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

REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

The directors have pleasure to present their report together with the audited financial statements of the Company for the financial year ended 31 March 2023.

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	(1,466,227)

3. RESERVES AND PROVISIONS

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

4. DIVIDENDS

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

5. ISSUE OF SHARES AND DEBENTURES

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

6. SHARE OPTIONS

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

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

7. DIRECTORS

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

Sreerupa Sengupta (Resigned on 14.7.2022)
Awalludin Bin Nasir
Hedzir Bin Aminudin
Sudeep Ullhas Nadkami (Appointed on 14.7.2022)
Seshadri S Krishna (Appointed on 14.7.2022)
Harish Laxminarayan Shenoy (Appointed on 27.6.2023)

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

None of the directors of the Company have received or receivable remuneration from the Company during the financial year.

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

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

11. INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

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

12. OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

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

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

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

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

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

In the opinion of the directors:

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

(b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Company for the financial year in which this report is made.

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(Incorporated in Malaysia)

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

SESHADRI S KRISHNA
Director

HARISH LAXMINARAYAN SHENOY
Director

Date: 28 JUN 2023

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 41 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 2023 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 28 JUN 2023.

SESHADRI S KRISHNA
Director

HARISH LAXMINARAYAN SHENOY
Director

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

I, **Harish Laxminarayan Shenoy**, 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 41 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.

HARISH LAXMINARAYAN SHENOY
Director

Subscribed and solemnly declared

At India on ______________.

Before me,

BEFORE ME
HEMANT JANGAM
NOTARY, GOVT. OF INDIA
MUMBAI, MAHARASHTRA.
28 JUN 2023

NOTARY
HEMANT JANGAM
MUMBAI
MAHARASHTRA
Regn. No. 4762
Expiry Date
20-10-2027
GOVERNMENT OF INDIA

NOTARIAL NOTARIAL NOTARIAL NOTARIAL NOTARIAL

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 2023, 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 41.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA code.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditors' report thereon.

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

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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 th e effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 3I INFOTECH SDN. BHD. 200201026164 (593827 - M) (CONT'D)
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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 28 JUN 2023.

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

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	NOTE	2023 RM	2022 RM
REVENUE	6	1,211,142	2,076,635
Cost of sales		(1,676,171)	(4,262,526)
Gross loss		(465,029)	(2,185,891)
Other operating income		2,803,495	1,615,452
Other operating expenses		(847,242)	(927,834)
Profit/(loss) from operations		1,491,224	(1,498,273)
Finance cost		(24,997)	(17,083)
Profit/(loss) before tax	7	1,466,227	(1,515,356)
Income tax expense	8	-	-
Profit/(loss) for the financial year		1,466,227	(1,515,356)
Other comprehensive income, net of tax		-	-
Total comprehensive income/(loss) for the financial year attributable to owner of the Company		1,466,227	(1,515,356)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	NOTE	2023 RM	2022 RM
ASSETS			
Non-current assets			
Property, plant and equipment	9	26,224	30,347
Right-of-use assets	10	151,147	531,713
Other receivables	11	29,861,167	26,962,414
		30,038,538	27,524,474
Current assets			
Trade receivables	12	300,153	4,321,852
Other receivables	11	9,803,355	10,134,225
Cash and bank balances		196,312	423,615
		10,299,820	14,879,692
Total assets		40,338,358	42,404,166
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	13	5,000,000	5,000,000
Retained earnings	14	21,329,075	19,862,848
Total equity		26,329,075	24,862,848
Non-current liability			
Lease liabilities	15	46,924	342,008
Current liabilities			
Trade payable	16	12,602,140	11,938,316
Other payables	17	1,253,228	5,064,304
Lease liabilities	15	106,991	196,690
		13,962,359	17,199,310
Total liabilities		14,009,283	17,541,318
Total equity and liabilities		40,338,358	42,404,166

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STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	Share capital RM	Retained earnings RM	Total RM
As at 1 April 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
Total comprehensive income for the financial year	-	1,466,227	1,466,227
As at 31 March 2023	5,000,000	21,329,075	26,329,075

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

3I INFOTECH SDN. BHD. 200201026164 (593827 - M)
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	NOTE	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit/(Loss) before tax		1,466,227	(1,515,356)
Adjustments for:			
Allowance for impairment of trade receivables – reversed		(55,654)	(123,928)
Allowance for impairment of trade receivables (specific)		-	49,371
Depreciation of property, plant and equipment		18,107	17,946
Depreciation of right-to-use assets		164,707	86,417
Property, plant and equipment written off		4,976	-
Interest on advances to related companies		(1,814,787)	(1,128,281)
Interest on lease liabilities		24,997	17,083
Gain on foreign exchange (unrealised)		(760,972)	(358,079)
Gain on modification of lease asset		(13,421)	(2,605)
Operating loss before working capital changes		(965,820)	(2,957,432)
Decrease/(increase) in receivables		4,675,060	(3,154,971)
(Decrease)/increase in payables		(3,739,907)	3,023,610
Cash used in operations		(30,667)	(3,088,793)
Interest paid		-	(1,204)
Tax refund		-	56,000
Net cash used in operating activities		(30,667)	(3,033,997)
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		(18,960)	(15,567)
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of lease liabilities		(180,500)	(95,413)
Net decrease in cash and cash equivalents		(230,127)	(3,144,977)
Net foreign exchange difference		2,824	-
Cash and cash equivalents brought forward		423,615	3,568,592
Cash and cash equivalents carried forward		196,312	423,615
Cash and cash equivalents comprise:			
Cash and bank balances		196,312	423,615

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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.

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 2023:

MFRS

Amendment to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Annual Improvements to MFRS Standards 2018 – 2020	
Amendments to MFRS 116	Property, Plant and Equipment-Proceeds
Amendments to MFRS 137	Onerous Contracts-Cost of Fulfilling a Contract

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 2023.

MFRS and Interpretations		Effective for financial periods beginning on or after
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
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101	Non-Current liabilities with Covenants	1 January 2024
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025

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:

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.

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 rate used in translation of foreign currency amounts are as follows:

	2023 RM	2022 RM
Foreign currency		
1 US dollar	4.4107	4.2022

(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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

6. REVENUE

	2023 RM	2022 RM
IT projects and services	1,211,142	2,076,635

7. PROFIT/(LOSS) BEFORE TAX

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

	2023 RM	2022 RM
Allowance for impairment of trade receivables (specific)	-	49,371
Allowance for impairment of trade receivables (specific)-reversed	(55,654)	(123,928)
Auditors' remuneration	26,500	63,985
Depreciation - right-to-use assets	164,707	86,417
Depreciation of property, plant and equipment	18,107	17,946
Loss on foreign exchange (realised)	-	185,546
Property, plant and equipment written off	4,976	-
Rental	-	163,783
Sundry receivables written off	31,180	-
Interest on lease liabilities	24,997	17,083
Gain on foreign exchange (unrealised)	(760,972)	(358,079)
Interest on advances to related companies	(1,814,787)	(1,128,281)

b) Employee benefits

	2023 RM	2022 RM
Salaries, allowance, bonuses, EPF contribution and Social security contribution	1,739,754	2,577,703

8. INCOME TAX EXPENSE

The Company does not have chargeable income during the financial year.

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:

	2023 RM	2022 RM
Profit/(loss) before tax	1,466,227	(1,515,356)
Tax at statutory tax rate of 24%	351,894	(363,685)
Expenses not deductible for tax purposes	23,410	78,877
Income not subject to tax	(618,036)	(348,175)
Current year losses for which no deferred tax asset was recognised	242,732	632,983
Tax attributable for the financial year	-	-

9. PROPERTY, PLANT AND EQUIPMENT

2023	As at 1 April 2022 RM	Additions RM	Write off RM	As at 31 March 2023 RM
COST				
Computer	169,009	18,960	-	187,969
Furniture & fixtures	100,171	-	(100,171)	-
Office equipment	1,350,667	-	-	1,350,667
Renovation	348,935	-	(348,935)	-
	1,968,782	18,960	(449,106)	1,538,636

2023	As at 1 April 2022 RM	Charge for the year RM	Write off RM	As at 31 March 2023 RM
ACCUMULATED DEPRECIATION				
Computer	146,550	15,195	-	161,745
Furniture & fixtures	93,741	1,454	(95,195)	-
Office equipment	1,349,209	1,458	-	1,350,667
Renovation	348,935	-	(348,935)	-
	1,938,435	18,107	(442,677)	1,512,412

	2023 RM	2022 RM
NET BOOK VALUE		
Computer	26,224	22,459
Furniture & fixtures	-	6,430
Office equipment	-	1,458
Renovation	-	-
	26,224	30,347

10. RIGHT-OF-USE ASSETS

	2023 RM	2022 RM
Condominium units/office		
Cost		
At 1 April 2021/2020	616,674	117,339
Addition	212,887	616,674
Derecognition	(616,674)	(117,339)
Remeasurement	-	-
At 31 March 2022/2021	212,887	616,674
Accumulated depreciation		
At 1 April 2021/2020	84,961	75,751
Depreciation charge for the financial year	164,707	86,417
Derecognition	(187,928)	(77,207)
Overstated in prior year	-	-
At 31 March 2022/2021	61,740	84,961
Net carrying amount	151,147	531,713

11. OTHER RECEIVABLES

	2023 RM	2022 RM
Non-current assets		
Long term deposits	32,100	83,174
Loan to related companies [Note 19(c)]	29,829,067	26,879,240
	29,861,167	26,962,414
Current assets		
Prepayment	509	7,028
Sundry receivables	904,734	1,235,932
Tax recoverable	32,662	32,662
Due from related companies [Note 19 (c)]	940,513	933,666
Due from holding company [Note 19 (c)]	7,924,937	7,924,937
	9,803,355	10,134,225
	39,664,522	37,096,639

12. TRADE RECEIVABLES

	2023 RM	2022 RM
Third parties	323,262	4,409,346
Less: Allowance for impairment		
Brought forward	(125,729)	(200,286)
Addition (profit or loss)	-	(49,371)
Reversal during the financial year (profit or loss)	55,654	123,928
Carried forward	(70,075)	(125,729)
	253,187	4,283,617
Excess of revenue recognised over billings	46,966	38,235
Total	300,153	4,321,852

13. SHARE CAPITAL

	2023 RM	2022 RM
Issued and fully paid		
5,000,000 ordinary shares	5,000,000	5,000,000

14. 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.

15. LEASES LIABILITIES

	2023 RM	2022 RM
Current		
Lease liabilities	106,991	196,690
Non-current		
Lease liabilities	46,924	342,008
Total lease liabilities	153,915	538,698

The remaining maturities of the lease liabilities are as follows:

On demand or within one year	106,991	196,690
More than 1 year and less than 2 years	46,924	342,008
	153,915	538,698

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

At 1 April 2022/2021	538,698	44,295
Addition	212,887	616,674
Interest charged on lease liabilities	24,997	17,083
Derecognition due to lease modification	(442,167)	(42,737)
Payments of:		
- Principal	(180,500)	(95,413)
- Interest	-	(1,204)
At 31 March 2023/2022	153,915	538,698

16. TRADE PAYABLE

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

17. OTHER PAYABLES

	2023 RM	2022 RM
Advance from customers	3,651	3,651
Sundry payables and accruals	1,249,577	5,060,653
	1,253,228	5,064,304

18. 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.

19. SIGNIFICANT RELATED COMPANY TRANSACTIONS AND BALANCES

a) Significant related company transactions

Transactions with related companies are as follows:

	2023 RM	2022 RM
3i Infotech Limited (India)		
Administration charges	-	1,102
Other expenses	1,161	2,079
Royalties payable	2,254	41,533
Technical services and reimbursements charged	41,875	1,431,308
Travelling reimbursement	20,198	1,033
3i Infotech Inc. (United State of America)		
Interest income	(763,311)	(471,272)
3i Infotech (Middle East) FZ LLC (Dubai, United Arab Emirates)		
Interest income	(1,062,468)	(657,009)
3i Infotech (Thailand) Limited		
Revenue – services	(78,478)	-

19. SIGNIFICANT RELATED COMPANY TRANSACTIONS AND BALANCES (CONT'D)

a) Significant related company transactions (Cont'd)

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 balance

Related companies balance are disclosed in other receivables and trade payable (Notes 11 and 16).

20. UNUSED TAX LOSS

Unrecognised deferred tax

Deferred tax assets are recognised for unused tax losses carried forward to the extent that realisation of the related tax benefits through the future available profits is probable. The directors are of the opinion that the Company uncertain to generate sufficient profit in the foreseeable future to fully utilise the unused tax losses.

The amount temporary differences not recognised as deferred tax assets arising from unused tax losses of the Company was approximately of RM9,020,000 (2022: RM7,996,000).

The finance Act 2021 has imposed a time limit for the carry forward unused tax losses is 10 years and any balance of the unused tax losses thereafter shall be disregarded.

	2023	**2022**
	RM	**RM**
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	3,160,000
- expiring on 31 March 2032	2,667,000	2,667,000
- expiring on 31 March 2033	1,024,000	-

21. 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:

(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

2023	In Ringgit Malaysia RM	In US Dollar RM	Total RM
Trade receivables	300,153	-	300,153
Other receivables	9,690,559	29,973,963	39,664,522
Cash and bank			
Cash and bank balances	132,107	64,205	196,312
Trade payable	-	12,602,140	12,602,140
Other payables	1,253,228	-	1,253,228

2022	In Ringgit Malaysia RM	In US Dollar RM	Total RM
Trade receivables	4,321,852	-	4,321,852
Other receivables	9,148,611	27,948,028	37,096,639
Cash and bank balances	419,268	4,347	423,615
Trade payable	-	11,938,316	11,938,316
Other payables	868,577	4,195,727	5,064,304

21. 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

	2023 RM	2022 RM
Third parties		
Neither past due not impaired	261,355	4,200,897
1 to 60 days past due not impaired	38,798	-
61 to 120 days past due not impaired	-	-
More 120 days past due not impaired	-	120,955
Total past but not impaired	38,798	120,955
Past due and impaired	70,076	125,729
Total	370,229	4,447,581

21. 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 amounting to RM38,798 (2022: RM120,955) 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 12 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 2023 which are grouped together as they are expected to have similar risk nature.

	Gross Carrying Amount RM	Loss allowance RM
Trade receivables	370,229	70,076

21. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) CREDIT RISK (CONT'D)

Loan to related companies

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

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

Loan to related companies have no fixed term of repayments.

Amount due from related, holding and ultimate holding companies

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

(d) LIQUIDITY AND CASH FLOW RISKS

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

Maturity analysis

The Company's liabilities maturity at reporting date consist of trade and other payables amounting to RM13,855,368 (2022: RM17,002,620) due within one year.

21. 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:

	2023 RM	2022 RM
(i) Financial assets measured at amortised cost		
Trade and other receivables	39,964,675	41,418,491
Cash and bank balances	196,312	423,615
	40,160,987	41,842,106
(ii) Financial liabilities carried amortised cost		
Trade and other payables	13,855,368	17,002,620
Lease liabilities	153,915	538,698
	14,009,283	17,541,318

(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.

23. 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 2023 and 31 March 2022.

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

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

CONFIDENTIAL

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

FOR MANAGEMENT PURPOSES ONLY

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
Revenue	1,211,142	2,076,635
LESS: COST OF SALES		
Incentives paid to staff	31,863	-
Purchase of OEM	6,787	198,039
Recruitment charges	412	80,014
Royalty	2,235	41,533
Salaries, allowances and bonus	1,561,325	2,426,636
Software expenses	10,656	47,368
Technical services paid to related company	42,797	1,431,308
Third party services	-	36,595
Travelling expenses reimbursement to a related party	20,096	1,033
	1,676,171	4,262,526
Gross loss	(465,029)	(2,185,891)
OTHER INCOME		
Gain on foreign exchange (unrealised)-non trade	760,972	358,079
Gain on modification of lease asset	13,421	2,605
Interest on advances to related companies	1,814,787	1,128,281
Miscellaneous income	114,875	21,767
Rental	99,440	104,720
	2,803,495	1,615,452
	2,338,466	(570,439)
LESS:		
OTHER OPERATING EXPENSES	(847,242)	(927,834)
FINANCE COST	(24,997)	(17,083)
	(872,239)	(944,917)
Profit/(loss) before tax	1,466,227	(1,515,356)

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

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
OTHER OPERATING EXPENSES		
Administration services paid to related company	5,699	1,102
Allowance for impairment of trade receivables (specific)	-	49,371
Allowance for impairment of trade receivables (specific)-reversed	(55,654)	(123,928)
Auditors' remuneration	26,500	63,985
Bank charges	279	1,987
Computer expenses	-	400
Conveyance	4,907	1,651
Depreciation - right-to-use assets	164,707	86,417
Depreciation of property, plant and equipment	18,107	17,946
Expenses on meeting & seminars - RPT	-	2,079
Hire charges	443	4,777
Immigration expenses	5,722	(26,794)
Infrastructure charges	216,006	21,754
Insurance	11,906	110,839
Legal and professional fees	70,231	118,331
Loss on foreign exchange (realised) - trade	-	185,546
Miscellaneous expenses	(11)	6,921
Office expenses	43,488	46,118
Postage and courier	792	(233)
Printing & stationery	3,009	836
Property, plant and equipment written off	4,976	-
Rates and taxes	26,335	21,664
Registration fees	-	100
Rental	-	163,783
Repair and maintenance - others	-	2,430
Salaries, allowances and bonus	169,429	151,067
Sales promotion expenses	20,846	-
Software expenses	-	400
Staff welfare	3,889	399
Sundry receivables written off	31,180	-
Telephone and fax	3	26,860
Transport charges	3	50
Travelling expenses	49,270	(39,707)
Upkeep of motor vehicles	229	12,074

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FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

	2023 RM	2022 RM
Upkeep of office equipment	569	124
Water and electricity	24,382	19,485
	847,242	927,834
FINANCE COST		
Interest on lease liabilities	24,997	17,083