have indefinite useful life, are reviewed for impairment annually or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of intangible assets, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs to. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Where the carrying amount of an intangible asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss on goodwill is not reversed.

Subsequent increase in the recoverable amount of an intangible asset other than goodwill is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(ii) Other non current assets

The carrying values of other non current assets are reviewed for impairment when there is an indication that the assets might be impaired. An impairment loss is charged to profit or loss immediately. Subsequent increase in the recoverable amount of an asset is treated as reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) FINANCIAL INSTRUMENTS

Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that give rise to a financial asset of one entity and a financial liability or equity investment of another entity.

i. Financial assets

Initial recognition and measurement

A financial instrument (unless it is a trade receivable without significant financing components) is recognised initially measured at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial statements. A trade receivable without significant financing components is initially measured at the transaction price.

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value though OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market price (regular way trades) are recognised on the trade date, i.e. the date that the Company commits to purchase or sell the asset.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) FINANCIAL INSTRUMENTS (CONT'D)

i. Financial assets (cont'd)

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Company's only financial assets are its financial assets at amortised cost (debt instruments).

The Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified and impaired.

The Company's financial assets at amortised cost comprise solely of its trade and other receivable balances. Other than investment and cash and bank balances.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) FINANCIAL INSTRUMENTS (CONT'D)

i. Financial assets (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or;
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risk and rewards of the asset, nor transferred control of the asset, the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, subsequently measured at amortised cost, fair value through profit or loss or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) FINANCIAL INSTRUMENTS (CONT'D)

ii. Financial liabilities (cont'd)

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are subsequently measured using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

The Company's financial liability comprise trade and other payables and lease liabilities which is classified as Loans and borrowings.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii. Offsetting of financial instruments

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is the right to consideration for goods or services transferred to the customers. If the Company performs by transferring goods or services to a customer before the customers pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

In the context of revenue recognised over time in contract services, contract asset is the excess of cumulative revenue earned over the billings to date. The contract asset will be transferred to trade receivables when the rights to consideration become unconditional.

A contract liability is the obligation to transfer goods or services to customer for which the Company has received the consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

In the context of revenue recognised over time in contract services, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Company performs under contract.

(k) IMPAIRMENT OF FINANCIAL ASSETS AND CONTRACT ASSETS

The Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) IMPAIRMENT OF FINANCIAL ASSETS AND CONTRACT ASSETS (CONT'D)

The Company consider a financial asset in default when the contractual payments are 180 days past due. However, in certain cases, the Company may also considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(l) CASH AND CASH EQUIVALENTS

These are short term, highly liquid assets that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) CASH AND CASH EQUIVALENTS

Assets held for sale and disposal groups, comprising assets and liabilities that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Immediately before classification as held for sale, the assets (or all the assets and liabilities in a disposal group) are remeasured in accordance with the Company's applicable accounting policies. Thereafter, on initial classification as held for sale, the assets or disposal group are measured at the lower of carrying amount and fair value less cost to sell. Any differences are charged to profit or loss.

Intangible assets, property, plant and equipment and investment properties once classified as held for sale are not amortised or depreciated. In addition, equity accounting of equity accounted investees ceases once classified as held for sale.

(n) SHARE CAPITAL

Ordinary shares are classified as equity. Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings in the period in which the obligation to pay is established.

(o) CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow or resources will be required to settle the obligation. A contingent liability also arises in extremely rare circumstances where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a probable asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Company. The Company does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) PROVISIONS

Provisions are recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

(q) CURRENT VERSUS NON-CURRENT CLASSIFICATION

Assets and liabilities in the statements of the financial position are presented based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(r) DISCOUNTINUED OPERATIONS

A disposal group qualifies as discontinued operations if it is a component of an entity that either has been disposed of, or is classified as held for sale, and represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation, or is a subsidiary acquired exclusively with a view to resell.

When an operation is classified as discontinued, a single amount is presented in the statement of comprehensive income, which comprise the post-tax profit or loss of the discontinued operation and the post-tax gain or loss recognised on the measurement to fair value less cost to sell, or on the disposal, of the assets or disposal group constituting the discontinued operations. The comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

6. REVENUE

	2021 RM	2020 RM
Software products and application solutions	-	7,234,385
Annual maintenance charges	-	8,237,577
IT projects and services	1,810,205	1,380,502
Sales of third parties products	-	797,080
	1,810,205	17,649,544

7. (LOSS)/PROFIT BEFORE TAX

a) (Loss)/profit before tax is stated after charging/(crediting):

	2021 RM	2020 RM
Allowance for impairment of trade receivables (specific)	80,663	345,712
Allowance for impairment of trade receivables (specific)-reversed	(127,928)	-
Amortisation of intangible assets	-	(139,509)
Auditors' remuneration	33,657	27,886
Depreciation of right-to-use assets	58,595	22,289
Depreciation of right-to-use assets – overstated in prior year	(5,133)	-
Depreciation of property, plant and equipment	43,694	47,045
Directors' remuneration	809,522	559,260
Employee advances written off	2,338	-
Intangible assets written off	3,795,895	-
Loss on foreign exchange (realised) - non trade	-	70,702
Loss on foreign exchange (realised) - trade	133,688	143,451
Loss on foreign exchange (unrealised) - non trade	928,711	-
Loss on foreign exchange (unrealised) - trade	-	617,110
Rental	282,820	311,346
Sundry receivables written off	13,432	6,206
Interest on lease liabilities	4,532	2,940
Gain on disposal of property, plant and equipment	-	(250)
Interest on advances to related companies	(1,198,379)	(1,405,647)
Interest on fixed deposit	-	(4,589)

7. (LOSS)/PROFIT BEFORE TAX (CONT'D)

a) Employee benefits

	2021 RM	2020 RM
Salaries, allowance and bonuses	8,021,137	7,668,640
EPF contribution and Social security contribution	-	135,717
	8,021,137	7,804,357

8. INCOME TAX EXPENSE

	2021 RM	2020 RM
In respect of current year		
Deferred tax (Note 14)	1,389,000	(189,000)
Tax expense for the financial year	1,389,000	(189,000)

Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated profit for the financial year.

Reconciliation of effective charge is as follows:

	2021 RM	2020 RM
(Loss)/profit before tax	(2,228,365)	1,261,505
Tax at statutory tax rate of 24%	(534,808)	302,761
Expenses not deductible for tax purposes	1,688,019	279,164
Income not subject to tax	(1,983,639)	(737,443)
Amortisation of intangible assets	-	(33,482)
Current year losses for which no deferred tax asset was recognised	2,219,428	-
Tax attributable for the financial year	1,389,000	(189,000)

9. DISCOUNTINUED OPERATIONS

During the financial year, the Company entered into a business transfer agreement to dispose its software product business to a third party. The disposal has been completed during the financial year and the software product business segment has been classified as discontinued operations. The results of this segment are as follows:

a. Profit from discontinued operations, net of tax

	2021 RM	2020 RM
Profit for the financial year from discontinued operations	448,405	-

b. The results of the discontinued operations are presented below:

	2021 RM	2020 RM
Revenue	13,937,693	-
Cost of sales	(11,267,175)	-
Gross profit	2,670,518	-
Other operating expenses	(2,222,113)	-
Profit before taxation	448,405	-
Income tax expenses	-	-
Profit for the financial year from discontinued operations	448,405	-

c. Profit before taxation are derived after charging/(crediting):

	2021 RM	2020 RM
Allowance for impairment of trade receivable	80,663	-
Allowance for impairment of trade receivable reversed	(127,928)	-
Auditors' remuneration	30,291	-
Depreciation of property, plant and equipment	16,728	
Rental expenses	309,922	-
Sundry receivables written off	12,089	-

d.

	2021 RM	2020 RM
Gain on disposal of discontinued operations	(3,729,269)	-

10. PROPERTY, PLANT AND EQUIPMENT

2021	**As at 1 April 2020 RM**	**Additions RM**	**Written off RM**	**Reclassified due to discontinued operations RM**	**As at 31 March 2021 RM**
COST					
Computers	561,867	21,139	(354,368)	(75,196)	153,442
Furniture & fixtures	100,171	-	-	-	100,171
Office equipment	1,473,667	-	(123,000)	-	1,350,667
Renovation	348,935	-	-	-	348,935
	2,484,640	21,139	(477,368)	(75,196)	1,953,215

2021	**As at 1 April 2020 RM**	**Charge for the financial year RM**	**Written off RM**	**Reclassified due to discontinued operations RM**	**As at 31 March 2021 RM**
ACCUMULATED DEPRECIATION					
Computers	488,600	38,445	(354,368)	(38,825)	133,852
Furniture & fixtures	90,836	1,453	-	-	92,289
Office equipment	1,464,617	3,796	(123,000)	-	1,345,413
Renovation	348,935	-	-	-	348,935
	2,392,988	43,694	(477,368)	(38,825)	1,920,489

	2021 RM	**2020 RM**
NET BOOK VALUE		
Computers	19,590	73,267
Furniture & fixtures	7,882	9,335
Office equipment	5,254	9,050
Renovation	-	-
	32,726	91,652

11. RIGHT-OF-USE ASSETS

	2021 RM	2020 RM
Condominium units		
Cost		
At 1 April 2020/2019	122,180	-
Addition	-	122,180
Remeasurement	(4,841)	-
At 31 March 2021/2020	117,339	122,180
Accumulated depreciation		
At 1 April 2020/2019	22,289	-
Depreciation charge for the financial year	58,595	22,289
Overstated in prior year	(5,133)	-
At 31 March 2021/2020	75,751	22,289
Net carrying amount	41,588	99,891

12. INTANGIBLE ASSETS

	2021 RM	2020 RM
Intellectual Property Rights in computer software (finite)		
Cost		
At 1 April	18,979,146	18,979,146
Less: impairment	(18,979,146)	-
At 31 March	-	18,979,146
Accumulated amortisation:		
At 1 April	15,183,317	15,322,825
- current year	-	304,492
- overstated in prior year	-	(444,000)
Less: impairment	(15,183,317)	-
At 31 March	-	15,183,317
At 31 March - Carrying amount KastleTM, PremiaTM & Orion^{TM}	-	3,795,829

The intangible assets have been fully impaired as in the management's judgement there is no more future economic benefits.

13. OTHER RECEIVABLES

	2021 RM	2020 RM
Non-current assets		
Long term deposits	88,374	159,534
Loan to related companies [Note 24 (c)]	26,970,541	26,834,362
	27,058,915	26,993,896
Current assets		
Prepayment	106,876	303,578
Sundry receivables	264,814	294,682
Tax recoverable	88,662	55,038
Due from related companies [Note 24 (c)]	931,826	910,868
Due from holding company [Note 24 (c)]	7,918,827	7,786,896
	9,311,005	9,351,062
	36,369,920	36,344,958

14. DEFERRED TAX ASSETS

	2021 RM	2020 RM
At 1 April 2020/2019	1,389,000	1,200,000
Recognised in profit or loss (Note 8)		
- temporary timing differences	(702,000)	(33,000)
- tax losses	(687,000)	222,000
	(1,389,000)	189,000
At 31 March 2021/2020	-	1,389,000

Deferred tax assets are recognised for unused tax losses of RM Nil (2020: RM702,000) and temporary timing differences on fees received in advance of RM Nil (2020: RM687,000) shown under payables to the extent that realisation of the related tax benefits through the future available profits is probable.

Deferred tax assets arising from temporary differences subject to income tax are calculated based on income tax rate of 24%.

The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses was RM11,000,000 (2020: RM Nil).

Pursuant to the Finance Act 2018, unused tax losses can only be carried forward up to 7 consecutive years of assessment.

	2021 RM	2020 RM
Not recognised as deferred tax assets		
- expiring on 31 January 2026	1,984,000	1,984,000
- expiring on 31 January 2027	941,000	3,040,819
- expiring on 31 January 2028	8,075,000	-

15. TRADE RECEIVABLES

	2021 RM	2020 RM
Third parties	588,969	2,878,216
Less: Allowance for impairment		
Brought forward	(540,944)	(343,366)
Addition (profit or loss)	(67,573)	(197,578)
Reversal during the financial year (profit or loss)	14,178	-
Reclassified to discontinued operations	129,053	-
Write off	265,000	-
Carried forward	(200,286)	(540,944)
	388,683	2,337,272
Excess of revenue recognised over billings	-	3,198,561
Less: Allowance for impairment		
Brought forward	(148,134)	-
Addition (profit or loss)	(13,090)	(148,134)
Reversal during the financial year (profit or loss)	113,750	-
Reclassified to discontinued operations	47,474	-
Carried forward	-	(148,134)
	-	3,050,427
Total	388,683	5,387,699

16. SHARE CAPITAL

	2021 RM	2020 RM
Issued and fully paid		
5,000,000 ordinary shares	5,000,000	5,000,000

17. RETAINED EARNINGS

The Company is able to distribute tax exempt dividends out of its entire retained earnings. No dividend has been declared or paid since the end of the previous financial year.

18. LEASES LIABILITIES

	2021 RM	2020 RM
Current		
Lease liabilities	44,295	57,109
Non-current		
Lease liabilities	-	44,295
Total lease liabilities	44,295	101,404

The remaining maturities of the lease liabilities are as follows:

	2021 RM	2020 RM
On demand or within one year	44,295	57,109
More than 1 year and less than 2 years	-	44,295
	44,295	101,404

The movement of lease liabilities during the financial year is as follows:

	2021 RM	2020 RM
At 1 April 2020/2019	101,404	-
Addition	-	122,180
Interest charged on lease liabilities	4,532	2,940
Payments of:		
- Principal	(56,350)	(20,776)
- Interest	(5,291)	(2,940)
At 31 March 2021/2020	44,295	101,404

19. TRADE PAYABLE

The balance due to ultimate holding company is trade in nature, unsecured, interest free and repayable on demand.

20. OTHER PAYABLES

	2021 RM	2020 RM
Excess of billings over revenue recognised	3	2,860,320
Advance from customers	3,651	3,651
Sundry payables and accruals	563,230	1,604,789
	566,884	4,468,760

21. HOLDING COMPANY, ULTIMATE HOLDING COMPANY AND RELATED COMPANIES

The directors regard 3i Infotech Asia Pacific Pte. Ltd., a company incorporated in Singapore, as the holding company, 3i Infotech Limited, a company incorporated in India, as the ultimate holding company, 3i Infotech Services Sdn. Bhd., a company incorporated in Malaysia, 3i Infotech (Thailand) Ltd., a company incorporated in Thailand, 3i Infotech Inc., a company registered in United States of America, 3i Infotech (Middle East) FZ LLC, a company incorporated in Dubai, United Arab Emirates and 3i Infotech Saudi Arabia Limited, incorporated in Saudi Arabia, as related companies.

22. CONTINGENT LIABILITIES

The Company has granted a debenture to a financial institution registered in India as security for credit facilities granted by that financial institution to the ultimate holding company of the Company. The facilities total about RM825 million and RM129 million respectively.

23. SIGNIFICANT RELATED COMPANY TRANSACTIONS AND BALANCES

a) Significant related company transactions

Transactions with related companies are as follows:

	2021 RM	2020 RM
3i Infotech Limited (India)		
Administration charges	640,783	377,713
Other expenses	75,000	45,859
Royalties payable	315,547	348,922
Technical services and reimbursements charged	6,366,108	5,339,453
Travelling reimbursement	7,767	326,426
3i Infotech Inc. (United State of America)		
Interest income	(505,790)	(556,325)
3i Infotech (Middle East) FZ LLC (Dubai, United Arab Emirates)		
Interest income	(556,411)	(849,322)
Travelling reimbursement	-	426
3i Infotech Saudi Arabia Limited		
Paid on behalf	(26,243)	(110,886)

The directors are of the opinion that the above transactions have been entered into in the normal course of business under terms and conditions no less favourable to the Company than those arranged with independent third parties.

b) Significant related companies balances

Related companies balances are disclosed in trade receivables, other receivables, trade payable and other payables (Notes 13, 15, 19 and 21).

24. FINANCIAL RISK MANAGEMENT POLICIES

The Company's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Company's businesses whilst managing its risks. The Company operates within clearly defined guidelines that are approved by the Board of Directors and the Company's policy is not to engage in speculative transactions.

The main areas of financial risks faced by the Company and the objectives and policies in respect of each of these are set out as follows:

24. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) FOREIGN CURRENCY EXCHANGE RISK

The Company is exposed to foreign currency risk as a result of its normal business activities, where the currency denomination differs from the local currency, Ringgit Malaysia (RM). The Company manages its foreign exchange rate risk by entering into forward foreign exchange rate contracts as and when considered necessary to limit its foreign exchange rate exposure.

The Company has not entered into any derivatives to manage foreign currency risk.

Foreign currency exposure

2021	In Ringgit Malaysia RM	In US Dollar RM	In Singapore Dollar RM	In Thailand Baht RM	Total RM
Trade receivables	388,683	-	-	-	388,683
Other receivables	548,726	27,106,750	7,918,827	795,617	36,369,920
Cash and bank balances	3,568,592	-	-	-	3,568,592
Trade payable	-	13,412,126	-	-	13,412,126
Other payables	512,822	-	-	-	512,822

2020	In Ringgit Malaysia RM	In US Dollar RM	In Singapore Dollar RM	In Thailand Baht RM	Total RM
Trade receivables	5,387,699	-	-	-	5,387,699
Other receivables	812,832	26,949,613	7,786,896	795,617	36,344,958
Cash and bank balances	906,052	41	-	-	906,093
Trade payable	-	13,449,389	-	-	13,449,389
Other payables	4,468,760	-	-	-	4,468,760

24. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company's interest rate risk relates to its placement of deposits with a financial institution. The Company's policy is to obtain the most favourable interest rate available.

(c) CREDIT RISK

Credit risk arises when sales are made on credit terms. The credit risk is controlled and managed by evaluation and monitoring of customers' credit standing and outstanding balances on an on-going basis. There has been no change in the management of the credit risks since the previous year.

Trade receivables (excluded excess of revenue recognised over billings) are unsecured, interest free and the normal credit terms given to customers are 30 to 60 days. Other credit terms are assessed and approved on a case by case basis.

The credit term granted to the Company by suppliers range from 30 to 60 days.

Credit terms of sundry receivables are assessed and approved on a case by case basis.

Exposure of credit risk is represented by the carrying amounts in the statement of financial position given by the Company as detailed in Notes 13 and 15 to the financial statements.

Trade receivables aging analysis

	2021 RM	2020 RM
Third parties		
Neither past due not impaired	1,499,810	1,379,209
1 to 60 days past due not impaired	746,278	289,720
61 to 120 days past due not impaired	78,440	133,560
More 120 days past due not impaired	749,236	534,783
Total past but not impaired	1,573,954	958,063
Past due and impaired	200,286	540,944
Sub total	3,274,050	2,878,216
Excess of revenue recognised over billings		
Not impaired	-	3,050,427
Impaired	-	148,134
Sub total	-	3,198,561
Total	3,274,050	6,076,777

24. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) CREDIT RISK (CONT'D)

Receivables that are neither past due not impaired

Trade receivables that are neither past due not impaired are creditworthy debtors with good payment records with the Company.

None of the Company's trade receivables that are neither past not impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Company has trade receivables (billed) amounting to RM1,573,954 (2020: RM958,063) that are past due at the end of the reporting period but not impaired. Although these balances are unsecured in nature, they are mostly due from creditworthy customers.

Receivables that are impaired

The Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are disclosed in Note 15 to the financial statements.

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Expected credit loss

Exposure to credit risk is represented by the carrying amounts in the statement of financial position. The Company use an allowance matrix to measure expected credit loss ("ECL") of trade receivables. Consistent with the debt recovery process, invoices which are past due 180 days will be considered as credit impaired.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2021 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM
Trade receivables	3,274,050	200,286
Contract assets	-	-
	3,274,050	200,286

24. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) CREDIT RISK (CONT'D)

Loan to related companies

(i) Loan to 3i Infotech Inc., a company registered in the United States of America, a related company is an unsecured. The facility is at zero coupon for a maximum tenure of 2 years (subject to renewal) with "put" option and redeemable at a premium of 500 basis points over 12 months USD Libor if redeemed within first 12 months of draw down and 700 basis points over 12 months USD Libor if redeemed thereafter.

(ii) Loan to 3i Infotech (Middle East) FZ LLC, a company registered in Dubai, United Arab Emirates, a related company is an unsecured. The facility's initial tenure shall be 3 years (subject to renewal) at interest rate of 5% plus 12 month London Interbank Offered Rate "LIBOR".

Loan to related companies have no fixed term of repayments.

Amount due from related, holding and ultimate holding companies

These balances are unsecured, interest free and repayable on demands.

(d) LIQUIDITY AND CASH FLOW RISKS

The Company seeks to maintain a balance between certainty of funding and a flexible, cost-effective borrowing structure. This is to ensure that at the minimum, all projected net borrowing needs are covered by committed facilities. Also, the objective for debt maturity is to ensure that the amount of debt maturing in any one year is not beyond the Company's means to repay and refinance.

Maturity analysis

The Company's liabilities maturity at reporting date consist of trade and other payables amounting to RM13,979,010 (2020: RM15,057,829) due within one year.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount for which the financial instrument could be exchanged in a current transaction between knowledgeable wiling parties in an arm's length transaction, other than in a forced sale or liquidation. The categories of financial instruments and determination of fair value as follows:

(a) Categories of financial instruments

The financial statements of the Company are categories into the following classes:

	2021 RM	2020 RM
(i) Financial assets measured at amortised cost		
Trade and other receivables	36,758,603	41,732,657
Cash and bank balances	3,568,592	906,093
	40,327,195	42,638,750
(ii) Financial liabilities carried amortised cost		
Trade and other payables	13,979,010	17,918,149
Lease liabilities	44,295	101,404
	14,023,305	18,019,553

(b) Determination of fair value

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair values

Receivables (including all related companies), deposits, cash and bank balances and payables (included ultimate holding company)

The carrying amounts of the above financial assets and financial liabilities of the Company approximated their fair values at the end of reporting period due to the short term nature of these financial instruments.

Loan to related companies

It is not practicable to estimate the fair value principally due to the lack of fixed repayment terms and the balances being unsecured. However, the directors are of the opinion that carrying amounts approximate the fair value.

(ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair values

It is not practicable to estimate the fair values of the contingent liabilities reliably due to the uncertainties of timing, costs and eventual outcome.

26. CAPITAL MANAGEMENT

The Company is not subject to any externally imposed capital requirements.

The primary objectives of the Company's capital management are to ensure that it maintains an optimal capital structure to support its business and maximise shareholder value by pricing products and services commensurately with the level of risk. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholder, return capital to shareholder or issue new shares.

No changes were made in the objectives, policies or processes during the financial years ended 31 March 2021 and 31 March 2020.

27. SUBSEQUENT EVENT

The disposal of the Company's software product business is expected to result in a reduced scale of operations and without any material losses to the Company.

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

CONFIDENTIAL

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

FOR MANAGEMENT PURPOSES ONLY

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 RM	2020 RM
Revenue	15,747,899	17,469,544
LESS : COST OF SALES		
Allowances	-	47,240
Directors' remuneration	809,522	478,416
Incentives paid to staff	251,404	271,597
Purchase of OEM	595,149	782,720
Recruitment charges	1,298	272,918
Royalty	315,547	348,922
Salaries, allowances and bonus	7,605,651	7,309,030
Software expenses	6,321	25,994
Technical services paid to related company	6,366,108	5,339,453
Third party services	81,735	73,725
Travelling expenses reimbursement to a related party	7,767	326,852
	16,040,502	15,276,867
Gross (loss)/profit	(292,603)	2,192,677
OTHER INCOME		
Gain on disposal of discontinued operation	3,675,207	-
Gain on disposal of property, plant and equipment	-	250
Gain on foreign exchange (unrealised)-non trade	531,261	1,537,774
Interest on advances to related companies	1,198,379	1,405,647
Interest on fixed deposit	-	4,589
Miscellaneous income	15,598	97,425
	5,420,445	3,045,685
	5,127,842	5,238,362
LESS:		
OTHER OPERATING EXPENSES	(7,351,675)	(3,973,917)
FINANCE COST	(4,532)	(2,940)
	(7,356,207)	(3,976,857)
(Loss)/profit before tax	(2,228,365)	1,261,505

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	2021 RM	2020 RM
OTHER OPERATING EXPENSES		
Administration services paid to related company	640,783	377,713
Allowance for impairment of trade receivables (specific)	80,663	345,712
Allowance for impairment of trade receivables (specific)-reversed	(127,928)	-
Amortisation of intangible assets	-	(139,509)
Auditors' remuneration	33,657	27,886
Bank charges	12,356	8,951
Business transfer expenses	75,872	-
Computer expenses	4,765	14,146
Conveyance	6,448	33,308
Depreciation of right-to-use assets	58,595	22,289
Depreciation of right-to-use assets - overstated in prior year	(5,133)	-
Depreciation of property, plant and equipment	43,694	47,045
Directors' remuneration	-	80,844
Employee advances written off	2,338	-
EPF and SOCSO	-	135,717
Gifts and donations	5,978	-
Hire charges	7,891	7,971
Immigration expenses	153,921	195,698
Infrastructure charges	9,242	25,099
Insurance	227,845	160,692
Intangible assets written off	3,795,829	-
Legal and professional fees	129,540	131,996
Loss on foreign exchange (realised) - non trade	-	70,702
Loss on foreign exchange (realised) - trade	133,688	143,451
Loss on foreign exchange (unrealised) - non trade	928,711	-
Loss on foreign exchange (unrealised) - trade	-	617,110
Marketing expenses	23,736	20,710
Medical fee	-	150
Miscellaneous expenses	6,033	2,830
Newspaper and periodical	540	1,850
Office expenses	16,583	1,847
Balance brought forward	6,265,647	2,334,208

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
(Incorporated in Malaysia)

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

	2021 RM	2020 RM
OTHER OPERATING EXPENSES		
Balance carried forward	6,265,647	2,334,208
Postage and courier	3,485	10,018
Printing & stationery	1,961	7,012
Professional fee - Certification fees	-	699
Rates and taxes	17,043	16,865
Registration fees	-	105
Rental	282,820	311,346
Repair and maintenance - others	9,483	30,625
Salaries, allowances and bonus	415,485	359,610
Sales promotion expenses	-	239
Software expenses	1,749	-
Staff compensation	-	6,631
Staff welfare	3,209	34,510
Sundry receivables written off	13,432	6,206
Telephone and fax	38,349	66,018
Travelling expenses	207,686	599,853
Upkeep of motor vehicles	16,362	15,916
Upkeep of office equipment	4,299	9,498
Water and electricity	19,316	51,602
Withholding tax expense	51,349	112,956
	7,351,675	3,973,917
FINANCE COST		
Interest on lease liabilities	4,532	2,940