

ANNUAL FINANCIAL REPORT

ABC & Company (Thailand) Co. Ltd

SAMPLE PORPOSE ONLY



1 The report is valid as of October 29th, 2022

Financial Report

Document No. 650510270056

Issued on May 27th, 2022

Legal Entity Registration No. 0-10-5-544-12088-

The Fiscal Year ended on December 31st, 2021

Approved by the stockholder conference No. 1/2565 on April 30th, 2022

Business Name:

Type: Limited Company

Location

HQ: 87, Floor 24, M Thai Tower All Season Place, Wireless Road

Subdistrict: Lumpini District: Pathumwan Province: Bangkok

Tel: (+66) 026948500

Email: thong_changchun@fintech.com

Accountant

Mrs. Promarin Pasukkan

Email: promari@yahoo.com

Accountant Code: 514140001101

Tel: (+66) 097253699

Certified Public Accountant (Auditor)

Ms. Sawatwadee

Auditor Code: 1400 Audited on April 26th, 2022

Comment: Unconditional

Business Type:

Management consultation for investment, industrial, and manufacturing.

Service:

Consultation

% of overall revenue: 100%

Business Code 70209

Audit Report**Comment**

I audited the financial report of [REDACTED] and Company (Thailand) CO., LTD. consisting of the December 31st, 2021 report on revenue, and stockholders for this year, and have given the remark on financial policy.

The financial report of [REDACTED] and Company (Thailand) CO., LTD. on December 31st, 2021 is valid and in accordance with the standard for a private company.

Criteria for commentation

I conduct the audit in accordance with the standard. My responsibility is mentioned in the auditor's responsibility in my report. I operate freely in accordance with my work ethic specified by the council of accountants on financial audit and other work ethics in accordance with the regulations. I believe that the financial proof I've received is sufficient and appropriate to be used as the criterion.

Management's responsibility

The management is responsible for making and presenting a valid financial report in accordance with the report for the private business and for managing any means necessary for making the report without false information of significance, both intended and unintended.

In the making of the financial report, the management is responsible for company operation evaluation, disclosing information relates to the operation (as appropriate), and referring to the accounting criteria for business operation. Except in the case that the management intends to cease the business operation, temporarily cease the operation, or is unable to operate any longer.

Auditor's responsibility

The audit is done for the purpose of the reliability of the overall financial reports without false information of significance, both intended and unintended, and to present the audit report which includes my comments and my reasonable trust. However, this is not an insurance that the audit procedure will always be able to indicate false information of significance. Information contradicting the truth may be caused by fraudulent acts or errors; will be regarded as of significance when it could be reasonably predicted to be contradicted some or all of the facts and affect the economical decision of those who refer to the report.

In the process of audit, I rely on my discretion and observation and suspect everything as all auditors should. The field of my work is including:

Identify and evaluate the risk of giving significantly false information, both intended and unintended. Plan and execute the audit to address those risks and collect sufficient evidence to make my comment. The risks don't contradict the fact that has a high probability to be an act of fraud, for instance, forging, presenting false information intendedly, or management intervention.

Understand the management system related to the audit and plan the audit procedure to be appropriate to the situation, but not for the purpose of commenting on the efficiency of the management.

Evaluate if the financial policy is reasonable and disclose the information made by the management.

Summarize the application of the criterion. If there's significant uncertainty that may affect the business's operational efficiency significantly, I'll include it in the report and disclose the information. If the information is not sufficient, my comment will be changed. My summary will be based on the audit evidence. However, any incident in the future may cause the business to cease its operation.

Evaluate the presentation, structure, and content of the financial report if they are valid.

I have informed the management on significant matters, including the area and duration of the audit and any significant deficiency indicated during the audit.

and Company (Thailand) CO., LTD.

Financial report

December 31st, 2021

	Remark	Unit: Baht	
		2021	2020
Asset			
Current Asset			
Cash or similar	4	532,136,712.00	432,131,394.00
Commercial loaner and other loaners	5	1,100,037,070.00	765,600,533.00
Other Current Asset	6	14,391,202.00	18,682,367.00
Total Current Asset		1,646,564,984.00	1,216,414,294.00
Non-Current Asset			
Lands, buildings, and tools	7	17,831,133.00	6,640,794.00
Other non-current asset	8	207,862,712.00	153,306,555.00
Total non-current asset		225,693,845.00	159,947,349.00
Total Asset		1,872,258,829.00	1,376,361,643.00
Debt and Stockholder			
Current debt			
Commercial Lender and other lenders	9	1,208,236,126.00	893,183,106.00
Other Current debt		77,919,909.00	46,717,615.00
Current debt in total		1,286,156,035.00	939,900,721.00
Non Current Debt			
Estimation of employee debt	10	190,654,746.00	136,661,026.00
Other non current debt		99,646,071.00	55,772,563.00
Total Non current debt		290,300,817.00	192,433,589.00
Debt in total		1,576,456,852.00	1,132,334,310.00

Stockholder**Share capital**

Common Stock		40,000,000.00	40,000,000.00
Quantity		400,000.00	400,000.00
Value per stock		100.00	100.00

Paid capital

Common stock		40,000,000.00	40,000,000.00
Profit (loss)			
Specified			
Reserve funds	11	4,000,000.00	4,000,000.00
Unspecified		251,801,977.00	200,027,333.00

Total of stockholder section 295,801,977.00 244,027,333.00

Debt and stockholder in total 1,872,258,829.00 1,376,361,643.00

Income statement

Revenue from sales or services		2,049,493,760.00	1,827,143,849.00
Cost of sales or cost of services		(2,006,135,915.00)	(1,249,767,606.00)
Gross profit (loss)		43,357,845.00	577,376,243.00
other income	12	406,852,346.00	24,538,578.00
Profit (loss) before expenses		450,210,191.00	601,914,821.00
Sale Expense		(402,795,506.00)	(676,197,085.00)
Other expense		4,429,331.00	(1,359,180.00)
Total Cost		(398,366,175.00)	(680,556,265.00)
Profit (loss) before finance cost & Income tax expense		51,844,016.00	(78,641,444.00)
Profit (loss) before deducting Income tax Expense		51,844,016.00	(78,641,444.00)
Income Tax Expense	13	(69,372.00)	(30,150,899.00)
Profit (loss) Net		51,774,644.00	(108,792,343.00)

and Company (Thailand) CO., LTD.

Stockholder Report

December 31st, 2021

Remark	Paid Capital	Accumulating profit (loss)	Total
	2021	2021	2021
Initial balance	40,000,000.00	204,027,333.00	244,027,333.00
Updated Balance	40,000,000.00	204,027,333.00	244,027,333.00
Changes relate to the stockholder			
Total profit (loss)		51,774,644.00	51,774,644.00
Total changes	0.00	51,744,644.00	51,744,644.00
Remaining balance	40,000,000.00	255,801,977.00	295,801,977.00
2020			
Initial balance	40,000,000.00	312,819,676.00	352,819,676.00
Updated Balance	40,000,000.00	312,819,676.00	352,819,676.00
Changes relate to the stockholder			
Total profit (loss)		(108,792,343.00)	(108,792,343.00)
Total changes	0.00	(108,792,343.00)	(108,792,343.00)
Remaining balance	40,000,000.00	204,027,333.00	244,027,333.00

and Company (Thailand) CO., LTD.

Financial Report Remark

December 31st, 2021

1. General

....., and Company (Thailand) CO., LTD. is registered as a legal entity No. 01055620886๕J on May 17th, 2019. The main operations are to support commerce and investment by supervising or providing services according to business consultation regarding investment, commercial, industrial, manufacturing, and marketing and distributing. The HQ locates at : Tower All Season Place, Wireless Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330.

This company is the branch company of Company, Inc. Thai Holdings locates in the US.

The revenue and cost accumulating from providing services relating to the lists of companies affiliated with Group, for instance, loaning or borrowing a consultant, management cost, welfare cost, and any other cost.

2. Financial Policy

The summary of the Financial Policy is as follows.

2.1 Criteria for presenting the financial report

This report refers to the currency of the Baht and is made in the Thai language in accordance with the standard for financial reports of private business, dated April 12th, 2011. However, this report is made to indicate the financial status and progress in accordance with the regulation in Thailand only.

This report is made by comparing the initial fund unless the company declares another financial policy.

The shown numbers have been improved for comparison according to remark No.3.

The English version of the financial report is based on the Thai version. In case there is a conflict between both versions, the interpretation should be based on the Thai version.

2.2 Foreign Currency Conversion

Every entry refers to Thai Baht for the Company's net worth. The report has been presented in Thai Baht.

The Company converted the entry from foreign currency into Baht on the date of making this entry.

At the end of the fiscal period, the company converts the foreign currency into Baht with a closed conversion rate by converting assets and debts at the rate offered by banks. As for other entries, the company refers to the rate at the date of entry.

The profit and loss from receiving or paying in foreign currency and from asset or debts conversion have been recorded in the profit and loss report.

2.3 Cash or similar

Cash or similar means cash, cash deposited in the bank, and short-term investment funds that can be repaid within 3 months and can be used without any restrictions.

2.4 Commercial Debt

The debtor shall be notified of the value specified in the bill which will be recorded with the remaining sum and the deviation in case of default at the end of the period.

A service contract is a contract specifically negotiated to provide management consulting and administrative services.

2.5 Service contract

Fixed yield contract

When the results of services provided under a service contract do not meet reliable estimates
Contract income

The service will be realized for no more than the contractual cost which will be recoverable. Contract costs are recognized when made.

When the results of the service contract are based on reliable estimates service income and Service costs are recognized by way of referring to the completion of the work. measured by the ratio of service costs The service has been completed to date compared to the estimated total cost of service fees. expected loss list Incurred will be recognized as an expense when it is clear that total service costs will exceed revenue from All services to be received

The total cost incurred to date and list of profits The amount (less recognized loss) of each contract is compared with the annuity charged to the employer up to the end of the year. If the sum of the cost of service and profit (minus recognized loss) is greater than the amount of the period charged, the excess that occurs will be displayed as the amount of service receivable under the contract under the heading of Accounts Receivable If the sum of service costs and profit list (less recognized loss) is less than the amount of the period charged. The excess that occurs will be shown as the service payable under the contract under the heading of Accounts Payable

Variable yield contract

When the contract contains other compensation, contract revenue is recognized at the secondary past recognition rate of business contracts.

2.6 Building improvements and office equipment

Leasehold improvements and office equipment are listed at cost less accumulated depreciation and allowance of value (if any)

The cost price of items of leasehold building improvements and office equipment, including purchase price, import duty, and irrevocable input tax (after deduction of trade discounts and the amount recovered from the men) and other direct costs associated with acquiring the asset to keep the asset in its location and condition ready to use as needed. The purpose of the management includes the best estimated cost for dismantling, relocation, and renovation. asset location which is an entity's

obligation when the entity acquires the asset or as a result of the use of that asset over a period of time.

The cost of replacing components of leasehold building improvements and equipment is recognized. The office is part of the value of the building and related office equipment when the costs are incurred and are expected to provide future economic benefits to the branch and will write off the book value of replaced parts from the list of leasehold building improvements and equipment for repair costs and other maintenance costs. The branch is recognized as an expense in the income statement as incurred.

Depreciation is calculated using the straight-line method, to reduce the carrying amount equal to the residual value of the asset of each type over the projected useful life of the asset as follows:

Leasehold improvements	5 Years
Decoration and installation	5 years
Office Equipment	6 Years

The company has reviewed the balance, asset lifespan and depreciation methods regularly.

In cases where there is evidence that the items of leasehold improvements and office equipment have a permanent decrease in value, for example, there is evidence showing that the assets are obsolete or damaged, or has changed significantly about the manner in which the company uses or expects to use the assets. The Company will recognize a loss on the reduction in the value of Leasehold improvements and office equipment included in the statement of income if the carrying amount is higher than the recoverable amount, and the recoverable amount is the fair value fewer costs to sell or value in use, depends on the asset whichever is higher.

2.7 Long-term lease contract - in case the company is the leaser

Lease operation contract

Long-term leases of assets in which the lessor assumes the majority of the risks and rewards of ownership are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) will be recorded in profit or loss by using a straight line all the time.

2.8 Provident Fund

The Company has established a provident fund under the Provident Fund Act B.E. 2530 and became a member of a fund with the approval of the Ministry of Finance, where the assets of the fund are separated from the company's assets and managed by a fund manager.

According to fund regulations, employees are required to make contributions to the fund at the rate of 3% to 15% of their salaries, and the Company contributes to this fund at the rate of 12% of the employees' salaries. The fund has appointed a manager, an authorized fund manager, to manage the fund in accordance with the procedures and conditions prescribed by the Ministerial Regulation Issued under the Provident Fund Act, 1987.

Contributions to the Company's provident fund recorded as an expense in the income statement for related accounting period.

2.9 Provision of liabilities

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2.9 Provision for liabilities (continued)

2.9.1 Employee benefit obligations

Retirement benefits

The Company has obligations under labor law to pay benefits to employees who work. Until the end of retirement, the burden of such debt is the maximum amount not exceeding the last salary of 13,33 months, which employees will receive on the retirement date. The Company has estimated such liabilities at the end of the accounting period. It is calculated from the current salary rate reflected by the rate. Employee turnover and the proportion of employees' years of service With the age of service until retirement, the company records employee benefits as expenses in the income statement in the period. Relevant account term

Other long-term benefits

Provisions for employee benefits that are not due within 12 months are recognized at present value by discounting estimates for future cash outflows. perceived over time Employee service until the end of the reporting period Debt estimate This employee benefit is calculated annually by an independent actuary using a unit credit method. estimated Actuarial gains and losses occur. Any adjustment or change in assumptions is recognized in profit or loss in the period in which they arise.

2.9.2 General Liabilities Provisions

The Company will record provisions for liabilities that are currently bound by law or in accordance with the law. Agreements made as a result of past events which the payment of the obligation It is quite probable that this will result in the company's wasting resources and, according to estimates credibility of the amount to be paid

2.1.0 Income tax

Income tax is calculated based on the tax rates under applicable tax laws or are expected to become effective at the statement of financial position date. The Company recognizes the income tax expected to be payable to the agency. Related are expenses on the income statement. The Company presents the income tax liability owed net of withholding tax as a liability if the income tax paid during the year is less than the income tax for the year and if the tax paid during the year is more than the income tax for the year. The company will show the tax that has been paid in excess. From income tax for the year to assets

2.11 Revenue recognition

Revenue comprises the invoice value given incurred in the course of the Company's normal activities. Amount net of sales tax and discounts Revenue from rendering services to customers is recognized

on the basis of Achievement of work completed or recognized based on historical recognition rate (Note 2.5)

Income from lending to advisors is recognized based on the agreed rate of return of the consultants who have rendered services.

Interest income is recognized on a time proportion basis taking into account the effective interest rate for the period until the maturity date and is determined by the principal amount that is the balance in the account for the Company's accrued records.

3. Effects of Error Correction

During the year, the Company found an error in the financial statements for the fiscal year ended December 31, 2010. The Company corrected the error by retrospectively restating and presenting the financial statements for the fiscal year starting from the date of reporting. on January 1, 2010 to December 31, 2020, presented for comparison to meet the standards Financial Reporting for Non-Public Interest Entities Chapter 5 Accounting Policies change Accounting Estimates and Errors The impact on the financial statements for the year from 1 January 2010 to 31 December 2010, presented for comparative purposes, is as follows:

2020

Baht

Effects on the income statement for the year ended 31 December 2020

Employee benefit provisions were made because the Company did not record

Other long-term benefits	6,819,263
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Effect on the statement of changes in equity

As of January 1, 2020

The employee benefits provision was too low because the Company did not record it.

Other long-term benefits	91,378,117
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	Former Entry	Correction	Improved Entry
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Retained earnings - not allocated

As of January 1, 2020	400,197,793	(91,378,117)	308,819,676
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Retained earnings - not allocated

As of December 31, 2010	298,224,713	(98,197,380)	200,027,333
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Statement of financial position

As of December 31, 2010

non-current liabilities

Employee benefit obligations	38,463,646	98,197,380	136,661,026
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Income statement for the year ended

December 31, 2010

cost	(1,242,948,343)	(6,819,263)	(1,249,767,606)
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net profit	(101,973,080)	(6,819,263)	(108,792,343)
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4. Cash and cash equivalents

	2021	2020
	Baht	Baht
Cash	50,000	50,000
Bank Deposit - Savings Account	532,086,712	432,081,394
Total	532,136,712	432,131,394

As of December 31, 2021, the Company has bank deposits in savings accounts with interest rates of 0.05% per annum (2020: 0.05% per annum).

5. Trade and other receivables (net)

	2021	2020
	Baht	Baht
Accounts Receivable - Not yet invoiced		
Service costs incurred	653,973,589	260,614,179
Added profit recognized to date	180,899	529,429
Deducted Realized loss to date	(71,137,908)	(26,191,890)
	583,016,580	234,951,781
Deducted charge under the contract	(307,182,296)	(72,000,000)
	275,834,284	162,951,781
Deducted allowance for loss under contract	-	(7,953,858)
Total trade accounts receivable - not yet invoiced	275,834,284	154,997,923
Trade accounts receivable – invoiced	328,852,637	405,608,364
Accrued income	65,360,303	385,340,334
Deducted allowance for default deviation	-	(367,157,573)
Total accrued income	65,360,303	18,182,761
Receivables from related companies	429,730,437	186,632,055
Advance Payment	242,981	73,194
Accrued interest	16,426	106,236
Receivable - financial institutions	1,100,037,070	765,600,533

6. VAT

	2021	2020
	Baht	Baht
VAT awaiting refund	33,833,042	43,990,597
Undue Purchase tax	811,884	1,100,573
Undue Sales tax	(20,253,724)	(26,408,803)
	14,391,202	18,682,367

7. Leasehold improvements and office equipment (net)

	Leasehold Improvement Baht	Decoration and installation Baht	Office Equipment Baht	Total Baht
As of January 1, 2021				
Cost price	2,141,329	-	9,743,379	11,884,708
Accumulated depreciation	(999,287)	-	(4,244,627)	(5,243,914)
Net book price	1,142,042	-	5,498,752	6,640,794
For the year ended on December 31, 2021				
Net book price	1,142,042	-	5,498,752	6,640,794
Assets purchase	10,226,161	1,972,870	1,412,500	13,611,531
Depreciation	(428,265)	-	(1,992,927)	(2,421,192)
Year-end net book price	10,939,938	1,972,870	4,918,325	17,831,133
As of December 31, 2021				
cost price	12,367,490	1,972,870	11,155,879	25,496,239
Accumulated depreciation	(1,427,552)	-	(6,237,554)	(7,665,106)
Net book price	10,939,938	1,972,870	4,918,325	17,831,133

8. Withholding tax pending refund

During the year, the company will be taxed at source every time it receives service cash. Withholding taxes pending refund balance as of December 31, 2021, and 2020 consist of:

Withholding taxes incurred during the year ended	2021	2022
	Baht	Baht
December 31 st , 2012	16,521,620	16,521,620
December 31 st , 2013	16,953,041	16,953,041
December 31 st , 2014	14,202,466	14,202,466
December 31 st , 2015	22,123,205	22,123,205
December 31 st , 2019	49,952,128	49,952,128
December 31 st , 2020	30,758,194	30,758,194
December 31 st , 2021	54,545,158	-
	205,055,812	150,510,654

As of December 31, 2021, withholding tax accrued in each accounting exemption period for the accounting period ending on December 31, 2021, is in the process of requesting a refund and checking by the Revenue Department staff and Company executives. If there is a fact as such, withholding tax will be refunded from the Revenue Department.

9. Trade and other payables (net)	2021	2020
	Baht	Baht
Service payable under the contract		
Advance payments from service contracts	196,304,500	19,527,560
Deducted cost of services incurred	(151,075,891)	(13,582,805)
Deducted profit recognized to date	(213,854)	-
Added loss known to date	5,073	2,534,615
	45,019,828	8,479,370
Added allowance for contractual losses	-	2,929,269
Total service payable under contract (net)	45,019,828	11,408,639
Creditors of related companies	732,180,943	754,054,530
Accrued service costs	47,217,783	13,377,207
Accrued bonus	368,822,689	114,342,730
Other accrued expenses	14,994,883	-
	1,208,236,126	893,183,10

10. Employee benefit provisions

Employee benefit provisions for the years ended December 31, 2021, and 2020 have been changed as follows:

		Improved
	2021	2020
	Baht	Baht
Balance as of January 1	136,661,026	138,995,174
increase/decrease net during the year	5,781,452	(2,334,148)
Transferred from McKinsey & Company, Inc. Thailand	48,212,268	-
Balance as of December 31	190,654,746	136,661,026

11. Legal reserve

According to the Civil and Commercial Code, every time a dividend is declared, the company must allocate net profit. Part of the annual reserve is reserved for not less than 5 percent of the net profit the company has made until the reserve fund will amount to not less than 10 percent of the registered capital. This statutory reserve will be paid as no dividend.

12. Other income

	On December 31st	
	2021	2020
	Baht	Baht
Reversal of allowance for default deviation	367,157,567	-
Other income	39,694,779	24,538,578
	406,852,346	24,538,578

13. Income Tax

	On December 31st	
	2021	2020
	Baht	Baht
Income tax on annual taxable profits	-	(6,349,919)
Adjustment from the previous period	(69,372)	-
Withholding tax awaiting refund	-	(23,800,980)
	(69,372)	(30,150,899)

14. Obligations under operating leases

Registrar, Partnership Registration Office Bangkok

As of December 31, 2021, and 2020, the Company has entered into operating lease agreements for the lease of office building space and cars, with the minimum amount accrued in the future.

According to the non-cancellable operating lease agreement as follows:

	2021	2020
Due within the end of the year	Baht	Baht
December 31, 2021	-	10,256,074
December 31, 2022	11,905,845	9,817,335
December 31, 2023	8,914,931	8,181,112
	20,010,776	28,254,521

15. Investment Promotion

As of December 31, 2021, and 2020, the Company has received investment promotion that has not expired, consisting of:

Promotion Card No.	Approval Date	Type	Special Privilege		
			1	2	3
61-0635-1-00-0-0	June 1 st , 2018	Trade Support and Investment*	✓	✓	✓

*Important privileges include

1) To be permitted to bring foreigners who are skilled workers or experts, spouses, and dependents of both types of persons who come to work in the Kingdom for a period of time as the Board considers.

2) To be allowed to work only for the position and work that the committee has approved for the entire period to the extent permitted to stay in the Kingdom.

3) To allow persons whose domicile is outside the Kingdom to bring or remit money abroad

In addition, the Company must comply with certain conditions and restrictions in the promotional certificates.