

Capco Consultancy (Thailand) Limited

Financial statements for the year ended
31 December 2022
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Capco Consultancy (Thailand) Limited

Opinion

I have audited the financial statements of Capco Consultancy (Thailand) Limited (the “Company”), which comprise the statement of financial position as at 31 December 2022, the statements of income and changes in equity for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and its financial performance for the year then ended in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 including Independence Standards* issued by 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 the Code of Ethics for Professional Accountants. 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 TFRS for NPAEs, 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 TSAs 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 TSAs, 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.
- 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.

Chanchai S.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
25 April 2023

Capco Consultancy (Thailand) Limited

Statement of financial position

| Assets | Note | 31 December | |
|---|------|---------------------|---------------------|
| | | 2022 | 2021 |
| | | <i>(in Baht)</i> | |
| Current assets | | | |
| Cash equivalents | 4 | 38,176,700 | 18,264,411 |
| Trade and other receivables | 5 | 30,744,617 | 10,118,920 |
| Receivable from related parties | 6 | 25,848,803 | 5,477,144 |
| Short-term loans and interests receivable from related parties | 7 | 47,743,070 | 38,378,396 |
| Prepaid expenses | | 1,233,957 | 368,041 |
| Other current assets | | 4,944,583 | 4,774,462 |
| Total current assets | | 148,691,730 | 77,381,374 |
| Non-current assets | | | |
| Long-term loans to related parties | 8 | 12,576,574 | 12,810,512 |
| Equipment | | 969,200 | 374,097 |
| Total non-current assets | | 13,545,774 | 13,184,609 |
| Total assets | | 162,237,504 | 90,565,983 |
| Liability and equity | | | |
| Current liabilities | | | |
| Trade and other payables | | 6,619,839 | 5,261,732 |
| Payable to related parties | 9 | 36,041,564 | 13,860,828 |
| Short-term loans and interests payable to related parties | 10 | 134,383,505 | 125,018,043 |
| Other current liabilities | | 3,119,252 | 1,691,805 |
| Total current liabilities | | 180,164,160 | 145,832,408 |
| Total liabilities | | 180,164,160 | 145,832,408 |
| Equity | | | |
| Share capital: | | | |
| Authorised share capital (55,000 ordinary shares, par value at Baht 100 per share) | | 5,500,000 | 5,500,000 |
| Issued and paid-up share capital (55,000 ordinary shares, par value at Baht 100 per share) | | 5,500,000 | 5,500,000 |
| Deficits | | (23,426,656) | (60,766,425) |
| Total equity (deficit) | | (17,926,656) | (55,266,425) |
| Total liabilities and equity | | 162,237,504 | 90,565,983 |

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

Capco Consultancy (Thailand) Limited

Statement of income

| | | For the year ended | |
|---|-------------|---------------------------|---------------------------|
| | | 31 December | |
| | <i>Note</i> | 2022 | 2021 |
| | | <i>(in Baht)</i> | |
| <i>Income</i> | | | |
| Revenue from rendering services | | 158,877,157 | 58,194,255 |
| Revenue from rendering services - related parties | | 57,587,305 | 55,049,296 |
| Other income | | <u>1,773,902</u> | <u>1,295,711</u> |
| Total income | | <u>218,238,364</u> | <u>114,539,262</u> |
| <i>Expense</i> | | | |
| Cost of rendering services | <i>11</i> | 72,896,241 | 32,522,243 |
| Cost of rendering services - related parties | <i>11</i> | 57,685,399 | 43,036,839 |
| Administrative expenses | <i>12</i> | <u>46,111,185</u> | <u>44,036,078</u> |
| Total expenses | | <u>176,692,825</u> | <u>119,595,160</u> |
| Profit (loss) before finance cost | | 41,545,539 | (5,055,898) |
| Finance cost | | <u>(4,205,770)</u> | <u>(4,377,232)</u> |
| Profit (loss) for the year | | <u>37,339,769</u> | <u>(9,433,130)</u> |

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

Capco Consultancy (Thailand) Limited

Statement of changes in equity

| | Issued and paid-up share capital | Deficits <i>(in Baht)</i> | Total equity (deficit) |
|------------------------------------|--|------------------------------|---------------------------|
| Year ended 31 December 2021 | | | |
| Balance at 1 January 2021 | 5,500,000 | (51,333,295) | (45,833,295) |
| Loss for the year | - | (9,433,130) | (9,433,130) |
| Balance at 31 December 2021 | <u>5,500,000</u> | <u>(60,766,425)</u> | <u>(55,266,425)</u> |
| Year ended 31 December 2022 | | | |
| Balance at 1 January 2022 | 5,500,000 | (60,766,425) | (55,266,425) |
| Profit for the year | - | 37,339,769 | 37,339,769 |
| Balance at 31 December 2022 | <u>5,500,000</u> | <u>(23,426,656)</u> | <u>(17,926,656)</u> |

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

Capco Consultancy (Thailand) Limited

Notes to the financial statements

For the year ended 31 December 2022

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Capco Consultancy (Thailand) Limited
Notes to the financial statements
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company's authorised directors on 25 April 2023.

1 General information

Capco Consultancy (Thailand) Limited, (the "Company"), is incorporated in Thailand and has its registered office at No. 999/9 Level 29, The Offices at Central World Suite 2962, Rama I Road, Kwaeng Pathumwan Khet Pathumwan, Bangkok. The principal business of the Company is engaged in rendering consulting services in relation to the management and operation of financial institutions.

As at 31 December 2022, the Company has a capital deficit of Baht 23.4 million (2021: Baht 60.7 million), total current liabilities exceeding total current assets of Baht 31.5 million (2021: Baht 68.4 million) and the Company has profit for the year ended 31 December 2022 of Baht 37.3 million (2021: loss Baht 9.4 million). However, the Company's management believe that preparation of these financial statements based on the going concern basis is appropriate as parent company, The Capital Markets Company BVBA has given an undertaking to confirm providing financial support to the Company in order to enable the Company to continue the operation and meet the liabilities within the next 12 months.

2 Basis of preparation of the financial statements

The financial statements are prepared in accordance with Thai Financial Reporting Standard for Non-publicly Accountable Entities ("TFRS for NPAEs") and guidelines promulgated by the Federation of Accounting Professions (TFAC).

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand. They are prepared on the historical cost basis.

The preparation of financial statements in conformity with TFRS for NPAEs requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency transactions

Transactions in foreign currencies are translated to Thai Baht at the foreign exchange rates ruling at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Thai Baht at the exchange rates at that date. Gains or losses arising on translation are recognised in the statement of income.

Non-monetary assets and liabilities arising from foreign currency transactions that are measured at cost are translated to Thai Baht at the exchange rates at the dates of the transactions.

Capco Consultancy (Thailand) Limited

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(b) *Cash and cash equivalents*

Cash and cash equivalents comprise cash balance and call deposits that are not subjected to withdrawal restrictions.

(c) *Trade and other receivables*

Trade and other receivables are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories. Bad debts are written off when incurred. Bad debts recovered are recognised in other income in the statement of income.

(d) *Equipment*

Owned assets

Equipment is measured at cost less accumulated depreciation and losses on decline in value.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Any gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment, and are recognised in the statement of income.

Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in the statement of income as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value. Depreciation is charged to the statement of income on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

| | |
|--------------------|---------|
| Computer | 3 years |
| Computer equipment | 3 years |

Capco Consultancy (Thailand) Limited

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For the year ended 31 December 2022

(e) *Losses on decline in value*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of a permanent decline in value. If any such indication exists, the assets' recoverable amounts are estimated. A loss on decline in value is recognised in the statement of income when the carrying amounts of assets is higher than the recoverable amounts.

(f) *Revenue*

Consultancy service fee income is recognised when the services are rendered.

(g) *Trade and other payables*

Trade and other payables are stated at cost.

(h) *Expenses*

Expenses are recognised on accrual basis.

(i) *Operating lease*

Payments made under operating leases are recognised on a straight-line basis over the term of the lease.

(j) *Income tax*

Income tax is calculated on the taxable income or loss for the year, using tax rates enacted at the reporting date.

4 Cash equivalents

| | 2022 | 2021 |
|----------------------------------|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Cash at banks - current accounts | 100 | 264 |
| Cash at banks - savings accounts | 38,074 | 18,000 |
| Cash on hand | 2 | - |
| Total | 38,176 | 18,264 |

5 Trade and other receivables

| | 2022 | 2021 |
|-------------------|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Accrued income | 22,746 | 8,047 |
| Trade receivables | 7,998 | 2,072 |
| Total | 30,744 | 10,119 |

Capco Consultancy (Thailand) Limited
Notes to the financial statements
For the year ended 31 December 2022

6 Receivable from related parties

| | 2022 | 2021 |
|--------------------------------------|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| The Capital Markets Company Sàrl | 2,425 | 3,752 |
| Capco Consulting Singapore Pte. Ltd. | 22,432 | 1,037 |
| The Capital Markets Company Limited | 241 | - |
| Capco Consultancy Malaysia Sdn Bhd | - | 574 |
| Others | 751 | 114 |
| Total | <u>25,849</u> | <u>5,477</u> |

7 Short-term loans and interests receivable from related parties

| | 2022 | 2021 |
|--|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| The Capital Markets Company Limited (HK) | 14,731 | 13,546 |
| The Capital Markets Company Sàrl | 26,068 | 19,890 |
| Capco Consulting Singapore Pte. Ltd. | 6,461 | 4,654 |
| Capco Consultancy Malaysia Sdn Bhd | 479 | 283 |
| Others | 4 | 5 |
| Total | <u>47,743</u> | <u>38,378</u> |

As at 31 December 2022, short-term loans and interests receivable from related parties in total amount of Baht 47.74 million (2021: 38.38) represent unsecured loans with interest rates ranging from 4.80% to 9.70% per annum (2021: 4.79% to 4.92%) and are receivable on call (2021: on call).

8 Long-term loans to related parties

| | 2022 | 2021 |
|--|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| The Capital Markets Company Limited (HK) | 9,434 | 9,669 |
| Capco Consultancy Malaysia Sdn Bhd | 3,142 | 3,142 |
| Total | <u>12,576</u> | <u>12,811</u> |

As at 31 December 2022, long-term loans to related parties in total amount of Baht 12.57 million (2021: 12.81) represent unsecured loans with interest rates ranging from 4.85% to 9.67% per annum (2021: 4.85% to 4.98%).

Capco Consultancy (Thailand) Limited
Notes to the financial statements
For the year ended 31 December 2022

9 Payable to related parties

| | 2022 | 2021 |
|--|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| The Capital Markets Company Limited | 5,486 | 4,810 |
| The Capital Markets Company (UK) Limited | 8,591 | 1,671 |
| The Capital Markets Company Slovakia S.R.O | 53 | 2,669 |
| The Capital Markets Company Sàrl | - | 2,938 |
| Capco Technologies Private limited | 6,298 | - |
| Capco Consultancy Malaysia Sdn Bhd | 3,635 | - |
| Capco Consulting Singapore Pte. Ltd. | 1,470 | - |
| Andrion AG | 2,252 | - |
| Wipro Limited | 3,408 | 1,480 |
| Designit Spain Digital | 4,375 | - |
| Others | 473 | 293 |
| Total | 36,041 | 13,861 |

10 Short-term loans and interests payable from related parties

| | 2022 | 2021 |
|--|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| The Capital Markets Company Limited (HK) | 82,679 | 76,794 |
| The Capital Markets Company Slovakia S.R.O | 16,571 | 14,434 |
| The Capital Markets Company (UK) Limited | 30,747 | 28,990 |
| The Capital Markets Company (Canada) | 1,926 | 2,113 |
| The Capital Markets Company BVBA (Belgium) | 2,234 | 1,861 |
| Other | 226 | 826 |
| Total | 134,383 | 125,018 |

As at 31 December 2022, the Company obtained unsecured short-term loans and interests payable to related parties in total amount of Baht 134.38 million (2021: 125.02 million) with interest rates ranging from 4.07% to 7.17% per annum (2021: 4.07% to 4.92%) and are repayable on call (2021: on call).

11 Cost of rendering services

| | 2022 | 2021 |
|--|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Employee expenses | 72,655 | 32,417 |
| Service expenses - related companies | 52,166 | 38,242 |
| Delivery center expenses - related companies | 5,520 | 4,795 |
| Depreciation expenses | 241 | 105 |
| Total | 130,582 | 75,559 |

12 Administrative expenses

| | 2022 | 2021 |
|---------------------------|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| Employee expenses | 18,536 | 15,231 |
| Business support services | 8,821 | 5,303 |
| Office and rental expense | 3,299 | 1,083 |
| Professional fee | 2,145 | 2,724 |
| Others | 13,310 | 19,695 |
| Total | 46,111 | 44,036 |

Capco Consultancy (Thailand) Limited
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13 Commitments

As at 31 December 2022 and 2021, the Company had various lease agreements covering its office rental expense, office equipment rental expense and service for period of 1 - 3 years commencing from various dates (2021: 1 - 3 years).

| | 2022 | 2021 |
|--|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Non-cancellable operating lease commitments</i> | | |
| Within one year | 1,986 | 3,079 |
| After one year but not over five years | 18 | 1,006 |
| Total | <u>2,004</u> | <u>4,085</u> |