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INTELLECT DESIGN ARENA LIMITED
REPORT AND FINANCIAL STATEMENT
31st March 2019

Report of Independent Auditor

To the Shareholders of **INTELLECT DESIGN ARENA LIMITED**

Opinion

I have audited the financial statements of **INTELLECT DESIGN ARENA LIMITED**, which comprise the statement of financial position as at 31st March 2019, the statement of income and statement of changes in shareholders' 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 **INTELLECT DESIGN ARENA LIMITED** as at 31st March 2019 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standard 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 Federation of Accounting Professions' Code of Ethics for Professional Accountants that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 Standard 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 the 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.



CHATSUMARN JITBANCHONG
C.P.A.(THAILAND)
Registration No. 7757

Bangkok
23rd April 2019

INTELLECT DESIGN ARENA LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31st March 2019

ASSETS	NOTE	2019	2018 (Restated)
		BAHT	
CURRENT ASSETS			
Cash and cash equivalents	4	877,465	38,891,699
Trade receivables and other receivables	5	87,523,456	60,387,301
TOTAL CURRENT ASSETS		88,400,921	99,279,000
NON-CURRENT ASSETS			
Equipment	7	1,838,494	1,941,838
Deposit		549,130	622,130
TOTAL NON-CURRENT ASSETS		2,387,624	2,563,968
TOTAL ASSETS		90,788,545	101,842,968

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

X Nogay DIRECTOR



INTELLECT DESIGN ARENA LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31st March 2019

	NOTE	2019	2018 (Restated)
LIABILITIES AND SHAREHOLDERS' EQUITY		BAHT	
CURRENT LIABILITIES			
Other payables	6	53,502,826	84,197,567
Corporate income tax payable		281,520	2,384,161
Loan from related company	10	1,599,451	-
TOTAL CURRENT LIABILITIES		<u>55,383,797</u>	<u>86,581,728</u>
NON - CURRENT LIABILITY			
Provision for long-term employee benefits	9	2,248,000	71,000
TOTAL NON - CURRENT LIABILITY		<u>2,248,000</u>	<u>71,000</u>
TOTAL LIABILITIES		<u>57,631,797</u>	<u>86,652,728</u>
SHAREHOLDERS' EQUITY			
Share capital			
Registered			
4,470,000 ordinary shares of Baht 5 each		22,350,000	22,350,000
Issued and paid up			
2019 : 4,470,000 ordinary shares of Baht 5 each		22,350,000	-
2018 : 3,850,000 ordinary shares of Baht 1.25 each		-	4,812,500
2018 : 620,000 ordinary shares of Baht 5 each		-	3,100,000
		<u>22,350,000</u>	<u>7,912,500</u>
Retained earnings		10,806,748	7,277,740
TOTAL SHAREHOLDERS' EQUITY		<u>33,156,748</u>	<u>15,190,240</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>90,788,545</u>	<u>101,842,968</u>

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

x Naga

DIRECTOR



INTELLECT DESIGN ARENA LIMITED

STATEMENT OF EARNINGS

For the year ended 31st March 2019

		2019	2018 (Restated)
REVENUES	NOTE	BAHT	
Income from sales		4,837,732	139,500,000
Income from services		85,392,935	25,093,859
Income from debt forgiveness	11	-	19,840,626
Exchange gain		-	2,413,433
TOTAL REVENUES		<u>90,230,667</u>	<u>186,847,918</u>
EXPENSES			
Cost of sales		3,386,412	97,650,000
Cost of services		68,315,110	21,025,946
Selling expenses		4,892,875	3,408,023
Administrative expenses		8,618,010	4,777,392
TOTAL EXPENSES		<u>85,212,407</u>	<u>126,861,361</u>
EARNINGS BEFORE FINANCIAL EXPENSES AND TAX		5,018,260	59,986,557
FINANCIAL EXPENSES		(521)	-
EARNINGS BEFORE INCOME TAX		5,017,739	59,986,557
CORPORATE INCOME TAX		(1,488,731)	(2,384,161)
NET EARNINGS FOR THE YEAR		<u>3,529,008</u>	<u>57,602,396</u>

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

X Nagan

DIRECTOR



INTELLECT DESIGN ARENA LIMITED
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the year ended 31st March 2019

			(Restated)
	Ordinary Shares	Retained earnings	BAHT
	Issued and paid-up	(Deficit)	Total
Beginning balance as at 1 st April 2017	7,912,500	(50,324,656)	(42,412,156)
Net earnings for the year	-	57,602,396	57,602,396
Ending balance as at 31 st March 2018	7,912,500	7,277,740	15,190,240
Receipt of capital	14,437,500	-	14,437,500
Net earnings for the year	-	3,529,008	3,529,008
Ending balance as at 31 st March 2019	22,350,000	10,806,748	33,156,748

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

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DIRECTOR



INTELLECT DESIGN ARENA LIMITED
NOTES TO FINANCIAL STATEMENTS
For the year ended 31st March 2019


NOTE 1 GENERAL INFORMATION

The Company was incorporated as a limited company under Thai Civil and Commercial Laws on 23rd July 2012 and is mainly engaged in creative design, development, modification, distribution and installation of updated software.

On 1st November 2017, the Company has moved office from 399 Interchange 21 Building, Level 33, Sukhumvit Road, Klongtoey Nue Sub District, Wattana District, Bangkok to new office where located at 100/42 Sathorn Nakorn Tower, 23rd Floor, North Sathorn Road, Silom, Bangrak, Bangkok.

NOTE 2 BASIS FOR PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

The financial statement have been prepared in accordance with Accounting Standards generally accepted in Thailand and the Company has adopted the Thai Financial Reporting Standard applicable to Non-publicly Accountable Entities as issued by the Federation of Accounting Professions, which are effective for the financial statements for the accounting periods beginning on or after 1st January 2011 onward, and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28th September 2011, issued under the Accounting Act B.E. 2543.

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

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenue recognition

Income from sales is recognized after goods have already been delivered.

Income from services are recognized when services have been rendered taking into account the stage of completion.

3.2 Cash and cash equivalents

Cash and cash equivalents include cash in hand and cash at banks with a maturity of three months or less and with no commitment

3.3 Depreciation

Depreciation of fixed assets is calculated by reference to cost on a straight-line basis over their estimated useful lives at the rate of 20-33.33 percent per annum.

3.4 Foreign currencies

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Assets and liabilities denominated in foreign currency outstanding on the balance sheet date are translated into Baht at the exchange rates ruling on the balance sheet date.

Exchange gains and losses are included in determining earnings.

3.5 Accounting Estimation

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those estimates. *///*

3.6 Provision

Provision 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 can be made of the amount of the obligation.

Long-term employee benefits

The Company calculates its long-term employee benefits obligation on the basis of its best estimate of its payment obligations as at the end of the reporting period. The Company selected the recognition of provision for long-term employee benefits first-time adoption by recording expense in determining earnings.

NOTE 4 CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 31st March, are as follow:

	2019	2018
	Baht	Baht
Cash at bank – current account	877,465	38,891,699
Total	877,465	38,891,699

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NOTE 5 TRADE RECEIVABLES AND OTHER RECEIVABLES

Trade receivables and other receivable as at 31st March, are as follow:

	2019	2018
	Baht	Baht
Trade receivables	67,879,996	2,808,144
Accrued income	15,606,531	56,575,800
Other receivables – related company	207,203	-
Refundable value added tax	2,742,187	-
Advance	740,047	178,181
Prepaid expenses	279,290	728,331
Prepayment income tax	68,202	68,202
Undue input vat	-	28,643
Total	<u>87,523,456</u>	<u>60,387,301</u>

NOTE 6 OTHER PAYABLES

Other payables as at 31st March, are as follow:

	2019	2018
	Baht	Baht
Other payable – related company	42,766,011	79,077,361
Accrued expenses	5,719,826	3,696,894
Undue output vat	4,437,251	183,710
Advance from customer	-	535,161
Withholding tax payables	579,738	506,739
Value added tax payables	-	197,702
Total	<u>53,502,826</u>	<u>84,197,567</u>

NOTE 7 EQUIPMENT

(Unit : Baht)

	Furniture & Fixtures	Electrical Fittings	Office Equipment	Computer Equipment	Total
Cost :					
31 st March 2017	-	-	61,021	47,124	108,145
Addition	1,435,549	151,615	176,414	193,828	1,957,406
(Disposal)	-	-	-	-	-
31 st March 2018	1,435,549	151,615	237,435	240,952	2,065,551
Addition	-	-	-	178,593	178,593
(Disposal)	-	-	-	-	-
31 st March 2019	1,435,549	151,615	237,435	419,545	2,244,144
Accumulated depreciation:					
31 st March 2017	-	-	10,719	6,381	17,100
Addition	52,964	5,594	25,604	22,451	106,613
(Disposal)	-	-	-	-	-
31 st March 2018	52,964	5,594	36,323	28,832	123,713
Addition	143,555	15,162	47,487	75,733	281,937
(Disposal)	-	-	-	-	-
31 st March 2019	196,519	20,756	83,810	104,565	405,650
Net book value					
31 st March 2018	1,382,585	146,021	201,112	212,120	1,941,838
31 st March 2019	1,239,030	130,859	153,625	314,980	1,838,494

NOTE 8 PROMOTIONAL PRIVILEGES

By virtue of the provisions of the Board of Investment Promotion Act B.E. 2520, the Company was granted certain promotional privileges for the Software (Enterprise Software, Digital Content and Embedded Software) according to the promotion certificate 59-1019-0-00-2-0 dated 9th August 2016 which include the exemption of income tax on earnings for a period of 8 years as from the date of earning operating income and being allowed to carry forward losses and incurred during the promotional period to the years after tax holiday period. The extension in claiming the tax losses is limited to a period of five year thereafter. As a promoted industry, the Company must comply with certain conditions and restrictions contained in the promotion certificate.

According to the notification of the Board of Investment no P.14/2541 "The presentation of revenue method" dated 30th December 1998, The Company is required to declare both the revenue from BOI promotional privileges and non BOI promotional privileges, which details are presented as below :-

	31 st March 2019	
	(Unit : Baht)	
	BOI Promotional	Non-BOI Promotional
	Taxes Privileges	Taxes Privileges
Income from sales	-	4,837,732
Income from services	-	85,392,935

	31 st March 2018	
	(Unit : Baht)	
	BOI Promotional	Non-BOI Promotional
	Taxes Privileges	Taxes Privileges
Income from sales	-	139,500,000
Income from services	-	25,093,859
Income from debt forgiveness	-	19,840,626
Exchange gain	-	2,413,433

NOTE 9 PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

	2019	2018
	Baht	Baht
As at 1 st April	71,000	-
Increase (decrease) during the year	2,177,000	71,000
As at 31 st March	2,248,000	71,000

NOTE 10 LOAN FROM RELATED COMPANY

Loans from related company represent unsecured loans denominated in US Dollars. The loans bear interest at the rate of 2 percent per annum and due on demand.

NOTE 11 INCOME FROM DEBT FORGIVENESS

During the year 2018, the Company had debt forgiveness from intercompany amounting to Baht 19.8 million. From the result of the cancellation debt, the Company recognized income from debt forgiveness in statement of income for the year ended 31st March 2018.

NOTE 12 PRIOR YEAR ADJUSTMENT

During the year 2019, The Company made adjustment for the omission of corporate income tax for the year 2018 amounting to Baht 2,384,161 due to not being granted an approval for corporate income tax exemption due to non compliance with certain condition of BOI privileges - as prior year adjustment in order to reflect the correction of error. Such error correction was made against and cause the decrease in net earnings for the year 2018 and brought forward balance of retained earnings for the year 2019 with the same amount.

NOTE 13 COMMITMENTS

As at 31st March 2019, The Company had commitment under the lease agreements of approximately amount Baht 3.4 million (2018 : Baht 5.5 million).

NOTE 14 CORPORATE INCOME TAX

Corporate income tax for the year is calculated on the net income for the year (for non-privilege portion) after adjusting the items in accordance with the Revenue Code.

NOTE 15 RECLASSIFICATION

The reclassifications in statement of financial position as at 31st March 2018 in order to be compared with statement of financial position as at 31st March 2019 are as follows:

	(Unit : Baht)	
	<u>As reclassified</u>	<u>As previously reported</u>
Account receivables trade	-	59,383,944
Other receivables	-	1,003,357
Trade receivables and other receivables	60,387,301	-
Other payables	-	5,120,206
Other payable – related companies	-	79,077,361
Other payables	84,197,567	-

The reclassifications had no effect to previously reported net income or shareholders' equity.

NOTE 16 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the Company's authorised director on 23rd April 2019. 