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

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

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

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

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

CONFIDENTIAL

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

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

CONTENTS

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

The directors have pleasure to present their report together with the audited financial statements of the Company for the financial year ended 31 March 2022.

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
Total comprehensive loss for the financial year, net of tax	(1,515,356)

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.

3I INFOTECH LIMITED

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:

Tia Hwei Ping (Resigned on 31.1.2022)
Mrinal Manoj Ghosh (Resigned on 2.9.2021)
Saridah Binti Ismail (Resigned on 31.1.2022)
Sreerupa Sengupta
Awalludin Bin Nasir (Appointed on 31.1.2022)
Hedzir Bin Aminudin (Appointed on 31.1.2022)

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.

3I INFOTECH LIMITED

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.

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 ____________.

AWALLUDIN BIN NASIR
Director

SREERUPA SENGUPTA
Director

3I INFOTECH LIMITED

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

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

The directors of 3i Infotech Sdn. Bhd. state that, in their opinion, the financial statements set out on pages 10 to 44 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 2022 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 ______________.

AWALLUDIN BIN NASIR
Director

SREERUPA SENGUPTA
Director

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

I, **Sreerupa Sengupta**, 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 44 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.

SREERUPA SENGUPTA
Director

Subscribed and solemnly declared

At India on ______________.

Before me,

3i INFOTECH LIMITED

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 2022, and the statement of 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 44.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2022, 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.

3i INFOTECH LIMITED

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.

3i INFOTECH LIMITED

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.

3I INFOTECH LIMITED

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 ________________.

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

MOHAMMAD NIZAM BIN JOHARI
(NO. 03226/02/2024 J)
CHARTERED ACCOUNTANT
PARTNER

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	NOTE	2022 RM	2021 RM
Continuing operations			
REVENUE	6	2,076,635	1,810,206
Cost of sales		(4,262,526)	(4,773,327)
Gross loss		(2,185,891)	(2,963,121)
Other operating income		1,615,452	5,420,445
Other operating expenses		(927,834)	(5,129,562)
Loss from operations		(1,498,273)	(2,672,238)
Finance cost		(17,083)	(4,532)
Loss before tax	7	(1,515,356)	(2,676,770)
Income tax expense	8	-	(1,389,000)
Loss from continuing operations, net of tax		(1,515,356)	(4,065,770)
Discontinued operations			
Profit from discontinued operations, net of tax	9	-	448,405
Loss for the financial year		(1,515,356)	(3,617,365)
Other comprehensive income, net of tax		-	-
Total comprehensive loss for the year, net of tax		(1,515,356)	(3,617,365)

3i INFOTECH LIMITED

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

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	NOTE	2022 RM	2021 RM
ASSETS			
Non-current assets			
Property, plant and equipment	10	30,347	32,726
Right-of-use assets	11	531,713	41,588
Other receivables	13	26,962,414	27,058,915
		27,524,474	27,133,229
Current assets			
Trade receivables	15	4,321,852	388,683
Other receivables	13	10,134,225	9,311,005
Cash and bank balances		423,615	3,568,592
		14,879,692	13,268,280
Total assets		42,404,166	40,401,509
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	16	5,000,000	5,000,000
Retained earnings	17	19,862,848	21,378,204
Total equity		24,862,848	26,378,204
Non-current liability			
Lease liabilities	18	342,008	-
Current liabilities			
Trade payable	19	11,938,316	13,412,126
Other payables	20	5,064,304	566,884
Lease liabilities	18	196,690	44,295
		17,199,310	14,023,305
Total liabilities		17,541,318	14,023,305
Total equity and liabilities		42,404,166	40,401,509

3I INFOTECH LIMITED

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

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	Share capital RM	Retained earnings RM	Total RM
As at 1 April 2020	5,000,000	24,995,569	29,995,569
Total comprehensive 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
Total comprehensive loss for the financial year	-	(1,515,356)	(1,515,356)
As at 31 March 2022	5,000,000	19,862,848	24,862,848

3I INFOTECH LIMITED

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

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		
- Continuing operations	(1,515,356)	(2,676,770)
- Discontinued operations	-	448,405
Adjustments for:		
Allowance for impairment of trade receivables - reversed	(123,928)	(127,928)
Allowance for impairment of trade receivables (specific)	49,371	80,663
Depreciation of property, plant and equipment	17,946	43,694
Depreciation of right-to-use assets	86,417	53,462
Intangible assets written off	-	3,795,829
Interest on advances to related companies	(1,128,281)	(1,198,379)
Interest on lease liabilities	17,083	4,532
Gain on disposal of discontinued operation	-	(3,675,207)
Gain on foreign exchange (unrealised)	(358,079)	(531,261)
Gain on modification of lease asset	(2,605)	-
Operating loss before working capital changes	(2,957,432)	(3,782,960)
(Increase)/decrease in receivables	(3,154,971)	3,632,002
Increase/(decrease) in payables	3,023,610	(389,951)
Cash (used in)/generated from operations	(3,088,793)	(540,909)
Interest paid	(1,204)	(5,291)
Tax paid	-	(33,624)
Tax refund	56,000	-
Net cash (used in)/generated from operating activities	(3,033,997)	(579,824)
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of property, plant and equipment	(15,567)	(21,139)
Proceeds from disposal of discontinued operations	-	3,314,971
Net cash (used in)/generated from investing activities	(15,567)	3,293,832
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(95,413)	(56,350)
Remeasurement of right-of-use asset	-	4,841
Net cash used in financing activities	(95,413)	(51,509)

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

	2022 RM	2021 RM
Net (decrease)/increase in cash and cash equivalents	(3,144,977)	2,662,499
Cash and cash equivalents brought forward	3,568,592	906,093
Cash and cash equivalents carried forward	423,615	3,568,592
Cash and cash equivalents comprise:		
Cash and bank balances	423,615	3,568,592

3I INFOTECH LIMITED

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

(a) The Company is a private company incorporated and domiciled in Malaysia.

(b) 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.

(c) The address of the registered office is as follows:

12th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor

(d) The address of the principal place of business is as follows:

Suite 2A-7-2, Level 7
Block 2A, Plaza Sentral,
Jalan Stesen Sentral 5,
Kuala Lumpur Sentral, 50470
Kuala Lumpur.

(e) The financial statements of the Company were authorised for issue by the Board of Directors on ______________.

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.

3I INFOTECH LIMITED

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 2022:

MFRS	
Amendment to MFRS 16	Covid-19-Related Rent Concessions
Amendments to MFRS 9,	Interest Rate Benchmark Reform-Phase 2

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

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 2022.

MFRS and Interpretations		**Effective for financial periods beginning on or after**
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
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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:

3I INFOTECH LIMITED

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

(a) 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.

(b) 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.

(c) 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 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.

3I INFOTECH LIMITED

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:

	2022 RM	2021 RM
Foreign currency		
1 US dollar	4.2022	4.1463
1 Singapore Dollar	3.1033	3.0814
1 Thai Baht	0.1265	0.1329

(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). 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.

3I INFOTECH LIMITED

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) 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.

3I INFOTECH LIMITED

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) IMPAIRMENT OF 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.

3I INFOTECH LIMITED *

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

3I INFOTECH LIMITED *

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

3I INFOTECH LIMITED

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

3I INFOTECH LIMITED

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

3I INFOTECH LIMITED

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) 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.

(j) 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.

3I INFOTECH LIMITED

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

3I INFOTECH LIMITED

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) 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.

(p) 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.

3I INFOTECH LIMITED

6. REVENUE

	2022 RM	2021 RM
IT projects and services	2,076,635	1,810,205

7. LOSS BEFORE TAX

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

	2022 RM	2021 RM
Allowance for impairment of trade receivables (specific)	49,371	-
Allowance for impairment of trade receivables (specific)-reversed	(123,928)	-
Auditors' remuneration	63,985	3,366
Depreciation - right-of-use assets		
- current year	86,417	58,595
- overstated in prior year	-	(5,133)
Depreciation of property, plant and equipment	17,946	26,966
Directors' remuneration	-	809,522
Employee advances written off	-	2,338
Loss on foreign exchange (realised) - trade	185,546	133,688
Loss on foreign exchange (unrealised) - non trade	-	928,711
Rental	163,783	282,820
Sundry receivables written off	-	13,432
Interest on lease liabilities	17,083	4,532
Gain on disposal of discontinued operation	-	(3,658,479)
Interest on advances to related companies	(1,128,281)	(1,198,379)

b) Employee benefits

	2022 RM	2021 RM
Salaries, allowance, bonuses, EPF contribution and Social security contribution	2,577,703	8,021,137

3I INFOTECH LIMITED

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

8. INCOME TAX EXPENSE

	2022 RM	2021 RM
In respect of current year		
Deferred tax (Note 14)	-	1,389,000
Tax expense for the financial year	-	1,389,000

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:

	2022 RM	2021 RM
Loss before tax	(1,515,356)	(2,228,365)
Tax at statutory tax rate of 24%	(363,685)	(534,808)
Expenses not deductible for tax purposes	78,877	1,688,019
Income not subject to tax	(348,175)	(1,983,639)
Current year losses for which no deferred tax asset was recognised	632,983	2,219,428
Tax attributable for the financial year	-	1,389,000

3I INFOTECH LIMITED

9. DISCOUNTINUED OPERATIONS

In the financial year 2021, 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

	2022 RM	2021 RM
Profit for the financial year from discontinued operations	-	448,405

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

	2022 RM	2021 RM
Revenue	-	13,937,693
Cost of sales	-	(11,267,175)
Gross profit	-	2,670,518
Other operating expenses	-	(2,222,113)
Profit before tax	-	448,405
Income tax expenses	-	-
Profit for the financial year from discontinued operations	-	448,405

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

	2022 RM	2021 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

	2022 RM	2021 RM
d. Gain on disposal of discontinued operations	-	(3,729,269)

3i INFOTECH LIMITED

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

10. PROPERTY, PLANT AND EQUIPMENT

2022	As at 1 April 2021 RM	Additions RM	Disposals RM	As at 31 March 2022 RM
COST				
Computer	153,442	15,567	-	169,009
Furniture & fixtures	100,171	-	-	100,171
Office equipment	1,350,667	-	-	1,350,667
Renovation	348,935	-	-	348,935
	1,953,215	15,567	-	1,968,782

2022	As at 1 April 2021 RM	Charge for the financial year RM	Disposals RM	As at 31 March 2022 RM
ACCUMULATED DEPRECIATION				
Computer	133,852	12,698	-	146,550
Furniture & fixtures	92,289	1,453	-	93,742
Office equipment	1,345,413	3,796	-	1,349,209
Renovation	348,935	-	-	348,935
	1,920,489	17,947	-	1,938,436

	2022 RM	2021 RM
NET BOOK VALUE		
Computer	22,459	19,590
Furniture & fixtures	6,429	7,882
Office equipment	1,458	5,254
Renovation	-	-
	30,346	32,726

3i INFOTECH LIMITED

11. RIGHT-OF-USE ASSETS

	2022 RM	2021 RM
Condominium units/office		
Cost		
At 1 April 2021/2020	117,339	122,180
Addition	616,674	-
Derecognition	(117,339)	-
Remeasurement	-	(4,841)
At 31 March 2022/2021	616,674	117,339
Accumulated depreciation		
At 1 April 2021/2020	75,751	22,289
Depreciation charge for the financial year	86,417	58,595
Derecognition	(77,207)	-
Overstated in prior year	-	(5,133)
At 31 March 2022/2021	84,961	75,751
Net carrying amount	531,713	41,588

12. INTANGIBLE ASSETS

	2022 RM	2021 RM
Intellectual Property Rights in computer software (finite)		
Cost		
At 1 April	-	18,979,146
Less: written off	-	(18,979,146)
At 31 March	-	-
Accumulated amortisation:		
At 1 April	-	15,183,317
- current year	-	-
- overstated in prior year	-	-
Less: written off	-	(15,183,317)
At 31 March	-	-
At 31 March - Carrying amount KastleTM, PremiaTM & Orion™	-	-

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

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

13. OTHER RECEIVABLES

	2022 RM	2021 RM
Non-current assets		
Long term deposits	83,174	88,374
Loan to related companies [Note 24 (c)]	26,879,240	26,970,541
	26,962,414	27,058,915
Current assets		
Prepayment	7,028	106,876
Sundry receivables	1,235,932	264,814
Tax recoverable	32,662	88,662
Due from related companies [Note 24 (c)]	933,666	931,826
Due from holding company [Note 24 (c)]	7,924,937	7,918,827
	10,134,225	9,311,005
	37,096,639	36,369,920

14. DEFERRED TAX ASSETS

	2022 RM	2021 RM
At 1 April 2021/2020	-	1,389,000
Recognised in profit or loss (Note 8)		
- temporary timing differences	-	(702,000)
- tax losses	-	(687,000)
	-	(1,389,000)
At 31 March 2022/2021	-	-

The amount of temporary differences not recognised as deferred tax assets arising from unused tax losses was RM7,848,000 (2021: RM2,169,000 - restated).

The Finance Act 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses. Based on the latest Finance Act 2021, gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years.

As a result of this change, the unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. From years of assessment 2019 to 2028) any balance of the unutilised losses thereafter shall be disregarded.

3i INFOTECH LIMITED

14. DEFERRED TAX ASSETS (CONT'D)

	2022 RM	2021 RM RESTATED
Not recognised as deferred tax assets		
- expiring on 31 March 2029	1,981,000	1,981,000
- expiring on 31 March 2030	188,000	188,000
- expiring on 31 March 2031	3,160,000	-
- expiring on 31 March 2032	2,519,000	-

15. TRADE RECEIVABLES

	2022 RM	2021 RM
Third parties	4,409,346	588,969
Less: Allowance for impairment		
Brought forward	(200,286)	(540,944)
Addition (profit or loss)	(49,371)	(67,573)
Reversal during the financial year (profit or loss)	123,928	14,178
Reclassified to discontinued operations	-	129,053
Write off	-	265,000
Carried forward	(125,729)	(200,286)
	4,283,617	388,683
Excess of revenue recognised over billings	38,235	-
Less: Allowance for impairment		
Brought forward	-	(148,134)
Addition (profit or loss)	-	(13,090)
Reversal during the financial year (profit or loss)	-	113,750
Reclassified to discontinued operations	-	47,474
Carried forward	-	-
	38,235	-
Total	4,321,852	388,683

16. SHARE CAPITAL

	2022 RM	2021 RM
Issued and fully paid		

3I INFOTECH LIMITED

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

	2022 RM	2021 RM
Current		
Lease liabilities	196,690	44,295
Non-current		
Lease liabilities	342,008	-
Total lease liabilities	538,698	44,295

The remaining maturities of the lease liabilities are as follows:

On demand or within one year	196,690	44,295
More than 1 year and less than 2 years	342,008	-
	538,698	44,295

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

At 1 April 2021/2020	44,295	101,404
Addition	616,674	-
Interest charged on lease liabilities	17,083	4,532
Derecognition due to lease modification	(42,737)	-
Payments of:		
- Principal	(95,413)	(56,350)
- Interest	(1,204)	(5,291)
At 31 March 2022/2021	538,698	44,295

19. TRADE PAYABLE

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

3i INFOTECH LIMITED

20. OTHER PAYABLES

	2022 RM	2021 RM
Excess of billings over revenue recognised	3	3
Advance from customers	3,651	3,651
Sundry payables and accruals	5,060,650	509,168
	5,064,304	512,822

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.

3i INFOTECH LIMITED

23. SIGNIFICANT RELATED COMPANY TRANSACTIONS AND BALANCES

a) Significant related company transactions

Transactions with related companies are as follows:

	2022 RM	2021 RM
3i Infotech Limited (India)		
Administration charges	1,102	640,783
Other expenses	2,079	75,000
Royalties payable	41,533	315,547
Technical services and reimbursements charged	1,431,308	6,366,108
Travelling reimbursement	1,033	7,767
3i Infotech Inc. (United State of America)		
Interest income	(471,272)	(505,790)
3i Infotech (Middle East) FZ LLC (Dubai, United Arab Emirates)		
Interest income	(657,009)	(556,411)
3i Infotech Saudi Arabia Limited		
Paid on behalf	-	(26,243)

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:

3i INFOTECH LIMITED

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

2022	In Ringgit Malaysia RM	In US Dollar RM	In Singapore Dollar RM	In Thailand Baht RM	Total RM
Trade receivables	4,321,852	-	-	-	4,321,852
Other receivables	428,057	27,948,028	7,924,937	795,617	37,096,639
Cash and bank balances	423,615	-	-	-	423,615
Trade payable	-	11,938,316	-	-	11,938,316
Other payables	868,577	4,195,727	-	-	5,064,304

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

3i INFOTECH LIMITED *

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

	2022 RM	2021 RM
Third parties		
Neither past due not impaired	215,031	1,499,810
1 to 60 days past due not impaired	-	746,278
61 to 120 days past due not impaired	-	78,440
More 120 days past due not impaired	120,955	749,236
Total past but not impaired	120,955	1,573,954
Past due and impaired	125,729	200,286
Total	461,715	3,274,050

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 RM461,715 (2021: RM1,573,954) 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 2022 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM
Trade receivables	3,199,493	125,729

3I INFOTECH LIMITED

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 RM17,002,620 (2021: RM13,979,010) due within one year.

3i INFOTECH LIMITED *

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:

	2022 RM	2021 RM
(i) Financial assets measured at amortised cost		
Trade and other receivables	41,418,491	36,758,603
Cash and bank balances	423,615	3,568,592
	41,842,106	40,327,195
(ii) Financial liabilities carried amortised cost		
Trade and other payables	17,002,620	13,979,010
Lease liabilities	538,698	44,295
	17,541,318	14,023,305

(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.

3I INFOTECH LIMITED *

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 2022 and 31 March 2021.

3I INFOTECH LIMITED *

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

FOR MANAGEMENT PURPOSES ONLY

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022 RM	2021 RM
Revenue	2,076,635	15,747,899
LESS : COST OF SALES		
Directors' remuneration	-	809,522
Incentives paid to staff	-	251,404
Purchase of OEM	198,039	595,149
Recruitment charges	80,014	1,298
Royalty	41,533	315,547
Salaries, allowances and bonus	2,426,636	7,605,651
Software expenses	47,368	6,321
Technical services paid to related company	1,431,308	6,366,108
Third party services	36,595	81,735
Travelling expenses reimbursement to a related party	1,033	7,767
	4,262,526	16,040,502
Gross loss	(2,185,891)	(292,603)
OTHER INCOME		
Gain on disposal of discontinued operation	-	3,658,479
Gain on foreign exchange (unrealised)-non trade	358,079	531,261
Gain on modification of lease asset	2,605	-
Interest on advances to related companies	1,128,281	1,198,379
Miscellaneous income	21,767	15,598
Rental	104,720	-
	1,615,452	5,403,717
	(570,439)	5,111,114
LESS:		
OTHER OPERATING EXPENSES	(927,834)	(7,334,947)
FINANCE COST	(17,083)	(4,532)
	(944,917)	(7,339,479)
Loss before tax	(1,515,356)	(2,228,365)

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

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022

	2022 RM	2021 RM
OTHER OPERATING EXPENSES		
Administration services paid to related company	1,102	640,783
Allowance for impairment of trade receivables (specific)	49,371	80,663
Allowance for impairment of trade receivables (specific)-reversed	(123,928)	(127,928)
Auditors' remuneration	63,985	33,657
Bank charges	1,987	12,356
Business transfer expenses	-	75,872
Computer expenses	400	4,765
Conveyance	1,651	6,448
Depreciation - right-of-use assets		
- current year	86,417	58,595
- overstated in prior year	-	(5,133)
Depreciation of property, plant and equipment	17,946	43,694
Employee advances written off	-	2,338
Expenses on meeting and seminars	2,079	-
Gifts and donations	-	5,978
Hire charges	4,777	7,891
Immigration expenses	(26,794)	153,921
Infrastructure charges	21,754	9,242
Insurance	110,839	227,845
Intangible assets written off	-	3,795,829
Legal and professional fees	118,331	129,540
Loss on foreign exchange (realised) - trade	185,546	133,688
Loss on foreign exchange (unrealised) - non trade	-	928,711
Marketing expenses	-	23,736
Miscellaneous expenses	6,921	6,033
Newspaper and periodical	-	540
Office expenses	46,118	16,583
Balance brought forward	568,502	6,265,647

3I INFOTECH LIMITED

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

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)

	2022 RM	2021 RM
OTHER OPERATING EXPENSES		
Balance carried forward	568,502	6,265,647
Postage and courier	(233)	3,485
Printing & stationery	836	1,961
Rates and taxes	21,664	17,043
Registration fees	100	-
Rental	163,783	282,820
Repair and maintenance - others	2,430	9,483
Salaries, allowances and bonus	151,067	415,485
Software expenses	400	1,749
Staff welfare	399	3,209
Sundry receivables written off	-	13,432
Telephone and fax	26,860	38,349
Transport charges	50	-
Travelling expenses	(39,707)	207,686
Upkeep of motor vehicles	12,074	16,362
Upkeep of office equipment	124	4,299
Water and electricity	19,485	19,316
Withholding tax expense	-	51,349
	927,834	7,351,675
FINANCE COST		
Interest on lease liabilities	17,083	4,532

3i INFOTECH LIMITED *