

3I INFOTECH (THAILAND) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2021
AND
INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To The Shareholders of **3I Infotech (Thailand) Limited**

Opinion

I have audited the financial statements of **3I Infotech (Thailand) Limited** which comprise the statement of financial position as at 31 March 2021, the statement of income and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Profession as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

I draw attention to Note 2 as at 31 March 2021, the Company has a capital deficiency approximately Baht 9.20 million and has suffered recurring losses from operations approximately Baht 19.20 million. My opinion is not qualified in respect of this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, 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 my 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 management.
- Conclude on the appropriateness of management's 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



METEE SANGMANEE

Certified Public Accountant (Thailand) No. 5061

Bangkok International Audit Co., Ltd

Bangkok

25 May 2021

3I INFOTECH (THAILAND) LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	Baht	
		2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	3,223,089.11	5,111,241.59
Temporary investment	6	811,417.91	802,675.53
Trade and other receivables	7	16,349,639.31	94,367,250.02
Advance to related party		479,431.60	433,988.88
Unbilled revenue		5,565,501.53	65,751,155.91
Asset held for Sale		139,825,024.20	-
TOTAL CURRENT ASSETS		166,254,103.66	166,466,311.93
NON - CURRENT ASSETS			
Restricted deposit at financial institution	8	2,966,640.69	4,451,733.73
Leasehold improvements and equipment	9	297,707.47	549,784.38
Other non - current assets		2,716,965.10	1,750,125.10
TOTAL NON - CURRENT ASSETS		5,981,313.26	6,751,643.21
TOTAL ASSETS		172,235,416.92	173,217,955.14

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



..... Director



..... *Romida Ghogor* Director

3I INFOTECH (THAILAND) LIMITED
STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		Baht	
	Note	2021	2020
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Trade and other payables	10	59,072,337.13	53,140,017.03
Advance from related parties		121,625,010.77	100,246,516.32
Unearned revenue		739,587.89	24,997,905.41
TOTAL CURRENT LIABILITIES		181,436,935.79	178,384,438.76
TOTAL LIABILITIES		181,436,935.79	178,384,438.76
EQUITY			
Share capital			
Authorized share capital			
100,000 ordinary shares of Baht 100 each		10,000,000.00	10,000,000.00
Paid - up share capital			
100,000 ordinary shares of Baht 100 each		10,000,000.00	10,000,000.00
Deficit		(19,201,518.87)	(15,166,483.62)
TOTAL EQUITY (CAPITAL DEFICIENCY)		(9,201,518.87)	(5,166,483.62)
TOTAL LIABILITIES AND EQUITY		172,235,416.92	173,217,955.14

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



..... Director



..... *Domida Ghegor* Director

3I INFOTECH (THAILAND) LIMITED
STATEMENTS OF INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Baht	
	2021	2020
REVENUES		
Sales and service incomes	60,861,167.18	182,578,064.70
Other incomes	5,058,207.48	529,593.52
TOTAL REVENUES	65,919,374.66	183,107,658.22
EXPENSES		
Cost of sales and service	91,734,693.17	155,836,558.18
Selling expenses	466,683.20	4,624,727.89
Administrative expenses	4,238,078.92	8,358,144.37
Other expenses	-	10,297,389.45
TOTAL EXPENSES	96,439,455.29	179,116,819.89
PROFIT (LOSS) BEFORE FINANCE COST		
AND INCOME TAX EXPENSE	(30,520,080.63)	3,990,838.33
Finance cost	-	629.40
PROFIT (LOSS) BEFORE INCOME TAX EXPENSE	(30,520,080.63)	3,990,208.93
Income tax expense	-	2,296,455.32
PROFIT (LOSS) FOR THE YEARS	(30,520,080.63)	1,693,753.61
FROM CONTINUING OPERATIONS		
Profit from discontinued operations	26,485,045.38	-
NET PROFIT (LOSS) FOR THE YEARS	(4,035,035.25)	1,693,753.61

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

..... Director



..... Director

3i INFOTECH (THAILAND) LIMITED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Baht		
	Paid - up	Deficit	Total
	share capital		
Balance as at 1 April 2019	10,000,000.00	(16,860,237.23)	(6,860,237.23)
Net profit for the year	-	1,693,753.61	1,693,753.61
Balance as at 31 March 2020	10,000,000.00	(15,166,483.62)	(5,166,483.62)
Balance as at 1 April 2020	10,000,000.00	(15,166,483.62)	(5,166,483.62)
Net loss for the year	-	(4,035,035.25)	(4,035,035.25)
Balance as at 31 March 2021	10,000,000.00	(19,201,518.87)	(9,201,518.87)

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



Director



Romida Ghogor

Director

3I INFOTECH (THAILAND) LIMITED
NOTES TO FINANCIAL STATEMENTS
AT 31 MARCH 2021

1. GENERAL INFORMATION

- Registration : The Company was registered as a limited company on 12 May 2005 .
Registration No. 0105548063242
- Located : No.1 Empire Tower, 44 Floor, Unit 4410, South Sathorn Road,
Yannawa, Sathorn, Bangkok.
- Type of business : Software development and consultancy, marketing and distribution
of software products, IT enabled business process outsourcing service, etc.

2. FUNDAMENTAL ACCOUNTING ASSUMPTION

As at 31 March 2021 and 2020, the Company has a capital deficiency approximately Baht 9.20 million and 5.17 million, respectively, and has suffered recurring losses from operations approximately Baht 19.20 million and 15.17 million, respectively.

However, the Company's ability to continue as a going concern depend on the success of the Company's business operation and financial support in form of advance from related company.

With these reasons, the Company's financial statements have therefore been prepared under the going concern basis.



Director



Ranida Ghegor

Director

3. BASIS OF PREPARATION

The financial statements have been prepared in accordance with financial reporting standard applicable to non - publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Revenues recognition

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sales of goods

Revenue from software products is recognized on delivery/installation, as per the predetermined/ laid down policy across all geographies or lower, as considered appropriate by the management on the basis of facts in specific cases.

Revenue from supply of hardware, software license/Term license/Other materials incidental to the aforesaid services recognized based on delivery/installation, as the case may be. Recovery of incidental expenses is added to respective revenue.



Director



Romide Ghogor

Director

Revenue from rendering of services

Revenue from IT services is recognized on fixed price basis or based on certain measurable criteria as per relevant agreements. Provision for estimated losses, if any, on such uncompleted contracts are recorded in the period in which such losses become probable based on the current estimates.

Maintenance revenue in respect of products is deferred and recognized ratably over the period of the underlying maintenance agreement.

Revenue from consulting services and other service contracts is recognized based on transactions processed or manpower deployed.

Other revenues are recognized based on accrual basis.

4.2 Expense recognition

The Company recognizes finance lease payments by minimum lease payments each of period are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term with effective rate of interest.

Other expenses are recognized on an accrual basis.

4.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.4 Temporary investment

Deposit at banks having a maturity exceed 3 months but not over 12 month which presents at cost and is no collateralized.

4.5 Trade accounts receivable and allowance for doubtful accounts

Trade accounts receivable are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated collection losses that may be incurred in the collection of receivables.

The allowance is based on collection experience and the current status of the receivables outstanding at the statement of financial position date. Bad debts will be written off for the accounts considered uncollectable.



Director



Ramido Ghegor

Director

4.6 Unbilled revenue

Unbilled revenue represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable costs incurred in the Company's contract activities based on normal operating capacity.

Unbilled revenue is presented separately under current assets in the statement of financial position. If payments received from customers exceed the income recognised, then the difference is presented as unearned revenue under current liabilities in the statement of financial position.

4.7 Leasehold improvements and equipment and depreciation

Leasehold improvements and equipment are stated at cost less accumulated depreciation.

Depreciation of leasehold improvements and equipment are calculated by reference to their cost on a straight - line method over the estimated useful lives as follow :

	<u>Years</u>
Leasehold improvements	5
Computer	3
Office equipment and furniture	5 - 10

Depreciation of leasehold improvements and equipment are included in determining income.

4.8 Provisions

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



Director



Penida Ghogor

Director

4.9 Foreign currencies

Foreign currency transactions during the year are translated into Baht at the rates ruling on the transaction date. Assets and liabilities in foreign currency outstanding on the statement of financial position date are translated into Baht at the rates ruling on the statement of financial position date.

Exchange gains and losses are included in determining income.

4.10 Income tax

Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

4.11 Use of accounting estimates

Preparation of financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities.

Actual result may differ from those estimates.

5. CASH AND CASH EQUIVALENTS

	Baht	
	2021	2020
Cash	15,685.91	17,323.31
Cash at bank - Current account	3,207,403.20	5,093,918.28
Total	3,223,089.11	5,111,241.59

6. TEMPORARY INVESTMENT

	Baht	
	2021	2020
Cash at bank - Fixed deposit - 12 months	811,417.91	802,675.53
Total	811,417.91	802,675.53



Director



Romido Ghega Director

7. TRADE AND OTHER RECEIVABLES

	Baht	
	2021	2020
Trade accounts receivable		
- General	8,185,049.46	95,070,587.15
- Related parties	2,265,966.09	2,181,807.71
<u>Less</u> Allowance for doubtful accounts	-	(6,404,431.50)
Trade accounts receivable - net	10,451,015.55	90,847,963.36
Other receivables		
- Withholding tax	5,675,169.11	2,093,228.83
- Prepaid expenses	193,243.27	684,524.90
- Advance payment	29,538.63	739,337.63
- Accrued interest income	672.75	2,195.30
Total	16,349,639.31	94,367,250.02

8. RESTRICTED DEPOSIT AT FINANCIAL INSTITUTION

As at 31 March 2021 and 2020, restricted bank deposit is fixed deposit which has been pledged with a local financial institution totaling Baht 2.97 million and 4.45 million, respectively, to secure guarantee for retention of projects.



Director

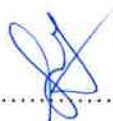


Romida Ghegor

Director

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

	Baht			As at 31 March 2021
	As at 1 April 2020	Addition	Deduction	
Cost :				
Leasehold improvements	1,848,136.30	-	1,848,136.30	-
Computers	1,629,041.09	260,192.50	755,195.42	1,134,038.17
Office equipment and furniture	767,351.80	-	750,622.79	16,729.01
Total	4,244,529.19	260,192.50	3,353,954.51	1,150,767.18
Accumulated Depreciation :				
Leasehold improvements	1,848,136.29	-	1,848,136.29	-
Computers	1,208,030.15	234,487.00	606,185.45	836,331.70
Office equipment and furniture	638,578.37	48,732.39	670,582.75	16,728.01
Total	3,694,744.81	283,219.39	3,124,904.49	853,059.71
Net	549,784.38			297,707.47
Depreciation (included in statements of income)				
Year 2021				283,219.39
Year 2020				234,113.28



Director



Ramida Ghogur

Director

10. TRADE AND OTHER PAYABLES

	Baht	
	2021	2020
Trade accounts payables		
- General	50,411.24	202,071.66
- Related parties	47,094,382.53	42,159,175.59
Other payables		
- Withholding tax payable	395,013.86	462,277.99
- Value added tax payable	10,480,124.30	7,134,590.61
- Social security fund payable	49,873.00	69,750.00
- Accrued expenses	1,002,532.20	3,112,151.18
Total	59,072,337.13	53,140,017.03

11. CONTINGENT LIABILITIES

As at 31 March 2021 and 2020, the company has letter of guarantees issued by local banks for other company of Baht 2.30 million.



Director

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Demiola Ghegar

Director

12. CONTINGENCY

On 10 August 2012, the company was involved in a dispute with other company (contractor) as a result of defaulting from the supply contract in a claim to totaling Baht 68.90 million.

Subsequently, on 19 October 2012, the company filed a Statement of defense and Counterclaim which refused the basis of the claim and made a counterclaim against Krungthai Panich Insurance Public Company Limited for wrongful termination and breach of the contract and claimed damages arising from such breach in the aggregate amount of Baht 129.94 million.

On 24 January 2017 The Arbitral Tribunal provided that the company shall pay the claimant Baht 31.41 million, bear interest rate 7.5% from the date of the award.

As the company and other company (contractor) have been unable to reach any agreement on the identity and composition of the Arbitral Tribunal.

On 28 April 2017, The company filled an application for setting aside the award with the central civil court.

On 19 June 2017, the claimant filled an objection which refuted the basis of application for setting aside the award and requested the central civil court to dismiss such application.

On 20 March 2018, the Court pronounced with judgment in favour of the Company and held that the Award shall be set aside and the Company is not liable to the Claimant for any damages and the Claimant shall be liable to the Company for the attorney fee incurred by the Company in connection with the court proceeding in the sum of THB 50,000.

On 24 September 2019, the Supreme court pronounced with judgment in favour of the Company and held that the Award shall be set aside and the Company is not liable to the Claimant for any damages.



Director



Romida Ghogor Director

13. SIGNIFICANT SUBSEQUENT EVENT

In the beginning of year 2020, The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown, and adversely impacting most businesses and industries.

This situation may bring uncertainties and have an impact on the environment in which the Company operates.

However, The Company’s management will continue to monitor ongoing development assess the financial impact in respect of the valuation of assets, provisions, and contingent liabilities.

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the authorized directors of the Company on 25 May 2021.



..... Director



..... Remida Ghogor Director