

**3I INFOTECH (THAILAND) LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31 MARCH 2019**  
**AND**  
**INDEPENDENT AUDITOR'S REPORT**



บริษัท บางกอก อินเตอร์เนชั่นแนล ออดิท จำกัด

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Opinion**

I have audited the financial statements of **3I Infotech (Thailand) Limited** which comprise the statement of financial position as at 31 March 2019, the statement of income and changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2019, and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities.

### **Basis for Opinion**

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

### **Emphasis of matters**

I draw attention to Note 2 as at 31 March 2019, the Company has a capital deficiency approximately Baht 6.86 million and has suffered recurring losses from operations approximately Baht 16.86 million. My opinion is not qualified in respect of this matter.

I draw attention to Note 12 of the financial statements, which describes disputes between the company and other company (contractor) in losses incurred as the result of defaulting from a software development agreement. My opinion is not qualified in respect of this matter.

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



METEE SANGMANEE

Certified Public Accountant (Thailand) No. 5061

Bangkok International Audit Co., Ltd

Bangkok

7 May 2019

**3I INFOTECH (THAILAND) LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**


		Baht	
	Note	2019	2018
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	4,019,033.13	4,761,530.92
Trade and other receivables	6	48,400,994.62	42,937,884.38
Advance to related parties		63,801,381.58	54,511,144.42
Unbilled revenue		53,872,139.07	14,459,312.21
<b>TOTAL CURRENT ASSETS</b>		170,093,548.40	116,669,871.93
<b>NON - CURRENT ASSETS</b>			
Restricted deposit at financial institution	7	2,230,353.87	5,409,519.59
Leasehold improvements and equipment	8	466,668.41	242,325.13
Other non - current assets		1,181,034.10	4,570,657.65
<b>TOTAL NON - CURRENT ASSETS</b>		3,878,056.38	10,222,502.37
<b>TOTAL ASSETS</b>		173,971,604.78	126,892,374.30

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

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Director



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Director

**3I INFOTECH (THAILAND) LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Note	Baht	
		2019	2018
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	25,709,490.08	9,493,801.87
Advance from related parties		146,369,540.91	117,441,714.66
Unearned revenue		8,722,668.48	13,184,585.68
Current portion of liabilities			
under finance lease agreement	10	30,142.54	56,956.96
Corporate income tax payable		-	648,338.62
<b>TOTAL CURRENT LIABILITIES</b>		<b>180,831,842.01</b>	<b>140,825,397.79</b>
<b>NON - CURRENT LIABILITIES</b>			
Liabilities under finance lease agreement - net			
of current portion	10	-	35,278.54
<b>TOTAL NON - CURRENT LIABILITIES</b>		<b>-</b>	<b>35,278.54</b>
<b>TOTAL LIABILITIES</b>		<b>180,831,842.01</b>	<b>140,860,676.33</b>

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


 ..... Director
 

 ..... Director

**3I INFOTECH (THAILAND) LIMITED**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2019**

	Baht	
	2019	2018
<b>LIABILITIES AND EQUITY (CONTINUED)</b>		
<b>EQUITY</b>		
Share capital		
Authorized share capital		
100,000 ordinary shares of Baht 100 each	10,000,000.00	10,000,000.00
Paid - up share capital		
100,000 ordinary shares of Baht 100 each	10,000,000.00	10,000,000.00
Deficit	(16,860,237.23)	(23,968,302.03)
<b>TOTAL EQUITY (CAPITAL DEFICIENCY)</b>	<b>(6,860,237.23)</b>	<b>(13,968,302.03)</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>173,971,604.78</b>	<b>126,892,374.30</b>

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


..... Director

..... Director


**3I INFOTECH (THAILAND) LIMITED**  
**STATEMENTS OF INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Baht	
	2019	2018
<b>REVENUES</b>		
Sales and service incomes	142,467,696.65	90,819,208.23
Other incomes	694,150.15	4,179,770.93
<b>TOTAL REVENUES</b>	<b>143,161,846.80</b>	<b>94,998,979.16</b>
<b>EXPENSES</b>		
Cost of sales and service	116,647,485.17	73,649,060.94
Selling expenses	3,867,159.15	3,736,674.68
Administrative expenses	10,851,759.02	10,015,307.68
Other expenses	2,081,553.61	4,391,192.17
<b>TOTAL EXPENSES</b>	<b>133,447,956.95</b>	<b>91,792,235.47</b>
<b>PROFIT BEFORE FINANCE COST</b>		
<b>AND CORPORATE INCOME TAX</b>	9,713,889.85	3,206,743.69
Finance cost	4,369.20	8,262.82
<b>PROFIT BEFORE CORPORATE INCOME TAX</b>	<b>9,709,520.65</b>	<b>3,198,480.87</b>
Corporate income tax	2,601,455.85	1,926,130.57
<b>NET PROFIT FOR THE YEARS</b>	<b>7,108,064.80</b>	<b>1,272,350.30</b>

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


Director



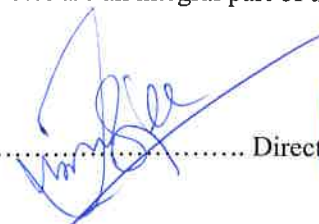

Director



**3I INFOTECH (THAILAND) LIMITED**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 MARCH 2019**

	Baht		
	Paid - up	Deficit	Total
	share capital		
<b>Balance as at 1 April 2017</b>	10,000,000.00	(25,240,652.33)	(15,240,652.33)
Net profit for the year	-	1,272,350.30	1,272,350.30
<b>Balance as at 31 March 2018</b>	10,000,000.00	(23,968,302.03)	(13,968,302.03)
<b>Balance as at 1 April 2018</b>	10,000,000.00	(23,968,302.03)	(13,968,302.03)
Net profit for the year	-	7,108,064.80	7,108,064.80
<b>Balance as at 31 March 2019</b>	10,000,000.00	(16,860,237.23)	(6,860,237.23)

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


Director

Director

**3I INFOTECH (THAILAND) LIMITED**

**NOTES TO FINANCIAL STATEMENTS**

**AT 31 MARCH 2019**

**1. GENERAL INFORMATION**


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

**2. FUNDAMENTAL ACCOUNTING ASSUMPTION**

As at 31 March 2019 and 2018, the Company has a capital deficiency approximately Baht 6.86 million and 13.97 million, respectively, and has suffered recurring losses from operations approximately Baht 16.86 million and 23.97 million, respectively.

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

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



Director



*Ramida Ghogor*

Director

### 3. BASIS OF PREPARATION

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

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

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

### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 4.1 Revenues recognition

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

Sales of goods

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

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

 Director



Romida Ghogor Director

Revenue from rendering of services

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

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

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

Other revenues are recognized based on accrual basis.

#### 4.2 Expense recognition

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

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

Other expenses are recognized on an accrual basis.

#### 4.3 Cash and cash equivalents

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

#### 4.4 Trade accounts receivable and allowance for doubtful accounts

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

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

..... Director  Director  Director



#### 4.5 Unbilled revenue

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

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

#### 4.6 Leasehold improvements and equipment and depreciation


Leasehold improvements and equipment are stated at cost less accumulated depreciation. Depreciation of leasehold improvements and equipment are calculated by reference to their cost on a straight - line method over the estimated useful lives as follow :

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

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

#### 4.7 Provisions

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



Director



 Director

#### 4.8 Foreign currencies

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

Exchange gains and losses are included in determining income.

#### 4.9 Corporate income Tax

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

#### 4.10 Use of accounting estimates

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

Actual result may differ from those estimates.

### 5. CASH AND CASH EQUIVALENTS

	Baht	
	2019	2018
Cash	124,734.80	30,170.62
Cash at bank - Current account	3,894,298.33	4,731,360.30
Total	4,019,033.13	4,761,530.92

..... Director    Director

## 6. TRADE AND OTHER RECEIVABLES

	Baht	
	2019	2018
Trade accounts receivable		
- General	45,974,948.24	37,289,127.90
- Related parties	2,232,067.22	2,264,609.12
<u>Less</u> Allowance for doubtful accounts	(1,023,195.57)	(978,254.91)
Trade accounts receivable - net	47,183,819.89	38,575,482.11
Other receivables		
- Refundable input tax	67,466.08	85,481.60
- Withholding tax	51,303.01	3,928,156.72
- Prepaid expenses	423,463.58	320,393.70
- Accrued interest income	4,797.95	10,633.37
- Advance payment	670,144.11	17,736.88
Total	48,400,994.62	42,937,884.38

## 7. RESTRICTED DEPOSIT AT FINANCIAL INSTITUTION

As at 31 March 2019 and 2018, restricted bank deposits is fixed deposits which has been pledged with a local financial institution totaling Baht 2.23 million and 5.41 million, respectively, to secure guarantee for retention of projects.


Director

Ramida Ghogor
Director

## 8. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

	Baht			As at 31 March 2019
	As at 1 April 2018	Addition	Deduction	
<b>Cost :</b>				
Leasehold improvements	1,848,136.30	-	-	1,848,136.30
Computers	2,505,348.09	283,000.00	-	2,788,348.09
Office equipment and furniture	1,106,845.44	9,252.34	49,523.36	1,066,574.42
<b>Total</b>	<b>5,460,329.83</b>	<b>292,252.34</b>	<b>49,523.36</b>	<b>5,703,058.81</b>
<b>Accumulated Depreciation :</b>				
Leasehold improvements	1,848,136.29	-	-	1,848,136.29
Computers	2,416,848.09	53,506.06	-	2,470,354.15
Office equipment and furniture	953,020.32	13,046.00	48,166.36	917,899.96
<b>Total</b>	<b>5,218,004.70</b>	<b>66,552.06</b>	<b>48,166.36</b>	<b>5,236,390.40</b>
<b>Net</b>	<b>242,325.13</b>			<b>466,668.41</b>

Depreciation (included in statements of income)

Year 2019	66,552.06
Year 2018	63,329.38


 ..... Director
 
 ..... *Amida Chanya* Director



## 9. TRADE AND OTHER PAYABLES

	Baht	
	2019	2018
Trade accounts payables		
- General	113,063.31	1,366,506.97
- Related parties	17,041,835.44	1,193,041.80
Other payables		
- Value added tax payable	3,561,093.64	2,881,171.55
- Withholding tax payable	458,302.61	201,883.48
- Social security fund payable	98,844.00	47,118.00
- Accrued expenses	4,429,551.08	3,797,280.07
- Other	6,800.00	6,800.00
Total	25,709,490.08	9,493,801.87

## 10. LIABILITIES UNDER FINANCE LEASE AGREEMENT

	Baht	
	2019	2018
Liabilities under finance lease agreement	30,816.00	97,584.00
<u>Less</u> Deferred interest	(673.46)	(5,348.50)
	30,142.54	92,235.50
<u>Less</u> Current portion of liabilities under finance lease agreement	(30,142.54)	(56,956.96)
Liabilities under finance lease agreement - net	-	35,278.54

As at 31 March 2019 and 2018 liabilities under finance leases agreements are from hire purchase agreements a copy machine for the periods of 3 years with monthly installment principal and interest approximately Baht 5,136.00 (Included value added tax).


 ..... Director
 
 ..... *Rumida Ghegor* ..... Director

## 11. COMMITMENT

The company has commitment to lease payment throughout contract are as follow:

At as 31 March 2019 and 2018.

	Baht	
	2019	2018
Payable :		
Within 1 year	1,378,368.21	2,587,488.36
More than 1 year less than 3 years	-	1,378,368.21
Total	1,378,368.21	3,965,856.57

## 12. CONTINGENCY

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

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

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

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

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

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

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

 Director

  Director

The case is now during the appeal process. The claimant has applied for an appeal extension and the Court has granted such extension until 20 July 2018. However, the company management convinces that the company has not breached the agreement.

With this reason, the company does not record a contingent liability in respect of this case in the financial statement.

### 13. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the authorized directors of the Company on 7 May 2019.



..... Director



*R. de Gheger*

..... Director