CLIENT'S COPY

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

GERARD & CO. (NO. AF 0371)
CHARTERED ACCOUNTANTS

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

REPORTS AND FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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3I INFOTECH SDN. BHD. (593827 - M)
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

The directors present their report together with the audited financial statements of the Company for the financial year ended 31 March 2019.

1. PRINCIPAL ACTIVITIES

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

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

2. RESULTS FOR THE FINANCIAL YEAR

	RM
Loss for the financial year	(90,717)

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. OPTIONS GRANTED OVER UNISSUED SHARES

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.

7. DIRECTORS

The directors in office since the date of the last report are:

Padmanabhan Nemmara Ranganathan Iyer
Uma Shanker Singh
Shahniza Anom Binti Elias
Tia Hwei Ping
Mrinal Manoj Ghosh
Suryanarayan Kasichainula
Sandip Kumar Jai Prakash Singh

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 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 made out, the directors took reasonable steps: -

(a) to ascertain that proper action has 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 have been written off and that adequate allowance has been made for doubtful debts; and

(b) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected to realise.

12. OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the directors are not aware of any circumstances which would render:-

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

(b) the values attributed to current assets in the financial statements of the Company misleading.

In the interval between the end of the financial year and the date of this report:-

(a) no item, transaction or event of a material and unusual nature has arisen which, in the opinion of the directors, would substantially affect the results of the operations of the Company for the current financial year; and

(b) no charge has arisen on the assets of the Company which secures the liability of any other person nor has any contingent liability arisen in the Company.

No contingent or other liability of the Company 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 affect the ability of the Company to meet their obligations as and when they fall due.

In the opinion of the directors:

(a) the results of the operation of the Company during the financial year were not substantially affected by any item, transaction or even of a material and unusual.

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

13. 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.

3I INFOTECH SDN. BHD. (593827 - M)
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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. Gerard & Co., Chartered Accountants, have expressed their willingness to continue in office.

Signed at Kuala Lumpur on behalf of the Board of Directors in accordance with their resolution dated 06 MAY 2019

SANDIP KUMAR JAI PRAKASH SINGH
Director

UMA SHANKER SINGH
Director

3I INFOTECH SDN. BHD. (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. stated that, in their opinion, the financial statements set out on pages 10 to 43 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 2019 and of its financial performance and of its cash flows of the Company for the financial year then ended.

Signed at Kuala Lumpur on behalf of the Board of Directors in accordance with their resolution dated 06 MAY 2019

SANDIP KUMAR JAI PRAKASH SINGH
Director

UMA SHANKER SINGH
Director

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

I, **Sandip Kumar Jai Prakash Singh**, 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 43 are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

SANDIP KUMAR JAI PRAKASH SINGH
Director

Subscribed and solemnly declared

At Kuala Lumpur on 06 MAY 2019

Before me,

PESURUHJAYA SUMPAH
No: W594
P. VALLIAMAH
01.07.2018-23.09.2020
MALAYSIA

No. 4-13, 4th Floor, Wisma Konwa
No. 40 & 42, Jalan Tun Perak
(Lebuh Ampang)
50050 Kuala Lumpur

GERARD & CO. (NO. AF 0371)
CHARTERED ACCOUNTANTS
Unit 16-03A, Q Sentral, Jalan Stesen Sentral 2, 50470 Kuala Lumpur.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
3I INFOTECH SDN. BHD. (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 2019, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2019 and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysia 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' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

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

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

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

Other Matters

This report is made solely to the members 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 Kuala Lumpur on 06 MAY 2019.

Gerard & Co

GERARD & CO.
(NO. AF 0371)
CHARTERED ACCOUNTANTS

VENKATRAMANAN VISWANATHAN
(NO. 1284/12/2019 J)
CHARTERED ACCOUNTANT
PARTNER

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	2019 RM	2018 RM
REVENUE	6	17,160,591	20,200,451
Cost of sales		(15,428,153)	(14,502,835)
Gross profit		1,732,438	5,697,616
Other operating income		2,931,212	2,238,745
Other operating expenses		(5,295,783)	(10,880,078)
Loss from operations		(632,133)	(2,943,717)
Finance cost		-	-
Loss before tax	7	(632,133)	(2,943,717)
Income tax expense	8	541,416	(828,378)
Loss for the financial year		(90,717)	(3,772,095)
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		(90,717)	(3,772,095)

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

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	NOTE	2019 RM	2018 RM
ASSETS			
Non-current assets			
Property, plant and equipment	9	107,751	90,161
Intangible assets	10	3,656,321	5,174,652
Other receivables	11	24,177,026	21,442,433
Deferred tax asset	12	1,200,000	846,000
		29,141,098	27,553,246
Current assets			
Trade receivables	13	5,608,014	6,614,587
Other receivables	11	9,406,020	9,341,049
Fixed deposit with a licensed bank	14	136,690	132,251
Cash and bank balances		577,583	529,107
		15,728,307	16,616,994
Total assets		44,869,405	44,170,240
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	15	5,000,000	5,000,000
Retained earnings	16	23,545,064	23,635,781
Total equity		28,545,064	28,635,781
Current liabilities			
Trade payable	17	11,764,636	10,632,258
Other payables	18	4,559,705	4,617,826
Tax payable		-	284,375
		16,324,341	15,534,459
Total liabilities		16,324,341	15,534,459
Total equity and liabilities		44,869,405	44,170,240

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

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	Share capital RM	Retained earnings RM	Total RM
As at 1 April 2017		5,000,000	27,407,876	32,407,876
Loss for the financial year		-	(3,772,095)	(3,772,095)
As at 31 March 2018		5,000,000	23,635,781	28,635,781
Loss for the financial year		-	(90,717)	(90,717)
As at 31 March 2019		5,000,000	23,545,064	28,545,064

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

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	NOTE	2019 RM	2018 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(632,133)	(2,943,717)
Adjustments for:			
Depreciation of property, plant and equipment		39,450	29,360
Bad debts written off		100,000	-
Interest on advances to related companies		(1,500,664)	(1,311,385)
Gain on foreign exchange (unrealised)		(1,411,820)	(1,980)
Amortisation of intangible assets		1,518,331	1,518,332
Allowance for impairment of trade receivables (specific)		(486,236)	643,845
Interest on fixed deposits		(4,439)	(4,039)
Loss on foreign exchange (unrealised)		-	3,474,607
Operating (loss)/profit before working capital changes		(2,377,511)	1,405,023
Decrease/(increase) in receivables		1,505,729	(5,967,965)
Increase in payables		1,074,257	4,616,752
Cash generated from operations		202,475	53,810
Tax paid		(96,959)	(66,003)
Interest on fixed deposits		4,439	4,039
Tax refund		-	82,875
Net cash generated from operating activities		109,955	74,721
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of property, plant and equipment		(57,040)	(64,378)
Net increase in cash and cash equivalents		52,915	10,343
Cash and cash equivalents brought forward		661,358	651,015
Cash and cash equivalents carried forward		714,273	661,358
Cash and cash equivalents comprise:			
Fixed deposit with a licensed bank		136,690	132,251
Cash and bank balances		577,583	529,107
		714,273	661,358

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

1. GENERAL INFORMATION

(a) DOMICILE AND LEGAL FORM

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

(b) 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.

(b) REGISTERED OFFICE

Level 8 Symphony House, Block D13 Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

(c) PRINCIPAL PLACE OF BUSINESS

Suite 2A-7-1, Level 7 Block 2A, Plaza Sentral, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur.

(d) DATE OF AUTHORISATION OF ISSUE OF FINANCIAL STATEMENTS

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 2019:

MFRS and Interpretations

MFRS 9	Financial instruments
MFRS 15	Revenue from contract with customers
IC Interpretation 22	Foreign Currency Transactions and Advance Considerations

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

MFRS 9 Financial Instruments

MFRS 9 Financial Instruments replaces MFRS 139 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement and impairment.

The effect of adoption MFRS 9 is as follows:

i. Classification and measurement

Under MFRS 9, the Company's debt financial instruments are measured at amortised cost. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represents 'solely payments of principal and interest' on the principal amount outstanding (the ''SPPI criterion'').

The assessment of the Company's business model was made as of the date of initial application, 1 April 2018. The assessment of whether contractual cash flows on financial assets comprised solely of payments of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

Trade and other receivables previously classified as Loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are now classified and measured as Debt instruments at amortised cost.

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

MFRS 9 Financial Instruments (cont'd)

i. Classification and measurement (cont'd)

The Company has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Company's financial liabilities.

In summary, upon the adoption of MFRS 9, the Company had the following or elected reclassification as at 1 April 2018.

		MFRS 9 measurement category
		Debts instruments amortised at cost
MFRS 139 measurement category	**RM**	**RM**
Loan and receivables		
Trade and other receivables	37,398,069	37,398,069

(ii) Impairment

The adoption of MFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing MFRS 139's incurred loss approach with a forward-looking expected credit loss (''ECL'') approach.

MFRS 9 required the Company to record an allowance for ECLs for all financial assets not held at fair value through profit or loss and contract assets.

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.

For trade and other receivables, the Company applied the standards' simplified approach and has calculated ECLs based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset to be in default when contractual payment are 180 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external indicates that the Company is unlikely to receive outstanding contractual amounts in full amount before taking into account any credit enhancements held by the Company.

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

MFRS 9 Financial Instruments (cont'd)

(ii) Impairment (cont'd)

Due to the strong creditworthiness of the Company's debtors, the adoption of the ECL requirements of MFRS 9 did not result in any increase in impairment allowance of the Company's financial assets.

MFRS 15 Revenue from contracts with customers

MFRS 15 supersedes MFRS 111 Construction Contracts, MFRS 118 Revenue and Related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. MFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

MFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts ad circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Company adopted MFRS 15 using the full retrospective method of adoption with the date of initial application of 1 April 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the standard only to contracts that are not completed at the date of initial application.

The adoption of this standard did not have an impact on the Company's financial statements.

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

The Company has not elected for early adoption of the following new and amended MFRSs relevant to current operations of the Company, which were issued but not yet effective for the financial year ended 31 March 2019.

MFRS and Interpretations		**Effective for financial periods beginning on or after**
Annual Improvements to MFRS Standards 2015 – 2017 Cycle		1 January 2019
IC Interpretation 23	Uncertainty Over Income tax Treatments	1 January 2019
Amendments to MFRS 101		1 January 2020
and MFRS 108	Definition Of Material	1 January 2020
Amendments to References to the Conceptual Framework in MFRS Standards		1 January 2020

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

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Impairment of intangible assets

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

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

The carrying values of intangible assets are disclosed in Note 10 to the financial statements.

(b) Allowance for trade and other receivables

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

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

The assessment of the correlation between historical observed defaults rates, forecast economic conditions and ECLs is significant estimate. The information about the ECLs on the Company's trade receivable is disclosed in Note 22 to the financial statements.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses and temporary timing differences items in the statement of financial position to the extent that it is probable that taxable profit will be available against which can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying amount of recognised deferred tax assets arising from unused tax losses and taxable items in the statements of financial positon of the Company was RM1,200,000 (2018: RM846,000).

5. SIGNIFICANT ACCOUNTING POLICIES

(a) REVENUE RECOGNITION

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

Revenue from services is recognised as follows:

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

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

(b) EMPLOYEE BENEFITS

(i) Short term employee benefits

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

(ii) Defined contribution plans

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

(c) INCOME TAX

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) INCOME TAX (CONT'D)

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.

(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:

	2019 RM	2018 RM
Foreign currency		
1 US dollar	4.0799	3.8620
1 Singapore Dollar	3.0092	2.9464
1 Thai Baht	0.1293	0.1115

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) PROPERTY, PLANT AND EQUIPMENT

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

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

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

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

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

(f) INTANGIBLE ASSETS

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

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

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

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

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) IMPAIRMENT OF NON CURRENT ASSETS

(i) Intangible assets

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

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

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

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

(ii) Other non current assets

The carrying values of 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

Previous year

A financial instrument is recognised initially measure at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial statements.

Current year

A financial instrument (unless it is a trade receivable without significant financing components) is recognised initially measure 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 measure 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) FINANCIAL INSTRUMENTS (CONT'D)

i. Financial assets (cont'd)

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.

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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) FINANCIAL INSTRUMENTS (CONT'D)

i. Financial assets (cont'd)

Subsequent measurement (cont'd)

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.

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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) FINANCIAL INSTRUMENTS (CONT'D)

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, subsequently measure ar 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.

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 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.

5. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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

	2019 RM	2018 RM
Software products and application solutions	6,240,294	8,433,216
Annual maintenance charges	8,677,102	8,321,234
IT projects and services	1,577,910	2,481,335
Sales of third parties products	665,285	964,666
	17,160,591	20,200,451

7. LOSS BEFORE TAX

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

	2019 RM	2018 RM
Allowance for impairment of trade receivables (specific)	165,261	815,680
Allowance for impairment of trade receivables (specific)-reversed	(651,497)	(171,835)
Amortisation of intangible assets	1,518,331	1,518,332
Auditors' remuneration	25,290	29,520
Bad debts written off	100,000	-
Depreciation of property, plant and equipment	39,450	29,360
Loss on foreign exchange (realised) - trade	982,557	-
Loss on foreign exchange (unrealised) - non trade	-	3,474,607
Rental	331,998	338,573
Sundry receivables written off	-	10,480
Gain on foreign exchange (realised)-trade	-	(754,235)
Gain on foreign exchange (unrealised)-non trade	(1,411,820)	(1,980)
Interest on advances to related companies	(1,500,664)	(1,311,385)
Interest on fixed deposit	(4,439)	(4,039)

b) Employee benefits

	2019 RM	2018 RM
Salaries, allowance and bonuses	8,174,619	8,483,895
EPF contribution and Social security contribution	88,430	83,648
	8,263,049	8,567,543

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8. INCOME TAX EXPENSE

	2019 RM	2018 RM
In respect of current year		
Malaysian tax	-	337,500
Deferred tax (Note 12)	(354,000)	37,100
Tax attributable for the financial year	(354,000)	374,600
In respect of prior year		
Malaysian tax	(187,416)	12,878
Deferred tax (Note 12)	-	440,900
Tax expense for the financial year	(541,416)	828,378

Malaysian income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated profit for the financial year. The corporate statutory was reduce to the range of 24% to 20%. The reduction in the income tax rate is based on the percentage of increase in chargeable income as compare to the immediate preceding year of assessment.

Reconciliation of effective charge is as follows:-

	2019 RM	2018 RM
Loss before tax	(632,133)	(2,943,717)
Tax at statutory tax rate of 24%	(151,712)	(706,492)
Expenses not deductible for tax purposes	132,396	1,168,458
Income not subject to tax	(699,084)	(384,266)
Amortisation of intangible assets	364,400	364,400
Exemption based on increase in chargeable income	-	(67,500)
Tax attributable for the financial year	(354,000)	374,600

9. PROPERTY, PLANT AND EQUIPMENT

2019	As at 1 April 2018 RM	Additions RM	Write off RM	As at 31 March 2019 RM
COST				
Computer	489,372	49,340	(5,140)	533,572
Furniture & fixtures	92,471	7,700	-	100,171
Office equipment	1,744,962	-	(271,295)	1,473,667
Renovation	348,935	-	-	348,935
	2,675,740	57,040	(276,435)	2,456,345

2019	As at 1 April 2018 RM	Charge for the financial year RM	Write off RM	As at 31 March 2019 RM
ACCUMULATED DEPRECIATION				
Computer	420,291	34,308	(5,140)	449,459
Furniture & fixtures	88,034	1,346	-	89,380
Office equipment	1,728,319	3,796	(271,295)	1,460,820
Renovation	348,935	-	-	348,935
	2,585,579	39,450	(276,435)	2,348,594

	2019 RM	2018 RM
NET BOOK VALUE		
Computer	84,113	69,081
Furniture & fixtures	10,791	4,437
Office equipment	12,847	16,643
Renovation	-	-
	107,751	90,161

10. INTANGIBLE ASSETS

	2019 RM	2018 RM
Intellectual Property Rights in computer software (finite), at cost	18,979,146	18,979,146
Accumulated amortisation		
At 1 April	13,804,494	12,286,162
Amortisation during the financial year	1,518,331	1,518,332
At 31 March	15,322,825	13,804,494
At 31 March - Carrying amount Kastle™, Premia™ & Orion™	3,656,321	5,174,652

11. OTHER RECEIVABLES

	2019 RM	2018 RM
Non-current assets		
Long term deposits	169,335	169,335
Loan to related companies [Note 22 (c)]	24,007,691	21,273,098
	24,177,026	21,442,433
Current assets		
Prepayment	193,791	262,029
Sundry receivables	434,462	196,546
Tax recoverable	77,000	-
Due from related companies [Note 22(c)]	795,617	1,200,159
Due from holding company [Note 22(c)]	7,905,150	7,682,315
	9,406,020	9,341,049
	33,583,046	30,783,482

12. DEFERRED TAX ASSETS

	2019 RM	2018 RM
At 1 April 2018/2017	846,000	1,324,000
Recognised in profit or loss (Note 8)		
- temporary timing differences	(126,000)	(37,100)
- unabsorbed tax losses	480,000	(440,900)
	354,000	(478,000)
At 31 March 2019/2018	1,200,000	846,000

Deferred tax assets are recognised for unused tax losses of RM480,000 (2018: RM Nil) and temporary timing differences on fees received in advance of RM720,000 (2018: RM846,000) shown under payables 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 will be able to generate sufficient profit in the foreseeable future to fully utilise the deferred tax assets.

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

13. TRADE RECEIVABLES

	2019 RM	2018 RM
Third parties	3,449,112	4,178,591
Less: Allowance for impairment		
Brought forward	(336,136)	(580,386)
Addition (profit or loss)	(165,261)	(322,213)
Reversal during the financial year (profit or loss)	158,031	140,920
Written off (set off)	-	425,543
Carried forward	(343,366)	(336,136)
	3,105,746	3,842,455
Excess of revenue recognised over billings	2,502,268	3,265,598
Less: Allowance for impairment		
Brought forward	(493,466)	(78,575)
Addition (profit or loss)	-	(493,466)
Reversal during the financial year (profit or loss)	493,466	30,915
Written off (set off)	-	47,660
Carried forward	-	(493,466)
	2,502,268	2,772,132
Total	5,608,014	6,614,587

14. FIXED DEPOSIT WITH A LICENSED BANK

The fixed deposit earned interest at deposit rate of 3.35% (2018: 3,15%) per annum.

15. SHARE CAPITAL

	2019 RM	2018 RM
Issued and fully paid		
5,000,000 ordinary shares	5,000,000	5,000,000

16. 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.

17. TRADE PAYABLE

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

18. OTHER PAYABLES

	2019 RM	2018 RM
Excess of billings over revenue recognised	2,614,712	2,994,890
Excess of payments over billings	376,944	459,032
Advance from customers	1,573	7,852
Sundry payables and accruals	1,549,312	1,138,888
Due to a related company [Note 22(c)]	17,164	17,164
	4,559,705	4,617,826

19. 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 and 3i Infotech (Middle East) FZ LLC, a company incorporated in Dubai, United Arab Emirates, as related companies.

20. 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.

21. SIGNIFICANT RELATED COMPANY TRANSACTIONS AND BALANCES

a) Significant related company transactions

Transactions with related companies are as follows:

	2019 RM	2018 RM
3i Infotech Limited (India)		
Senior management cost	-	1,089,882
Technical services and reimbursements charged	5,998,906	6,108,919
Travelling reimbursement	479,057	442,731
Royalties payable	428,246	402,747
Administration charges	730,835	-
Other expenses	130,438	-
3i Infotech Inc. (United State of America)		
Interest income	593,930	573,615
3i Infotech (Middle East) FZ LLC (Dubai, United Arab Emirates)		
Interest income	906,733	737,770

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 other receivables, trade payable and other payables (Notes 11, 17 and 18).

22. 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

2019	In Ringgit Malaysia RM	In US Dollar RM	In Singapore Dollar RM	In Thailand Baht RM	Total RM
Trade receivables	5,608,014	-	-	-	5,608,014
Other receivables	874,588	24,007,691	7,905,150	795,617	33,583,046
Fixed deposit with a licensed bank	136,690	-	-	-	136,690
Cash and bank balances	575,732	1,851	-	-	577,583
Trade payable	-	11,596,339	-	-	11,596,339
Other payables	4,542,541	17,164	-	-	4,559,705

22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) FOREIGN CURRENCY EXCHANGE RISK (CONT'D)

Foreign currency exposure (cont'd)

2018	In Ringgit Malaysia RM	In US Dollar RM	In Singapore Dollar RM	In Thailand Baht RM	Total RM
Trade receivables	6,614,587	-	-	-	6,614,587
Other receivables	627,910	21,273,098	7,682,315	1,200,159	30,783,482
Fixed deposit with a licensed bank	132,251	-	-	-	132,251
Cash and bank balances	515,690	13,417	-	-	529,107
Trade payable	-	10,632,258	-	-	10,632,258
Other payables	4,600,662	17,164	-	-	4,617,826

(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.

22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) CREDIT RISK (CONT'D)

Exposure of credit risk is represented by the carrying amounts in the statement of financial position given by the Company as detailed in Notes 11 and 13 to the financial statements.

Trade receivables aging analysis

	2019 RM	2018 RM
Billed		
Neither past due not impaired	1,383,400	2,851,592
1 to 60 days past due not impaired	543,844	465,290
61 to 120 days past due not impaired	769,951	318,258
More 120 days past due not impaired	408,551	207,315
Total past but not impaired	1,722,346	990,863
Past due and impaired	343,366	336,136
Sub total	3,449,112	4,178,591
Excess of revenue recognised over billings		
Not impaired	2,502,268	2,772,132
Impaired	-	493,466
Sub total	2,502,268	3,265,598
Total	5,951,380	7,444,189

Receivables that are neither past due not impaired

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

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

Receivables that are past due but not impaired

The Company has trade receivables (billed) amounting to RM1,772,346 (2018: RM990,863) and excess of revenue recognised over billing RMNil (2018: RM493,466) 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.

22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) CREDIT RISK (CONT'D)

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 13 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 2019 which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowance RM
Trade receivables	3,449,112	343,366
Contract assets	2,502,268	-
	5,951,380	343,366

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.

22. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) CREDIT RISK (CONT'D)

Amount due from related, holding and ultimate holding companies

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

Deposits with a licensed bank

Deposit with a licensed bank is placed with reputable financial institution with high credit ratings.

(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 RM13,332,685 (2018: RM11,796,162) due within one year.

23. 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 is categories into the following classes;

	2019 RM	2018 RM
(i) Financial assets measured at amortised cost		
Trade and other receivables	39,191,060	37,398,069
Fixed deposits with a licensed bank	136,417	132,251
Cash and bank balances	577,583	529,107
	39,905,060	38,059,427
(ii) Financial liabilities carried amortised cost		
Trade and other payables	16,324,341	15,250,084

23. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(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 (included 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 unsecure. 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.

24. 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 2019 and 31 March 2018.

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

DETAILED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

CONFIDENTIAL

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

FOR MANAGEMENT PURPOSES ONLY

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2019

	2019 RM	2018 RM
Revenue	17,160,591	20,200,451
LESS : COST OF SALES		
Allowances	43,717	43,364
Incentives paid to staff	195,921	50,625
Purchase of OEM	504,235	803,601
Recruitment charges	71,454	85,368
Royalty	428,246	402,747
Salaries, allowances and bonus	7,671,545	6,559,013
Software expenses	35,686	6,467
Technical services paid to related company	5,998,292	6,108,919
Travelling expenses reimbursement to a related party	479,057	442,731
	15,428,153	14,502,835
Gross profit	1,732,438	5,697,616
OTHER INCOME		
Gain on foreign exchange (realised)-trade	-	754,235
Gain on foreign exchange (unrealised)-non trade	1,411,820	1,980
Interest on advances to related companies	1,500,664	1,311,385
Interest on fixed deposit	4,439	4,039
Miscellaneous income	14,289	167,106
	2,931,212	2,238,745
	4,663,650	7,936,361
LESS:		
OTHER OPERATING EXPENSES	(5,295,783)	(10,880,078)
Loss before tax	(632,133)	(2,943,717)

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

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED 31 MARCH 2019

	2019 RM	2018 RM
OTHER OPERATING EXPENSES		
Administration services paid to related company	730,835	-
Allowance for impairment of trade receivables (specific)	165,261	815,680
Allowance for impairment of trade receivables (specific)-reversed	(651,497)	(171,835)
Amortisation of intangible assets	1,518,331	1,518,332
Auditors' remuneration	25,290	29,520
Bad debts written off	100,000	-
Bank charges	5,767	3,451
Computer expenses	2,667	430
Conveyance	19,594	37,412
Depreciation of property, plant and equipment	39,450	29,360
Entertainment	85	1,018
EPF and SOCSO	88,430	83,648
Gifts and donations	14,133	5,610
Hire charges	3,151	-
Immigration expenses	219,847	349,560
Infrastructure charges	16,135	13,422
Insurance	173,081	208,034
Legal and professional fees	293,502	227,958
Loss on foreign exchange (realised) - trade	982,557	-
Loss on foreign exchange (unrealised) - non trade	-	3,474,607
Marketing expenses	13,117	3,069
Medical fee	-	335
Miscellaneous expenses	24,454	787
Newspaper and periodical	2,022	3,272
Office expenses	1,420	2,354
Postage and courier	14,818	4,893
Printing & stationery	11,688	16,284
Rates and taxes	19,508	(2,515)
Registration fees	(51)	-
Rental	331,998	338,573
Repair and maintenance - others	29,362	30,523
Salaries, allowances and bonus	503,074	1,924,882
Sales promotion expenses	20,398	5,000
Secretarial and related fees	20,568	15,200
Seminar and meeting expenses	4,000	-
Senior management cost - inter branch	-	1,089,882

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

FOR MANAGEMENT PURPOSES ONLY

SCHEDULE OF EXPENSES
FOR THE YEAR ENDED 31 MARCH 2019

	2019 RM	2018 RM
Staff welfare	47,355	44,983
Sundry receivables written off	-	10,480
Telephone and fax	91,559	76,319
Travelling expenses	297,229	320,526
Uncollected service tax written off	-	36,063
Upkeep of motor vehicles	14,868	14,202
Upkeep of office equipment	-	200
Water and electricity	50,440	43,253
Withholding tax	-	176,161
Withholding tax prior year	51,337	99,145
	5,295,783	10,880,078