

Capco Consultancy (Thailand) Limited

Financial statements for the year ended
31 December 2023
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 2023, 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 2023 and its financial performance for the year then ended in accordance with the 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. 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.

Chanchai S.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
30 April 2024

Capco Consultancy (Thailand) Limited

Statement of financial position

Assets	Note	31 December	
		2023	2022
		<i>(in Baht)</i>	
<i>Current assets</i>			
Cash and cash equivalents	4	29,494,389	38,176,700
Trade and other receivables	5	199,453,664	30,744,617
Receivable to related parties	6	99,255,418	25,848,803
Short-term loans and interests receivable to related parties	7	37,482,629	47,743,070
Prepaid expenses		2,407,544	1,233,957
Other current assets		5,931,539	4,944,583
Total current assets		374,025,183	148,691,730
<i>Non-current assets</i>			
Long-term loans to related parties	8	12,696,765	12,576,574
Equipments		1,985,743	969,200
Total non-current assets		14,682,508	13,545,774
Total assets		388,707,691	162,237,504

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

Capco Consultancy (Thailand) Limited

Statement of financial position

Liability and equity	Note	31 December	
		2023	2022
		<i>(in Baht)</i>	
<i>Current liabilities</i>			
Trade and other payables		10,532,837	6,619,839
Payable to related parties	9	112,034,375	36,041,564
Short-term loans and interests payable from related parties	10	163,572,919	134,383,505
Income tax payable		6,944,859	-
Other current liabilities		13,209,876	3,119,252
Total current liabilities		306,294,866	180,164,160
<i>Non-current liabilities</i>			
Long-term loans from related parties	11	61,748,623	-
Total non-current assets		61,748,623	-
Total liabilities		368,043,489	180,164,160
<i>Equity</i>			
Share capital:			
Authorised share capital			
<i>(55,000 ordinary shares, par value at Baht 100 per share)</i>		5,500,000	5,500,000
Issued and paid-up share capital			
<i>(55,000 ordinary shares, par value at Baht 100 per share)</i>		5,500,000	5,500,000
Retained earnings (Deficit)		15,164,202	(23,426,656)
Total (deficit in) equity		20,664,202	(17,926,656)
Total liabilities and equity		388,707,691	162,237,504

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>	2023	2022
		<i>(in Baht)</i>	
<i>Income</i>			
Revenue from rendering services		341,891,016	158,877,157
Revenue from rendering services - related parties		26,090,239	57,587,305
Other income		607,891	1,773,902
Total income		368,589,146	218,238,364
<i>Expense</i>			
Cost of rendering services	12	162,365,320	72,896,241
Cost of rendering services - related parties	12	57,780,160	57,685,399
Administrative expenses	13	97,536,764	46,111,185
Total expenses		317,682,244	176,692,825
Profit before finance costs and income tax		50,906,902	41,545,539
Finance costs		5,315,901	4,205,770
Profit before income tax		45,591,001	37,339,769
Income tax	14	7,000,143	-
Profit for the year		38,590,858	37,339,769

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	Retained earnings (Deficits) <i>(in Baht)</i>	Total (deficit in) equity
<i>Year ended 31 December 2022</i>			
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>
<i>Year ended 31 December 2023</i>			
Balance at 1 January 2023	5,500,000	(23,426,656)	(17,926,656)
Profit for the year	-	38,590,858	38,590,858
Balance at 31 December 2023	<u>5,500,000</u>	<u>15,164,202</u>	<u>20,664,202</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 2023

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Capco Consultancy (Thailand) Limited

Notes to the financial statements

For the year ended 31 December 2023

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 30 April 2024.

1 General information

Capco Consultancy (Thailand) Limited, (the "Company"), is incorporated in Thailand on 9 October 2017 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.

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 (Revised B.E. 2565), which promulgated by the Federation of Accounting Professions (TFAC) in 2022. The adoption of the Thai Financial Reporting Standard for Non-Publicly Accountable Entities (Revised B.E. 2565) ('TFRS for NPAEs') does not impact materially the financial statements.

The financial statements are prepared and presented in Thai Baht, rounded in the notes to the financial statements to the nearest thousand. Accounting policies disclosed in Note 3 are applied consistently to all periods presented in these financial statements.

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 at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies, are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are recognised in the statement of income.

(b) Cash and cash equivalents

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

Capco Consultancy (Thailand) Limited
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(c) Trade and other receivables

Trade and other receivables measured at 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 at the amount received.

(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.

Difference between the proceeds from disposal with the carrying amount of equipment 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 when 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 calculated on a straight-line basis over the estimated useful life of each component of an asset and recognised in the statement of income. The estimated useful lives are as follows:

Computer	3 years
Computer equipment	3 years
Furniture	5 years

(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 if the carrying amount of an asset exceeds its recoverable amount. The loss on decline in value is recognised in the statement of income.

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(f) Trade and other payables

Trade and other payables are stated at cost.

(g) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate method.

(h) Revenue

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

(i) Expenses

Expenses are recognised on accrual basis.

(j) Operating lease

Payments made under operating leases are recognised on a straight-line basis over the term of the lease. Contingent rentals are recognised as expense in the accounting period in which they are incurred.

(k) Finance costs

Interest expenses and similar costs are recognised using the effective interest method.

(l) 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 and cash equivalents

	2023	2022
	<i>(in thousand Baht)</i>	
Cash on hand	3	2
Cash at banks - current accounts	100	100
Cash at banks - savings accounts	29,391	38,074
Total	29,494	38,176

5 Trade and other receivables

	2023	2022
	<i>(in thousand Baht)</i>	
Accrued income	29,167	22,746
Trade receivables	173,879	7,998
Less allowance for doubtful accounts	(3,592)	-
Total	199,454	30,744

Capco Consultancy (Thailand) Limited

Notes to the financial statements

For the year ended 31 December 2023

6 Receivable from related parties

	2023	2022
	<i>(in thousand Baht)</i>	
The Capital Markets Company Sàrl	2,307	2,425
Capco Consulting Singapore Pte. Ltd.	-	22,432
The Capital Markets Company Limited (HK)	14,742	241
Capco Consultancy Malaysia Sdn Bhd	32,844	-
The Capital Markets Company (UK) Limited	48,278	-
The Capital Markets Company BVBA (Belgium)	80	-
Others	1,004	751
Total	99,255	25,849

7 Short-term loans and interests receivable to related parties

	2023	2022
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	1,483	14,731
The Capital Markets Company Sàrl	2,082	26,068
Capco Consulting Singapore Pte. Ltd.	33,416	6,461
Capco Consultancy Malaysia Sdn Bhd	479	479
Others	23	4
Total	37,483	47,743

As at 31 December 2023, short-term loans and interests receivable from related parties in total amount of Baht 37.48 million (2022: Baht 47.74 million) represent unsecured loans with interest rates ranging from 2.10% to 6.35% per annum (2022: 4.80% to 9.70%) and are receivable on call (2022: on call).

8 Long-term loans to related parties

	2023	2022
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	9,549	9,434
Capco Consultancy Malaysia Sdn Bhd	3,148	3,142
Total	12,697	12,576

As at 31 December 2023, long-term loans to related parties in total amount of Baht 12.70 million (2022: Baht 12.57 million) represent unsecured loans with interest rates ranging from 2.10% to 3.34% per annum (2022: 4.85% to 9.67%).

Capco Consultancy (Thailand) Limited
Notes to the financial statements
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9 Payable to related parties

	2023	2022
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	1,448	5,486
The Capital Markets Company (UK) Limited	66,170	8,591
The Capital Markets Company Slovakia S.R.O	-	53
Capco Technologies Private limited	5,621	6,298
Capco Consultancy Malaysia Sdn Bhd	477	3,635
Capco Consulting Singapore Pte. Ltd.	11,721	1,470
Andrion AG	-	2,252
Wipro Limited	24,875	3,408
Designit Spain Digital	-	4,375
Others	1,722	473
Total	112,034	36,041

10 Short-term loans and interests payable from related parties

	2023	2022
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	58,788	82,679
The Capital Markets Company Slovakia S.R.O	16,578	16,571
The Capital Markets Company (UK) Limited	57,646	30,747
The Capital Markets Company (Canada)	2,052	1,926
The Capital Markets Company BVBA (Belgium)	2,424	2,234
Capco Consultancy Malaysia Sdn Bhd	22,042	-
Others	4,043	226
Total	163,573	134,383

As at 31 December 2023, the Company obtained unsecured short-term loans and interests payable from related parties in total amount of Baht 163.57 million (2022: Baht 134.38 million) with interest rates ranging from 1.79% to 6.35% per annum (2022: 4.07% to 7.17%) and are repayable on call (2022: on call).

11 Long-term loans from related parties

	2023	2022
	<i>(in thousand Baht)</i>	
Cardinal US Holding	27,444	-
The Capital Markets Company (NY)	34,305	-
Total	61,749	-

As at 31 December 2023, the Company obtained unsecured long-term loans and interests payable from related parties in total amount of Baht 61.75 million (2022: nil) with interest rates ranging from 2.84% to 6.16% per annum (2022: nil) and are repayable on call (2022: nil).

Capco Consultancy (Thailand) Limited
Notes to the financial statements
For the year ended 31 December 2023

12 Cost of rendering services

	2023	2022
	<i>(in thousand Baht)</i>	
Employee expenses	161,519	72,655
Service expenses - related companies	44,450	52,166
Delivery center expenses - related companies	13,330	5,520
Depreciation expenses	846	241
Total	<u>220,145</u>	<u>130,582</u>

13 Administrative expenses

	2023	2022
	<i>(in thousand Baht)</i>	
Employee expenses	42,520	18,536
Business support services	29,100	8,821
Office and rental expense	7,302	3,299
Professional fee	3,434	2,145
Others	15,181	13,310
Total	<u>97,537</u>	<u>46,111</u>

14 Income tax

Income tax recognised in profit or loss

	2023		2022	
	<i>Rate</i>	<i>(in thousand</i>	<i>Rate</i>	<i>in thousand</i>
	<i>(%)</i>	<i>Baht)</i>	<i>(%)</i>	<i>Baht)</i>
Profit before income tax expense		<u>45,591</u>		<u>37,340</u>
Income tax using the Thai corporation tax rate	20	9,118	20	7,468
Income not subject to tax		(1,080)		(5,173)
BOI incentive		-		(1,117)
Expenses not deductible for tax purposes		1,695		6,163
Recognition of previously unrecognised tax losses		<u>(2,733)</u>		<u>(7,341)</u>
Total	<u>15</u>	<u>7,000</u>	<u>0</u>	<u>-</u>

15 Commitments

As at 31 December 2023, the Company had various lease agreements covering its office rental expense, office equipment rental expense and service for period of 9 months - 3 years commencing from various dates (2022: 1 - 3 years).

	2023	2022
	<i>(in thousand Baht)</i>	
<i>Non-cancellable operating lease commitments</i>		
Within one year	2,606	1,986
After one year but not over five years	-	18
Total	<u>2,606</u>	<u>2,004</u>