

Capco Consultancy (Malaysia) Sdn. Bhd.

(Registration No. 201701022188 (1236354-T))

(Incorporated in Malaysia)

**Financial statements for the year
ended 31 December 2023**

Capco Consultancy (Malaysia) Sdn. Bhd.

(Registration No. 201701022188 (1236354-T))

(Incorporated in Malaysia)

Directors' report for the year ended 31 December 2023

The Directors hereby submit their report and the audited financial statements of the Company for the financial year ended 31 December 2023.

Principal activity

The Company is principally engaged in provision of management consultancy services. There has been no significant change in the nature of this principal activity during the financial year.

Ultimate holding corporation

The Company is a subsidiary of Wipro Limited, of which is incorporated in India, listed on the New York Stock Exchange and regarded by the Directors as the Company's ultimate holding corporation, during the financial year and until the date of this report.

Results

	RM
Loss for the year	<u>3,171,507</u>

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review.

Dividend

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Ankita Sharma
Satyabrata Haldar

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Directors' interests in shares

None of the Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, there was no indemnity given to or professional indemnity insurance effected for Directors, officers or auditors of the Company.

Other statutory information

Before the financial statements of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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Other statutory information (continued)

At the date of this report, the Directors are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Company misleading.

At the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Company for the financial year ended 31 December 2023 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

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Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Company during the year is RM70,000.

Signed in accordance with a resolution of the Directors:


.....
Ankita Sharma
Director


.....
Satyabrata Haldar
Director

Date: 29 APR 2024

Capco Consultancy (Malaysia) Sdn. Bhd.

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Statement of financial position as at 31 December 2023

	Note	2023 RM	2022 RM
Assets			
Plant and equipment	3	<u>510,602</u>	<u>758,796</u>
Total non-current asset		<u>510,602</u>	<u>758,796</u>
Trade and other receivables	4	9,696,874	3,633,955
Contract assets	5	2,887,951	4,565,789
Cash and bank balances		<u>2,811,623</u>	<u>564,774</u>
Total current assets		<u>15,396,448</u>	<u>8,764,518</u>
Total assets		<u>15,907,050</u>	<u>9,523,314</u>
Equity			
Share capital	6	11,206,000	11,206,000
Accumulated losses		<u>(16,914,198)</u>	<u>(13,742,691)</u>
Deficit in total equity attributable to owner of the Company		<u>(5,708,198)</u>	<u>(2,536,691)</u>
Liabilities			
Other payables	7	<u>2,821,985</u>	<u>2,629,158</u>
Total non-current liabilities		<u>2,821,985</u>	<u>2,629,158</u>
Other payables	7	<u>18,793,263</u>	<u>9,430,847</u>
Total current liabilities		<u>18,793,263</u>	<u>9,430,847</u>
Total liabilities		<u>21,615,248</u>	<u>12,060,005</u>
Total equity and liabilities		<u>15,907,050</u>	<u>9,523,314</u>

The notes on pages 10 to 26 are an integral part of these financial statements.

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Statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Note	2023 RM	2022 RM
Revenue	8	27,726,427	32,579,707
Other income		1,332,629	406,558
Staff costs		(25,844,137)	(29,144,297)
Office expenses		(513,976)	(452,273)
Professional fees		(990,359)	(1,731,102)
Travelling and entertainment expenses		(188,297)	(69,925)
Depreciation of plant and equipment	3	(269,714)	(237,168)
Depreciation of right-of-use assets		-	(27,876)
Other expenses		<u>(4,185,880)</u>	<u>(2,079,248)</u>
Results from operating activities		(2,933,307)	(755,624)
Finance income	9	136,531	114,566
Finance cost	10	<u>(374,731)</u>	<u>(434,811)</u>
Loss before tax	11	(3,171,507)	(1,075,869)
Tax expense	12	<u>-</u>	<u>-</u>
Loss and total comprehensive expenses for the year		<u>(3,171,507)</u>	<u>(1,075,869)</u>

The notes on pages 10 to 26 are an integral part of these financial statements.

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Statement of changes in equity for the financial year ended 31 December 2023

	Share capital RM	Accumulated losses RM	Total equity RM
At 1 January 2022	11,206,000	(12,666,822)	(1,460,822)
Loss and total comprehensive expenses for the year	-	(1,075,869)	(1,075,869)
At 31 December 2022/1 January 2023	11,206,000	(13,742,691)	(2,536,691)
Loss and total comprehensive expenses for the year	-	(3,171,507)	(3,171,507)
At 31 December 2023	11,206,000	(16,914,198)	(5,708,198)

Note 6

The notes on pages 10 to 26 are an integral part of these financial statements.

Capco Consultancy (Malaysia) Sdn. Bhd.

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Statement of cash flows for the financial year ended 31 December 2023

	Note	2023 RM	2022 RM
Cash flows from operating activities			
Loss before tax		(3,171,507)	(1,075,869)
<i>Adjustments for:</i>			
Depreciation of plant and equipment	3	269,714	237,168
Depreciation of right-of-use assets		-	27,876
Finance income	9	(136,531)	(114,566)
Finance costs	10	374,731	434,811
Unrealised loss/(gain) on foreign exchange		1,722,218	(155,528)
		(941,375)	(646,108)
Changes in working capital:			
Trade and other receivables		(6,062,919)	2,796,542
Other payables		4,735,993	(2,007,820)
Contract assets		1,677,838	(2,391,647)
Cash used in operations		(590,463)	(2,249,033)
Interest received		136,531	114,566
Interest paid		(374,731)	(434,811)
Net cash used in operating activities		(828,663)	(2,569,278)
Cash flows from investing activity			
Acquisition of plant and equipment	3	(21,520)	(481,474)
Net cash used in investing activity		(21,520)	(481,474)
Cash flows from financing activities			
Payment of lease liability		-	(27,122)
Loan from immediate holding corporation		2,606,941	119,008
Loan from related corporations		490,091	405,639
Net cash from financing activities		3,097,032	497,525
Net increase/(decrease) in cash and bank balance		2,246,849	(2,553,227)
Cash and bank balances at 1 January		564,774	3,118,001
Cash and bank balance at 31 December		2,811,623	564,774

Statement of cash flows for the financial year ended 31 December 2023 (continued)

Cash outflow for leases as a lessee

	Note	2023 RM	2022 RM
Included in net cash from operating activities:			
Payment relating to short-term leases	11	343,195	217,288
Interest paid in relation to lease liability	10	-	383
Included in net cash from financing activities:			
Payment of lease liability		-	27,122
Total cash outflows for leases		<u>343,195</u>	<u>244,793</u>

Reconciliation of movements of liabilities to cashflows arising from financing activities

	Lease liabilities RM	Loan from immediate holding corporation RM	Loan from related corporations RM	Total liabilities from financing activities RM
At 1 January 2022	27,122	2,767,565	2,709,332	5,504,019
Net changes from financing cash flows	(27,122)	119,008	405,639	497,525
Foreign exchange movement	-	(8,468)	57,068	48,600
At 31 December 2022/1 January 2023	-	2,878,105	3,172,039	6,050,144
Net changes from financing cash flows	-	2,606,941	490,091	3,097,032
Foreign exchange movement	-	(6,994)	902	(6,092)
At 31 December 2023	-	<u>5,478,052</u>	<u>3,663,032</u>	<u>9,141,084</u>

The notes on pages 10 to 26 are an integral part of these financial statements.

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Notes to the financial statements

Capco Consultancy (Malaysia) Sdn. Bhd. is a private limited liability company, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Suite 25.01, Level 25,
The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Wilayah Persekutuan
Kuala Lumpur

Registered office

No 27-2 Jalan 109E
Jalan Desa Off Jalan Klang Lama
Taman Desa
58100 Kuala Lumpur

The Company is principally engaged in provision of management consultancy services.

The immediate and ultimate holding corporations during the financial year were The Capital Markets Company BVBA, a corporation incorporated in Belgium and Wipro Limited, a corporation incorporated in India and listed on the New York Stock Exchange, respectively.

The financial statements were authorised for issue by the Board of Directors on 29 April 2024.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Company plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2024 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2024.
- from the annual period beginning on 1 January 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

The initial application of the abovementioned accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in Note 2.

The Company incurred a loss of RM3,171,507 for the financial year ended 31 December 2023 and, as of that date, the Company's current liabilities exceeded their current assets by RM3,396,815 and it has a deficit in shareholder's fund of RM5,708,198. These indicate the existence of uncertainties which may cast significant doubt on the ability of the Company to continue as a going concern. The going concern basis on which the financial statements have been prepared is dependent on the continuous financial support from its immediate holding corporation, The Capital Markets Company BVBA.

At the date of this report, there is no reason for the Directors to believe that there is any significant uncertainty its immediate holding corporation will not continue its financial support. Accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of recorded assets amounts or to amounts and classification of liabilities that may be necessary if the Company was unable to continue as going concern.

1. Basis of preparation (continued)

(c) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. Changes in material accounting policies

2.1 Material accounting policy information

The Company also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

3. Plant and equipment

	Office equipment RM	Computer laptops RM	Computer equipment RM	Total RM
Cost				
At 1 January 2022/ 31 December 2022/ 1 January 2023	666,930	370,594	6,000	1,043,524
Additions	-	-	21,520	21,520
At 31 December 2023	666,930	370,594	27,520	1,065,044
Accumulated depreciation				
At 1 January 2022/ 31 December 2022/ 1 January 2023	170,491	113,237	1,000	284,728
Depreciation for the year	133,320	123,531	12,863	269,714
At 31 December 2023	303,811	236,768	13,863	554,442
Carrying amounts				
At 1 January 2022	514,490	-	-	514,490
At 31 December 2022/ 1 January 2023	496,439	257,357	5,000	758,796
At 31 December 2023	363,119	133,826	13,657	510,602

3.1 Material accounting policy information

(a) Recognition and measurement

Items of plant and equipment were measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment from the date that they are available for use.

The estimated useful lives are as follows:

- Office equipment 5 years
- Computer laptops 3 years
- Computer equipment 2 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

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4. Trade and other receivables

	Note	2023 RM	2022 RM
Trade			
Trade receivables		<u>47,590</u>	<u>-</u>
Non-trade			
Amount due from related corporations	4.1	9,195,917	3,154,497
Prepayments		423,367	447,856
Deposit		<u>30,000</u>	<u>31,602</u>
		<u>9,649,284</u>	<u>3,633,955</u>
		<u>9,696,874</u>	<u>3,633,955</u>

4.1 The amount due from related corporations are unsecured, repayable on demand and is subject to interest rate ranging from 2.10% to 6.35% (2022: 4.79%) per annum.

5. Contract assets

	2023 RM	2022 RM
Contract assets	<u>2,887,951</u>	<u>4,565,789</u>

The contract assets primarily relate to the Company's rights to consideration for work completed on service contracts but not yet billed at the reporting date. Typically, the amount will be billed within 60 days and payment is expected within 30 days.

6. Share capital

	Amount 2023 RM	Number of shares 2023	Amount 2022 RM	Number of shares 2022
Ordinary shares with no par value, issued and fully paid:				
At 1 January/31 December	<u>11,206,000</u>	<u>1,000,001</u>	<u>11,206,000</u>	<u>1,000,001</u>

The holder of ordinary shares is entitled to receive dividends as declared from time to time, and is entitled to one vote per share at meetings of the Company.

7. Other payables

	Note	2023 RM	2022 RM
Non-current			
Loan from immediate holding corporation	7.2	<u>2,821,985</u>	<u>2,629,158</u>
Current			
Amount due to ultimate holding corporation	7.1	114,353	217,288
Amount due to immediate holding corporation	7.2	404,253	374,378
Amount due to related corporations	7.3	10,396,725	2,661,573
Loan from immediate holding corporation	7.2	2,656,067	248,947
Loan from related corporations	7.3	3,663,032	3,172,039
Other payable and accruals		<u>1,558,833</u>	<u>2,756,622</u>
		<u>18,793,263</u>	<u>9,430,847</u>
		<u>21,615,248</u>	<u>12,060,005</u>

7.1 Amount due to ultimate holding corporation is unsecured, repayable on demand and is subject to interest rate ranging from 2.10% to 6.35% (2022: 4.79%) per annum.

7.2 The non-current loan from immediate holding corporation is unsecured, subject to interest rate ranging from 2.10% to 6.35% (2022: 4.79%) per annum and repayable on 1 September 2025.

The current amount due to and loan from immediate holding corporation are unsecured, repayable on demand and is subject to interest rate ranging from 2.10% to 6.35% (2022: 4.79%) per annum.

7.3 Amount due to and loan from related corporations are unsecured, repayable on demand and is subject to interest rate ranging from 2.10% to 6.35% (2022: 4.79%) per annum.

8. Revenue

	2023 RM	2022 RM
Revenue from contracts with customers	<u>27,726,427</u>	<u>32,579,707</u>

8.1 Nature of services

The following information reflects the typical transactions of the Company:

Nature of services	Timing of recognition or method used to recognise revenue	Significant payment terms
Corporate consultation services	Revenue is recognised overtime based on the milestones achieved.	Credit period of 30 days from invoice date.

There is no variable consideration included in the revenue from contracts with customers.

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9. Finance income

	2023 RM	2022 RM
Interest income of financial assets calculated using the effective interest method that are at amortised cost	<u>136,531</u>	<u>114,566</u>

10. Finance costs

	2023 RM	2022 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	374,731	434,428
Interest expense on lease liability	-	383
	<u>374,731</u>	<u>434,811</u>

11. Loss before tax

	Note	2023 RM	2022 RM
Loss before tax is arrived after charging/(crediting):			
Audit fees			
- KPMG PLT		70,000	60,000
Material expenses/(income)			
Depreciation of plant and equipment	3	269,714	237,168
Depreciation of right-of-use assets		-	27,876
Personnel expenses:			
- Wages, salaries and others		21,203,194	24,519,211
- Contributions to Employees' Provident Fund		4,640,943	4,625,086
Realised loss on foreign exchange		172,813	132,206
Unrealised loss/(gain) on foreign exchange		<u>1,722,218</u>	<u>(155,528)</u>
Expenses arising from leases			
Expenses relating to short-term lease	11.1	<u>343,195</u>	<u>217,288</u>

11.1 The Company leases office premise with contract term of 1 year. The lease is short-term and the Company has elected not to recognise right-of-use assets and lease liabilities for the lease.

12. Tax expense

There is no tax expense in the current year and previous year as the Company is in a tax loss position.

	2023 RM	2022 RM
Reconciliation of taxation		
Loss before tax	<u>(3,171,507)</u>	<u>(1,075,869)</u>
Income tax calculated using Malaysian tax rate of 24%	(761,162)	(258,209)
Non-deductible expenses	68,604	128,514
Effect of deferred tax not recognised	<u>692,558</u>	<u>129,695</u>
	<u>-</u>	<u>-</u>

12. Tax expense (continued)

Unrecognised deferred tax assets

Deferred tax assets and liabilities have not been recognised in respect of the following items (stated at gross):

	2023 RM	2022 RM
Unutilised tax losses		
- Expire in YA 2028	2,794,561	2,794,561
- Expire in YA 2029	2,565,141	2,565,141
- Expire in YA 2030	1,633,459	1,633,459
- Expire in YA 2032	141,672	141,672
- Expire in YA 2033	2,053,036	-
Unutilised capital allowances	524,907	431,692
Plant and equipment	(286,525)	(463,024)
Provision	1,005,820	2,165,131
Other deductible temporary differences	<u>2,165,491</u>	<u>443,273</u>
	<u>12,597,562</u>	<u>9,711,905</u>

The abovementioned deferred tax assets do not expire under the current tax legislation except for the unutilised tax losses. The unutilised tax losses expire according to the year of assessment (YA) as disclosed above and any amount of tax losses which is not deducted at the end of those relevant years as mentioned shall be disregarded.

Deferred tax assets have not been recognised in respect of these items because it is not probable that sufficient future taxable profits will be available against which the Company can utilise the benefits there from.

13. Financial instruments

13.1 Categories of financial instruments

The table below shows the carrying amount of financial instruments as at 31 December 2023 and 31 December 2022 categorised as amortised cost ("AC").

	2023 RM	2022 RM
Financial assets		
Trade and other receivables (excluding prepayments)	9,273,507	3,186,099
Cash and bank balances	<u>2,811,623</u>	<u>564,774</u>
	<u>12,085,130</u>	<u>3,750,873</u>
Financial liabilities		
Other payables	<u>(21,615,248)</u>	<u>(12,060,005)</u>

13. Financial instruments (continued)

13.2 Net gains and losses arising from financial instruments

	2023 RM	2022 RM
Net gain/(losses) arising on:		
Financial assets at amortised cost	136,531	318,694
Financial liabilities at amortised cost	<u>2,849,698</u>	<u>(615,234)</u>
	<u>2,986,229</u>	<u>(296,540)</u>

13.3 Financial risk management

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

13.4 Credit risk

Credit risk is the risk of a financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk arises principally from its receivable from customers. There are no significant changes as compared to prior year.

Trade receivables and contract assets

Risk management objectives, policies and processes for managing the risk

The Company controls credit risk by entering into transaction only with credit worthy counterparty and exposure to credit risk is monitored on an ongoing basis.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

Recognition and measurement of impairment losses

Management has taken reasonable steps to ensure that receivable that is neither past due nor impaired are measured at their realisable values. The amount due from customer, a licensed bank of RM47,590 (2022: Nil) represents the primary concentration of credit risk to the Company.

This licensed bank has low credit risk. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

13. Financial instruments (continued)

13.4 Credit risk (continued)

Trade receivables and contract assets (continued)

The following table provides information about the exposure to credit risk for contract assets and trade receivables which are grouped together as they are expected to have similar nature.

	Gross RM	Loss allowance RM	Net RM
2023			
Not past due	2,935,541	-	2,935,541
Trade receivables	47,590	-	47,590
Contract assets	2,887,951	-	2,887,951
	<u>2,935,541</u>	<u>-</u>	<u>2,935,541</u>
2022			
Not past due	4,565,789	-	4,565,789
Contract assets	4,565,789	-	4,565,789

Cash and bank balances

The cash and bank balances are held with a licensed bank. As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

This licensed bank has low credit risks. Consequently, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from deposits paid for accommodations rented. These deposits will be received at the end of the lease term. The Company manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Company did not recognise any allowance for impairment losses.

13. Financial instruments (continued)

13.4 Credit risk (continued)

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances that is subject to interest and repayable on demand to the related corporations. The Company monitors the ability of the related corporations to repay advances on an individual basis.

As at the end of the financial year, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment losses

Generally, the Company considers the advances to related corporations have low credit risk. The Company assumes that there is a significant increase in credit risk when a related corporation's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related corporations' advances when they are payable, the Company considers the advances to be in default when the related corporations are not able to pay when demanded. The Company considers a related corporation's advance to be credit impaired when:

- The related corporation is unlikely to repay its advance to the Company in full; or
- The related corporation is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk for related corporations' advances as at the end of the reporting period.

	Gross carrying amount RM	Impairment loss allowances RM	Net balance RM
2023			
Low credit risk	9,046,061	-	9,046,061
2022			
Low credit risk	3,154,497	-	3,154,497

13. Financial instruments (continued)

13.5 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's exposure to liquidity risk arises principally from its various payables and amounts due to immediate holding and related corporations.

The Company maintains a level of cash and bank balance deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting year based on undiscounted contractual payments:

	Carrying amount RM	Contractual Interest rate %	Contractual Cash flows RM	Within 1 year RM	1 – 5 years RM
2023					
Amount due to ultimate holding corporation	114,353	2.10 - 6.35	119,179	119,179	-
Amount due to immediate holding corporation	404,253	2.10 - 6.35	421,312	421,312	-
Amount due to related corporations	10,396,725	2.10 - 6.35	10,835,467	10,835,467	-
Loan from immediate holding corporation					
- non-current	2,821,985	2.10 - 6.35	2,941,073	-	2,941,073
- current	2,656,067	2.10 - 6.35	2,768,153	2,768,153	-
Loan from related corporations	3,663,032	2.10 - 6.35	3,817,612	3,817,612	-
Other payables	1,558,833	-	1,558,833	1,558,833	-
	<u>21,615,248</u>		<u>22,461,629</u>	<u>19,520,556</u>	<u>2,941,073</u>

13. Financial instruments (continued)

13.5 Liquidity risk (continued)

Maturity analysis (continued)

2022	Carrying amount RM	Contractual Interest rate %	Contractual Cash flows RM	Within 1 year RM	1 – 5 year RM
Amount due to ultimate holding corporation	217,288	4.79	227,696	227,696	-
Amount due to immediate holding corporation	374,378	4.79	392,311	392,311	-
Amount due to related corporations	2,661,573	4.79	2,789,062	2,789,062	-
Loan from immediate holding corporation					
- non-current	2,629,158	4.79	2,755,095	-	2,755,095
- current	248,947	4.79	260,872	260,872	-
Loan from related corporations	3,172,039	4.79	3,323,980	3,323,980	-
Other payables	2,756,622	-	2,756,622	2,756,622	-
	<u>12,060,005</u>		<u>12,505,638</u>	<u>9,750,543</u>	<u>2,755,095</u>

13.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's financial position or cash flows.

13.6.1 Currency risk

The Company is exposed to foreign currency risk on intercompany receivable and payables that are denominated in a currency other than the functional currency of the Company. The currencies giving rise to this risk are primarily Hong Kong Dollar ("HKD"), Indian Rupee ("INR"), Euro ("EUR"), U.S. Dollar ("USD") and Thai Baht ("THB").

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13. Financial instruments (continued)

13.6 Market risk (continued)

13.6.1 Currency risk (continued)

Risk management objectives, policies and processes for managing the risk

Exposure to foreign currency risk are monitored on an ongoing basis. The Company does not hedge its foreign currency risk.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk, based on carrying amounts as at the end of the reporting year was:

	HKD RM	INR RM	Denominated in			THB RM
			EUR RM	USD RM	RM	
2023						
Amount due to ultimate holding corporation	-	-	-	(114,353)	-	-
Amount due to immediate holding corporation	-	-	(404,253)	-	-	-
Amount due to related corporations	(2,592,198)	(95,715)	-	(27,802)	-	-
Loan from immediate holding corporation	-	-	(5,478,052)	-	-	-
Loan from related corporations	(3,018,765)	-	-	-	(450,192)	-
	<u>(5,610,963)</u>	<u>(95,715)</u>	<u>(5,882,305)</u>	<u>(142,155)</u>	<u>(450,192)</u>	
2022						
Amount due to ultimate holding corporation	-	-	-	(217,288)	-	-
Amount due to immediate holding corporation	-	-	(374,378)	-	-	-
Amount due to related corporations	(2,559,026)	(77,296)	-	(25,250)	(455,385)	-
Loan from immediate holding corporation	-	-	(2,878,105)	-	-	-
Loan from related corporations	(2,716,654)	-	-	-	-	-
	<u>(5,275,680)</u>	<u>(77,296)</u>	<u>(3,252,483)</u>	<u>(242,538)</u>	<u>(455,385)</u>	

13. Financial instruments (continued)

13.6 Market risk (continued)

13.6.1 Currency risk (continued)

Currency risk sensitivity analysis

A 10% (2022: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

	Profit or loss	
	2023 RM	2022 RM
HKD	426,433	400,952
INR	7,274	5,874
EUR	447,055	247,189
USD	10,804	18,433
THB	34,215	34,609

A 10% (2022: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remained constant.

13.6.2 Interest rate risk

The Company's fixed rate loans are exposed to a risk of change in their fair value due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Exposure to interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at end of the reporting period was:

	2023 RM	2022 RM
Fixed rate instruments		
Financial assets	-	3,154,497
Financial liabilities	-	(9,303,383)
	-	(6,148,886)
Floating rate instruments		
Financial assets	9,195,917	-
Financial liabilities	(20,056,415)	-
	(10,860,498)	-

13. Financial instruments (continued)

13.6 Market risk (continued)

13.6.2 Interest rate risk (continued)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in the interest rates at the end of the financial year would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

The exposure to interest rate risk arising from floating rate instruments is not material, and hence, sensitivity analysis is not presented.

13.7 Fair value information

The carrying amounts of cash and bank balance, trade and other receivables and other payables reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

14. Capital management

The Company's objectives when managing capital is to maintain a strong capital base and safeguard the Company's ability to continue as a going concern, so as to maintain creditors and market confidence and to sustain future development of the business. The Company currently relies on the continuous financial support from its immediate holding corporation to continue as a going concern.

There was no change in the Company's approach to capital management during the financial year.

15. Related parties

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Company are shown below. The balances related to the below transactions are shown in Note 5 and 8 to the financial statements.

15. Related parties (continued)**Significant related party transactions (continued)**

	2023	2022
	RM	RM
Ultimate holding corporation		
Facility cost	(343,195)	(217,288)
Immediate holding corporation		
Finance cost	(54,636)	(129,516)
Finance income	<u>3,404</u>	<u>17,609</u>
Related corporations		
Global cost	(2,093,594)	(1,832,689)
Finance cost	(320,095)	(304,912)
Finance income	133,127	96,957
Service fees	(433)	(179,249)
Service income	1,035,425	35,974
Business support service income	297,204	371,969
Royalty fees	(5,197)	1,147
Delivery expense	<u>(191,108)</u>	<u>(79,889)</u>

There were no transactions with key management personnel during the financial year.

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(Registration No. 201701022188 (1236354-T))

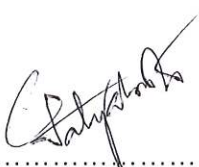
(Incorporated in Malaysia)

**Statement by Directors pursuant to
Section 251(2) of the Companies Act 2016**

In the opinion of the Directors, the financial statements set out on pages 5 to 26 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2023 and of its financial performance and cash flows for the financial year then ended.

Signed in accordance with a resolution of the Directors:


.....
Ankita Sharma
Director


.....
Satyabrata Haldar
Director

Date: 29 APR 2024

Capco Consultancy (Malaysia) Sdn. Bhd.

(Registration No. 201701022188 (1236354-T))

(Incorporated in Malaysia)

**Statutory declaration pursuant to
Section 251(1)(b) of the Companies Act 2016**

I, **Satyabrata Haldar**, the Director primarily responsible for the financial management of Capco Consultancy (Malaysia) Sdn. Bhd., do solemnly and sincerely declare that the financial statements set out on pages 5 to 26 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Satyabrata Haldar, Passport No: Z3735405, at Kuala Lumpur in the Federal Territory on **29 APR 2024**.



.....
Satyabrata Haldar

Before me:



NO. 202A, TINGKAT 1 JALAN MAHKOTA
TAMAN MALURI
55100 CHERAS, KUALA LUMPUR.



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(LLP0010081-LCA & AF 0758)
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CAPCO CONSULTANCY (MALAYSIA) SDN. BHD.

(Registration No. 201701022188 (1236354-T))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Capco Consultancy (Malaysia) Sdn. Bhd., which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 5 to 26.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA code.



Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' Report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' Report and, in doing so, consider whether the Directors' Report is materially inconsistent with the financial statements of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International 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 approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Company, 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 our 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.



Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 internal control of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 29 April 2024

Koh Ree Nie
Approval Number: 03339/12/2025 J
Chartered Accountant