

Capco Consultancy (Thailand) Limited

Financial statements for the year ended
31 December 2021
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 2021, 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 2021 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 Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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 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.

Chanalai S.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
21 April 2022

Capco Consultancy (Thailand) Limited

Statement of financial position

Assets	Note	31 December	
		2021	2020
		<i>(in Baht)</i>	
Current assets			
Cash equivalents	4	18,264,411	9,276,601
Trade and other receivables	5	10,118,920	2,391,202
Receivable from related parties	6	5,477,144	15,896,768
Short-term loans and interests receivable from related parties	7	38,378,396	19,684,504
Prepaid expenses		368,041	6,263,121
Other current assets		4,774,462	2,412,232
Total current assets		77,381,374	55,924,428
Non-current assets			
Long-term loans to related parties	8	12,810,512	13,229,441
Equipment		374,097	48,801
Total non-current assets		13,184,609	13,278,242
Total assets		90,565,983	69,202,670
Liability and equity			
Current liabilities			
Trade and other payables		5,261,732	4,568,320
Payable to related parties	9	13,860,828	25,525,794
Short-term loans and interests payable to related parties	10	125,018,043	84,731,376
Other current liabilities		1,691,805	210,475
Total current liabilities		145,832,408	115,035,965
Total liabilities		145,832,408	115,035,965
Equity			
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
Deficits		(60,766,425)	(51,333,295)
Total equity (deficit)		(55,266,425)	(45,833,295)
Total liabilities and equity		90,565,983	69,202,670

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>	2021	2020
		<i>(in Baht)</i>	
<i>Income</i>			
Revenue from rendering services		58,194,255	31,766,318
Revenue from rendering services - related parties		55,049,296	91,662,279
Other income		<u>1,295,711</u>	<u>771,646</u>
Total income		<u>114,539,262</u>	<u>124,200,243</u>
<i>Expense</i>			
Cost of rendering services	<i>11</i>	32,522,243	23,708,558
Cost of rendering services - related parties	<i>11</i>	43,036,839	80,199,255
Administrative expenses	<i>12</i>	<u>44,036,078</u>	<u>36,957,611</u>
Total expenses		<u>119,595,160</u>	<u>140,865,424</u>
Loss before finance cost		(5,055,898)	(16,665,181)
Finance cost		<u>(4,377,232)</u>	<u>(4,206,276)</u>
Loss for the year		<u>(9,433,130)</u>	<u>(20,871,457)</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 2020			
Balance at 1 January 2020	5,500,000	(30,461,838)	(24,961,838)
Loss for the year	-	(20,871,457)	(20,871,457)
Balance at 31 December 2020	<u>5,500,000</u>	<u>(51,333,295)</u>	<u>(45,833,295)</u>
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>

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 2021

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Capco Consultancy (Thailand) Limited

Notes to the financial statements

For the year ended 31 December 2021

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 21 April 2022.

1 General information

Capco Consultancy (Thailand) Limited, (the "Company"), is incorporated in Thailand and has its registered office at 23rd fl, Two Pacific Place Building, 142 Sukhumvit Rd, Kwaeng Klongtoey, Khet Klongtoey, 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 2021, the Company has a capital deficit of Baht 64.0 million (2020: Baht 51.3 million), total current liabilities exceeding total current assets of Baht 71.7 million (2020: Baht 59.1 million) and the Company has loss for the year ended 31 December 2021 of Baht 12.7 million (2020: Baht 20.9 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

Notes to the financial statements

For the year ended 31 December 2021

(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

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(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

	2021	2020
	<i>(in thousand Baht)</i>	
Cash at banks - current accounts	264	249
Cash at banks - savings accounts	18,000	9,028
Total	<u>18,264</u>	<u>9,277</u>

5 Trade and other receivables

	2021	2020
	<i>(in thousand Baht)</i>	
Accrued income	8,047	875
Trade receivables	2,072	1,516
Total	<u>10,119</u>	<u>2,391</u>

Capco Consultancy (Thailand) Limited
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6 Receivable from related parties

	2021	2020
	<i>(in thousand Baht)</i>	
The Capital Markets Company Sàrl	3,752	9,841
Capco Technologies Private limited	-	3,734
Capco Consulting Singapore Pte. Ltd.	1,037	2,280
The Capital Markets Company Limited	-	42
Capco Consultancy Malaysia Sdn Bhd	574	-
Others	114	-
Total	5,477	15,897

7 Short-term loans and interests receivable from related parties

	2021	2020
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	13,546	10,519
The Capital Markets Company Sàrl	19,890	8,593
Capco Consulting Singapore Pte. Ltd.	4,654	433
Capco Consultancy Malaysia Sdn Bhd	283	130
Others	5	10
Total	38,378	19,685

As at 31 December 2021, short-term loans and interests receivable from related parties in total amount of Baht 38.38 million (2020: 19.69) represent unsecured loans with interest rates ranging from 4.79% to 4.92% per annum (2020: 4.92% to 7.35%) and are receivable on call (2020: on call).

8 Long-term loans to related parties

	2021	2020
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	9,669	10,086
Capco Consultancy Malaysia Sdn Bhd	3,142	3,143
Total	12,811	13,229

As at 31 December 2021, long-term loans to related parties in total amount of Baht 12.81 million (2020: 13.23) represent unsecured loans with interest rates ranging from 4.85% to 4.98% per annum (2020: 4.92% to 6.85%).

9 Payable to related parties

	2021	2020
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited	4,810	4,467
The Capital Markets Company (UK) Limited	1,671	15,957
The Capital Markets Company Slovakia S.R.O	2,669	668
The Capital Markets Company Sàrl	2,938	-
Capco Technologies Private limited	-	3,746
Wipro Limited	1,480	-
Others	293	688
Total	13,861	25,526

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10 Short-term loans and interests payable from related parties

	2021	2020
	<i>(in thousand Baht)</i>	
The Capital Markets Company Limited (HK)	76,794	62,944
The Capital Markets Company Slovakia s.r.o	14,434	10,734
The Capital Markets Company (UK) Limited	28,990	7,362
The Capital Markets Company (Canada)	2,113	1,815
The Capital Markets Company BVBA (Belgium)	1,861	1,685
Other	826	191
Total	<u>125,018</u>	<u>84,731</u>

As at 31 December 2021, the Company obtained unsecured short-term loans and interests payable to related parties in total amount of Baht 125.02 million (2020: 84.73 million) with interest rates ranging from 4.07% to 4.92% per annum (2020: 4.18% to 7.35%) and are repayable on call (2020: on call).

11 Cost of rendering services

	2021	2020
	<i>(in thousand Baht)</i>	
Employee expenses	32,417	23,636
Service expenses - related companies	38,242	72,739
Delivery center expenses - related companies	4,795	7,461
Depreciation expenses	105	72
Total	<u>75,559</u>	<u>103,908</u>

12 Administrative expenses

	2021	2020
	<i>(in thousand Baht)</i>	
Employee expenses	15,231	17,709
Business support services	5,303	4,826
Office and rental expense	1,083	2,935
Professional fee	2,724	1,903
Others	19,695	9,585
Total	<u>44,036</u>	<u>36,958</u>

13 Commitments

As at 31 December 2021 and 2020, 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 (2020: 1 - 3 years).

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Non-cancellable operating lease commitments</i>		
Within one year	3,079	782
After one year but not over five years	1,006	63
Total	<u>4,085</u>	<u>845</u>