



Annual Report 2019

Comanche International Public Company Limited

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MESSAGE FROM CHAIRMAN OF THE BOARD / CHIEF EXECUTIVE OFFICER



For the year 2020, we are certain to be the year of explicit change. There is a stronger relationship among the subsidiary companies which will be the significant power leading to sustainable success in the future. Throughout the year 2019, it is the year of proof our strength as COMAN, in term of external factors such as the global economic slowdown and the risk of entering a crisis, Thai Baht appreciation, The tourism sector is affected by the trade war, and Chinese tourists visiting Thailand decreased from the previous year.

From the trend that has arisen, therefore COMAN's growth rate in 2019 was not as expected, but that did not stop us from the development. During the occurrence of various conditions, we turn the crisis into opportunities by developing solutions that bring the utmost benefits, not just benefits for all stakeholders, but we look at the national level that losing the opportunity for taxation from VAT collection in Online Travel Agency (OTA) business. We do not place our role as only software developers, but we still focus on creating innovations that are excellent for consumers and partners. Especially the service that was appraised at CMMI level 3 standards and now moving towards level 5, with a quality team that can take care of all groups of customers extensively and ready to cooperate with partners in strategic planning to support sales with professional experience to create mutual sustainable success.

And in 2020, the Company is proud to present Thai OTA Application, Gogojii, which is the hero in 2020, that we will bring the online booking system for hotels, restaurants, spas, golf courses, plane tickets, and car rental to be included in one application. This is truly a combination of tourism and software specialist, and we expect Gogojii to be the OTA that Thai people's first choice to make reservations. We focus on Thai people and travel in Thailand, in order not to prevent money outflows

abroad creating the maximum benefits for the nation, government sector, consumers, tourism operators, and all stakeholders.

Another important difference which is considered a strength of our service is the professional service. We focus on all our employees working pleasantly, when employees are happy, that happiness can be passed on endlessly. And to emphasize the importance of management for the sustainable organization, in the year 2020, we started the Sustainability Development (SD) project by defining a team for the organization to develop the organization sustainably and substantially. Once again, with pride in evaluating the recent 2019 Corporate Governance Reports, COMAN received a 5-star rating for driving sustainable organization development with continuous growth under the principles of good corporate governance, good governance principles, ethics, code of conduct, transparency for all stakeholders from the intention of all the Board of Directors.

Lastly, I would like to promise that we will bring new and good things to our shareholders and all stakeholders, to create prosperity in the business side by side together. On this occasion, I would like to thank all of you for your continuing support to COMAN in the preceding years and the upcoming years.



(Mr. Somboon Sukheviriya)

Chairman of The Board / Chief Executive Officer



Contents

รายละเอียดเกี่ยวกับกรรมการ ผู้บริหาร ผู้มีอำนาจควบคุม และเลขานุการบริษัท.... **Error! Bookmark not defined.**



Mr. Somboon Sukheviriya Age (years) 58

Appointment Date of Director: 28 September 2014

Ownership of the Company (%) : 30.45

- Chairman of the Board
- Nomination and Remuneration Committee
- Corporate Governance Committee
- Risk Management Committee
- Director
- Chairman of the Executive Committee
- Chief Executive Officer

Educational Background

- Bachelor's Degree, the Faculty of Business Administration, Department of Advertising and Public Relations, Ramkhamhaeng University

Trainings

- Director Accreditation Program (DAP) Class of 121/2015, Thai Institute of Directors (IOD)
- Enneagram for Leadership Development Course, PeopleMap
- Enhancing Team Leadership Course, BrainAsset
- Mergers & Acquisitions – Financial, Legal, and Tax Strategies and Planning Course, OMEGAWORLDCLASS Research Institute
- Capital Market Academy Leadership Program Batch 23, The Stock Exchange of Thailand
- Anti-Corruption the Practical Guide (ACPG) Class of 47/2018, Thai Institute of Directors (IOD)
- Tourism Management Program for Executives: TME3, 2019, Tourism Authority of Thailand (TAT)

Work Experience (Listed Companies and Group Companies)

- 2003 - Present Chairman of the Board / Director / Risk Management Committee / Nomination and Remuneration Committee / Corporate Governance Committee / Chairman of the Executive Committee / Chief Executive Officer
Comanche International Public Company Limited
- 2019 - Present Director
Coman Travel Company Limited
- 2019 - Present Director
Roomz International Company Limited
- 2019 - Present Director
AI Soft Company Limited
- 2018 - Present Director / Chief Executive Officer
Win Star Tech Company Limited
- 2017 - Present Director
Synature Company Limited

Work Experience (Other Companies and Organizations)

- 2018 - Present Association President
Thai Software Export Promotion Trade Association
- 2015 - 2015 Director
PT. COMANCHE INTERNATIONAL INDONESIA, Indonesia
- 2011 - 2015 Director
COMANCHE INTERNATIONAL MALAYSIA SDN BHD, Malaysia
- 2013 - 2015 Director
COMANCHE INTERNATIONAL VIETNAM CO., LTD., Vietnam
- 2015 - 2015 Director
Iyara VC Company Limited

Family Ties Between Executives : -None-

Number of Companies Holding Director Position : Listed Company 1 Company

: Company 5 Companies



Mrs. Dolrudee Pornpipat Age (years) 73

Appointment Date of Director: 28 September 2015

Ownership of the Company (%) : -None-

- Chairman of the Audit Committee
- Chairman of the Risk Management Committee
- Chairman of Corporate Governance
- Nomination and Remuneration Committee
- Independent Director
- Director

Educational Background

- Bachelor's Degree Faculty of Commerce and Accountancy, Department of Accountancy, Chulalongkorn University

Trainings

- Director Certification Program (DCP) Class of 36/2003, Thai Institute of Directors (IOD)

Work Experience (Listed Companies and Group Companies)

- 2015 - Present Independent Director / Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee / Nomination and Remuneration Committee / Chairman of the Corporate Governance Committee
Comanche International Public Company Limited

Work Experience (Other Companies and Organizations)

- 2017 - Present Head of Internal Audit
The Royal Project Foundation
- 2011 - 2016 Deputy Head of Internal Audit
The Royal Project Foundation

Family Ties Between Executives : -None-
Number of Companies Holding Director Position : Listed Company 1 Company



Mr. Chalernpol Tuchinda

Age (years) 58

Appointment Date of Director: 20 December 2018

Ownership of the Company (%) : -None-

- Independent Director
- Director
- Audit Committee
- Chairman of Nomination and Remuneration Committee

Educational Background

- Master's Degree in Business Administration, Southern New Hampshire University, USA
- Bachelor's Degree in Management Information System, Southern New Hampshire University, USA

Training

- Director Certification Program (DCP), Thai Institution of Director (IOD)
- Executive Leadership Program, Michigan University, Ann Arbor, USA

Work Experience (Listed Companies and Group Companies)

- 2018 - Present Independent Director / Director / Audit Committee / Chairman of Nomination and Remuneration Committee

Work Experience (Other Companies or Organizations)

- 2018 - Present Director
LearnTech Company Limited
- 2018 - Present Assistant Director
National Science and Technology Development Agency
- 1992 - Present Director
IRS Company Limited
- 2012 - 2018 Director
Software Park Thailand

Family Ties Between Executives : -None-

Number of Companies Holding Director Position	:	Listed Company	1	Company
	:	Company	2	Companies



Mr. Gancanapol Geert Marcel

Cyriel Van Compernelle

Age (years) 38

Appointment Date of Director: 28 September 2018

Ownership of the Company (%) : -None-

- Independent Director
- Director
- Audit Committee
- Risk Management Committee

Educational Background

- Master of Science in Financial Analysis, University of San Francisco, USA
- Bachelor of Economics, University of Sydney, Australia

Training

- Director Accreditation Program (DAP) Class of 115/2015, Thai Institute of Directors (IOD)

Work Experience (Listed Companies and Group Companies)

- 2015 - Present Director / Risk Management Committee / Audit Committee
Comanche International Public Company Limited

Work Experience (Other Listed Companies)

- 2017 - Present Chairman of Director / Independent Director / Audit Committee
L.V. Technology Public Company Limited
- 2013 - 2016 Independent Director / Audit Committee
L.V. Technology Public Company Limited

Work Experience (Other Companies or Organizations)

- 2018 – Present Director
MSL Software (Thailand) Company Limited
- 2015 – 2015 Business Analyst
MSL Software (Thailand) Company Limited
- 2015 – Present Managing Partner
Ross & Van Compernelle
- 2015 – Present Director
Hybrid Partner Company Limited

Family Ties Between Executives : -None-

Number of Companies Holding Director Position	:	Listed Company	2	Companies
	:	Company	3	Companies



Mr. Chatchai Tolertmongkol Age (years) 50

Appointment Date of Director: 8 November 2018

Ownership of the Company (%) : -None-

- Nomination and Remuneration Committee
- Corporate Governance Committee
- Risk Management Committee
- Director
- Chief Executive Officer - SYN

Educational Background

- Master's Degree in Business Administration, with a Concentration in Finance, California State University, San Bernardino
- Bachelor's Degree in Business Administration, with a Concentration in Marketing, Chulalongkorn University, Bangkok, Thailand

Training

- Director Accreditation Program (DAP) Class of 155/2018, Thai Institute of Directors (IOD)
- Entrepreneurship: Management of Innovation Program (Batch 2)
- Director Certification Program (DCP) Class of 271/2019

Work Experience (Listed Companies and Group Companies)

- 2018 - Present Director /Risk Management Committee / Nomination and Remuneration Committee / Corporate Governance Committee
Comanche International Public Company Limited
- 2006 - Present Chief Executive Officer / Director
Synature Technology Company Limited

Work Experience (Other Companies or Organizations)

- None -

Family Ties Between Executives : -None-

Number of Companies Holding Director Position	:	Listed Company	1	Company
	:	Company	1	Company



Ms. Darunee Sae-tung

Age (years) 49

Ownership of the Company (%) : 0.0057

- Risk Management Committee
- Executive Committee
- Chief Finance Officer

Educational Background

- Bachelor's Degree (2nd Class Honors) in Auditing, School of Accountancy, University of the Thai Chamber of Commerce

Training

- Strategic CFO in Capital Markets Course (Batch 5/2017)
- Director Accreditation Program (DAP) Class of 110/2014, Thai Institute of Directors (IOD)
- Company Reporting Program (CRP) Course Class of 57/2014, Thai Institute of Directors (IOD)
- Effective Minutes Taking (EMT) Course Class of 29/2014, Thai Institute of Directors (IOD)
- Enneagram for Leadership Development Course, PeopleMap
- Enhancing Team Leadership Course, BrainAsset
- Mergers & Acquisitions – Financial, Legal, and Tax Strategies and Planning Course, OMEGAWORLDCLASS Research Institute
- All TFRS 2018 Course Class of 1/2018, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

Work Experience Listed (Other Listed companies)

- 2013 - 2015 Director/Company Secretary/ Chief Finance Officer
LDC Dental Public Company Limited

Work Experience Listed Companies and Group Companies

- 2016 - Present Risk Management Committee / Executive Committee / Chief Finance Officer
Comanche International Public Company Limited
- 2017 - Present Director
Synature Technology Company Limited
- 2018 - Present Director
Win star Tech Company Limited
- 2018 - Present Director
AI Soft Company Limited
- 2018 - Present Director
Coman Travel Company Limited

Family Ties Between Executives : -None-



Mr. Pirom Methaveerapong Age (years) 51

Ownership of the Company (%) : 0.0566

- Chief Marketing Officer

Educational Background

- Bachelor's Degree from the Faculty of Communication Arts, Siam University

Training

- The CMO Academy Course (Batch 5), Marketing Association of Thailand

Work Experience (Listed Companies and Group Companies)

- 2018 - Present
Chief Marketing Officer
Comanche International Public Company Limited
- 2003 - 2018
Acting Chief Marketing Officer
Comanche International Public Company Limited
- 2017 - Present
Director
Synature Technology Company Limited

Work Experience (Other Listed companies)

- None -

Family Ties Between Executives : -None-



Ms. Parichart Sontorn Age (years) 46

Ownership of the Company (%) : 0.0566

- Executive Committee
- Chief Administrative Officer

Educational Background

- Bachelor's Degree in International Business, Faculty of Business Administration, Dhurakij Pundit University

Training

- Company Secretary Program (CSP) Course Class of 71/2016, Thai Institute of Directors (IOD)

Work Experience (Listed Companies and Group Companies)

- 2018 - Present Executive Committee / Corporate Governance Committee / Chief Administrative Officer
Comanche International Public Company Limited
- 2019 - Present Director
Roomz International Company Limited
- 2018 - Present Director
Win star Tech Company Limited
- 2016 - 2017 Acting Head of Human Resource and Administrative Department / General Administrative Manager / Company Secretary
Comanche International Public Company Limited
- 2003 - 2015 Executive Assistant Manager
Comanche International Public Company Limited

Work Experience (Other Listed companies)

- None -

Family Ties Between Executives : -None-



Mr. James Hankewich

Age (years) 55

Ownership of the Company (%) : 0.0050

- Chief Distribution Officer

Educational Background

- Prince George Senior Secondary Graduate

Work Experience (Listed Companies and Group Companies)

- 2017 - Present Chief Distribution officer
Comanche international Public Company Limited

Work Experience (Other Companies or Organizations)

- 2013 - 2017 Business Development Manage
GETC (Thailand) Company Limited

Family Ties Between Executives : -None-



Ms. Supattra Hirunyanon Age (Years) 31

Ownership of the Company (%) : 0.0057

- Corporate Account

Educational Background

- Master's Degree from the Faculty of Business Administration, Ramkhamhaeng University
- Bachelor's Degree in Accounting, Faculty of Business Administration and Information Technology, Rajamangala University of Technology Tawan-Ok: Chakrabongse Bhuvanarth Campus

Work Experience (Listed Companies and Group Companies)

- 2018 - Present Corporate Account
Comanche International Public Company Limited
- 2015 - 2017 Finance and Accounting Division Manager
Comanche International Public Company Limited

Work Experience (Other Companies or Organization)

- 2014 - 2015 Account Division Manager
Geothermic Company Limited
- 2007 - 2013 Account Officer
Car Boutique Company Limited

Family Ties Between Executives : -None-



Mr. Nikul Tangninlasap

Age (years) 30

Ownership of the Company (%) : 0.0057

- Company Secretary
- Investor Relations

Educational Background

- Bachelor's Degree from the Faculty of Accountancy, University of the Thai Chamber of Commerce
- Bachelor's Degree from the Faculty of Communication Arts, Bangkok University

Training

- Board Reporting Program (BRP) Course Class of 25/2018, Thai Institute of Directors (IOD)
- Company Secretary Program (CSP) Course Class of 85/2018, Thai Institute of Directors (IOD)
- Company Reporting Program (CRP) Course Class of 19/2017, Thai Institute of Directors (IOD)
- Technical Analysis and Risk Management To create value added sustainable business, The Stock Exchange of Thailand (SET)
- CSR for Corporate Sustainability Course Class of 1/2017, The Stock Exchange of Thailand (SET)
- Sustainability Risk and Material Analysis Course Class of 2/2017, The Stock Exchange of Thailand (SET)
- CSR Evaluation and Data Management Course Class of 2/2017, The Stock Exchange of Thailand (SET)
- Sustainability Reporting Course Class of 1/2017, The Stock Exchange of Thailand (SET)
- Fundamentals for New Auditor Course Class of 2/2017, Institute of Internal Auditors of Thailand (IIAT)
- Insight Financial Management, The Stock Exchange of Thailand (SET)

Work Experience (Listed Companies and Group Companies)

- 2018 - Present Company Secretary/Investors Relations
Comanche International Public Company Limited
- 2015 - 2017 Finance and Accounting Division Manager
Comanche International Public Company Limited

Work Experience (Other Companies)

- 2015 - 2015 Account Officer
LDC Dental Public Company Limited

Family Ties Between Executives : -None-

Business Operations

Overview of Business Operations

Vision:

To become the leader in comprehensive software solutions development and service provider for the tourism industry by creating business innovations to deliver the highest benefit to related parties and enhancing the export value of Thailand tourism IT software solutions, under the principles of good corporate governance.

Mission:

- (1) To develop and enhance comprehensive software solutions products and services in the tourism industry.
- (2) To expand business opportunities by creating a network of business partners with software service providers related to the field of tourism both domestically and internationally.
- (3) To strengthen relationships with clients into business relationships to truly serve customer needs.

Business Goals and Strategies:

The Company aims to continuously expand its customer base both domestically and internationally to retain its leadership status in the comprehensive development and provision of service in the tourism industry, placing particular focus on the development and/or ownership of an efficient software able to continuously serve the needs of clients.

The Company has set 3-year key strategies to expand its customer and revenue base, with details as follows.

- To develop a system within the System Development Division to continuously support the use of Comanche Hotel Software.
- To joint-research and develop with the Company's subsidiaries, who are specialists in enterprise management systems to various organizations within the tourism industry, to create IT innovations widely beneficial to Thailand's tourism industry and able to add on to tourism industries overseas.
- To undertake studies for joint-investment with other companies who are developers and owners of key software systems in the tourism industry that the Company expect could be integrated with the Company's existing system, to add value to the Company's software, with key systems being restaurant management system, spa management system, golf course and membership management system, car rental management system, air-ticket reservation management system, and tourism events reservation systems for B2B and B2C.

The Group of Comanche International Public Company Limited Shareholding Structure as at 31st December 2019



Comanche International Public Company Limited (“COMAN”)

Operating the business of developing, distributing, installing, and providing business solutions software for hotel and serviced apartment, and registered copyright of “Comanche Hotel Software” and investing in other companies.



Synature Technology Company Limited (“SYN”)

Operating the business of developing, distributing, installing, and providing computer program and equipment with a focus on the solutions software for restaurant, spa, and retail store, and registered copyright of “pRoMiSe Restaurant Software” with the Department of Intellectual Property.



Win Star Tech Company Limited (“WST”)

Operating the business of developing, distributing, installing, and providing a computer program with a focus on the solutions software for a golf course and registered copyright of the intellectual property. Also, received the standard of program development, ISO29110.



AI Soft Company Limited (“AI SOFT”)

Operating the business of developing, distributing, installing, and providing a computer program for online airline reservation systems by partnering with AMADEUS Southeast Asia and AMADEUS Asia, which has more than 200 travel and airline agency customers both in the country and the Asia Pacific region.



RoomZ International Company Limited (“ROOMZ”)

Operating the business of providing consulting services regarding revenue management and development for hotels, analyze and manage hotel revenue development by experts, making it possible to plan sales of rooms appropriately which meets the needs of customers at the right time with a good price through appropriate channels.



Coman Travel Company Limited (“CMT”)

Operating the business of providing business as a reservation service provider for air tickets, rental cars, and others related to all types of tourism businesses.

Mr. Chatchai Tolertmongkol has considered a person with a conflict of interest as a director of the Company and holds 15% of the total shares in a subsidiary. However, Mr. Chatchai Tolertmongkol is an experienced person in the software business in tourism for a long time with knowledge, ability, experience, vision, and attitude which suitable for the position of director.

The Company has the following regulations on matters of directors: "... Directors who have interests in any matter, such director has no right to vote on that matter ... "(Comanche International Public Company Limited's Articles of Association, 2019, p.6). The Company therefore considers that there is no impact on the decision of holding the position of the Company's director.

In addition, Mr. Chatchai Tolertmongkol is a shareholder of Synature Technology Company Limited before he became a director of the Company and was considered to elect as a director to replace a director who retired by rotation at the 2019 Annual General Meeting of Shareholders with unanimous votes.

For this reason, the Company, therefore, deemed appropriate to appoint Mr. Chatchai Tolertmongkol to take the position of director of the Company despite the conflict of interest between the Company's directors and such subsidiary, but it is in the best interest of the shareholders.

● Comanche International Public Company Limited's Major Developments

Year	Details
2006	<ul style="list-style-type: none"> - Won Thailand ICT Awards 2006 in the field of Tourism and Hospitality. - Won in the field of Tourism and Hospitality at the Asia Pacific ICT Awards (APICTA), which is a software product competition between 16-member countries in Asia Pacific.
2008	<ul style="list-style-type: none"> - On 4th December 2008, the Company was granted BOI Certificate for Enterprise Software and Digital Content.
2009	<ul style="list-style-type: none"> - On 13th May 2009, the Department of Intellectual Property, Ministry of Commerce issued a certificate of copyright notification for registration of Comanche Hotel Software and Data Base.
2015	<ul style="list-style-type: none"> - On 27th May 2015, the Company was certified for development processes standard of CMMI Level 3 (Capability Maturity Model Integration) from the Software Engineering Institute, Carnegie Mellon University, USA.
2016	<ul style="list-style-type: none"> - On 31st May 2016, the Extraordinary General Meeting No. 1/2016 passed a resolution approving the transformation of the Company's status from company limited to public company limited, changing the Company name to Comanche International Public Company Limited, changing the par value of the Company's shares from Baht 100 per share to Baht 0.50 per share, and increasing the Company's registered capital by Baht

Year	Details
	17,000,000 from Baht 50,000,000 to Baht 67,000,000 for the Initial Public Offering (IPO) of 34,000,000 shares with par value of Baht 0.50 per share.
2017	<ul style="list-style-type: none"> - On 20th June 2017, the Company purchased 51,000 common shares of Synature Technology Company Limited at a price of Baht 1,020 per share amounting to Baht 52,020,000 or a proportion of 51% of paid-up capital. - On 30th August 2017, the Company received Best Service Enterprise Award in digital content and software from Prime Minister General Prayuth Chan-Ocha at the Prime Minister's Export Award: PM Award 2017 held by the Department of International Trade Promotion, DITP Value Creation Center.
2018	<ul style="list-style-type: none"> - On 17th May 2018, the Company was granted the privileges according to the Promotional Certificate No. 61-0565-1-01-2-0 by the Board of Investment for business type 5.7.2 of Enterprise Software and/or Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 7 years, from the first date of that income from the operation is derived from such business which was on 6th June 2018. - On 1st June 2018, the Company purchased 28,875 common shares of Win Star Tech Company Limited at a price of about Baht 505 per share amounting to Baht 14,580,000 or a proportion of 87.50% of paid-up capital. - On 28th November 2018, the Company announced that its Information Software Development and Customer Service were appraised at CMMI maturity level 3.
2019	<ul style="list-style-type: none"> - On 21st January 2019, the Company purchased 153,000 common shares of AI Soft Company Limited at a price of about Baht 66.67 per share amounting to Baht 10,200,000 or a proportion of 51.00% of paid-up capital. - On 14th May 2019, the Company purchased 40,798 common shares with a par value of 100 baht per share of Roomz International Company Limited and paid-up in the proportion of 37.50% or Baht 37.50 per share amounting to Baht 1,529,925 or a proportion of 51.00% of paid-up capital. - On 20th June 2019, the Company purchased 299,997 common shares with a par value of 100 baht per share of Coman Travel Company Limited (At present, changed to Gogoji Corporation Company Limited) and paid-up in the proportion of 75.00% or Baht 75.00 per share amounting to Baht 22,499,775 or a proportion of 99.99% of paid-up capital.

Year	Details
	<ul style="list-style-type: none"> - On 31st July 2019, the Company received the shares transferred from Win Star Tech Company Limited for 4,122 shares from a shareholder without having to pay for such shares. As a result, the proportion of investment in Win Star Tech Company Limited has changed from 28,875 shares or 87.50% of paid-up capital to 32,997 shares or 99.99% of paid-up capital. - On 28th October 2019, the Company was appraised at the 5-star level of the survey of the Corporate Governance Report of Thai Listed Companies from the Thai Institute of Directors.
2020	<ul style="list-style-type: none"> - On 1st October 2020, the Company held the Extraordinary General Meeting of Shareholders No. 1/2020 to approve the amendment of the purpose of capital increase utilization received from the IPO for the first time. The Meeting passed a resolution approving the said agenda. - On 6th October 2020, the Company held the Board of Directors' Meeting No. 8/2020, and the resolution was to approve the increase in registered capital of Gogoji Corporation (Formerly, Coman Travel Company Limited) at the par value of Baht 100 amounted to 100,000 shares by issuing new ordinary shares. Previously, Gogoji Corporation Company Limited had the registered capital of Bhat 30,000,000 at the par value of Baht 100 with 300,000 shares, and after the registered capital increase, Gogoji Corporation Company Limited has the registered capital of Baht 40,000,000 at the par value of Baht 100 with 400,000 shares. - On 19th November 2020, the Company was awarded a 5-star rating for the Corporate Governance Survey of Listed Companies by the Thai Institute of Directors.

Nature of Business

The group, which currently consists of Comanche International Public Company Limited (“ the Company” or “COMAN”), Synature Technology Company Limited (“ SYN”), and Win Star Tech Company Limited (“WST”) have the following revenue from sales and rendering of services in 2017-2019.

Sources of Revenue from Sales and Rendering of Services

Unit: Million Baht

Revenue	Consolidated Financial Statement for the Year						
	2017		2018		2019		Growth Rate
	Amount	Percent	Amount	Percent	Amount	Percent	
Revenue from the Company’s sale of software and rendering of related services							
Sales and installation of software	47.25	27.06	61.56	35.46	41.59	21.17	-32.44%
Maintenance services	40.92	23.44	46.83	26.98	48.29	24.58	3.12%
Other services ¹	3.55	2.03	4.15	2.39	2.76	1.40	-33.49%
Total	91.72	52.53	112.54	64.83	92.64	47.15	-17.68%
Revenue from sales and rendering of maintenance and other services of SYN							
	29.12	16.68	57.18	32.94	68.81	35.02	20.34%
Revenue from sales and rendering of maintenance and other services of WST							
	-	-	3.86	2.23	2.13	1.09	-44.82%
Revenue from sales and rendering of maintenance and other services of AISOFT							
	-	-	-	-	28.72	14.62	n/a ³
Revenue from sales and rendering of maintenance and other services of ROOMZ							
	-	-	-	-	4.17	2.12	n/a ⁴
Revenue from sales and rendering of CMT							
	-	-	-	-	-	-	n/a ⁵
Total revenue from sales and rendering of services	120.84	100.00	173.58	100.00		100.00	

Remark: ¹ Other related service such as installation of new software and occasional operational assistance

² The Company invested in WST since 1st June 2018

³ Unable to calculate as the Company invested in AI Soft since 21st January 2019

⁴ Unable to calculate as the Company invested in Roomz since 14th May 2019

⁵ Unable to calculate as the Company invested in CMT since 20th June 2019

1. Nature of Business

Details on system modules and features presently available are as follows.

System Module	Feature
1. Comanche Front Office System	Hotel and serviced apartment management system relating to reception, reservations, and check-in and check-out through desktop, iPad, and tablet devices
1.1. Management Dashboard System	
1.2. Mobility Check-in/Out by Tablet	
2. Comanche Point of Sales System	In- hotel and in- serviced apartment restaurant management system covering the functions of table reservations, ordering, billing, and membership programs
2.1. Cashier Station	
2.2. Order Station	
2.3. Tablet Station	
2.4. Member	
2.5. Loyalty	
2.6. Table Management System	
3. Comanche Back Office System	Relevant accounting system covering account receivables, account payables, and general ledger
3.1. Account Receivable	
3.2. Account Payable	
3.3. General Ledger	
4. Comanche Inventory System	Inventory management system covering purchasing system, inventory management, and cost control (recipe)
4.1. Purchasing System	
4.2. Inventory Store	
4.3. Cost Control Recipe System	
5. Comanche Fixed Asset System	Fixed assets management system
6. Comanche Event Management System	Event and seminar rooms management
7. Comanche Interface Module	Interface with devices or computer systems that the hotel is currently using such as guest room security, internet billing, smart TV, passport scanning, and private automatic branch exchange (in case guests use in-room phones)
7.1. Door Locking System Interface	
7.2. Internet Charging System Interface	
7.3. TV in Guest's Room Interface	
7.4. Passport Scanning system interface	
7.5. Web Booking Online Interface System (Channel Management System)	
7.6. Call Accounting System Interface	

Clients may choose to purchase all modules or some modules that the Company has to offer. For clients choosing to buy only some modules, the Company may offer to integrate the software with the clients' existing system. The Company's experienced team is able to meet the needs of a more varied group of customers.

- **Product Development**

Steps in the development and design of software can be summarized as follows.

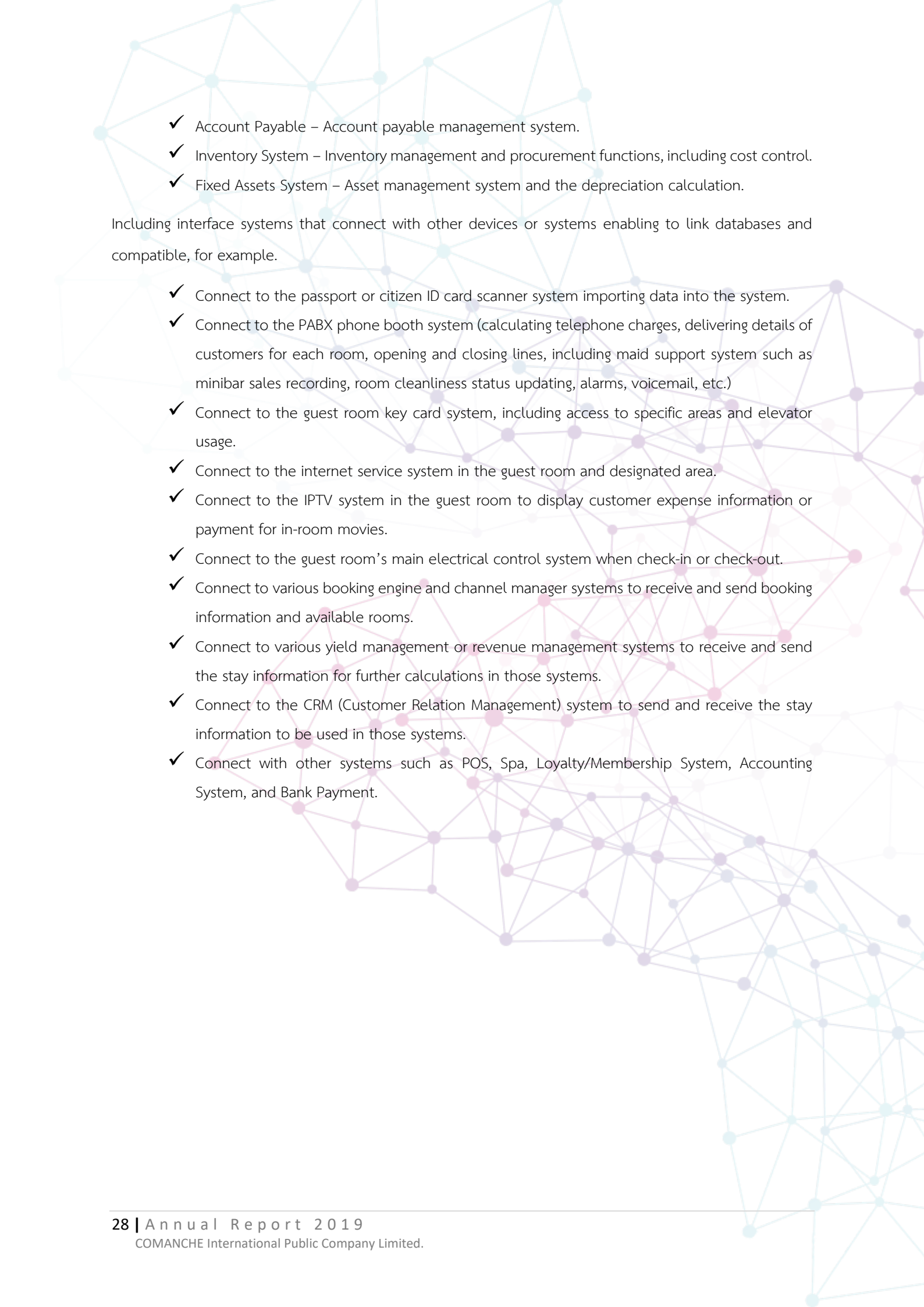
- (1) Collect and analyze data from various sources believed to have an impact on the development and improvement of the software such as data from the Business Development Department, who received feedback from clients regarding their needs and opinions on areas of improvement, as well as information on changes in technology and other surrounding factors
- (2) Relevant personnel present information to the working team, consisting of the Business Development Department and Operation Department, with the cooperation of different divisions within the Operation Department including Project Management Division, Customer Relations Division, and Customer Support Division in considering the impact to users, client satisfaction, and economic feasibility for the development or improvement of Comanche Hotel Software system
- (3) Delegate planning and coding to the System Development Division
- (4) The Quality Assurance and CMMI Division performs checks in search of errors in accordance with the CMMI standards and notifies the System Development Division for correction
- (5) Once quality control is passed, the Business Development Department can propose the product for sale to clients

As of 31st December 2019, the Company has 24 personnel within the System Development Division and the Quality Assurance and CMMI Division, responsible for the development of function, module, and new innovations.

- **Software Installation and User Training**

The installation of software and user training are key processes that support the effective utilization of Comanche Hotel Software system, tailored to the nature and volume of transactions of the clients' business to ensure smooth operations. Computers would be able to link to the database and be compatible with other related devices such as telephone system, automatic door lock system, Wi-Fi service, and tablet. Steps in software installation can be summarized as follows.

- ✓ Front Office System – Front-end hotel management system for the guest check-in/out division.
- ✓ Point of Sales System – Restaurant management system and various point of sales in hotel and restaurant businesses.
- ✓ Event Management System – Banquet room management system and other services for organizing events.
- ✓ Account Receivable – Account receivable management system.

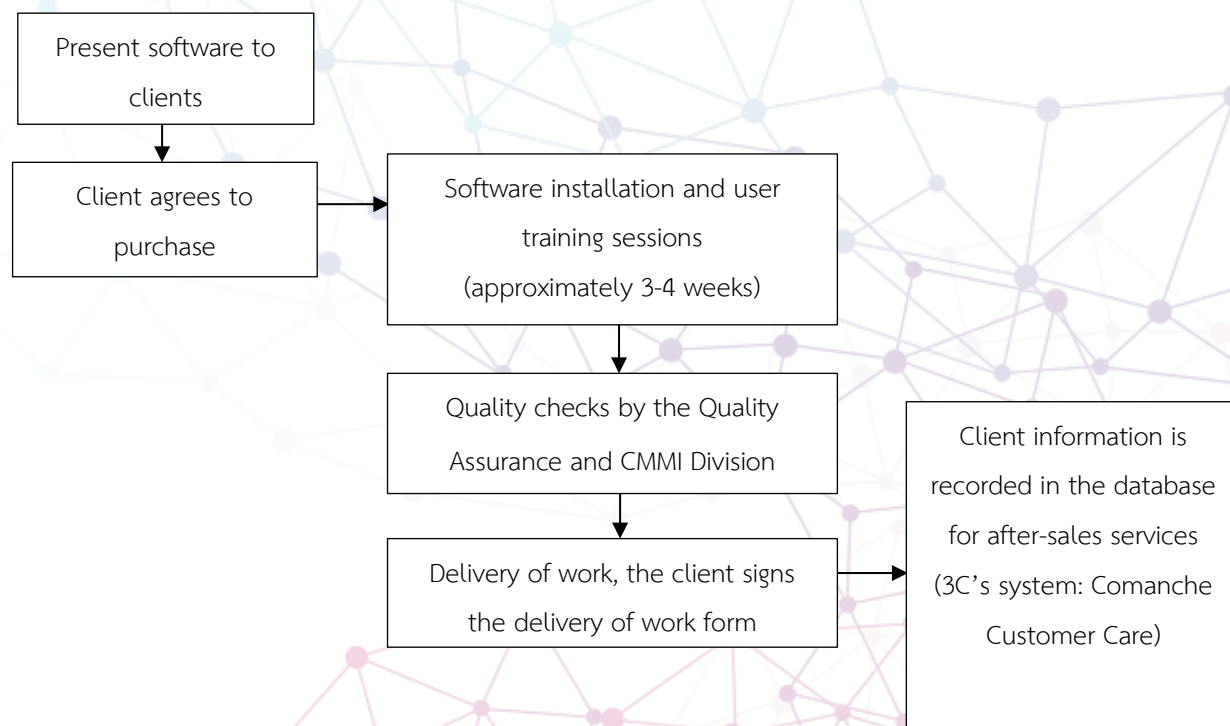
- 
- ✓ Account Payable – Account payable management system.
 - ✓ Inventory System – Inventory management and procurement functions, including cost control.
 - ✓ Fixed Assets System – Asset management system and the depreciation calculation.

Including interface systems that connect with other devices or systems enabling to link databases and compatible, for example.

- ✓ Connect to the passport or citizen ID card scanner system importing data into the system.
- ✓ Connect to the PABX phone booth system (calculating telephone charges, delivering details of customers for each room, opening and closing lines, including maid support system such as minibar sales recording, room cleanliness status updating, alarms, voicemail, etc.)
- ✓ Connect to the guest room key card system, including access to specific areas and elevator usage.
- ✓ Connect to the internet service system in the guest room and designated area.
- ✓ Connect to the IPTV system in the guest room to display customer expense information or payment for in-room movies.
- ✓ Connect to the guest room's main electrical control system when check-in or check-out.
- ✓ Connect to various booking engine and channel manager systems to receive and send booking information and available rooms.
- ✓ Connect to various yield management or revenue management systems to receive and send the stay information for further calculations in those systems.
- ✓ Connect to the CRM (Customer Relation Management) system to send and receive the stay information to be used in those systems.
- ✓ Connect with other systems such as POS, Spa, Loyalty/Membership System, Accounting System, and Bank Payment.

From the details of the Comanche Hotel Software program above, the installation process can be summarized as follows.

Software Installation Process Flowchart



Effective user trainings reduce the amount of time users spend learning how to use the software on the job. The Company has designed training programs that emphasize fundamental knowledge and key skills to use the software, conducted by the Company's specialists to support application of knowledge from training to perform on the job and lead to overall organizational efficiency.

In addition, the training with the Company's format will be focused on the emphasis of the transfer of necessary knowledge and skills to use the program, including the on-site support of the use of the system supervision, 24 hours a day for 7 days, from the first date of system usage and support over the use of the system by telephone. This includes remote access for consultation and support over the Internet for another 365 days. After that, customers can choose to purchase an annual support system or other formats as needed

In case of sale through a foreign dealer, the dealer is responsible for the installation of software and hosting user trainings.

As of 31st December 2019, the Company has 22 personnel in the Project Management Division responsible for the installation of software and hosting of user trainings.

● **After-Sales Services, Maintenance Services, and Other Services**

The Company places emphasis on the provision of after-sales services, and has developed after-sales service system, the 3C's system: Comanche Customer Care, to instill confidence by customers after the software has been installed and is ready to use. The Company has teams on standby 24/7 to facilitate customers domestically and internationally. In case any problem occurs, support teams from the Customer Support Division can provide assistance through online system, email, or telephone. In case that the teams are not able to resolve the problem through the aforementioned means, the Company will dispatch a support team to the client site as soon as possible to solve the issue. This is to provide assurance that Comanche Hotel Software has teams ready to assist to ensure that the clients' operations run smoothly. Steps in the provision of after-sales service can be summarized as follows.

- (1) A client contacts the Company requesting assistance or reporting an issue relating to the software
- (2) The client's name is checked in the 3C's system
- (3) For clients with a valid annual software maintenance agreement, the Company's support team will immediately provide assistance through an online system, email, telephone, or dispatch a team to provide on-site assistance. For clients with an expired annual software maintenance agreement, the Company will issue a quotation for an on-call service for consideration by the client. Once accepted, the support team will provide assistance.
- (4) The Company's support team logs the assistance provided into the 3C's system
- (5) Department head or division head proceeds to review the work log recorded in the 3C's system as quality checks on the employee using information from customer satisfaction assessment, and closes the job
- (6) In case that the annual software maintenance agreement is almost expired, the Company will notify the client for an extension of the agreement. Apart from providing services on an annual agreement and on-call term, the Company provides other relevant services which support the Comanche Hotel Software system such as re-installation of Comanche Hotel Software in case that the clients' server or hardware incurs a problem.

After-sales services for software sold through foreign dealers are the responsibility of the dealers. If dealers are not able to resolve problems themselves, they may seek assistance as a second level of support from the Company. The Company will issue a case-by-case quotation and once agreed upon, the Company's support team will proceed to provide assistance. As of 31st December 2019, the Company has 27 personnel in the Customer Support Division providing after-sales services.

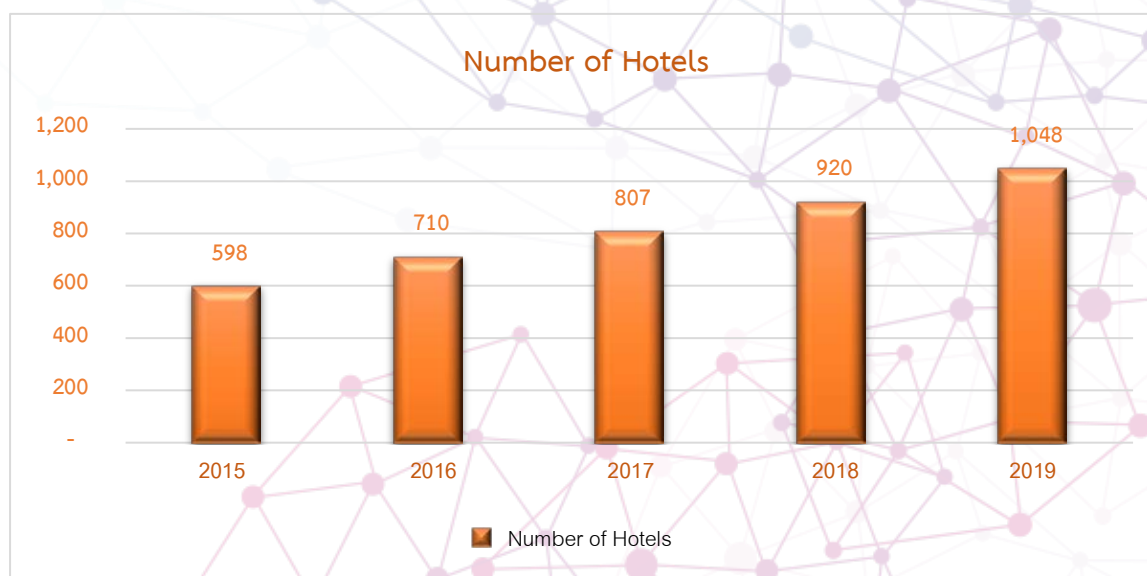
1. Clients and Target Group

The key target customer group of the Company are hotels and serviced apartments rated at least 3 stars both domestically and internationally. Distribution channels are through the Company's Business Development Department and through foreign dealers. As of 31st December 2019, the Company has over

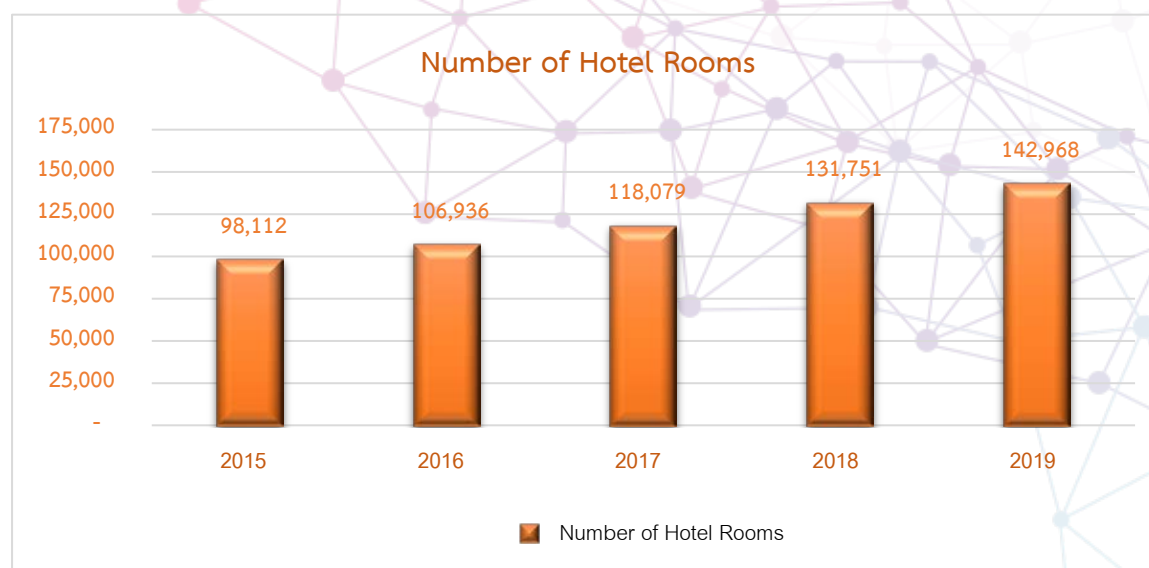
1,048 clients, categorized into 870 domestic clients and 178 international clients, with a total of approximately 142,968 guest rooms.

In categorizing by client types for which the Company sold and provided installation services in 2019, the Company served general businesses, hotel chains, and educational institutions (the Company charges only an installation fee and user training for educational institutions). As of 31st December 2019, the Company has clients categorized as mentioned above at a portion of 81.11%, 17.56%, and 1.34% respectively.

For the year 2015-2019, the Company sold and installed software to businesses, with details on the number of businesses and number of new guest rooms, domestically and internationally, as follows.



Source: The Company

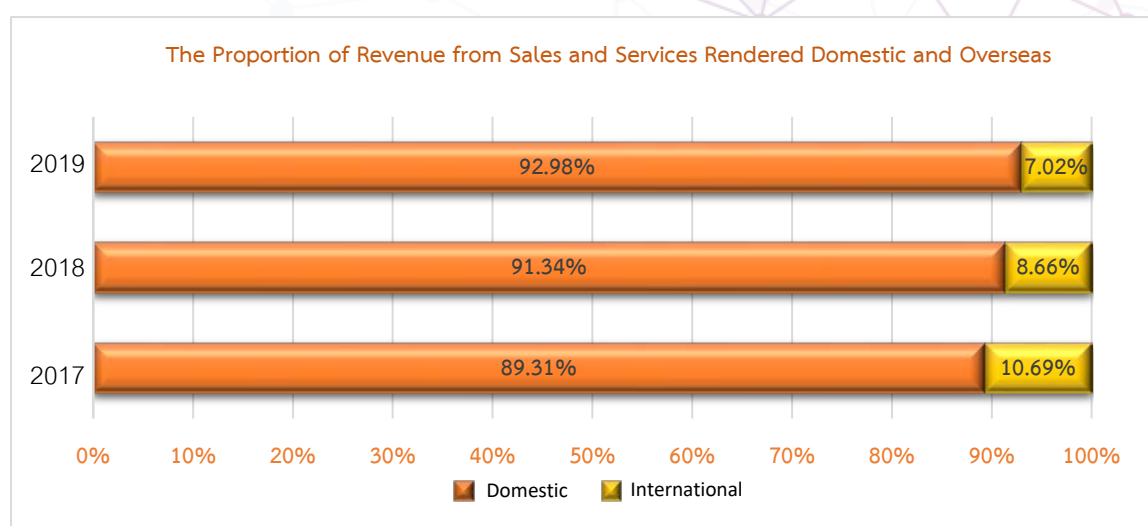


Source: The Company

As of 31st December 2019, the Company has 184 hotels in hotel chains including Centara, Imperial, Eastin, Kantary, and Oakwood. These hotels are key business partners of the Company, and most would continue using Comanche Hotel Software as hotel management software for new hotels when they expand their business domestically or overseas.

In the sale of Comanche Hotel Software, the Company would mostly propose an annual software maintenance agreement in complement. Moreover, clients may request on call service if needed. As of 31st December 2019, approximately 73.24% of all clients utilize the Company's maintenance services, leading to the continuous revenues for the Company.

As of 31st December 2019, international clients who use Comanche Hotel Software cover over 17 countries such as China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, Myanmar, Japan, and Singapore. For the year 2017-2019, the Company's revenue breakdown from sale of software and provision of services for Comanche Hotel Software domestically and internationally is as follows.



2. Distribution Channels

The Company sells its product, Comanche Hotel Software, and other services through 2 main sales channels 1) Direct sales through the Company's Business Development Division and 2) Sales through foreign dealers. As of 31st December 2019, the Company has 20 foreign dealers in 12 countries with details as follows.

No.	Country	Appointment Date (Month/Year)	Appointed Dealers
1.	The Philippines	27/09/2017	AUDACITY SYSTEMS, INC.
2.	China	01/01/2015	GUANGZHOU AUTOMATED SYSTEMS LIMITED
		11/07/2017	SHANGHAI HANFORD BUSINESS CONSULTING CO., LTD.
		18/10/2019	SHANGHAI SK ENTERPRISE MANAGEMENT CONSULTING CO., LTD.
3.	Malaysia*	19/10/2017	COMANCHE INTERNATIONAL MALAYSIA SDN. BHD.
		11/01/2018	UBAC SDN BHD

No.	Country	Appointment Date (Month/Year)	Appointed Dealers
		11/01/2018	UBAC SDN BHD
		25/09/2018	DELTAPRISE SDN. PHD.
4.	Indonesia*	10/07/2018	PT. COMANCHE INTERNATIONAL INDONESIA
		13/09/2018	PT. UBAC NETWORKS INDONESIA
5.	Vietnam*	27/09/2017	COMANCHE INTERNATIONAL VIETNAM CO., LTD.
6.	Lao PDR	27/09/2017	LAOS ASEAN TRADING CO., LTD.
7.	India	19/12/2017	IT BAHN INDIA PVT. LTD.
8.	Singapore	11/08/2017	UBAC PTE., LTD.
9.	Cambodia	26/06/2018	AUTOMATION ADVANCE TECHNOLOGY (CAMBODIA)
		19/09/2019	ONE UTILITIES CAMBODIA
10.	United Arab Emirates	01/08/2018	TSS GULF TRADING LLC
11.	Russia	08/09/2018	PWV CONTENT LTD.
12.	Myanmar	27/09/2018	BLUE CIRCLE TECHNOLOGY CO., LTD.
		28/02/2019	FORTIFIED CITY CO., LTD.

Remark: * The Company once was a major shareholder in these 2 companies before selling all of its stake in 2015 and appointed the 2 companies as foreign dealers of the Company.

Domestic Market: The Company sells its product, Comanche Hotel Software, and other services directly to all domestic customers, with the Business Development-Thailand & CLMV Division responsible for marketing efforts.

International Market: The Company sells its product, Comanche Hotel Software, and other services to overseas clients through 2 main channels, which are direct sale and sale through foreign dealers. For the purposes of coordination and marketing overseas, the Company has set up the Distribution Division to support the Company's business plan to continue expansion overseas to increase revenue portion from international markets.

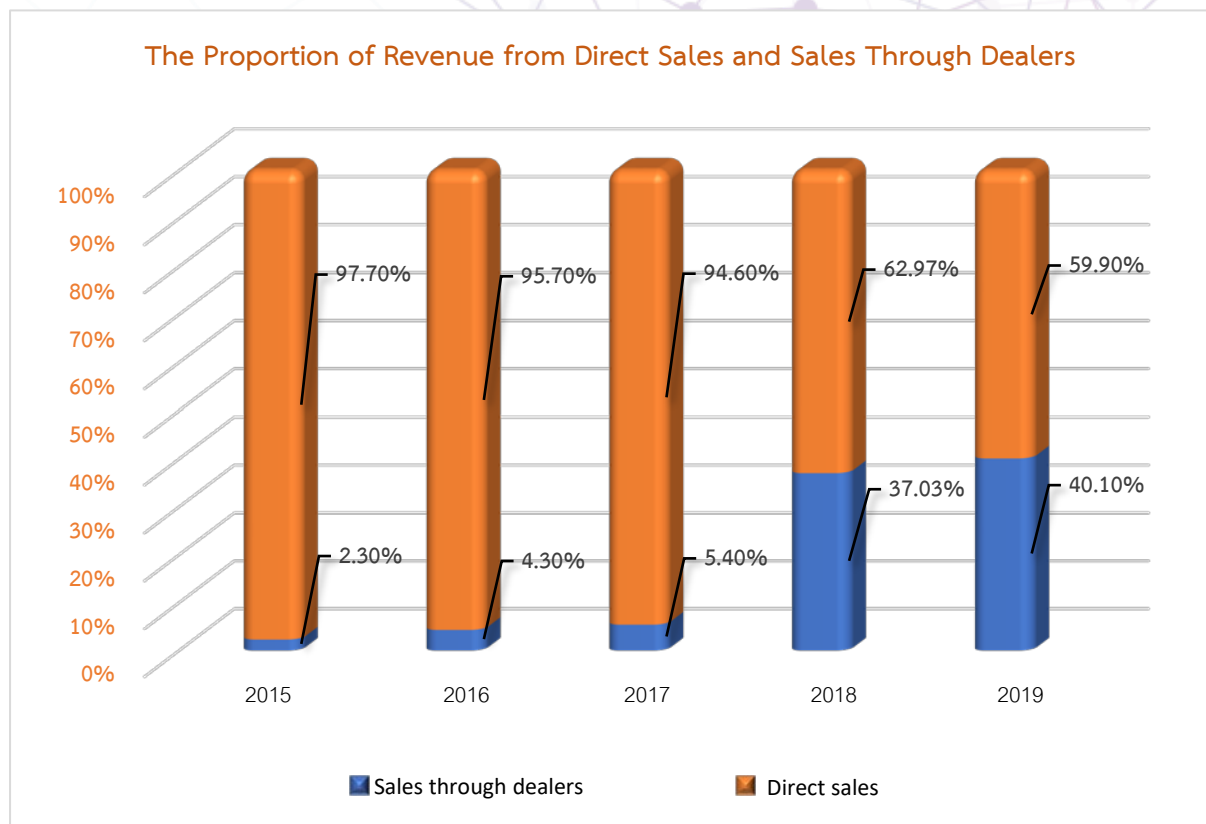
- Direct Sales

The Company has the Business Development-Thailand & CLMV Division, specialized in the hotel business both domestically and internationally, and the Distribution Division, responsible for marketing efforts in foreign countries with growing tourism industry (excluding CLMV) which the Company has not appointed dealers with potential, and in foreign countries in which the Company's existing clients have expanded operations overseas. The Distribution Division is also able to engage in marketing efforts in countries which the Company has already appointed foreign dealers, in the case that the client has contacted the Company directly.

- Sales Through Foreign Dealers

The Company has overseas expansion policy in appointing foreign dealers who have the knowledge, expertise, and understanding of client needs in each country. This enables the Company to expand its client base to such country in a faster and more efficient manner compared to if the Company were to enter the market on its own. Foreign dealers go through a selection process before appointment, in which aspects including marketing, expertise in the particular country's hotel industry, installation capabilities, and after-sales services are considered. Thus, the Distribution Department act as the filter, coordinator, and supporter of foreign dealers of the Company.

In the past 5 years from 2015-2019, the Company has the following revenue breakdown from direct sales and sales from foreign dealers.



Source: The Company

3. Marketing

The Company places emphasis on building credibility in the Company's products from quality services, secure database, and value for money, which serves the Company in promoting its product. Moreover, the Company has a website and is published on various media such as the Hotel & Resort Journal to enhance its image and create brand recognition and brand awareness towards target customers.

4. Pricing

- Direct Sales

The Company's pricing policy is comparable to the market. In providing services to a client for the first time, the Company includes the value of maintenance services for the duration of 1 year, which in the past has accounted for approximately 12-15% of client purchase value. Thus, only a small portion of clients purchase only the software license without the installation or maintenance service.

- Sales Through Foreign Dealers

The Company charges a fee from foreign dealers, calculated as a percentage of the sale value of the dealer to clients, with rates as specified in each dealer appointment contract.

Marketing and Competition of the Company and its Subsidiaries

The Company's Business Operations Strategy

At present, the software business consists of 1) ready-for-use software 2) software from development to meet client needs and 3) software-related services which are key tools in management enhancing efficiency and adding value to client businesses. These programs have been adapted to cover various businesses such as tourism and hotel business, banking and finance business, logistics business, construction business, and security service business.

Since the beginning up to present, the Company aims to develop products and provide software-related services for a comprehensive full-system and one-stop hotel management business to meet the needs of hotel operators, whose needs constantly change in response to changing market environment. The Company has set key strategies to create competitive advantage in the long-run and enhance leadership as a developer and service provider of software for the tourism and hotel industry both domestically and internationally as follows.

1. Strategy on Developing Quality Products that Meet the Needs of Hotel Businesses

The Company sees the importance of constantly developing its products to make its brand memorable, meet international standards, and cater to the needs of clients. At present, the Company is one of a few who has its own licensed, full-system, ready-for-use software for hotel management.

Comanche Hotel Software has system modules and functions which comprehensively support the operations of a hotel business, having a front office system, back office system, and interface. The Company is also one-stop service in giving consultancy services for Comanche Hotel Software, installation services at client site, conducting user training programs, and providing after-sales services in the form of consultancy and maintenance.

The Company conducts surveys on client needs and incorporates the suggestions from clients in the improvement of new system modules and functions to continuously better serve clients. The

Company's System Development Division is responsible for the product development of the Company. In 2015, started developing applications for use on mobile devices, which has gained popularity in present days, such as restaurant POS functions application on the Android operating system to enable immediate ordering, ordered items checking, and billing on mobile devices by staff in restaurants, and check-in and check-out application on the IOS operating system to facilitate guests within their rooms through the use of mobile devices. Thus, the Company has processes in place to monitor the development of software and provision of services. The Company has a quality assurance team from the process of first software development, sale, installation, user training, up to product delivery to instill confidence for clients.

2. Strategy on Marketing and Promotion

The Company places importance on marketing and promotion strategy, placing emphasis on the promotion of the brand “COMANCHE” and pRoMise” and trademark  “COMANCHE INTERNATIONAL” through various channels and activities such as

- The preparation of brochures displaying products of the Company in presentations, journals, and tourism magazines such as Thai Hotels and Travel Magazine, Thailand Hotel Directory, and Thai Restaurant.
- Promotion by setting up booths in different events both domestically and internationally such as
 - Booths at domestic events such as MAI Forum 2019 and Food & Hotel Exhibition 2019 events



MAI Forum 2019 Event



Food & Hotel Exhibition 2019 Event

- Booths at international events related to tourism and hotels
- Company management constantly participating as speakers in IT panel discussions. In the past, there were institutions have expressed interest in using the Company's software as instructional media, such as
 - Ubon Ratchathani University (New Trend Technology for Hotel Business)
 - Phuket Rajabhat University (Front Office Management)
 - IT Hotel ANDAMAN Association
 - Krabi Tourism Association (Hotel management in the era of Thailand 4.0)
 - Phuket College of International Tourism (Hotel Front Office Management)



Krabi Tourism Association



Phuket Rajabhat University



Phuket College of International Tourism



Ubon Ratchathani University



IT Hotel ANDAMAN Association



Burapha University

- Educational support by allowing Burapha University to use Comanche Hotel Software as instructional media by charging only installation and training fee enables the future workforce to be acquainted with the Company's software before entering the hotel and tourism industry.

3. Strategy on Sales Channel Management

The Company's 2 key sales channels can be divided into the provision of software-related services domestically and internationally. For the Thai and CLMV market, the Company utilizes direct sales by the Business Development – Thailand & CLMV Division.

For international markets, the Company has added another channel by appointing foreign dealers specialized in each country to enhance the sales capabilities of the Company's products. As of 31st December 2019, the Company has 20 foreign dealers in 12 countries such as China, the Philippines,

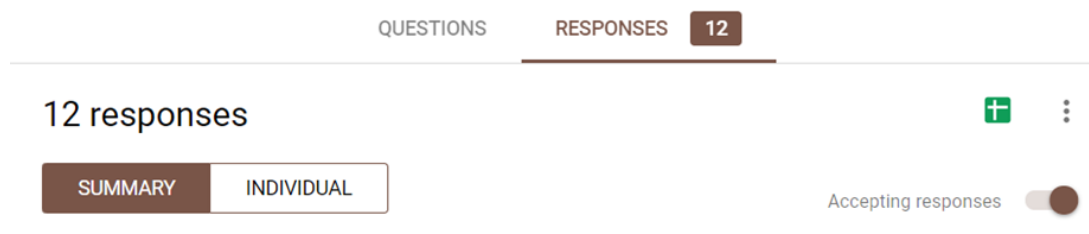
Malaysia, Indonesia, Vietnam, Lao PDR, India, Singapore, Cambodia, United Arab Emirates, Russia, and Myanmar.

The Company is aware of the fluctuations involved in doing business in the hotel and tourism industry, which is affected by factors beyond the Company's control such as political instability, natural disasters, and outbreaks. Thus, the Company has set key policies to help maintain the stability of revenues in case of the aforementioned events by working towards increasing revenues from overseas and setting up the Distribution Department to expand the Company's customer base through the appointment of foreign dealers, as well as marketing in countries with potential which the Company has not appointed dealers in such countries.

4. Strategy on After-Sales Service and Customer Satisfaction

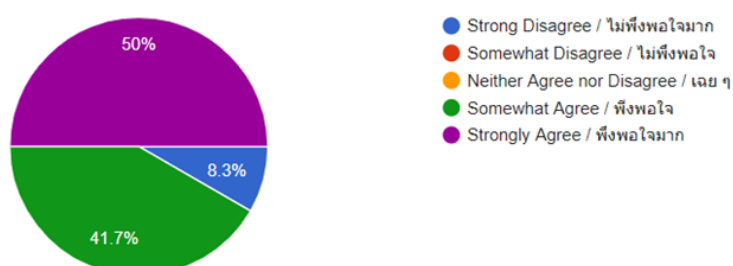
The Company places emphasis on the provision of after-sales services and customer satisfaction. It offers after-sales services in the form of annual software maintenance agreement or on-call services on a case-by-case basis, and has set up teams under the name of "3C: Comanche Customer Care" within the Support Division to provide information on Company products, receive feedback from clients, give advice on software usage, and resolve software-related issues 24/7. To achieve customer satisfaction, the Company surveys its customers through questionnaires, phone interviews, and feedback from Company staff to accumulate information both from outside and inside the information to be used to continuously improve after-sales services for efficiency.

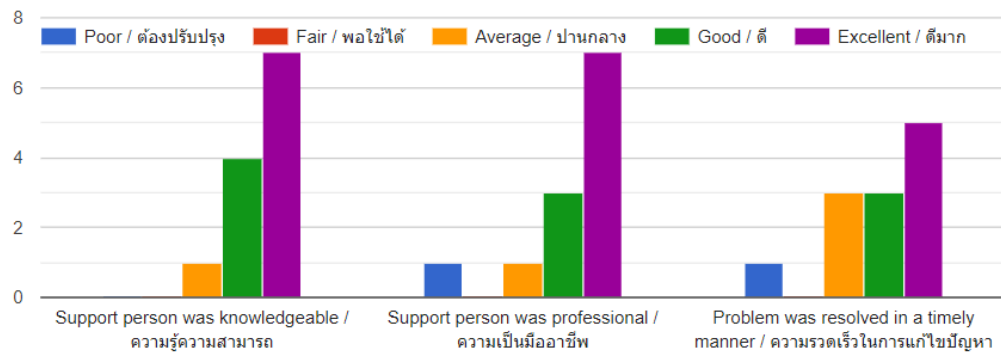
As at 31st December 2019, the customer satisfaction can be summarized as follows;



Overall, I am very satisfied with Comanche support provided.

12 responses





5. Strategy on Joint Investment to Add Value for Stakeholders

To achieve the Company's vision to be the leader in the development and service provision of a comprehensive software solutions in the tourism industry, the Company has set strategies on joint investment with a policy to joint invest in companies with similar business objectives as the Company's core business, with similar companies, with companies that could complement the Company's business resulting in enhanced revenues or profits, or with synergies which could support the business of the Company for greater comprehensiveness and increase its competitive advantage. The Company also has policies to invest in potential projects in which the joint investors have a similar business policy with the Company's core business such as tourism, retail stores, and hotels to build up from the existing business of the Company.

Risk Management

There are significant risk factors which may affect the Company's business or return on investments of investors, and guidelines to minimize the impact of such risks, or guidelines for risk prevention could be concluded as follows.

Business Risks

Risk from Dependency on Experts

A major portion of the Company's revenue came from the main business operation, the development of distribution of software programs. In the process of research and development of said software programs, the Company is dependent on a team of specialists, with an understanding of both technology and the hotel business. For example, the Business Development Department, responsible for sales, must be able to present the necessity and highlights of the software programs to clients. At the same time, they must be able to comprehend additional requirements of clients to use as data for the development of new products. This includes the Project Management Department and Customer Support Department, who must be able to gather information on the defects of the software program from actual customer use, to present them to the Management for a decision on developing new features of the program. The Research and Development Department is dependent on information from these teams to develop suitable products before entering the process of quality control by the Quality Control Department before the product being commercially offered for sale. Thus, it could be seen that the stages in research and development of the Company's software programs are dependent on personnel from several work sections who have knowledge and ability in basic IT technology as well as experience relating to the hotel business. Therefore, the Company may have a risk in hiring and retaining personnel to continually work for the Company, and if the Company should lose these personnel, there would be a significant decline in the Company's revenue.

Anyhow, the Company is aware of risks involving the loss or lack of personnel with knowledge and capability as mentioned above. The Company has made suitable changes in the Company Organization Chart to accommodate long-term business expansion and set up a Human Resources Department with the responsibility of recruiting and developing employees' skills with emphasis on providing suitable compensation and welfare for staff in the organization with a comparable within the industry, and setting up and introducing career path planning for staff. The Company, therefore, has expectations that such undertakings would help minimize the risk of losing staff with specialized skills as well as helping to promote the recruitment of qualified personnel to work for the Company.

Risk from Dependency on the Thailand Tourism Industry

The Company realizes the risk of being mainly dependent on the tourism business within the country, which is unstable due to several uncontrollable factors such as political instability, natural disasters, or outbreak of diseases, which affect tourism for foreigners visiting the country, and therefore the

Company established a policy to expand more business abroad, setting up a Distribution Department with the responsibility of expanding customer base abroad and using the strategy of appointing overseas dealers to increase its overseas sales and services ratio. Moreover, investment in Synature Company Limited (“SYN”) in 2017, Win Star Tech Company Limited (“WST”) in 2018, and AI Soft Company Limited (“AISOFT”), Roomz International Company Limited (“ROOMZ”), and Coman Travel Company Limited (“CMT”) in 2019, enable the Company to spread its revenue to other customer bases besides the present hotel clientele, to minimize risks associated with being dependent solely on the domestic tourism business.

Risk from Software Piracy

Software copyright violation is a factor that affects the software business throughout the world, where developers and service providers are affected by copyright violations and software program piracy for distribution at a cheaper price, or unauthorized use of software programs at no cost, which includes the use of the program Source Code to develop into a software program for commercial purposes, causing software developers who is the copyright owner to lose their business opportunity.

Anyhow, the Company’s software program is under the category of literary creativity, which receives protection from the Copyright Act, where the creator receives immediate protection without having to register a copyright claim. In the case of copyright violation, the copyright violator is liable to a criminal penalty of both imprisonment and fine, as the case may be. Besides, the copyright owner could claim civil damages from the copyright violator as well. In this connection, even though the copyrighted work receives immediate protection by law as soon as it is created, the Company still foresaw the importance of notifying the Department of Intellectual Property of its copyright claim, and notified the Department of Intellectual Property on 23rd April 2009, and received a certificate for copyright notification from the Department of Intellectual Property on 13th May 2009.

Apart from being protected by the Copyright Act, the Company has laid down various guidelines for the prevention of opportunity as well as prevention of effects from copyright violation by establishing guidelines for the prevention of unauthorized use of the Comanche Hotel Software and Data Base Program without purchasing the Crack Software license key from the Company as follows:

- A. Each program installation shall have to use a Key Serial code from the Company only, with only personnel directly responsible having access to the code and the Company limiting the number of personnel who have access to the code.
- B. Each time a code is created, the system will maintain a history and detail of the creation of the code in the system for checking purposes. The said code shall be used only for hotel database servers that have been registered with the Company and could not be used for other hotels.

The Company believes that the abovementioned risk prevention guidelines will be able to protect and reduce the opportunity of copyright violation and illegal use of the Company's software, including unauthorized use of the Company's Source Code for alteration as an emulator program for commercial purposes. Moreover, if users choose to use illegal software programs, users will not receive any service or be protected in case of program mistakes, which may affect the client's own business. At the same time, the Company has the policy to take serious legal action against illegal producers and users of software programs as a norm and protect software researchers and developers of Thailand.

Risk from Malfunctioning of the Information Technology System

The Company has developed the Comanche Customer Care software and database program for information storage and the management of data installation and service provided by clients. Besides, the Company also has a Remote Program for remote control of computers via the Internet system, presently using the Team Viewer for the Business software program to access the client's computer monitor to rectify various defects as notified by clients to the Company. Thus, if there is a malfunctioning in the internet system or if the database system is inoperable, the Company may be at risk of operational disruption.

Anyhow, the Company's Operations Department had planned and announced the use of an IT Policy and Disciplinary Process, which covers access to data confidentiality, maintenance and back-up of data essential to the company's business operations, with employees involved backing up important data on weekly basis, as well as the procurement of a uninterruptible power supply for the main server system so that the system could operate without any interruption. Moreover, the Company has prepared a Business Continuity Plan (BCP) which is exercised annually to ensure that in case the Company met with emergencies, such as malfunctioning in the electrical or internet system, the Company would be able to continue solving various problems for clients.

Operational Risk from Investing in Other Companies

Besides being a developer for the distribution, installation, and service of software programs for hotel management, the Company's objectives include investment in other companies as well. As a result, the Company's operating performance will partly be derived from the operating results of subsidiary companies in which the Company invested. Thus, if said subsidiary companies perform well, it would create revenue for the Company. However, if the performance is in the adverse, it would have a negative impact on the Company's operational results.

The Company recognizes the risk involving in the investment of said companies and places great importance in selecting companies in which to invest, with the Management having responsibilities to consider the investments to present to the Company's Board of Directors, within the authorized scope.

Moreover, since the Company stated as its objectives in the IPO that part of the fund raised would be allocated as budget for investment in other companies and since the success in investment or acquisition of other businesses is dependent on several factors, such as economic conditions, condition of transactions,

negotiations, and the result of due diligence on the Company to be invested, the Company may be at a risk if its plan for investment in other companies is delayed or not successful within the expected period.

Risk Arising from the Company is Unable to, or Prefers not to, Pay Dividends

The ability of the Company to make dividend payments to its shareholders is dependent on future financial results of the Company, whereby said financial results are dependent on the Company's success in its operations following the Company's business plan, as well as financial factor, competitive factor, rules, and regulation factor, including technical and other factors and general economic conditions where several of said factors may be beyond the control of the Company. Apart from this, the Company's Board of Directors may make suggestions to reduce or suspend dividend payment for any period, to be in line with the plan for future Company business growth, including the need for investment capital and working capital and other factors as deemed necessary. The Company, therefore, cannot guarantee to shareholders that it will be profitable in the future or guarantee that the Board of Directors will approve dividend payments even though the Company is profitable.

Besides, according to the Public Company Act, the Company may not pay dividends if it has an accrued net loss even if the Company made a net profit during that year. At the same time, if the Company made a net profit in any year, the Company still has the duty according to the Public Company Act and the Company's Articles of Association, to allocate part of its net profit for the year as a legal reserve of not less than 5% of the annual net profit less accrued net loss brought forward until the legal reserve is no less 10% of the Company's registered capital. Therefore, if the Company made an insufficient profit, or if deemed appropriate, the Company might not pay dividends in the future.

Presently, the Company has the policy to pay dividends at the rate of not less than 40% of net profit after deduction of corporate income tax of the separate financial statements, and after making various reserves required by law.

Management Risk

Risk from Dependency on Management

The Company has a risk of becoming dependent on executives and major shareholders, as Mr. Somboon Sukheviriya, founder and a major shareholder of the Company, and holds the position of Director and Chief Executive Officer, is a person who has over 30 years' experience in developing software management programs for hotels and plays a major role in management of the Company until it is well known and respected in the industry as well as playing a major role in establishing policies and business strategies for the Company, leading to the Company's continuously good operating results. Should the Company lose the director, it may affect the business operations and operating results of the Company.

Anyhow, the Company specified business targets as well as long-term business strategies, with a new organizational structure to support future business expansions, which include a plan to recruit and

select more experts in various fields to work with the Company group to distribute management power to executives at lower levels. Moreover, the Company also stipulated a Succession Plan to reduce the risk of placing too much reliance on any one person, as well as readjusting the organization plan for decentralization, without having to rely on decisions made by Mr. Somboon Sukheviriya, but will depend on the Company's Board of Directors, the Audit Committee, the Risk Management Committee, and management team to participate in management of the Company and making decisions on various matters according to the powers stipulated to reduce dependency on major executive.

Research and Development

The Company promotes continuous research and development to increase both the quality and value of products as well as to improve the working process within the Company to increase work efficiency. In this connection, there are projects that under the process of research and development as follows:

1. Development Project of Software Program, Web-based (Cloud-based) Application Version

The Company continues to follow the progress of technology for timely adaptation of its business, choosing technologies with a tendency to be widely used in the future which would suit the need of the Company's target clients for product development. The technology that starting to gain popularity among hoteliers, the hotel management software program for bookings on a Web-based Application via the internet system, with working characteristics similar to the ones in current use of operating from a local network but having more flexibility with regard to software program installation on users' devices as it could be used at any place where there is an internet connection, and facilitating the work of systems operators of both client's IT unit and the Company's Customer Care Department.

Unit: Baht

Research and Development Cost	Budget	Total Amount Spent				
		2015	2016	2017	2018	Total
Staff cost	4,336,800	86,632	788,723	1,987,094	2,385,294	5,247,743
Software cost for program development	103,808	103,808	-	234,395	168,126	506,329
Estimated other costs	444,061	-	-	-	-	-
Grand Total	4,884,669	190,440	788,723	2,221,489	2,553,420	5,754,072

Progress of Software Development of Program, Web-based (Cloud-based) Application

Modules	Progress as at 31 st December 2019	Estimated Testing Period with Specific Groups of Client	Estimated Period for Sale to General Clients
Account Receivable	100%	1 st October 2016	1 st January 2019
Front Office	100%	1 st October 2016	1 st January 2019
Account Payable	100%	1 st October 2018	1 st January 2019
Inventory	100%	1 st October 2018	1 st January 2019
Recipe	100%	1 st October 2018	1 st January 2019
Purchasing	100%	1 st October 2018	1 st January 2019
General Ledger	100%	1 st October 2018	1 st January 2019
Point of Sale	100%	1 st October 2018	1 st January 2019

2. PaySec Project

PaySec project is the improvement of program security according to the international standards for transaction processes via credit card by encrypting and securing important information in a database which increases the standard of the Company's programs. Moreover, not only this will lead to the acceptance of Thai software both domestic and overseas, but also the opportunities for staff of the Company to learn from the program development to meet important international standards. The Company initiated the project in the 3rd quarter of 2017 with details as follows.

Unit: Baht

Research and Development Cost	Amount
Costs from the hire of outsourced companies (USD 10,350)	362,250
Grand Total	362,250

3. Channel Manager Project

Channel Manager Project is a system that provides online platform integration with hotel room management systems from the Front Office System / Property Management System, room management, room rates, details of various hotel information such as amenities, various policy, requirements, and updates data into the system. To develop the system, it is necessary to have security under the PCI-DSS (Payment Card Industry Data Security Standard), which is an international standard related to credit card transactions which are encryption and data security. The Company will start the project in the 1st quarter of 2020 with details as follows.

Unit: Baht

Research and Development Cost	Budget	Total Amount Spent	
		2019	Total
PCI-DSS cost	1,000,000	-	-
Staff cost	400,000	-	-
Data center cost	500,000	-	-
Grand Total	1,900,000	-	-

Future Projects

Between 2020 - 2022, the Company has a plan to expand the scope of business to be wider. From being a leader in developing and providing comprehensive software for tourism management at the national level, now expanding to an international level which will be an important basis to drive the Company becoming a regional leader in the future. Also, the Company has moved forward to expanding the scope of the original business, focusing on the B2B (business to business) market to the B2C (business to consumer) market, which focuses on a large number of consumers related to tourism compared to the population of Thailand and Asia in overall.

With the image of expanding the scope of business to cover integrated tourism both B2B and B2C businesses covering both domestic and international markets, the Company foresees the importance of the continuous investment expansion and integration. In order to add value and promote long-term competitiveness, the Company has outlined the important criteria and frameworks for companies to invest as follows.

1. Invest with the program developer or any service provider related to tourism, such as hotels, restaurants, spas, golf courses, car rentals, air tickets, travel agencies, both offline and online, and others, in order to build on the current network of companies and expanding into new related businesses related to tourism.
2. Invest in a company that already operates regarding no. 1 and who is interested in expanding the business further together with the Company's network
3. Enter into the co-investment with companies, parties, and individuals interested in creating new business models and innovations for the tourism industry to further strengthen and sustain the Company. Besides, this will also benefit the tourism industry as well as in the business and consumer sectors.

Legal Disputes

The Company and subsidiaries did not involve in any legal dispute or legal proceedings which pose a significant negative impact on the assets of the Company or subsidiaries of more than 5% of shareholders' equity according to the consolidated financial statements as of 31st December 2019.

General Information and Other Important Information

General Information

- Information of the Company

Company Name in Thai	: บริษัท โคแมนชี อินเตอร์เนชั่นแนล จำกัด (มหาชน)
Company Name in English	: Comanche International Public Company Limited
Nature of Business	: The developer of a program to distribute, install and provide services of business solutions software for Hotel, as well as investing in other companies.
Date of Establishment	: 10 th January 2003
Date of Transformation to be Public Company Limited	: 10 th June 2016
Head Office	: 252/118 23 rd Floor, Units E-F, Muangthai-Phatra 2 Building, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Telephone	: 0-2693-3569
Fax	: 0-2693-3577
Website	: http://www.comancheinternational.com/
Registered Capital	: Baht 67,000,000
Paid-up Capital	: Baht 67,000,000
Par Value	: Baht 0.50
Authorized Directors	: Authorized directors are Mr. Somboon Sukheviriya and Mr. Chatchai Tolertmongkol jointly sign and affix the Company's seal.

● Information of Juristic Persons which the Company holds at least 10% of issued shares

Company Name in Thai	: บริษัท ซินเนเจอร์ เทคโนโลยี จำกัด
Company Name in English	: Synature Technology Company Limited
Nature of Business	: The developer of a program to distribute, install, and provide services of business solutions software for restaurant, retail store, and spa.
Date of Establishment	: 31 st May 2006
Head Office	: 55/165 Mooban Bann Klang Muang, Soi Ladprao 88, Ladprao Road, Plubpla, Wang Thonglang, Bangkok 10310
Telephone	: 0-2530-3835-6
Fax	: 0-2530-3092
Website	: http://www.synaturegroup.com/
Registered Capital	: Baht 10,000,000
Paid-up Capital	: Baht 10,000,000
Par Value	: Baht 100.00
Authorized Directors	: Mr. Viroj Jearanaiphaisan or Mr. Chatchai Tolertmongkol jointly sign with Mr. Somboon Sukheviriya or Mr. Pirom Methaveerapong or Ms. Darunee Sae-tung and affix the company's seal.

Name of Shareholders	Name	No. of Share(s)	Shareholding (%)
1.	Comanche International Public Company Limited	51,000	51.00
2.	Mr. Chatchai Tolertmongkol	15,000	15.00
3.	Mr. Viroj Jearanaiphaisan	13,920	13.92
4.	Mr. Manit Pattanachuanchom	11,000	11.00
5.	Mr. Stak Ma-imjie	3,450	3.45
6.	Mr. Supakit Sastyangkul	1,950	1.95
7.	Mr. Polrat Thipayanusorn	1,240	1.24
8.	Mr. Jirachart Chinavicharana	920	0.92
9.	Miss Charinee Chinavicharana	920	0.92
10.	Mr. Krich Kittisuntornwat	600	0.60
Total		100,000	100.00

● Information of Juristic Persons which the Company holds at least 10% of issued shares

Company Name in Thai	: บริษัท วินสตาร์เทค จำกัด
Company Name in English	: Win Star Tech Company Limited
Nature of Business	: The developer of a program to distribute, install, and provide services of business solutions software for golf courses.
Date of Establishment	: 31 st January 2013
Head Office	: 99/100 Soi Ngam Wong Wan 26 Lane 3 (Pongpetch Patana 2), Thung Song Hong, Lak Si, Bangkok 10210
Telephone	: 0-2693-3569
Fax	: -
Website	: http://www.winstartech.co.th/
Registered Capital	: Baht 3,300,000
Paid-up Capital	: Baht 3,300,000
Par Value	: Baht 100.00
Authorized Directors	: The joint signature of any two of those three directors, namely Mr. Somboon Sukheviriya, Miss Darunee Sae-tung, and Miss Parichart Sontorn, and affix the company's seal.

Name of Shareholders	Name	No. of Share(s)	Shareholding (%)
1.	Comanche International Public Company Limited	32,998	99.99
2.	Mr. Somboon Sukheviriya	1	>0.01
3.	Miss Darunee Sae-tung	1	>0.01
Total		33,000	100.00

● Information of Juristic Persons which the Company holds at least 10% of issued shares

Company Name in Thai	: บริษัท เอไอ ซอฟท์ จำกัด
Company Name in English	: AI Soft Company Limited
Nature of Business	: The business of development and installation services of the program for the online airline ticket reservation by partnering with AMADEUS Southeast Asia and AMADEUS Asia, which have more than 200 travel agents and airlines customers both in the country and in the Asia Pacific.
Date of Establishment	: 9 th February 2004
Head Office	: Software Park Thailand 99/25, 10 th Floor, Unit 10-B, Moo 4, Chaeng Wattana Road, Khlong Kluea, Pak Kret, Nonthaburi 11120
Telephone	: 0-2147-5730, 0-2147-5731
Fax	: -
Website	: http://www.aisoftthailand.com/
Registered Capital	: Baht 3,000,000
Paid-up Capital	: Baht 3,000,000
Par Value	: Baht 10.00
Authorized Directors	: Any of Mr. Somboon Sukheviriya or Miss Darunee Sae-tung or Mr. Pirom Methaveerapong, jointly sign with Mr. Taxsa Bunnag or Mr. Maitree Sanpakitwattana, totaling two persons, and affix the company's seal.

Name of Shareholders	Name	Shareholding	
		No. of Share(s)	(%)
1.	Comanche International Public Company Limited	153,000	51.00
2.	Mr. Taxsa Bunnag	117,000	39.00
3.	Mr. Maitree Sanpakitwattana	30,000	10.00
Total		300,000	100.00

● Information of Juristic Persons which the Company holds at least 10% of issued shares

Company Name in Thai	: บริษัท รูมส์ อินเตอร์เนชั่นแนล จำกัด
Company Name in English	: Roomz International Company Limited
Nature of Business	: The provider of consulting services regarding revenue management and development for hotels.
Date of Establishment	: 14 th May 2019
Head Office	: 571 RSU Tower, 7 th Floor, Sukhumvit Road, Khlong Tan Nuea, Watthana, Bangkok 10110
Telephone	: 0-2020-8781
Fax	: -
Website	: http://www.room-z.com/
Registered Capital	: Baht 8,000,000
Paid-up Capital	: Baht 3,000,000
Par Value	: Baht 100.00
Authorized Directors	: Mr. Somboon Sukheviya or Miss Parichart Sontorn, jointly sign with Mr. Alexandre Lukas Stefan Bystrzejewski totaling two persons, and affix the company's seal.

Name of Shareholders	Name	No. of Share(s)	Shareholding (%)
1.	Comanche International Public Company Limited	40,798	51.00
2.	Nova Asset Management Company Limited	39,199	49.00
3.	Mr. Somboon Sukheviya	1	<0.01
4.	Mr. Alexandre Lukas Stefan Bystrzejewski	1	<0.01
5.	Miss Parichart Sontorn	1	<0.01
Total		80,000	100.00

● Information of Juristic Persons which the Company holds at least 10% of issued shares

Company Name in Thai	: บริษัท โคแมน ทราเวล จำกัด
Company Name in English	: Coman Travel Company Limited
Nature of Business	: The provider of a reservation service for accommodation, air tickets, rental cars, and others related to all types of tourism businesses.
Date of Establishment	: 20 th June 2019
Head Office	: 252/117 Units C, 23 rd Floor, Muangthai-Phatra 2 Building, Ratchadaphisek Road, Huaykwang, Bangkok 10310
Telephone	: -
Fax	: -
Website	: -
Registered Capital	: Baht 30,000,000
Paid-up Capital	: Baht 15,000,000
Par Value	: Baht 50.00
Authorized Directors	: Two directors jointly sign and affix the company's seal.

Name of Shareholders	Name	No. of Share(s)	Shareholding (%)
1.	Comanche International Public Company Limited	299,997	99.99
2.	Mr. Somboon Sukheviriya	1	<0.01
3.	Miss Darunee Sae-tung	1	<0.01
4.	Miss Sani Piamsuppasap	1	<0.01
Total		300,000	100.00

Management and Corporate Governance

Securities and Shareholders Information

Shareholders

Names and shareholding structure of shareholders as at 27th March 2020

No.	Major Shareholders		Number of Shares (Shares)	Shareholding (%)
1.	Mr. Somboon	Sukheviriya	40,798,600	30.447
2.	Mr. Apichai	Sakulsureeyadej	34,865,900	26.019
3.	Mr. Vasan	Anurakwongsri	4,038,200	3.014
4.	Mr. Paiboon	Seriwattana	4,000,000	2.985
5.	Mr. Kachen	Benjakul	3,343,600	2.495
6.	Mr. Charoonkiart	Akkarasilp	2,188,000	1.633
7.	Mr. Jessada	Sookdhis	1,800,000	1.343
8.	Mr. Sangchai	Wasuntara	1,500,000	1.119
9.	Mr. Nutchatpong	Peeradechapan	1,210,000	0.903
10.	Mr. Somsak	Charaswasinkul	1,004,000	0.749
11.	Mr. Veerakij	Khamthornthip	886,300	0.661
12.	Mr. Suchai	Lerduangamorn	844,000	0.630

Dividend Payment Policy

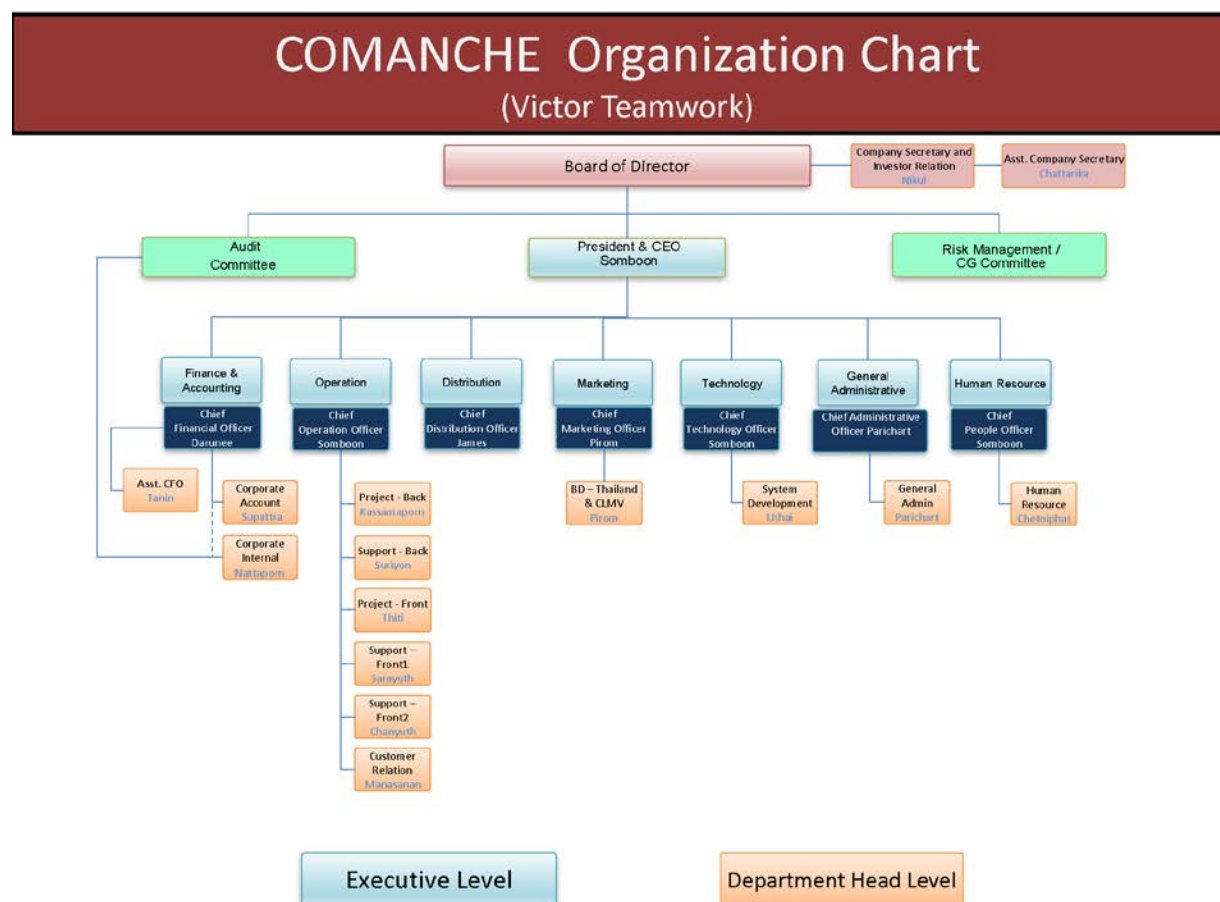
The Board of Directors' Meeting No. 4/2020 held on 28th March 2020 has passed a resolution to approve the interim dividend payment of the Company at the rate not less than 40% of net profit after the deduction of corporate income tax as reported in the separate financial statements and after the deduction of all statutory reserves.

However, annual dividend payments shall depend on the annual operating results as well as the cash flow and future investment plans of the Company and its subsidiary as main consideration factors, including other related legal requirements. In this connection, the resolution of the Board of Directors of the Company and its subsidiary for dividend payment shall be presented to the Shareholders' Meeting for approval. In addition, the Board of Directors of the Company is empowered to consider the payment of interim dividend if seeing that the Company has made a profit and said dividend payment is appropriate with no effect on the Company's business operations. In this connection, said interim dividend payment shall be reported to the shareholders at the next Shareholders' Meeting.

Management Structure

Organization Structure

As of 31st December 2019, the Company's organization structure is as follows.



Management Structure

The Company's management structure comprises of 5 committees, namely the Board of Directors, the Audit Committee, the Risk Management Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee with details as follows.

1. The Board of Directors as of 31st December 2019 comprises of the following 5 directors.

No.	Name		Position
1.	Mr. Somboon	Sukheviriya	Chairman of the Board of Directors / Chief Executive Officer
2.	Mrs. Dolrudee	Pornpipat	Independent Director
3.	Mr. Gancanapol	Geert Marcel Cyriel Van Compennolle	Independent Director
4.	Mr. Chalernpol	Tuchinda	Independent Director
5.	Mr. Chatchai	Tolertmongkol	Director

Mr. Nikul Tangninlasap, appointed by the Board of Directors' Meeting No. 5/2017 on 9th November 2017, is the Company Secretary.

Term of the Directors

The directors shall be in office no more than 9 years. Thus, after the completion of their terms, the directors may be reappointed as the shareholders deem appropriate. However, a director, who is an independent director, shall be in office no more than 6 years.

Authorized Directors

The authorized directors are Mr. Somboon Sukheviriya and Mr. Chatchai Tolertmongkol jointly sign and affix the Company's seal.

Limitations to Directors' Authorities

Mr. Chatchai Tolertmongkol has no right to vote on agendas that have conflict of interests with Synature Technology Company Limited because Mr. Chatchai Tolertmongkol is a shareholder of Synature Technology Company Limited at the shareholding of 15% of total shares.

Board of Directors' Meetings, 2017 – 2019

No.	Name	Attendance*		
		2017	2018	2019
1.	Mr. Somboon Sukheviriya	6/6	6/6	5/5
2.	Mrs. Dolrudee Pornpipat	6/6	5/6	5/5
3.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	4/6	5/6	5/5
4.	Mr. Chatchai Tolertmongkol ^{/4}	-	1/1	5/5
5.	Mr. Chalernpol Tuchinda ^{/1}	-	-	4/5
6.	Mr. Chim Tantiyaswasdikul, PhD ^{/5}	6/6	6/6	4/4
7.	Mr. Supoj Kaewmanee ^{/3 /5}	5/5	6/6	4/4
8.	Mr. Chanitr Charnchainarong ^{/1}	6/6	5/5	-
9.	Ms. Manida Zinnerman ^{/2 /4}	-	1/3	-
10.	Mr. Apichai Sakulsureeyadej ^{/2}	6/6	-	-
11.	Mr. Kris Panijpan, PhD ^{/3}	1/1	-	-

Remark: * The Board of Directors Meeting attendance in accordance with each director's term in position

^{/1} Mr. Chanitr Charnchainarong has resigned from Director and Mr. Chalernpol Tuchinda was appointed in replacement as Director in the Board of Directors' Meeting No. 6/2018 on 20th December 2018.

^{/2} Mr. Apichai Sakulsureeyadej has resigned from Director and Ms. Manida Zinnerman was appointed in replacement as Director in the Board of Directors' Meeting No. 1/2018 on 31st January 2018.

^{/3} Mr. Kris Panijpan, PhD has resigned from Director/Audit Committee and Mr. Supoj Kaewmanee was appointed in replacement as Director/Audit Committee in the Board of Directors' Meeting No. 1/2017 on 22nd February 2017.

^{/4} Ms. Manida Zimmerman has resigned from Director and Mr. Chatchai Tolertmongkol was appointed in replacement as Director in the Board of Directors' Meeting No. 5/2018 on 8th November 2018.

^{/5} Mr. Chim Tantiyaswasdikul, PhD and Mr. Supoj Kaewmanee have resigned from Director on 26th August 2019.

2. The Audit Committee as of 31st December 2019 comprises of the following 3 directors.

No.	Name	Position
1.	Mrs. Dolrudee Pornpipat	Chairman of the Audit Committee and Independent Director
2.	Mr. Gancanapol Geert Marcel Cyriel Van Compennolle	Audit Committee and Independent Director
3.	Mr. Chalernpol Tuchinda	Audit Committee and Independent Director

The Audit Committee member with sufficient knowledge and experience in the field of accounting and finance to review the credibility of financial statements is Mrs. Dolrudee Pornpipat, who received her bachelor's degree in accountancy from the Faculty of Commerce and Accountancy, Chulalongkorn University.

Mr. Tanin Auarayamontri was appointed by the Audit Committee Meeting No. 1/2018 on 26th February 2018 to be the Secretary of the Audit Committee.

Term of the Audit Committee

The Audit Committee member, who is independent director, shall be in office no more than 6 years.

Audit Committee Meetings, 2017 - 2019

The attendance of Audit Committee members are as follows.

No.	Name	Attendance		
		2017	2018	2019
1.	Mrs. Dolrudee Pornpipat	4/4	4/4	4/4
2.	Mr. Gancanapol Geert Marcel Cyriel Van Compennolle ^{/3}	-	-	-
3.	Mr. Chalernpol Tuchinda ^{/1}	-	-	4/4
4.	Mr. Chim Tantiyaswasdikul, PhD ^{/1}	4/4	4/4	-
5.	Mr. Kris Panijpan, PhD ^{/2}	1/1	-	-
6.	Mr. Supoj Kaewmanee ^{/2 /3}	3/3	4/4	3/3

Remark: ^{/1} Mr. Chim Tantiyaswasdikul, PhD was appointed, in the Board of Directors' Meeting No. 6/2018 on 20th December 2018, to be Chairman of the Board causing the vacancy of the Audit Committee, and Mr. Chalernpol Tuchinda was appointed to replace as Audit Committee.

^{/2} Mr. Kris Panijpan, PhD has resigned from being Director/Audit Committee and Mr. Supoj Kaewmanee was appointed in replacement as Director/Audit Committee in the Board of Directors' Meeting No. 1/2017 on 22nd February 2017.

^{/3} Mr. Supoj Kaewmanee has resigned from being Director/Audit Committee/Chairman of the Nomination and Remuneration Committee causing the vacancy of the Audit Committee, and Mr. Gancanapol Geert Marcel Cyriel Van Compernelle was appointed in replacement as the Audit Committee in the Board of Directors' Meeting No. 5/2019 on 8th November 2019.

3. The Risk Management Committee as of 31st December 2019 comprises of the following 6 directors.

No.	Name	Position
1.	Mrs. Dolrudee Pornpipat	Chairman of the Risk Management Committee and Independent Director
2.	Mr. Somboon Sukheviriya	Risk Management Committee
3.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	Risk Management Committee and Independent Director
4.	Ms. Darunee Sae-tung	Risk Management Committee
5.	Mr. Chatchai Tolertmongkol	Risk Management Committee
6.	Mr. Taxsa Bunnag	Risk Management Committee

Mr. Nattaporn Petchpung was appointed by the Risk Management Committee Meeting No. 2/2018 on 5th November 2018 to be the Secretary of the Risk Management Committee.

Term of the Risk Management Committee

The Risk Management Committee members shall be in office no more than 9 years. Thus, after the completion of their terms, the Risk Management Committee members may be reappointed as the Board of Directors deem appropriate. However, the Risk Management Committee member, who is an independent director, shall be in office no more than 6 years.

Risk Management Committee Meetings, 2017 - 2019

The attendance of Risk Management Committee members are as follows.

No.	Name	Attendance		
		2017	2018	2019
1.	Mrs. Dolrudee Pornpipat	1/1	2/2	2/2
2.	Mr. Somboon Sukheviriya	1/1	2/2	2/2
3.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	1/1	1/2	2/2
4.	Ms. Darunee Sae-tung	1/1	2/2	2/2
5.	Mr. Chatchai Tolertmongkol ^{/1}	-	1/1	2/2
6.	Mr. Taxsa Bunnag ^{/2}	-	-	-
7.	Mr. Suwat Amornrungrroj ^{/1 /2}	-	1/1	1/1
8.	Mr. Veerapong Kruwang ^{/1}	1/1	-	-
9.	Mr. Apichai Sakulsureeyadej ^{/1}	1/1	-	-

Remark: ^{/1} Regarding the Board of Directors' Meeting No. 4/2018 on 9th August 2018, Mr. Chatchai Tolertmongkol, Chief Executive Officer of SYN, and Mr. Suwat Amornrungrroj, Chief Executive Officer of WST, were appointed to be Risk Management Committees replacing Mr. Apichai Sakulsureeyadej who resigned from the position of Director of Comanche and Chief Executive Officer of MSL and Mr. Veerapong Kruwang who resigned from the position of Chief Operating Officer of Comanche.

^{/2} Mr. Suwat Amornrungrroj has resigned from being Risk Management Committee/Chief Executive Officer of WST, causing a vacancy of the Risk Management Committee and Mr. Taxsa Bunnag was appointed in replacement as the Risk Management Committee in the Board of Directors' Meeting No. 5/2019 on 8th November 2019.

4. The Nomination and Remuneration Committee as of 31st December 2019 comprises of the following 3 directors.

No.	Name	Position
1.	Mr. Chalernpol Tuchinda	Chairman of the Nomination and Remuneration Committee
2.	Mr. Somboon Sukheviriya	Nomination and Remuneration Committee
3.	Mr. Chatchai Tolertmongkol	Nomination and Remuneration Committee

Mr. Nikul Tangninlasap was appointed by the Board of Directors' Meeting No. 6/2017 on 15th December 2017 to be the Secretary of the Nomination and Remuneration Committee.

Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee members shall be in office no more than 9 years. Thus, after the completion of their terms, the Nomination and Remuneration Committee members may be reappointed as the Board of Directors deem appropriate. However, the Nomination and Remuneration Committee member, who is an independent director, shall be in office no more than 6 years.

Nomination and Remuneration Committee Meetings, 2017 - 2019

The attendance of Nomination and Remuneration Committee members are as follows.

No.	Name	Attendance		
		2017	2018	2019
1.	Mr. Chalernpol Tuchinda ^{/3}	-	-	-
2.	Mr. Somboon Sukheviriya ^{/1}	-	-	2/2
3.	Mr. Chatchai Tolertmongkol ^{/2}	-	-	-
4.	Mrs. Dolrudee Pornpipat ^{/2}	1/1	2/2	2/2
5.	Mr. Chim Tantiyaswasdikul, PhD ^{/1}	1/1	2/2	-
6.	Mr. Supoj Kaewmanee ^{/3}	1/1	2/2	1/1

- Remark: ^{/1} Mr. Chim Tantiyaswasdikul, PhD was appointed, in the Board of Directors' Meeting No. 6/2018 on 20th December 2018, to be Chairman of the Board causing the vacancy of the Nomination and Remuneration Committee, and Mr. Somboon Sukheviriya was appointed to replace as Nomination and Remuneration Committee.
- ^{/2} Mrs. Dolrudee Pornpipat has resigned from being the Nomination and Remuneration Committee in the Board of Directors' Meeting No. 5/2019 on 8th November 2019, causing the vacancy of the Nomination and Remuneration Committee, and Mr. Chatchai Tolertmongkol was appointed in replacement as the Nomination and Remuneration Committee.
- ^{/3} Mr. Supoj Kaewmanee has resigned from being Director of the Company/Audit Committee/Chairman of the Nomination and Remuneration Committee, causing the vacancy of the Nomination and Remuneration Committee, and Mr. Chalernpol Tuchinda was appointed in replacement as the Nomination and Remuneration Committee.

5. The Corporate Governance Committee as of 31st December 2019 comprises of the following 3 directors.

No.	Name	Position
1.	Mrs. Dolrudee Pornpipat	Chairman of the Audit Committee and Independent Director
2.	Mr. Somboon Sukheviriya	Audit Committee
3.	Mr. Chatchai Tolertmongkol	Audit Committee

Mr. Nikul Tangninlasap was appointed by the Board of Directors Meeting No. 2/2019 on 10th May 2019 to be the Secretary of the Corporate Governance Committee.

Term of the Corporate Governance Committee

The Corporate Governance Committee members shall be in office no more than 9 years. Thus, after the completion of their terms, the Corporate Governance Committee members may be reappointed as the Board of Directors deem appropriate. However, the Corporate Governance Committee member, who is an independent director, shall be in office no more than 6 years.

Corporate Governance Committee Meetings, 2017 - 2019

The attendance of Corporate Governance Committee members are as follows.

No.	Name	Attendance		
		2017	2018	2019
1.	Mrs. Dolrudee Pornpipat	-	-	1/1
2.	Mr. Somboon Sukheviriya	-	-	1/1
3.	Mr. Chatchai Tolertmongkol	-	-	1/1

6. Company Secretary

The scope of work, duties, and responsibilities of the Company Secretary are set out in Sections 89/15 and 89/16 of the Securities and Exchange Act B.E. 2535 (and its amendments). The Board of Directors' Meeting No. 5/2017 on 9th November 2017 appointed Mr. Nikul Tangninlasap as the Company Secretary with the following duties and responsibilities.

- 1) To prepare and safeguard the following documents
 - a) Directors' register
 - b) Notices and minutes of the Board of Directors' Meetings and the Company's annual reports
 - c) Notices and minutes of the Shareholders' Meetings
- 2) To safeguard reports on conflicts of interest of directors and management
- 3) To submit a copy of the reports on conflicts of interest in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2535 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days of the Company's receipt of said report. The Company shall arrange for a system to safekeep documents or evidence in regard to disclosure, and ensure the accuracy, completeness, availability for inspection for a period of no less than 5 years from the documents' date of preparation.
- 4) Other proceedings as stipulated by the Capital Market Supervisory Board

Other duties of the Company Secretary as assigned by the Company include the following.

- 1) To make necessary preparations in holding the Board of Directors' and Shareholders' Meetings
- 2) To coordinate with other departments and divisions in the Company to act in accordance with the Board of Directors' and Shareholders' Meeting resolutions
- 3) To coordinate with regulatory bodies such as the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to ensure that necessary disclosure and reports are submitted to the regulatory bodies and the general public as stipulated by law
- 4) To arrange for orientation for newly appointed directors
- 5) To deliver supporting documents for the Board of Directors' meeting to the Board of Directors in advance at least 5 days before the meeting date.
- 6) Other duties as assigned by the Board of Directors

In the case that the Company Secretary has vacated the position or is unable to perform assigned duties, the Board of Directors shall appoint a new Company Secretary within 90 days from said date. Thus, the Board of Directors may assign a director to act as the Company Secretary during that period. Mr. Nikul Tangninasap has completed his training as Company Secretary (Batch 85) from the Thai Listed Companies Association.

7. The Management Team as of 31st December 2019 comprises of the following 5 directors.

No.	Name		Position
1.	Mr. Somboon	Sukheviriya	Chief Executive Officer
2.	Ms. Darunee	Sae-tung	Chief Finance Officer
3.	Mr. James	Hankewich	Chief Distribution Officer
4.	Mr. Pirom	Methaveerapong	Chief Marketing Officer
5.	Ms. Parichart	Sontorn	Chief Administrative Officer

Directors and Management Remuneration

1. Directors Remuneration

The Annual General Meeting No. 1/2019 on 27th March 2019 has approved the remuneration scheme for the Board of Directors, the Audit Committee, the Risk Management Committee, and The Nomination and Remuneration Committee, the details are as follows.

a. Meeting Allowance

Position	Allowance per Meeting
Chairman of the Board of Directors	THB 40,000
Directors	THB 25,000
Chairman of the Audit Committee	THB 30,000
Audit Committee	THB 25,000
Chairman of the Risk Management Committee	THB 25,000
Risk Management Committee (excluding management and employees)	THB 25,000
Chairman of the Nomination and Remuneration Committee	THB 25,000
Nomination and Remuneration Committee	THB 25,000
Corporate Governance Committee	THB 0*

Remark: *The meeting allowances of the Corporate Governance Committee were not paid as it has not yet been approved by the shareholders

b. Bonus

- None -

For the years 2018 and 2019, directors received meeting allowances with details as follows.

Unit: Baht

No.	Name	2018				Total
		The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	
1.	Mr. Chanitr Charnchainarong	200,000	-	-	-	200,000
2.	Mr. Somboon Sukheviriya	150,000	-	-	-	150,000
3.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	150,000	-	25,000	-	175,000
4.	Mr. Chim Tantiyaswasdikul, PhD	165,000	120,000	-	50,000	335,000
5.	Mrs. Dolrudee Pornpipat	125,000	120,000	50,000	50,000	345,000
6.	Mr. Supoj Kaewmanee	150,000	100,000	-	50,000	300,000
7.	Ms. Manida Zinmerman	25,000	-	-	-	-
8.	Mr. Chatchai Tolertmongkol	25,000	-	-	-	-
Total		965,000	340,000	75,000	150,000	1,505,000

No.	Name	2019				Total
		The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	
1.	Mr. Somboon Sukheviriya	140,000	-	-	50,000	190,000
2.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	125,000	-	50,000	-	175,000
3.	Mr. Chim Tantiyaswasdikul, PhD	160,000	-	-	-	160,000
4.	Mrs. Dolrudee Pornpipat	125,000	120,000	50,000	50,000	345,000
5.	Mr. Supoj Kaewmanee	100,000	75,000	-	25,000	200,000
6.	Mr. Chatchai Tolertmongkol	125,000	-	-	-	125,000
7.	Mr. Chalernpol Tuchinda	100,000	75,000	-	-	175,000
Total		875,000	270,000	100,000	125,000	1,370,000

2. Courses attended by directors in 2019

No.	Name	Position	Course(s) attended in 2019
1.	Mr. Somboon Sukheviriya	- Chairman of the Board of Directors - Nomination and Remuneration Committee - Corporate Governance Committee - Risk Management Committee - Chairman of the Executive Committee - Chief Executive Officer - COMANCHE	- Tourism Management Program for Executives: TME3, 2019, Tourism Authority of Thailand (TAT)
2.	Mr. Chatchai Tolertmongkol	- Director of the Company - Nomination and Remuneration Committee - Corporate Governance Committee - Risk Management Committee - Chief Executive Officer - SYN	- Director Certification Program (DCP) Course No. 271/2019

3. Management Remuneration

As of 31 December 2019, there were 5 persons at management level and the Management Remuneration can be calculated by categories as follows.

Management Remuneration	2017	2018	2019
	THB	THB	THB
Management (persons)	6	6	5
Salary, allowance, and other benefits	12,229,395	14,523,130	11,490,890
Provident fund contribution	398,641	456,350	388,573
Total	12,628,036	14,523,130	11,879,463

4. Employees

At the end of year 2017 - 2019, the Company and its subsidiaries have a total of 151, 144, and 178 employees, respectively. Details are set out according to departments as follows.

Department/Division	2017	2018	2019
	(persons)	(persons)	(persons)
Management	6	6	5
Human Resource and General Administrative Department	5	5	5
Human Resource Division	2	2	2
General Administrative Division	3	3	3
Finance & Accounting Department	4	3	6
Finance and Accounting Division	4	3	6
Internal Audit Department	-	1	3
Internal Audit Division	-	1	2
CMMI Audit Division	-	-	1
Operations Department	54	66	72
QA & CMMI Division	4	5	-
Customer Support – BOS Division	9	10	10
Customer Support – FOS Division	16	17	17
Customer Support – Major Account	-	-	-
Project Management – BOS Division	7	8	10
Project Management – FOS Division	11	12	12
System Development Division	16	17	24
Customer Relations Division	3	3	3
Marketing Department	2	2	3
Marketing Division – Thailand and CLMV	2	2	3
Distribution Development Department	-	-	1

Department/Division	2017 (persons)	2018 (persons)	2019 (persons)
Distribution Development Division	-	-	1
Company Secretary / Investor Relations Department	0	1	1
Company Secretary / Investor Relations Division	2	2	1
Solutions Business Unit Department	-	3	-
Hotel Solution	-	1	-
Cloud & Subscription Base Solutions	-	2	-
Communication and Public Relations Department	-	1	-
Product Designer	-	1	-
Employees of the Company	85	95	100
Employees of the Subsidiary – SYN	43	43	44
Employees of the Subsidiary – WST	-	6	-
Employees of the Subsidiary – AISOFT	-	-	22
Employees of the Subsidiary – ROOMZ	-	-	2
Employees of the Subsidiary – CMT	-	-	10
Total Employees of the Company and its Subsidiaries	151	144	178

5. Employee Remuneration

For the years 2017 - 2019, the Company paid a total of approximately Baht 48.61 million, Baht 61.54 million, and Baht 65.79 million in employee remuneration, respectively. Such remuneration comprises of salary, overtime, commission, bonus, allowance, social security contribution, provident fund contribution, and other benefits.

6. Auditor Remuneration

6.1 Audit Fees

In 2019, the Company and subsidiaries paid the audit fees to Dharmniti Auditing Company Limited, having Miss Sulalit Ardsawang, Registration No.7517 or Mr. Piradej Phongsatiensak, Registration No.4752 or Mr. Poj Asawasantichai, Registration No.4891 or Mr. Thanawut Philboonsawad, Registration No.6699 or Miss Wannisa Ngambuathong, Registration No.6838 or Miss Thanyaporn Tangtanopajai, Registration No.9169 or Mr. Suwat Maneekanoksakul, Registration No.8134 or Miss Soraya Tintasuan, Registration No.8658 as the auditors of the Company for 2019, and fixed the remuneration of auditor for 2019 in amount of Baht 2,453,000 as follows.

Company name	Audit Fees
Comanche International Public Company Limited	Baht 1,150,000
Synature Company Limited	Baht 260,000
Win Star Tech Company Limited	Baht 110,000
AI Soft Company Limited	Baht 130,000
Roomz International Company Limited	Baht 70,000
Coman Travel Company Limited	Baht 70,000

And Roomz International Company Limited has paid the audit fee to Mr. Chalernpol Kongkaew Registration No. 11667 in the amount of Baht 20,000.

The company that is the audit firm and the auditors are independent, reliable, do not have any relationship or conflict of interest with the Company, executives, major shareholders, or those related to said parties.

6.2 Other Service Fees

-None-

7. Major Labor Disputes in the Past 3 Years

-None-

8. Employee Development Policy

The Company and its subsidiaries aim to develop employees in every level to attain a higher degree of knowledge, expertise, and ability to perform through external and in-house training in accordance with the annual training schedule for the highest possible work efficiency for the benefit of the Company. Training and development at each level are as follows.

- 8.1 Management Level: The Company places emphasis on the development of management and leadership skills for executives with the vision as organizational leaders to achieve and deliver their desired targets.
- 8.2 Division Head Level: The Company places emphasis on the development of fundamental management and team-building skills to forge cooperation in the workplace as well as effective communication both within and outside the organization, as well as the development of specialized knowledge.
- 8.3 Employee Level: The Company places emphasis on the development of knowledge, experience, and expertise in the field of responsibility, creating motivation for self-improvement, and promoting positive standpoint towards management and the Company.

Information of Training of Employees

Unit: Hours

Average training hours per year per annum	Internal Training	1.25
	External Training	3.23
	Management Level	42.00

The report of changes in shareholding of directors and executives in 2019

Information as at 31st December 2019

No.	Name	Position	Number of share(s) as at 31 st December 2018	Number of share(s) as at 31 st December 2019	Changes in share(s) increased / (Decreased) in 2019	Sharehold ing in the Company (%)
1.	Mr. Somboon Sukheviriya	Chairman of the Board of Directors / Risk Management Committee / Nomination and Remuneration Committee / Corporate Governance Committee / Chief Executive Officer - COMAN	40,798,600	40,798,600	-	30.4467%
	Spouse and underage children		3,466,800	212,800	(3,254,000)	0.1588%
2.	Ms. Dolrudee Pornpipat	Chairman of the Audit Committee / Independent Director / Chairman of the Risk Management Committee / Chairman of Corporate	-	-	-	-

No.	Name	Position	Number of share(s) as at 31 st December 2018	Number of share(s) as at 31 st December 2019	Changes in share(s) increased / (Decreased) in 2019	Shareholding in the Company (%)
		Governance Committee				
	Spouse and underage children		-	-	-	-
3.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	Director / Audit Committee / Risk Management Committee	-	-	-	-
	Spouse and underage children		-	-	-	-
4.	Mr. Chatchai Tolertmongkol	Director / Risk Management Committee / Nomination and Remuneration Committee / Corporate Governance Committee / Chief Executive Officer - SYN	-	-	-	-
	Spouse and underage children		-	-	-	-
5.	Mr. Chalernpol Tuchinda	Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	-	-	-	-
	Spouse and underage children		-	-	-	-

No.	Name	Position	Number of share(s) as at 31 st December 2018	Number of share(s) as at 31 st December 2019	Changes in share(s) increased / (Decreased) in 2019	Sharehold ing in the Company (%)
6.	Mr. Chim Tantiyaswasdikul, PhD	Chairman of the Board of Directors / Independent Director	-	-	-	-
	Spouse and underage children		-	-	-	-
7.	Mr. Supoj Kaewmanee	Independent Director / Audit Committee / Nomination and Remuneration Committee	-	-	-	-
	Spouse and underage children		-	-	-	-
8.	Ms. Darunee Sae-tung	Chief Finance Officer	3,832	7,586	3,754	0.0057%
	Spouse and underage children		-	-	-	-
9.	Mr. Pirom Methaveerapong	Chief Marketing Officer	38,320	75,864	37,544	0.0566%
	Spouse and underage children		-	-	-	-
10.	Ms. Parichart Sontorn	Chief Administrative Officer	38,320	75,864	37,544	0.0566%
	Spouse and underage children		-	-	-	-
11.	Mr. James Hankewich	Chief Distribution Officer	2,939	6,694	3,755	0.0050%
	Spouse and underage children		-	-	-	-

No.	Name	Position	Number of share(s) as at 31 st December 2018	Number of share(s) as at 31 st December 2019	Changes in share(s) increased / (Decreased) in 2019	Shareholding in the Company (%)
12.	Ms. Supattra Hirunyanon	Corporate Account	3,832	7,586	3,754	0.0057%
	Spouse and underage children		-	-	-	-
13.	Mr. Nikul Tangninlasap	Company Secretary / Investor Relations	3,832	7,586	3,754	0.0057%
	Spouse and underage children		-	-	-	-

Corporate Governance

Corporate Governance Policies

The Company conducts its business based on the Principles of Good Corporate Governance of the Stock Exchange of Thailand (“**SET**”), which the Company has stipulated as a policy to ensure transparency and increase credibility for investors. The Company will regularly disclose information to the public and to its shareholders, and places emphasis on internal control system as well as internal audit. With regards to risk management, the Company closely monitors its risk factors while taking into account the integrity of business undertakings to maintain fair practice in dealing with trade partners, shareholders, and all stakeholders under the following 5 main sections.

Section 1: Rights of Shareholders

The Company operates its business while placing emphasis on the equitable right of shareholders, and has laid down the following guidelines to facilitate and encourage the participation of all shareholders in Shareholders’ Meetings.

Preparation Before the Meeting

The 2019 Annual General Meeting of Shareholders of the Company was held at 13.30 hrs. on Thursday 28th March 2019 at Tharathep Ballroom, 2nd Floor, Tharathep Building, Chaophya Park Hotel Bangkok, 247 Ratchadaphisek Road, Dindaeng, Bangkok 10400. The Company distributed the invitation to the Shareholders’ Meeting along with related documents in Thai to shareholders on 14th March 2019, which more than the period of 14 days prior to the Shareholders’ Meeting, and disclosed the Notice of the Shareholders’ Meeting along with related documents on the Company’s website at <http://www.comancheinternational.com/investor.php> on 28th February 2019.

The Notice of Shareholders’ Meeting contains correct and adequate information, and clearly specifies the agenda of the Meeting with the following details.

1. A registration form along with a barcode is attached with the Notice of Shareholders’ Meeting to facilitate quick registration for shareholders.
2. Proxy forms in 3 different formats are provided for shareholders’ use as they see fit.
3. A copy of the minutes of the previous Shareholders’ Meeting is attached.
4. The agenda regarding appointment of directors contains information on the nominated directors including full name, age, education background, work experience, attendance in trainings held by the Thai Institute of Directors (IOD), directorship in companies categorized into listed companies

and other companies, nominated position, attendance in meetings in the past 1 year period, date of appointment into position in the Company, and term of office.

5. Qualifications of an independent director are provided as supporting information for the consideration of appointment of independent directors.
6. The agenda regarding appointment of the Company's auditor specifies the names of auditors, the audit firm under which the auditors work, education background, work experience and capabilities, independence of the auditor, and remuneration to be paid to the auditor such that shareholders' are able to evaluate the capabilities and appropriateness of the auditor.
7. The agenda regarding the approval of dividend payments specifies dividend payment policy, the amount of dividends proposed to be paid, and historical dividend payment statistics.
8. An instruction of proxy- appointment, registration procedures, and documents to be presented on the day of the meeting is given.
9. Information on directors who may be granted proxy is specified, which consists of 3 directors, 1 of which is an independent director, such that shareholders may consider granting proxy to attend the meeting and vote in their place.
10. Articles of Association of the Company in sections related to the Shareholders' Meeting is provided.
11. A map of the venue for the Shareholders' Meeting is provided for shareholders commuting via personal transportation vehicles or public transportation.
12. Each agenda clearly specifies whether such agenda is for providing information or for consideration, along with facts and opinions of the Board of Directors, regulations and procedures in voting in accordance with the Articles of Association, and the number of votes required for approval.
13. To obtain the utmost benefit from the meeting and to facilitate the preparation of the most comprehensive explanation by the Board of Directors and Management, shareholders are encouraged to submit questions to the Company prior to the Shareholders' Meeting.
14. To facilitate persons granted proxy, as the process involves a large amount of documentation especially for financial institutions, mutual funds, or custodians, the Company kindly asks for the cooperation of related parties such that the Company can check all documents prior to the Shareholders' Meeting.

On the Meeting Day

The 2019 Annual General Meeting of Shareholders of the Company was held at 13.30 hrs. on 28th March 2019 at Tharathep Ballroom, 2nd Floor, Tharathep Building, Chaophya Park Hotel Bangkok, 247

Ratchadaphisek Road, Dindaeng, Bangkok 10400, which is a meeting room able to suitably accommodate attendees. Registration is open 2 hours prior to the Meeting to ensure that registrars have sufficient time to check documents of shareholders attending the Meeting in person as well as persons granted proxy. To facilitate accurate and prompt registration, the Company arranged for an appropriate number of officers and registration tables equipped with barcode registration scanners. Once registered, shareholders will receive voting cards for each agenda to cast their votes during the Meeting.

Before the Meeting, the Meeting Secretary asks for the cooperation of all attendees to turn off all mobile phones, which could create a distraction during the Meeting. Voting procedures according to the Company's Articles of Association are explained, with ordinary shareholders of the Company receiving 1 vote for 1 share. The voting and vote-counting process will proceed with transparency, as the Company utilizes a barcode scanner system to assist in counting votes, as in the previous year, to ensure a prompt and accurate procedure. Moreover, an independent legal advisor is present to ensure that the Shareholders' Meeting proceeds in accordance with the law and the Company's Articles of Association, and to check the counting of votes. Once the votes have been counted, the results will be shown on the projector screen categorized into votes for, votes against, and votes abstained. For agendas in which directors have conflicts of interest or for related party transactions, the number of votes with no voting rights will also be shown. The Chairman of the Audit Committee, Audit Committee members, independent directors, directors, the Chief Executive Officer, along with executives of the Company emphasizes the importance of the Shareholders' Meeting by attending all meetings and inviting the auditor, legal advisor, and financial advisor to attend the Meeting to provide information or clarify on any questions shareholders may have. Representatives from the Thai Investors Association also attended the Meeting to clarify on any questions they have.

Shareholders attending the Meeting after the Meeting has already commenced may attend and vote on agendas in consideration which votes have not been casted, which the Company has clearly arranged each agenda.

The Chairman of the Meeting has allocated appropriate and sufficient time for the Meeting and conducted the meeting with transparency, as well as gave shareholders the opportunity to express their opinions and ask questions in every agenda. The Meeting Secretary has clearly and comprehensively noted down questions and answers exchanged in the Meeting. Moreover, in each agenda, the resolution of the Meeting as well as results of the vote categorized into votes for, votes against, and votes abstained are specified. The Meeting has been video-recorded and uploaded to the Company website after the Meeting Day to allow shareholders who did not attend or any interested party to watch the Shareholders' Meeting,

which was conducted in order of the specified agenda and included no additional agenda other than those specified in the Notice of the Shareholders' Meeting.

Proceedings After the Meeting

The Company disclosed the resolutions of the Shareholders' Meeting along with results of the vote on the same day of the Meeting through the Stock Exchange of Thailand's system, and prepared and distributed the Minutes of the Shareholders' Meeting to the Stock Exchange of Thailand within 14 days and uploaded such document on the Company website within 1 month from the Meeting date. The Company has specified the names and positions of directors present or absent the Shareholders' Meeting in the Minutes of the Shareholders' Meeting, as well as specified the number of votes for each agenda categorized into votes for, votes against, and votes abstained.

In 2019, the Company has been evaluated for the quality of hosting the Shareholders' Meeting for the year 2019 by the Thai Investors Association and received a score of 90.50%.

Section 2: Equitable Treatment of Shareholders

The Company places emphasis on the equitable right of shareholders and has laid down the following guidelines.

- (1) In the case that any shareholder informs the Company of intent to propose an additional agenda at least 7 working days prior to the Shareholders' Meeting and the Board of Directors has considered and decided that the proposed agenda is of benefit to the Company and shareholders, the Company has a policy to facilitate in proposing the agenda to the Shareholders' Meeting and will inform shareholders of such addition of agenda via the Stock Exchange of Thailand.
- (2) In the case that any shareholder informs the Company of intent to nominate a person for directorship by submitting the qualifications and letter of consent of the nominee at least 3 months prior to the Shareholders' Meeting, the Company has a policy to consider such person for directorship in replacement of directors due to retire according to the term of office in each year and propose the matter for consideration in the Shareholders' Meeting.
- (3) The Company has set guidelines to prevent the use of internal information by announcing such policy and disseminating to all employees.
- (4) The Company has laid down a policy for directors and management to report the board of directors or the person assigned by the board of directors for every purchase or sale of securities at least 1 day in advance before trading.

- (5) Directors and management shall report the holding of securities for every purchase or sale of securities within 1 day to the Securities and Exchange Commission, and disclose such transaction in the Annual Report.
- (6) The Company has set a policy requiring directors to disclose their reports of purchase and sale of securities / holding of the Company's securities as an agenda in every Board of Directors' Meeting.
- (7) Directors shall disclose their conflicts of interest before the consideration of any agenda, and such disclosure shall be noted in the Minutes of the Board of Directors' Meeting.
- (8) Directors with significant conflicts of interest relating to any agenda, which could be deemed to compromise the independent expression of opinion, shall refrain from participating in such agenda.

Section 3 : The Role of Stakeholders

The Company recognized the supports from stakeholders to create competitiveness and increase profits and yielding long-term results, we have placed an emphasis on all groups of stakeholders. In this connection, we have compiled our principles and policies into written documents and published them on the Company's website, defining guidelines to the rights of stakeholders. In addition, we have provided several channels of communication to our shareholders, where they may send in opinions and suggestions that they believe will benefit the Company and create value added. Below is a summary of our policies and guidelines for stakeholders as well as how they were implemented:

1. **Shareholders:** The Company considers the fundamental rights of shareholders and equal treatment to all shareholders to fulfil the utmost satisfaction of shareholders such as the right to participate in the annual general meeting of shareholders, the right to vote, the right to propose an agenda item, and the right to nominate a candidate to be elected as Director, company visit program during year, and considers opinions and suggestions from shareholders. In addition, shareholders may reach out to the Company at <http://www.comancheinternational.com/investor.php> or email to ir@comancheinternational.com. This information is disclosed under Shareholder Rights and Equitable Treatment toward Shareholders Section.
2. **Customers:** The Company is committed to bring customers the utmost satisfaction and ensure trusts for its reasonable priced and quality products and services and to continuously improve our standards and maintain a good and sustainable relationship with

customers, including having a fair, appropriate, transparent and verifiable management and be responsible for customer care in purchasing various products.

The Company made the adjustments to our customer satisfaction survey. Its result reflects our success in creating a good relationship with our customers, as well as our ability to meet their demands. Moreover, we have provided customers with a system to receive and manage complaints about our products and services in timely manner by providing channels such as website, email, and telephone. Also, we put guidelines in place to mitigate and prevent future problems and monitor and evaluate complaints regularly. The results of the evaluation will be used to improve future business plans.

3. **Suppliers:** We take into consideration equality and honesty in conducting business. To ensure mutual benefits, we strictly adhere to applicable laws and agreed rules. The Company refrains from accepting, or giving, fraudulent benefits from or to suppliers. The Corporate Governance and Business Code of Conduct Handbook and the Corporate Compliance Policy mandate that all employees must comply with the anti-corruption and anti-bribery law, whether in dealing with government officials or the private sector, both in Thailand and abroad. Any action that violates the law is illegal and does not comply with the Corporate Governance Policy; all employees are to resist against and refrain from such an unlawful act. It is everyone's duty to perform their role with transparency for the sole benefit of the Company, which prevents conflicts of interest. Additionally, all employees are to refrain from encouraging others to unlawfully perform or refrain from performing their duties legally. The Company has procedures and practices in selecting suppliers and contractors as well as anti-corruption measures. We also encourage all employees to follow these applicable laws and regulations.
4. **Business Competitors:** At the Company, we operate ethically and transparently. We compete fairly with our business competitors under the framework of good competition. We do not seek trade secrets of competitors through inappropriate or dishonest means. We do not defame competitors.
5. **Creditors:** We commit to equality and our responsibility towards our creditors. We strictly adhere to good practices, our contractual and financial obligations, especially, guarantee or security interest provisions, capital management, and debt repayment in timely manner. We refrain from employing dishonest practices to conceal information or facts that may cause damage to creditors. In the event that the Company cannot perform any of its

contractual obligations, we promptly notify our creditors in advance and work with them to find a solution. Furthermore, we focus on disclosure of information to stakeholders, emphasizing accuracy, completeness, speed, and transparency. The disclosed information includes both financial and non-financial matters. The Company has no lawsuit on default payment with any of our creditors.

- 6. Employees:** The Company adheres to Good Corporate Governance Principles and respects human rights. We have devised plans for human resource management that is in line with our operations. Moreover, we have prioritized the recruitment of personnel that is vital to the success of our organizational strategies and prepare for the employee recruitment for the retirement of employees, including striving to increase knowledge and skills to be in line with business operations in order to ensure efficient work and support business expansion in foreign countries, including reward, appropriate welfare as follows;

- 6.1. Setting up rules and regulations regarding employee compensation and welfare.
- 6.2. Setting up a clear compensation policy and performance measures that are consistent with the Company's performance both short-term and long-term, including finance, customers, internal management processes, and learning and development.
- 6.3. Providing appropriate compensation and benefits such as salary, annual bonus, provident fund, including health insurance - group accidents, medical expenses in the amount specified by the Company, Chill-Chill Welfare, and EJIP.
- 6.4. Providing an orientation for new employees to give knowledge about the articles of association regarding the work of the Company, anti-corruption policy as well as basic knowledge in various fields that necessary for the operation.

In this connection, the Company promotes happiness in workplace, with good quality of living, safety, and occupational health. In 2018, the Company summarized the safety-related statistics by The Human Resource Department and concluded that the rate of accidents at work and employee leave due to illness from work performed was zero.

- 7. Society, Communities, and the Environment:** The Company operates with the responsibility toward society, communities, environment by conserving natural resources and efficient energy consumption. Moreover, considering the business operations that will

have an impact on the environment and realizing the quality of life of communities and society.

Non-Infringement of Intellectual Property

The Company has a policy and guideline for all directors, executives and employees to follow the principles of good corporate governance to not violating intellectual property or copyright.

Anti-Corruption

The operation of the Company is transparent and verifiable by setting up processes in place to control, monitor, reduce, and prevent against the risk of fraud and corruption within the organization, whether it be direct or indirect. On top of the Corporate Governance Policy, we also laid down in written form the Anti-Corruption. The Company promoted, communicated, created awareness and understanding on the best practices to employees to recognize the importance of the anti-corruption, and provided guidelines for anti-corruption for executives and employees.

Moreover, in 2019, the Risk Management Committee has assessed the risk of fraud that may occur with the process of assessing the risk of fraud, separated from other risks and report risks to the Board of Directors, with the Compliance Unit responsible for monitoring the implementation of the risk assessment report.

Contact Channels and Whistleblowing Procedures

The Company arranges to have the whistleblowing procedures and channels to notify the information, complaints and comment of all stakeholders as follows:

Postal service: Company Secretary / Chief Executive Officer
Comanche International Public Company Limited
252/118, 23rd Floor, Unit E-F, Muangthai-Patra Office Tower II,
Ratchadapisek Road, Huaykwang, Bangkok 10310
Tel: (+66) 2 693 3569 Ext. 4
Fax: (+66) 2 693 3577
Website: <http://investor.comancheinternational.com/>
Email: ir@comancheinternational.com

Employees are able to notify complaints or propose opinions to the Board of Directors and Executives directly via email in Company's system.

Moreover, the Company have a policy to protect a whistleblower, including the policy to keep the confidentiality of information. The Company will process such information to the process of information review and find the solutions.

Section 4: Disclosure and Transparency

Apart from disclosures of financial reports or other information memorandums to the public through various channels in accordance with legal requirements on an accurate, complete, and timely manner, the Company has set a policy on information disclosure for transparency in business operations by disclosing information memorandums on the SET Portal of the Stock Exchange of Thailand and on the Company website at <http://www.comancheinternational.com//investor/en/home> to allow investors, shareholders, and stakeholders access to information in a convenient and timely manner both in Thai and English, with investor relations officer and the company secretary ready to provide information and answer questions.

The Company has the following guideline relating to the disclosure of information to the public through the Securities and Exchange Commission (“SEC”) or the Stock Exchange of Thailand.

1. The Company will arrange to ensure that information disclosed to investors are accurate, not misleading, and sufficient for investors to decide on.
2. The Company will arrange to disclose the following information to shareholders and investors.
 - 1) Information on the performance of duties of the Board of Directors and the Audit Committee such as the number of meetings and the attendance of each director to meetings in the past year.
 - 2) The method of evaluation and result of evaluation of the performance of duties of the Board of Directors.
 - 3) Compensation paid to the Board of Directors and top executives, as well as format and nature of compensation.
 - 4) Corporate governance policies.
 - 5) Annual registration statements (Form 56-1).

Moreover, the Company has arranged for the following information to be disclosed on the Company website.

- (1) Vision and mission of the Company
- (2) Nature of business of the Company
- (3) List of directors and management

- (4) Organization structure
- (5) Notification of the Annual General Meeting and Extraordinary General Meeting
- (6) Corporate governance policy
- (7) The Board of Directors' Charter
- (8) Ethics for employees and directors of the Company
- (9) Contact information of unit or person responsible for investor relations such as the name of the person able to provide information or phone number of the Company

Investor Relations Activities

In 2019, the Company has set and arranged different activities for top executives to regularly meet retail investors, institutional investors, and analysts to present the Company's operating performance as summarized below.

1. Opportunity Days

Held by the Stock Exchange of Thailand, opportunity days provide an opportunity for listed companies to meet with investors, analysts, media, and interested shareholders to provide information on the business and performance of the Company. In 2019, the Company held 2 opportunity day events after releasing financial statements.

2. Company Visit

The Company has arranged for a company visit to provide information on the performance of the Company to analysts, investors, and interested shareholders to foster relationship and trust between executives and attendees as well as create an impression and pride in being the Company's shareholders, thus building on the expansion of shareholder and investor base in the future. During the past year, the Company held 4 company visits and there were 0 Company's securities analyses by securities analysts.

Section 5: Board Responsibilities

Definitions

Directors with Management Roles are directors assuming the role of management who take part in the regular management of the Company.

Directors with no Management Roles are directors who do not assume the role of management, do not take part in the regular management of the Company, and may or may not be independent directors.

Independent Directors are independent directors or outside directors, are not related in the regular management of the Company, are not major shareholders of the Company, and are independent from major shareholders or other stakeholders of the Company.

Board of Directors Composition

The Company's Board of Directors is of reasonable size and consists of qualified professionals with knowledge, experience, and various skillsets such as lawyers, accounting-financial officers, and information technology specialists able to perform their duties effectively. In addition, the Board of Directors consists of independent directors, who may freely express their opinions on the operations of the management team, as required by the SEC. The Board of Directors is composed of independent directors in the portion of more than one-third of the total number of directors. Presently, the Board consists of 5 directors (including the Chairman of the Board of Directors and 3 Audit Committee members), resulting in counterbalance in voting during deliberations.

The Board of Directors has appointed the Audit Committee to aid in governance of the Company and to perform specific tasks and reporting to the Board of Directors. The roles and responsibilities of the Audit Committee are outlined in the Audit Committee Charter, with at least 1 member of the Audit Committee knowledgeable and experienced in the field of Accounting to review the credibility of financial statements.

In addition, the Board of Directors has appointed qualified directors as subcommittee members to filter in the scope as assigned for each subcommittee, and has set the qualifications, term of office, and scope of responsibilities as specified in each subcommittee's charter. Each subcommittee shall regularly report to the Board of Directors and report on the previous year's performance and undertakings in Form 56-1 and Annual Report.

At present, the Company has 4 subcommittees consisting of the Audit Committee, the Nomination and Remuneration Committee, the Risk Management Committee, and the Corporate Governance Committee.

Policies and practices for holding directorship positions in other companies of directors and executives

The Board of Directors have placed the importance to performing duties according to the good corporate governance principles of the Company. Therefore, setting up a policy to limit the number of companies in which directors and executives will hold directorship in other listed companies. The directors and executives will be able to hold directorship in no more than 3 listed companies. At present, there are no directors who hold the position of directors in the company more than limit. In addition, Chief Executive Officer should not hold directorship in other companies, in order to perform the duty of supervising the operation of the group efficiently.

Terms in Office of the Directors

1. Directors have a term in office of no more than 9 years and can be elected as the director. The Company does not have a prohibition about the appointment of directors who are retired by their

terms shall be re-appointed, including no prohibitions regarding the age of directors, but taking into account the ability to perform the duties. In addition, an independent director, shall be the office for no more than 6 consecutive years from the first date of being appointed to be the independent director.

2. The term in office of the director is in accordance with the articles of association of the Company. At the annual general meeting, one-third of the number of directors must vacate the office by allowing the directors who are in the position for the longest term in office to be retired from the position, and the directors who have been asked to vacate the office may be re-elected.
3. In the case that the position of the director is vacant due to other reasons other than the said agenda, the Board of Directors shall have a resolution with a vote of not less than three-fourths of the remaining directors selecting any person, who has the qualifications and does not have any prohibited characteristics under Section 68 of the Public Limited Company Act BE 2535 (1992), to replace. The person who represents such director will be in the position of director only for the remaining term of the director who has been replaced.

Succession Plan for High-Rank Management

The Board of Directors have foreseen and realized the importance of human resources, therefore assigning the Nomination and Remuneration Committee to determine and prepare the succession plan for the Chief Executive Officer, including high-rank management from head of department level and higher, and report directly to the Chief Executive Officer (CEO) of the Company in accordance with the criteria as well as reviewing the said plan every year.

Remuneration of Directors and Executives

The Company has set a clear and transparent remuneration policy to propose to the Annual General Meeting each year with the following guidelines.

- (1) Appropriate and in accordance with the roles and responsibilities of each director
- (2) At a level that would motivate and retain qualified directors to work with the Company
- (3) The composition is clearly defined, transparent, and easy to comprehend
- (4) At a rate comparable to peers in the industry

Management remuneration is in accordance with the principles and policy that the Nomination and Remuneration Committee has determined, and the Board of Directors has the authority to appoint and specify the compensation for the Executive Committee, Chief Executive Director, and other subcommittees as appropriate.

For executives at the levels following the Chief Executive Officer, the Chief Executive Officer has the authority to hire, appoint, transfer, and retire from position as appropriate, as well as set the level of compensation for staff in each level as deemed appropriate.

Board of Directors' Meetings

The Board of Directors shall arrange Board of Directors' Meetings in accordance with the Company's Articles of Association, regulations governing public companies, and regulations of the Stock Exchange of Thailand. Additional meetings shall be arranged as necessary, and the Chairman of the Board of Directors shall encourage the use of careful discretion and manage time such that all key matters can be discussed and deliberated. Moreover, it is defined that all directors are required to attend unless unavailable due to necessary causes. No less than half of all directors must attend for a quorum and voting in the Board of Directors' Meeting requires two-thirds of all directors to be present.

Moreover, The Company has assigned the Company Secretary to distribute the Notice of the Meeting along with agenda of the meeting and supporting documents to the Board of Directors at least 7 days in advance before the meeting date and accurately and comprehensively take minutes of the meeting, so it could be accessible by shareholders. After being approved by the Board of Directors, the minutes of meeting will be kept for directors and involving parties could access at any time.

Thus, for the highest benefit of the Company, during 14th – 15th June 2019, the seminar between the Board of Directors and executives was held to consider and review the Company's long-term vision and strategy to be in accordance with its operations and business outlook which will be monitored to ensure that strategies are implemented every time the Board of Directors meeting is held. Directors with no management roles arranged to have a meeting without the management team on 15th June 2019 before the Board of Directors' Meeting No. 3/2019 to discuss different matters of interest regarding management, and report of the results of the meeting to the Chairman of the Executive Committee.

The Board of Directors' Report

The Board of Directors shall be responsible for overseeing the preparation of financial reports, which consists of the consolidated financial statements of the Company and its subsidiaries and financial information memorandum as shown in the Annual Report. The aforementioned financial reports has been prepared in conformity with financial reporting standards, choosing and continuously practicing appropriate and accepted policies, and using careful judgment in the preparation and disclosure in the notes to financial statements. In addition, the Board of Directors also provides and considers to the disclosure of internal control systems and risk management systems in the annual report as shown in the topic of internal controls and internal audit and the topic of risk management.

Self-evaluation of the Board of Directors

The Company has set for self-evaluation and committee-evaluation by the Board of Directors, sub-committees, Chief Executive Officer to consider the performance and issues and to analyze and find conclusion during the preceding year to set out policies to improve the efficiency of the Board of Directors and Chief Executive Officer. For the evaluation process, the Board of Directors has assigned the Corporate Governance Committee to consider and advise the performance evaluation process of the Board of Directors, sub-committee, and Chief Executive Officer, including the preparation of the summary of evaluation results and additional comments (if any) to present to the Board of Directors' meeting and disclose in the annual report by dividing the criteria into 5 levels.

The results of the 2019 annual evaluation can be concluded that each committee has a complete and effective performance.

1. Evaluation of the Board of Directors' Performance (as a committee)

Questions consist of 6 key categories including

- 1) Structure and qualifications of the Board of Directors
- 2) Roles and responsibilities of the Board of Directors
- 3) Board of Directors' meetings
- 4) Performance of duties by directors
- 5) Relationship with management
- 6) Self-development of directors and development of executives

Directors involved in evaluation are directors in position during the period of evaluation, which is November 2019, totaling 5 directors.

2. Evaluation of the Board of Directors' Performance (individually)

Questions consist of 3 key categories including

- 1) Structure and qualifications of the Board of Directors
- 2) Board of Directors' meetings
- 3) Roles and responsibilities of the Board of Directors

3. Evaluation of the Subcommittee's Performance

Subcommittees consist of the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee. The performance evaluation of the committee as a whole and individually has been arranged for particular subject. In 2019, every subcommittee has reviewed and updated the evaluation questions and scoring. The criteria for the evaluation is as follows.

For evaluation as a committee, questions consist of 3 key categories including;

- 1) Structure and qualifications of directors
- 2) Subcommittee meetings
- 3) Roles and responsibilities of the subcommittee

For individual evaluation, questions consist of 3 key categories including

- 1) Structure and qualifications of directors
- 2) Subcommittee meetings
- 3) Roles and responsibilities of the subcommittee

4. Evaluation of the Chief Executive Officer's Performance

Questions consist of 10 key categories including

- 1) Leadership
- 2) Strategy formulation
- 3) Compliance with the strategy
- 4) Financial planning and performance
- 5) Relationship with the Board of Directors
- 6) Relationship with externals
- 7) Management and relationship with personnel
- 8) Succession Plan
- 9) Knowledge of products and services
- 10) Personal features

Development of Directors and Top Executives

The Company has a policy that encourages the Board of Directors and top executives to take part in seminars beneficial to the performance of duties as well as regularly network with the Board of Directors and top executives of other organizations to gain insight to further develop the Company. Details on training courses and seminars have been detailed under the Management Structure section.

Board of Directors' Orientation

The Company has set an orientation for new directors to inform of the Company's expectations towards the roles and responsibilities of being a director, to instill understanding of policies and good corporate governance practices, and to introduce to different departments to prepare directors for performance of duties. Orientation consists of a presentation on key information such as nature of business, business operations processes, and rules and regulations from top executives.

Separation of Scope of Duties between the Board of Directors and Management

The Company has clearly separated the duties of the Board of Directors from management, with the Board of Directors responsible for setting policies and overseeing the operations of management on the policy-level and the management responsible for business operations in accordance with the policies set and approved by the Board of Directors.

The Company has a policy to separate the positions of Chairman of the Board of Directors and Chief Executive Officer to be different persons, in order to prevent any person from having absolute power in any particular matter. In addition, the scope of authority of each position clearly defined in the approval authority of the Company.

Scope of Duties of the Board of Directors, subcommittees, and Chief Executive Officer

The Board of Directors' Meeting No. 2/2016 on 13th May 2016 and the Extraordinary General Meeting No. 1/2016 on 31st May 2016 have approved the scope of duties of each committee, including management, with details as follows.

Scope of Duties of Chairman of the Board of Directors

1. Act as the Chairman for Board of Directors' meetings, shareholders' meetings, and meetings of directors with no management roles.
2. Work in conjunction with the Chairman of the Executive Committee and the Company Secretary in specifying the Board of Directors' meeting agenda and ensure that directors receive accurate, complete, and timely information sufficient for decision-making.
3. Allocate enough time during the Board of Directors' meetings, encourage directors to freely express their opinions while considering the impact to all stakeholders, conclude the resolution of the meeting, and ensure that the decision of the Board of Directors is carried out.
4. Build good relationships between the Board of Directors and management, and support the performance of duties of the Chairman of the Executive Committee in accordance with the Company's policies.
5. Support and act as a role model in practicing good corporate governance and business ethics of the Company.
6. Oversee the performance of duties of the Board of Directors as a whole, subcommittees, and directors individually for efficiency, and arrange for evaluation of the performance of duties of the Board of Directors as a whole, Board members individually, and all subcommittees.

Scope of Duties of the Board of Directors

1. Consistently perform duties in accordance with the law, stated purpose of the Company, Articles, and resolution of the shareholders' meetings with honesty and careful consideration of the Company's interest, and ensure that the Company and its subsidiaries operate their businesses in conformity within the bounds of law, including laws related to bribery and corruption.
2. Approve business policies, objectives, work plans, business strategies, and annual budget, as well as monitor and supervise management for conformity to the set policies, work plans, and budget.
3. Arrange for the preparation of the Company's Annual Report, oversee the preparation and disclosure of the Company's financial statements reflecting the Company's financial position and operational performance for the past year to be presented for approval at the shareholders' meeting.
4. Arrange for the preparation of corporate governance policies for the Company and its subsidiaries and efficient adoption of said policy to ensure equitable treatment and responsibility to all stakeholders.
5. Approve the appointment of directors from qualified persons as specified in the Public Limited Companies Act B.E. 2535, Securities and Exchange laws, notices and/or regulations related to directorship in the case of vacancy in position for reasons apart from scheduled retirement.
6. Approve the appointment of independent directors and the Audit Committee, considering the qualifications as specified in Securities and Exchange laws, notices and/or related Stock Exchange regulations and propose to the shareholders' meeting for approval.
7. Set the Company's organization structure and management structure, appoint and set remuneration for the Executive Committee, Chief Executive Officer, and other subcommittees as appropriate, and specify the scope of duties of the Executive Committee, Chief Executive Officer, and other subcommittees; however, said delegation of authority to Executive Committee, Chief Executive Officer, and other subcommittees shall preclude the approval of transactions which may cause conflicts of interest with the Company or its subsidiaries, except if such transactions are in line with the policies and guidelines already approved by previous shareholders' meetings or Board of Directors' meetings.
8. Appoint or substitute directors, management, or persons deemed appropriate as representative director in subsidiary companies and/or affiliated companies that the Company has invested or joint-invested in. Including, the appointment of the Company Secretary and specify the scope of duties and responsibilities.

9. Select and approve the list of auditors for the Company and its subsidiaries, and consider the appropriate compensation as proposed by the Audit Committee before proposing to the Annual General Meeting for approval.
10. Consider the specification and alterations to the names of authorized directors.
11. Appoint any person to perform Company duties under the supervision of the Board of Directors or delegate authority such that such person may have authority and/or within a specified time period, which can be revoked or altered; however, such delegation shall preclude the delegation of authority that would allow such person to approve transactions with which the person may have conflicts of interest with the Company or its subsidiaries (as specified in the Notification of the Capital Market Supervisory Board and/or Stock Exchange of Thailand and/or announcements of any related organizations), except if such transactions are in line with the policies and guidelines already approved by previous shareholders' meetings or Board of Directors' meetings.
12. Take proceedings to ensure the Company and its subsidiaries have appropriate and efficient accounting systems, reliable financial reports, and sufficient and appropriate internal audit.
13. Consider the approval of corporate-wide risk management policies and oversee risk management processes to reduce the adverse impact on the Company and its subsidiaries.
14. Consider the approval of connected transactions and transactions relating to acquisition or disposal of assets, unless such transactions require the approval from the shareholders' meeting; thus, consideration of such transactions are in accordance with notices, regulations, and/or guidelines related to the Stock Exchange of Thailand.
15. Consider the payment of interim dividends to shareholders once the Company has sufficient profits appropriate for such action and report the payment of such dividends in the next shareholders' meeting.
16. The Board of Directors is to consider the review and modification of the Board of Directors' Charter annually.

In this regard, the delegation of powers, duties, and responsibilities of the Board of Directors has no characteristic of a delegation or a sub-delegation that allowing the Board of Directors or an authorized person from the Board of Directors to be able to approve items that may conflict to authorized person or person with a conflict of interests (as defined in the announcement of the SEC) of both the Company and its subsidiaries.

Scope of Duties of the Audit Committee

1. Review quarterly and annual financial reports for accuracy, credibility, and sufficient disclosure by coordinating with the auditor and management responsible for the preparation of financial statements.
2. Review the Company's and its subsidiaries' internal control system for appropriateness and efficiency, propose for internal audit as deemed necessary and important, and propose improvements to key internal control systems to the Board of Directors together with joint reviews from an external auditor and internal audit manager.
3. Review for compliance with Securities and Exchange laws or regulations set by the Stock Exchange of Thailand, policies, regulations, and other laws related to the Company.
4. Select, nominate, and dismiss independent persons as the Company's auditor, propose auditor's compensation to the Board of Directors, and arrange for meetings with the auditor with no management present at least once a year.
5. Review the Company's internal audit plans in accordance with widely-accepted methodology and standards
6. Consider the disclosure of the Company's information in the case of related party transactions or transactions which may pose conflicts of interest to be accurate, complete, and in accordance with regulations of the Stock Exchange of Thailand to ensure suitability and highest benefit of the Company.
7. Report the Audit Committee's undertakings and performance to the Board of Directors at least 4 times a year.
8. Participate in the appointment, removal, and evaluation of internal audit personnel.
9. To have the power to invite management or related employees to give their opinions, attend the meeting, or submit necessary documents for the ordinary scope of duties of the Audit Committee.
10. To have the power to engage advisors or external parties to give their opinions if necessary according to Company policy.
11. Prepare the Audit Committee's Report disclosed in the Company's Annual Report; such report shall be signed by the Chairman of the Audit Committee and comprise of at least the following details:
 - a. Opinion on the accuracy, completeness, and credibility of the Company's financial reports.
 - b. Opinion on the sufficiency of the Company's internal control system.

- c. Opinion on the compliance to Securities and Exchange laws, regulations by the Stock Exchange of Thailand, or regulations related to the business of the Company.
 - d. Opinion on the suitability of the auditor.
 - e. Opinion on the transactions which may pose conflicts of interest.
 - f. Number of Audit Committee meetings and attendance of each Audit Committee member.
 - g. Opinion or overall comment that the Audit Committee has from practicing in accordance with the Audit Committee Charter.
 - h. Report on other matters that shareholders or investors should be aware of, within the scope of duties and responsibilities delegated from the Board of Directors.
12. Review and amend the Audit Committee Charter.
13. Undertake other proceedings delegated by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

Scope of Duties of the Risk Management Committee

- 1. Review and propose risk management policies to the Board of Directors for approval.
- 2. Review and approve level of risk acceptable (risk appetite) and present to the Board of Directors for acknowledgement.
- 3. Acknowledge, consider, and provide opinions on the risk assessment results, guidelines, and risk management measures, and action plans to manage risks to an acceptable level.
- 4. Oversee the continuous improvement and practice according to set policies and risk management guidelines such that the Company has an efficient organization-wide risk management system.
- 5. Review the risk management report to follow-up on key matters and ensure that the organization has sufficient and appropriate risk management measures.
- 6. Coordinate with the Audit Committee regarding key risk factors and arrange for internal audit checks to ensure that the Company's internal control system is appropriate for managing risk and that risk management system has been implemented.
- 7. Regularly report to the Board of Directors regarding risk factors and risk management practices.
- 8. Review and amend the Risk Management Committee Charter.
- 9. Undertake other proceedings delegated by the Board of Directors regarding risk management.
- 10. Assess the performance of the Risk Management Committee and report the evaluation results to the Board of Directors at least once a year.

Management and/or risk management subcommittee and/or work units and/or working teams related to risk management and/or the internal auditor and/or the external auditor shall report or present information and documents to the Risk Management Committee for the undertakings as assigned.

Scope of Duties of the Nomination and Remuneration Committee

1. Review the qualifications of persons holding the position as Board member for the Company and its subsidiaries to be consistent with the nature of business and business strategy and varied in terms of skill set, experience, and specific efficacies beneficial to the Company, to propose for consideration by the Board of Directors and/or shareholders.
2. Specify director recruitment and selection process for vacancy in position from scheduled retirement or in other cases where the Board of Directors of the Company and the subsidiaries are vacant such as the criteria for the consideration of retiring directors to be in office for another term, the criteria for recruitment, the criteria for shareholders to nominate directors, the criteria for the consideration of a person from the Directory of Professional Directors or the criteria for each director to nominate a suitable person
3. Review the independence of directors of the Company and its subsidiaries, as well as conflicts of interest that may occur during the course of operations of the director.
4. Consider the qualifications of the person to be an independent director suitable with the characteristics of the Company which the independence must at least comply with the rules and regulations of the SEC.
5. Consider the development plan for the Chief Executive Officer, being ready for the succession plan in case the retirement of Chief Executive Officer or unable to perform his/her duty to be presented to the Board of Directors.
6. Propose process and methodologies regarding remuneration payment for the Board of Directors of the Company and its subsidiaries, as well as other subcommittees appointed by the Board of Directors.
7. Consider the development plan for directors to improve the knowledge of current directors and new directors to understand the business in which the directors hold positions, directors' roles and responsibilities, and important developments such as rules or laws related to the business of the Company. In the case of new directors, the Nomination and Compensation Committee should supervise the Company to arrange an orientation and the information that is useful for the performance of duties of directors

8. Propose guidelines and methods of remuneration for the Board of Directors of the Company and its subsidiaries, and sub-committees appointed by the Board of Directors.
9. Propose the remuneration consideration policies for the Chief Executive Officer of the Company and its subsidiaries, including salary/annual bonus, based on performance and operational results.
10. Regularly consider the remuneration of the Board of Directors of the Company and its subsidiaries, subcommittees, and the Chief Executive Officer in comparison to other companies in similar businesses as a source of motivation.
11. Evaluate the performance of the Chief Executive Officer of the Company and its subsidiaries as input for the consideration of remuneration before presenting to the Board of Directors for approval annually.
12. Report on the progress and performance to the Board of Directors after every Nomination and Remuneration Committee meeting.
13. Evaluate the performance of duties of Nomination and Remuneration Committee and report on the evaluation results to the Board of Directors at least once a year.
14. Undertake other proceedings delegated by the Board of Directors.

Scope of Duties of the Chief Executive Officer

1. Manage the business of the Company in accordance with the vision and mission specified by the Board of Directors.
2. Coordinate with the Audit Committee and Risk Management Committee such that business proceedings of the Company, as well as risk management, are in accordance with the objectives, the Articles of Association, and the resolutions of the Board of Directors' meeting and/or shareholders' meeting.
3. Oversee business proceedings, set business strategies, and manage day-to-day operations of the Company.
4. Make important decisions of the Company, set goals in line with objectives and company policies, and oversee different business units.
5. Act as person of authority in the command, contact, order, and signatory in legal contracts, notices, or other documentation specified in the authority index.
6. To have the authority to employ, appoint, transfer, and fire personnel as appropriate, as well as specify the scope of duties and compensation in accordance with the authority index.
7. Follow-up, check, and control the Company's performance to be in line with set goals, as well as seek for opportunities to develop for increased performance results.

8. To have the authority to specify credit terms for the benefit of the Company.
9. Consider investments in new businesses, business unit termination, or investment or joint investment to propose to the Executive Committee and/or Board of Directors.
10. Undertake other proceedings delegated by the Executive Committee and/or Board of Directors.

However, the Chief Executive Officer shall not have the authority to approve transactions that he or she, or persons who might have conflicts of interest with the Company or its subsidiaries, and this shall also apply to top executives of all of the Company's subsidiaries.

Authority of the Board of Directors

The Board of Directors has the authority to approve various matters of the Company according to the scope of duties prescribed by law, Company's regulations, Company's approval authority, Charter of the Board of Directors, and the resolution of the shareholders' meeting, including determining and reviewing the vision, mission, operational strategy, master plan for operation, policy on risk management, budget plan, and annual business plan, determining the desired goals of operating performance, monitoring and evaluating the operation results according to the plan, important related transactions, merger, and joint investment.

Corporate Social Responsibility

The Company realizes the Corporate Social Responsibility which continuously takes a part in the business operations in every way, thus establishing policies and guidelines of Corporate Social Responsibility and regularly reporting all activities related to the Corporate Social Responsibility at the Company's website at <http://investor.comancheinternational.com/home/>.

Good Corporate Governance

The Company is aware of trustworthy and fair business practices within the competition framework, laws, and regulations by arranging efficient, transparent, and accountable management system, aiming to build up the confidence and assurance of shareholders, investors, stakeholders and all concerned, paving the way for sustainable growth in its business.



COMAN earned the special recognition award in the event of Board of the Year Awards

On 24th July 2019, Mr. Chatchai Tolertmongkol, Director and Chief Executive Officer of Synature Technology Company Limited (left), being the representative from the Board of Directors, to receive the Special Recognition Award at the Board of the Year Awards from Mr. Krirk-Krai Jirapaet, Chairman of Judging Panel, Board of the Year Awards 2018 (right).

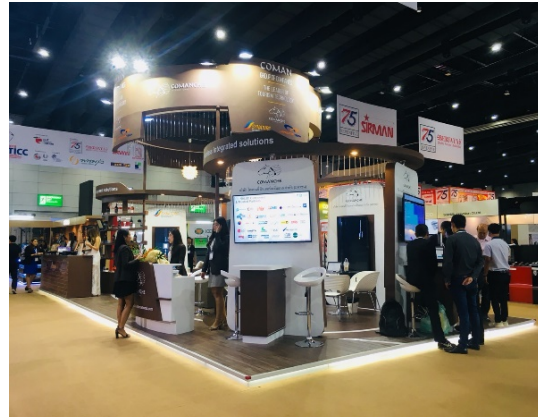
Respect of Human Rights and Fair Treatment of Employees

Even today is the era of digital technology, but human resources are an important factor of the business, creating added value and increasing productivity. The Company will improve environmental working conditions for better quality of life for employees and, at the same time, encouraging employees to show their potentials through training opportunities and improvement of working skills.



Management Seminar 2018 Activities

During 15 – 18 September 2018, Comanche International Public Company Limited, leading by Mr. Somboon Sukheviriya, Chief Executive Officer, and Managements, joined the Management Seminar 2018 Activities to create learning and understanding of being a professional management and be able to deliver professionalism to team members via the Leader Workshop. Moreover, the Service Excellence course had been trained, evaluating a mindset and create an understanding of service related jobs, to create an impression, a power of word of mouth, and a good relationship towards products and services sustainably, aiming the importance of services that exceeds customer expectations. Thus, the workshop was full of knowledge and joy.



Food and Hotel Thailand 2018

During 5-8 September 2018, Comanche International Public Company Limited has participated by presenting its potential of the developer for sales, installation, and service provider of solutions software in the Food and Hotel Thailand Exhibition 2018 held at Bitec, Bangkok International Trade and Exhibition Centre, Bangna, Bangkok. The Food and Hotel Thailand Exhibition 2018 is the leading premium international trade exhibition for food and hospitality business in Thailand supporting by more than 25 organizations from both public and private sectors in the tourism, food, and hospitality industries such as the Tourism Authority of Thailand, Thai Hotels Association, Thai Restaurant Association, and Thailand Chefs Association, which boosting the exhibition scale to be huge than ever. Moreover, not only the presentation of global premium products, but also the presentation of new innovations from top manufacturers around the globe as well as interesting meetings, seminars, and competitions.

Moreover, regarding human rights, the Comanche Company Group operates its business with respect to human rights, by promoting and protecting rights and freedom as well as equality in all relationships, which is the foundation of human resources management.

Educational Development and Personnel

The Company operates its business to grow side by side with educational and personnel development for staff involved with development of software solutions for the service and tourism industry, which is considered a major industry that is the driving-force behind Thailand's economy. In this connection, The Company has been cooperating with educational institutions for many years, providing knowledge to students by training courses and actual experience in order to give opportunity for advancement for students who are interested in this line of work.



Undergraduate students, Ubon Ratchathani

Anyhow, even the past business operations have not created impacts on the society and environment, but the Company continuously promote activities that contribute to the society and others as follows.

Environmental Care

The Company has a policy to utilize resources efficiently and economically by encouraging work units and staff to utilize resources economically and as needed, for long-lasting use and benefit, as well as promoting a reduction in the use of resources and reducing damage to the environment by means of recycling such as turning off the lights during lunch break or while not-in-use, labeling the location of the light switch for the accuracy of area usage, using energy saving light bulbs that received the certification from the Thai Industrial Standards Institute, and turning off air conditioners while not using.

Anti-Corruption

The Company is focuses on operating its business honestly, transparently and in accordance with the principles of good corporate governance by stipulating an anti-corruption policy for every form of corruption, as it very well realizes the dangers of corruption that can destroy free and fair competition as well as cause harmful damage to the development of the country's economy and society. In this connection, The Company stipulated a written policy and laid down guidelines in its Handbook on Good Corporate Governance which has been approved by the Company's Board of Directors, details of which are as follows:

GENERAL

- The Company has communicated to its personnel, both at executive and staff level, that employees at all levels of The Company shall abide by the anti-corruption and business ethics policy and shall not directly or indirectly become involved with corruption in any form.
- Executives and staff of The Company shall not neglect or keep silent if they came across any action bordering on corruption related to the Company and must report the matter to his/her supervisor or the person in charge and shall cooperate in the investigations of facts. When in doubt, or if

he/she has any questions, he/she should consult his/her supervisor or personnel appointed to be responsible for monitoring ethical conducts as stated by the Company through various channels stipulated.

- The Company will give justice and protection to employees who refuse or inform on matters of corruption concerning the Company, using measures to protect the informer or person who cooperates by reporting on corruption, as stipulated in the Whistleblower Procedures of The Company.
- Anyone who is found guilty of corruption has violated the ethical code of conduct of Company and shall be disciplined according to the regulations stipulated by The Company. Moreover, he/she might be subject to legal punishment if said doings are unlawful.
- The Company realizes the importance of publicizing and providing knowledge and understanding to persons who have to deal with The Company or matters which may affect the Company with regard to actions taken in accordance with the anti-corruption policy.

GUIDELINES

1. Political Contributions

The Company has a policy of remaining neutral in the conduct of its business, having no political aspirations or sympathies with politicians of any party. The Company will make no financial or material donations to political parties, politicians or any political candidate to politically assist them with the intention of gaining business favors for the Company.

2. Donations to Charity

The Company has stipulated the following policy and guidelines with regard to donations to charity, monitoring process and control measures:

- The donation shall be supported by evidence of actual activities pertaining to said charitable projects and evidence of undertakings to support the successful purpose of the project, which will benefit the public, or in accord with the objective of undertakings with responsibility to the public.
- The donation shall be supported by evidence that contributions have been made to said charity without any person or business entities receiving any benefits in return, apart from certificates of appreciation according to general practice, such as the Company's logo, announcement of the name of The Company at the event or being broadcasted for public relations purposes.

3. Grants

The Company has stipulated policies and regulations regarding grants, under the following monitoring process and control measures:

- The grant shall be supported by evidence that activities according to said project has been done by the person requesting the grant and undertakings carried out to support the successful purpose of the project which will benefit the public or in accord with the objective of undertakings with responsibility to the public.
- The grant shall be supported by evidence that said grant or any other benefits which could be calculated in monetary terms does not involve any benefit given in return for any person or entities apart from certificates of appreciation according to general practice.
- In providing such grant, a requisition form must be prepared, stating the name of the person receiving the grant and the purpose for providing the grant, together with collaborating documents, for approval of those in authority according to the level of authorization of the Company.

4. Gifts, Hospitality Expense and Other Expenses

The Company realizes that building good relationships with business alliances is an important factor in bringing continuous success to The Company. Employees may give or receive gifts and/or hospitality expense and/or other expenses to/from any person if they comply with all of the following conditions:

- Not done with the intention to dominate, induce, or as a favor to any person in order to obtain any advantage through unethical behavior, or as an open or hidden exchange for assistance or benefit.
- In accordance with related law.
- Done in the name of the Company, not in the name of any employee.
- Not being a gift in form of cash or cash equivalence (such as gift certificate or gift voucher), suitable for the occasion, such as exchange of small gifts during Songkran, Chinese New Year, or New Year which is customary.
- Of suitable type and value, and timely given, for instance, during biddings held by The Company, employees shall not receive gifts.
- An employee may accept any gift not exceeding Baht 3,000 in value. In the case where an employee cannot refuse and must accept a gift exceeding Baht 3,000 in value, he/she must inform his/supervisor, reporting acceptance of said gift and submit said gift to the Secretary of the Chief Executive Officer, to be used as reward to staff or donation to charity as deemed appropriate.
- Openly given.

Internal Control and Internal Audit

The Company is fully aware that internal control is one of the most important processes and that good internal control will ensure that the Company's operation system is correct, transparent and verifiable and can reduce or prevent possible damages. The Company has continuously developed its internal control system to be effective and efficient so that shareholders are confident in the Company's internal control system. The Board of Directors has appointed the Audit Committee, consisting of 3 independent directors with all qualifications according to the requirements of the Notification of the Capital Market Supervisory Board and the Notification of the Stock Exchange of Thailand, to review the Company's financial reports to ensure accuracy and reliability. In addition, the Audit Committee reviews the connected transactions or the transactions that may lead to conflicts of interest to ensure that they are reasonable and for the highest benefit of the Company; reviews the adequacy of the Company's risk management, internal control, and internal audit systems; and reviews the Company's compliance with the law on securities and exchange and the laws relating to the Company's business.

The Audit Committee has assigned the Company's Internal Audit Office, which is independent of the management, to be responsible for auditing and reviewing the performance of various departments in the Company and its subsidiaries to ensure that they have complied with the Company's internal control system. The Audit Committee evaluates the adequacy and appropriateness of the Company's overall internal control system which includes:

1. Control Environment

The Company promotes and supports a good internal control environment. The Company has established written policies related to corporate governance and business ethics which have been communicated to employees at all levels for their information and strict compliance. There is also a penal code for violations. The organizational structure has been set to correspond with the business plan and is regularly adjusted to be appropriate with operations. The lines of command are divided according to different fields corresponding to operation strategies and corporate governance. This ensures that management and employee performance is effective and can be clearly monitored, inspected and evaluated. The Internal Audit Office, which is independent and reports directly to the Audit Committee, is responsible for examining and verifying performance, supporting a good internal control environment. In addition, the Company recognizes the importance of continuous human resource development and provides training to enhance the knowledge and skills required for the assigned task. Furthermore, the succession plan is established to ensure business continuity.

2. Risk Assessment

The Company has set up a good risk management system throughout the organization. The Risk Management Committee is responsible for establishing the policy framework as well as systematic risk management, which is communicated to the employee. Every unit assesses risk factors in various areas, impacts, the possibility of occurrence, and risk management plan in line with changes in internal and external risks including corruption risk. Consequently, each unit also determines clear measures to manage risks at acceptable levels; as well as manages existing risks promptly and effectively. The Company has established a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to prepare for risks and crises which may occur to ensure that the Company's major operations will have continuity and not be halted. The work performed by the Risk Management Committee is reported to the Audit Committee and the Board of Directors every year. The Internal Audit Office also monitors whether various units have followed the risk management measures to ensure that the Company's risks are at acceptable and manageable levels.

3. Control Activities

The Company has clear and appropriate control activities. KPIs assist in planning and control. The Business Ethics and Code of Conduct and the Company's corporate governance policy provide guidelines for the performance of duties. All employees are made aware of the Code of Conduct since the orientation for new employees. The Company has clearly defined the duties and responsibilities of various work functions. Correctness can be cross-checked to reduce risks in corruption or inappropriate actions. The authority and approval limit of various types of transactions of executives are clearly written in the "Table of Authority". Furthermore, the IT system classifies the roles as well as control and access to information at various levels. The IT system has set access codes and an information database that can be later retrieved for verification. The policy regarding information security and information system has been announced and disseminated among employees at all levels to be aware of and strictly comply with information security. Procedures regarding connected transactions and the transactions that may lead to conflicts of interest are clearly stated to ensure transparency and the greatest benefits of the Company. The Internal Audit Office regularly reviews the adequacy and appropriateness of the control system, with the audit plan also covering important work processes.

4. Information and Communication

The Company recognizes the significance of information systems and communication. There are both internal and external communication channels to ensure that the decision-making of the Company's

shareholders, stakeholders, directors, and executives is based on information that is correct, adequate, reliable and up to date. Important and general information is disclosed in the annual report and Form 56-1 through the Company's website at <http://investor.comancheinternational.com/home/> and the Stock Exchange of Thailand. The Company's policies, regulations, announcements, and important news are clearly communicated to all employees via various channels. In addition, a safe compliant communication channel is available, which the complaint's investigation guidelines are clearly established and will act in a timely manner. Complaints can be filed through the Company's website or direct to Audit Committee or other channels as stated in the Annual Report under Anti-Corruption Policy in the Corporate Governance Section. With regards to the Board of Directors Meeting, the Company will send the invitation to the meeting, agenda, and related meeting documents in advance within the regulated time period so that directors have adequate time to consider the information before attending the meeting. The minutes of the Board of Directors Meeting is prepared for every meeting, recording the inquiries of directors and the opinions or observations of directors for each agenda item. Moreover, the Company has an information database that can be used for the Company's business operations. All documents are stored by category, especially financial documents which are essential in preparing financial reports. In addition, the Company has a clear policy regarding information control in terms of access and improper use of information, which is in line with the Computer-Related Crime Act.

5. Monitoring

The Company regularly monitors performance to evaluate whether the set KPIs have been achieved as planned as well as analyzes the reasons in case the results were not as planned. The Internal Audit Office, which is an independent unit, reviews and audits operations to be in line with the control system, with emphasis on operational processes with high risk. The Internal Audit Office directly reports matters found to the Audit Committee and regularly monitors the improvements and remedial actions made by the unit that was audited. The Audit Committee reports the audit results to the Board of Directors every quarter. In addition, the Audit Committee meets with the Company's external auditor to evaluate the adequacy and effectiveness of the Company's internal control system.

In 2019, the Audit Committee had the same opinion with the external auditor that there was no material weakness in the internal control system. The Company has an adequate and appropriate internal control system for its business and all units complied with the procedures and regulations. No material weakness was found in the internal control system.

Head of Internal Auditor Biography

Name: Mr. Nattaporn Petchpung

Position: Internal Auditor

Education:

- Bachelor of Accountancy, University of the Thai Chamber of Commerce

Training:

- “Fraud Audit” Course, 2019, Institute of Internal Auditors of Thailand (IIAT)
- “Certified Professional Internal Audit of Thailand (CPIAT Class 59th)” Course, 2019

Experience:

2014 – 2018 Senior Internal Auditor Assistant, Quantum Point Consulting Company Limited

Duties and Responsibilities of the Head of Internal Audit

1. Determine the structure and scope of responsibilities of the Internal Audit Office and manage general operations of the Internal Audit Office.
2. Prepare the handbook and operating standards for internal auditors and monitor that the internal auditors have performed their duties according to the established standards.
3. Prepare the annual audit plan which is considered and approved by the Audit Committee.
4. Determine the annual budget and Key Performance Indicators for auditing.
5. Review the Audit Program of each audit unit including performance of duties and information to ensure worthwhile use of resources and efficient and effective audit results.
6. Verify the appropriateness of information storage systems and the existence of the Company’s assets.
7. Evaluate the reliability and correctness of accounting and financial information.
8. Monitor that the operations of various departments comply with the policies, objectives and regulations of the Company and related laws.
9. Review the audit results and follow up on performance results following the recommendations.
10. Report the audit results to the executive team, the Audit Committee, and the Board of Directors.
11. Select and develop internal auditors at all levels to be knowledgeable and skilled and evaluate the performance of internal auditors.
12. Provide advice and recommendations on internal control systems and risks to various departments.
13. Perform other special tasks as assigned by the executive team and the Audit Committee.
14. Liaise with the executive team, the Audit Committee, the Company’s auditor and advisors.

Report of The Audit Committee

Dear Shareholders,

According to the resolutions of the Board of Directors' Meeting of Comanche International Public Company Limited ("the Company") No. 5/2019 held on 8th November 2019, the Audit Committee consists of three independent directors who have knowledge and experience in the fields of information technology, management, accounting, and finance.

At present, the Audit Committee comprises of:

- | | |
|---|---------------------------------|
| 1. Mrs. Dolrudee Pornpipat | Chairman of the Audit Committee |
| 2. Mr. Gancanapol Geert Marcel Cyriel Van Compernelle | Audit Committee |
| 3. Mr. Chalernpol Tuchinda | Audit Committee |

The Audit Committee has performed its duties according to the scope of responsibility as laid out by the Board of Directors and in the Audit Committee Charter of the Company which is consistent with the announcement of the Stock Exchange of Thailand ("SET") and the Securities and Exchange Commission ("SEC"). In this connection, the Audit Committee has emphasized the adherence to the principles of Good Corporate Governance and compliance with related laws and regulations including given precedence to the adequacy and effectiveness of the internal controls and internal audit systems as well as reviewing operating results of the subsidiaries.

In 2019, the Audit Committee held a total of four meetings. The following is a summary of key activities and opinions undertaken by the Audit Committee.

1. Review of Financial Reports and Non-Financial Reports

The Audit Committee reviewed the quarter and annual financial statements for the year 2019 as well as related party transactions and transactions that could have led to a conflict of interest. The reviews were attended by related members of the management and the auditors to give explanations and clarify any questions related to the accuracy, completeness, significant adjustment entries that affected the financial statements, the sufficiency of the information disclosure, and audit results. The Audit Committee has opined that the financial statements are presented fairly, in all material respects, in accordance with Generally Accepted Accounting Principles ("GAAP") and Thai Financial Reporting Standards ("TFRSs"). In addition, the meeting between the Audit Committee and the auditors without the presence of the management was held to make the independent discussion on the preparation process of the financial reports, namely, the auditor's annual audit plan and framework, risks, internal controls, allegation and fraud, and other related issues. The Audit Committee realized that the auditors received good cooperation and

support from the management, independently performed their duties with sufficient knowledge, experience, and appropriate audit approach.

2. Review of Risk Management

The Board of Directors, the Risk Management Committee, and the management have given precedence to risk management. Internal and external risk factors have been identified and assessed for their likelihoods and impacts, risk mitigation plans were developed, implemented and regularly monitored to ensure those risks were mitigated down to the acceptable level. Key risk indicators were set to monitor changing factors and enhance the effectiveness and timeliness of the risk responses, the Board of Directors have appointed the Risk Management Committee to supervise the Company's risk management. Additionally, the Audit Committee has reviewed the effectiveness of risk management based on the Company's performance reports, internal audit reports, and auditor reports. These could reasonably assure that the Company would be able to mitigate potential risks down to an acceptable level.

3. Review of Internal Control Systems' Effectiveness

The Audit Committee has reviewed the internal control system of the Company by reviewing the result of internal control assessment performed by the management following the guidelines set forth by SEC, internal audit reports, and auditor reports. From this review, no major irregularity that could significantly affect the Company was discovered. Moreover, the management continuously improves the internal control system based on suggestions from the Audit Committee, the auditors, and the internal auditors. These lead to the conclusion that the Company has given precedence to internal control, which could be reasonably assured in its adequacy and effectiveness.

4. Oversight of Internal Auditing

The Company has appointed Mr. Nattaporn Petchpung to be the Head of Internal Audit Department of the Company, and the Audit Committee has considered and agreed on the internal audit plan covering significant controls of the Company, the internal audit strategic plan which focused on the development of internal audit capabilities, alignment with the Company's strategies, and built the good relations with stakeholders including the key performance indicators of internal auditors. From monitoring and assessing the execution of those plans, the Audit Committee found that the internal auditor succeeded in carrying out its tasks as described in said plans and key performance indicators. Additionally, the International Standards for the Professional Practice of Internal Auditing and international leading practice were also applied. The internal auditors have emphasized the adherence to the Code of Ethics and independence according to the defined structure and well collaborated with the management and the auditors as well as

supporting the operation of the Audit Committee. These indicate that the Company has independent and effective internal audit which operate under international practices.

5. Compliance with Related Laws and Regulations set by Stock Exchange of Thailand

The internal auditors were appointed by the Audit Committee to review the compliance of applicable laws, rules, and regulations that affect the Company's operation. The reviewing result indicated that the Company has laid down a system to ensure compliance, including compiling applicable laws and monitoring changes and new laws. The Company has also appointed responsible persons to oversee compliance. No non-compliance that would significantly affect the Company was found. Furthermore, the Audit Committee did not receive any reports from the auditors, allegation from outsiders or the management's information disclosure which indicates that the Company had breached any law and regulations that would significantly affect it. It could be concluded that the Company has effective control of legal compliance and no non-compliance that would significantly affect the Company.

6. Review of Related Party Transactions or Other Transactions that May Result in Conflicts of Interest to Comply with Law and Stock Exchange of Thailand's Regulations

The internal auditors were assigned by the Audit Committee to review related party transactions or other transactions that may result in conflicts of interest. The reviewing result indicated that there was no transaction in which irregularities from approved contracts were processed following the announcement of SEC.

7. The Consideration of the Proposal to Appoint the Auditors and Determination of the Audit Fee for 2019

The Audit Committee has considered, selected and nominated the auditors as well as determined the audit fee for 2020 by considering their current year performance according to the Company's benchmarks. Taking into account their qualifications, independence, quality, satisfactory standard of work, and the auditors have qualified the requirements announced by SEC and SET. The Audit Committee has considered and foreseen that it is the time to rotate the auditors for the utmost benefits of the Company, thus nominated Miss Sulalit Ardsawang, Certified Public Accountant (Thailand) No.7517 or Mr. Piradej Phongsatiensak, Certified Public Accountant (Thailand) No.4752 or Mr. Poj Asawasantichai, Certified Public Accountant (Thailand) No.4891

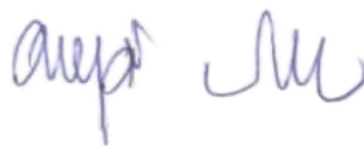
8. Reviews of Audit Committee Requirements and Guidelines for the Internal Auditors

The Audit Committee has reviewed its requirements to be suitable and under its established duties and responsibilities as well as relevant legal provisions by performing its duties with due care,

independence, and transparency for maximum benefits of the Company. Accordingly, the Audit Committee believes that the financial statements of the Company are presented fairly and in accordance with Generally Accepted Accounting Principles and Thai Financial Reporting Standards according to the risk management as well as effective and sufficient internal control system, while being consistent with relevant laws and official requirements in all respects. In addition, the Audit Committee has participated in the determination of the Internal Audit Charter to ensure its suitability and consistency with the responsibilities of internal auditors as the Charter would be used as operational guidelines. This will also raise awareness of the importance of good corporate governance. The internal auditors can perform their duties independently and provide recommendations, consultation, and useful information for decision-making regarding the improvement of the Company's operations.

The Audit Committee has already considered and opinioned that, in 2019, the financial statements of Comanche International Public Company Limited are presented fairly and sufficiently with effective risk management and internal controls as well as compliance with laws, rules, and regulations applicable to its business and believes that Comanche International Public Company Limited has a good corporate governance and continuously improves its quality. In this connection, the Audit Committee has received good collaboration throughout 2019 from the Board of Directors, the management, the auditors, and relevant parties. As such, we would like to express our gratitude to all of them.

We would like to express our gratitude to all of them



(Mrs. Dolrudee Pornpipat)

Chairman of the Audit Committee

Related Party Transactions

Potential Conflicting Parties

Potential Conflicting Parties	Nature of Relationship
<ul style="list-style-type: none">● Mr. Somboon Sukheviriya	<ul style="list-style-type: none">- Chairman of the Board of the Company and Authorized Director of the Company and subsidiaries.- Chief Executive Officer of the Company.- Joint shareholders with spouse, holding shares at 30.61% of registered and paid-up share capital.

For 2019 and 2018, there were no related party transactions between the Company and subsidiary companies and potential conflicting parties.

Necessity and Reasonableness of the Related Party Transaction

The Audit Committee Meeting No. 1/2020, held on 28th February 2020, considered the related party transaction information of the Company and subsidiaries in the fiscal year ending 31st December 2019, together with inquiries from the management of the Company and subsidiaries, and individuals and juristic persons that may have conflicts for the fiscal year ending 31st December 2019, including the review of the information specified in the notes to financial statement of the company's auditor, seeing that the said related party transaction was still under general conditions and a normal business operation of the Company and subsidiaries without transferring benefits between the Company and subsidiaries and persons who may have conflicts and act in the same manner that a reasonable person would do with general contracting parties in the same situation with a bargaining power without influence in the other party's status as a person with potential conflict (Arm's Length Basis).

Measures and Procedures for Related Party Transactions

To enter into related party transactions or connected transactions of the Company and subsidiaries with regards to the Regulations of the Securities and Exchange Act, and the announcement of the Capital Market Supervisory Board No. Thor Jor 21/2551 regarding the rules for connected transactions, together with the announcement of the Stock Exchange of Thailand regarding the disclosure and operation of listed companies in the connected transaction, including rules and regulations of the SEC and/or the Stock Exchange of Thailand as well as compliance with the requirements regarding the disclosure of connected transactions in the notes to the financial statements that have been audited by the auditor of the Company and the Annual Registration Statement Form (56-1) as well.

In the case of related party transactions between the Company or subsidiaries and persons concerned, persons with conflicting interests or may have future conflicts of interests, which arise from commercial agreement which any person would enter into with general trade partners in similar circumstances, under bargaining powers, without influence of status of director, executive or related persons, under normal commercial terms or at market price under reasonable conditions, which could be verified and does not lead to transfer of benefits, the managements of the Company shall proceed as normal under the guidelines approved by the Board of Directors and shall make a quarterly summary report to the Audit Committee.

Regarding measures and procedures for a related party where the related party is not transactions under normal commercial practices, the Company shall provide comments of the Audit Committee regarding the necessity and appropriateness of the said transaction. In the case where the Audit Committee is not sufficiently qualified to consider related party that may arise, the Company shall provide an independent appraiser, an independent expert, or an auditor to give an opinion with regard to said related party transaction to the Audit Committee as collaboration for the Audit Committee's decision and proposal to the Board of Directors or the shareholders as the case may be for approval of said transaction before making the said transaction. In this connection, the Company shall disclose the related party transaction in the Notes to Financial Statements which have been audited by the Company's Auditors, and if the Company's ordinary shares have been listed on the Stock Exchange of Thailand, the Company shall disclose said related party transaction in the Annual Registration Statement Form (Form 56-1) and the Company's Annual Report (Form 56-2) according to Laws and Regulations of the Securities and Exchange Commission. In this connection, approval of said related party transaction shall comply with the Securities and Exchange Law and the regulations, notifications, order or requirements of the Securities Exchange of Thailand, whereby those with conflicts of interest in the related party transaction shall refrain from voting for that particular related party transaction.

Financial Status and Operating Results

Important financial information

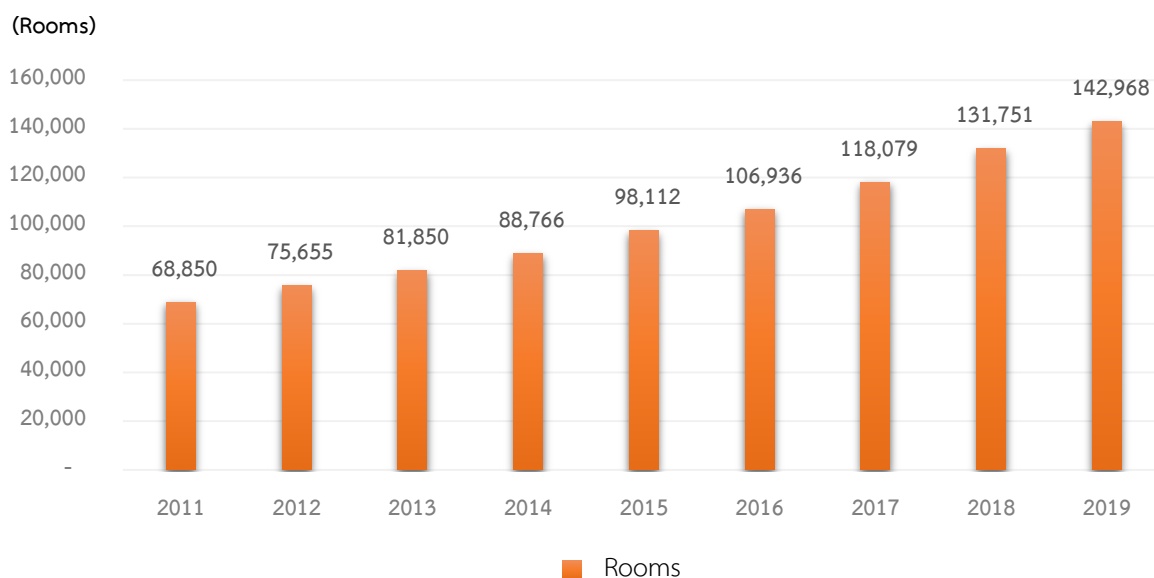
Numbers of Client Hotels

CAGR: 15.02%

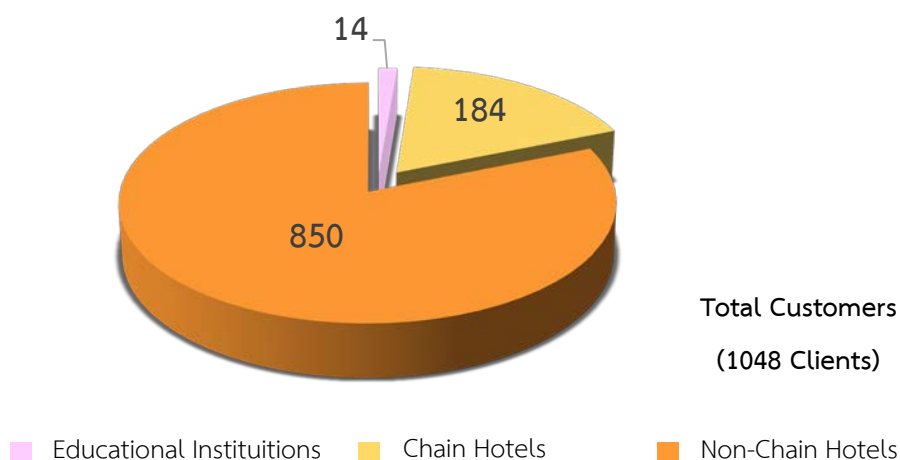


Numbers of Hotel Rooms

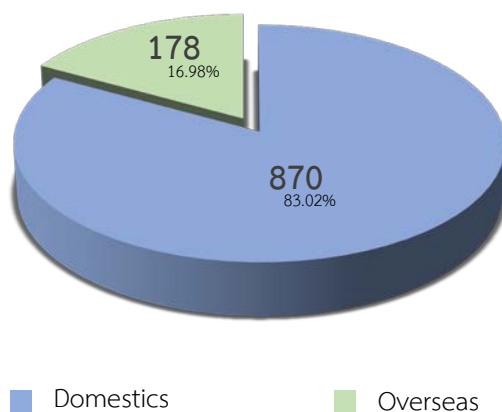
CAGR: 9.56%



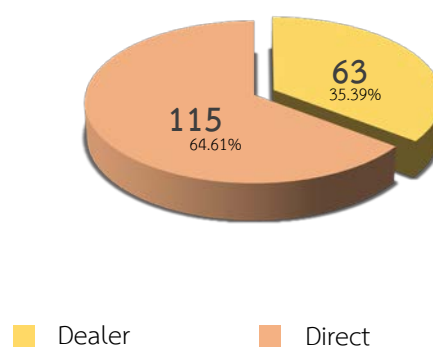
Clients by Type as at 31st December 2019



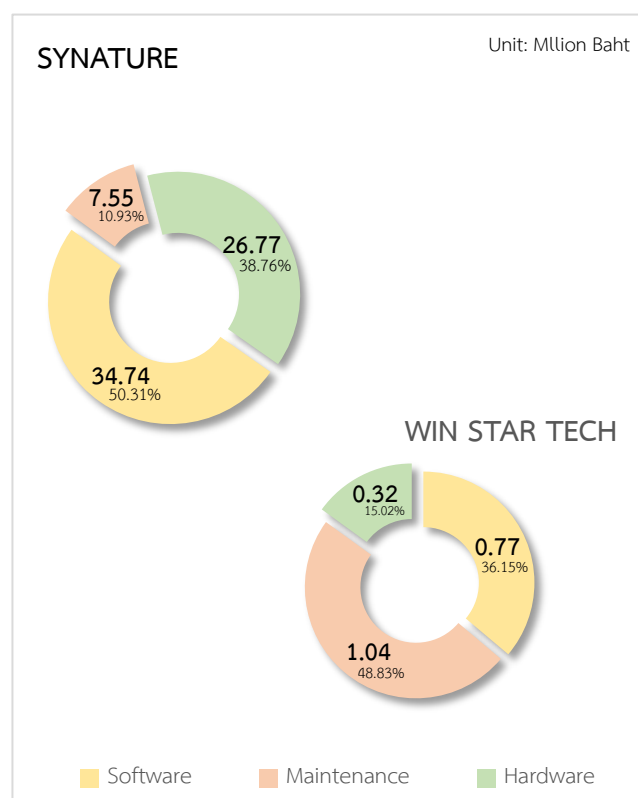
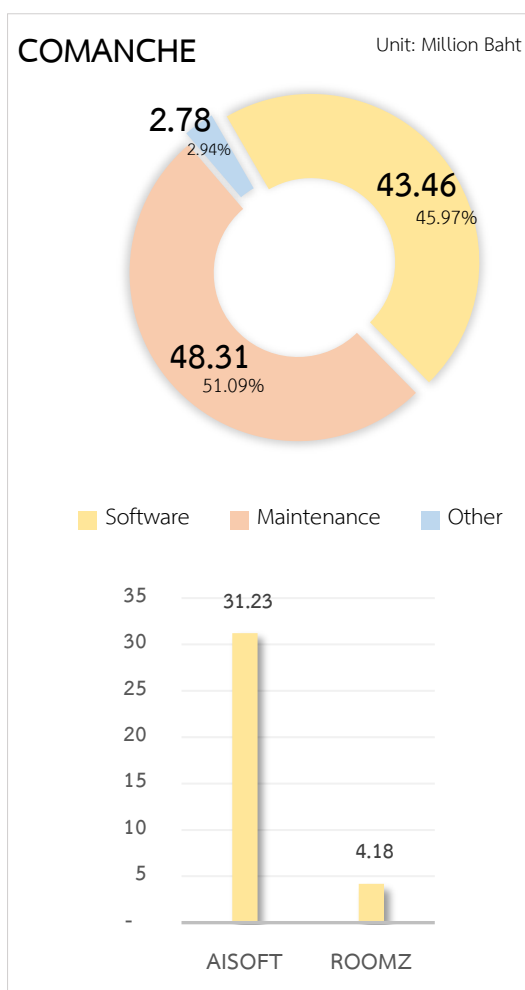
Domestics / Overseas (Clients)



Direct / Dealer (Clients)



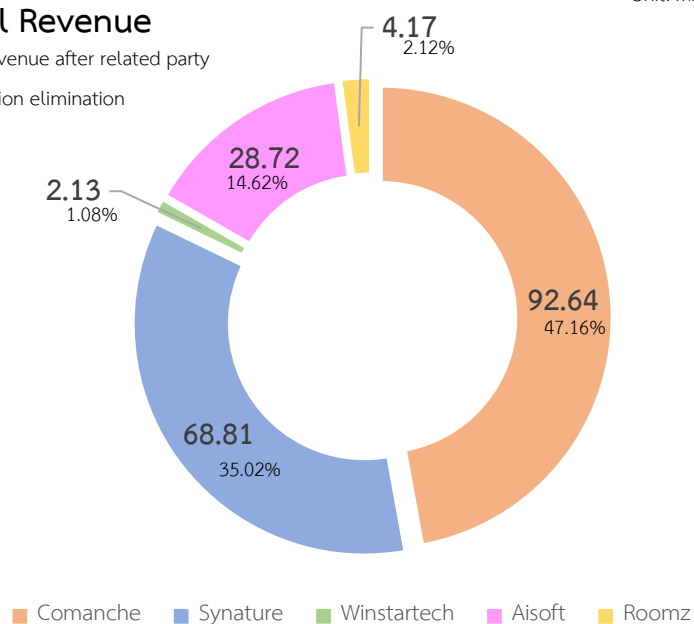
Revenue Overview 2019



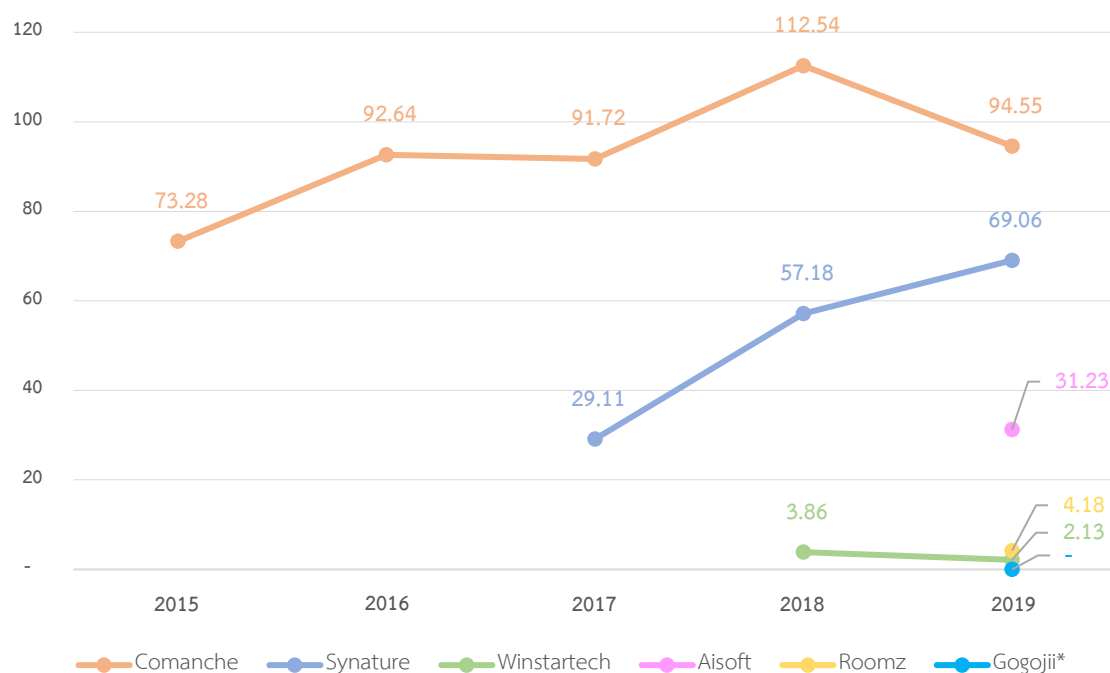
Total Revenue

Total revenue after related party transaction elimination

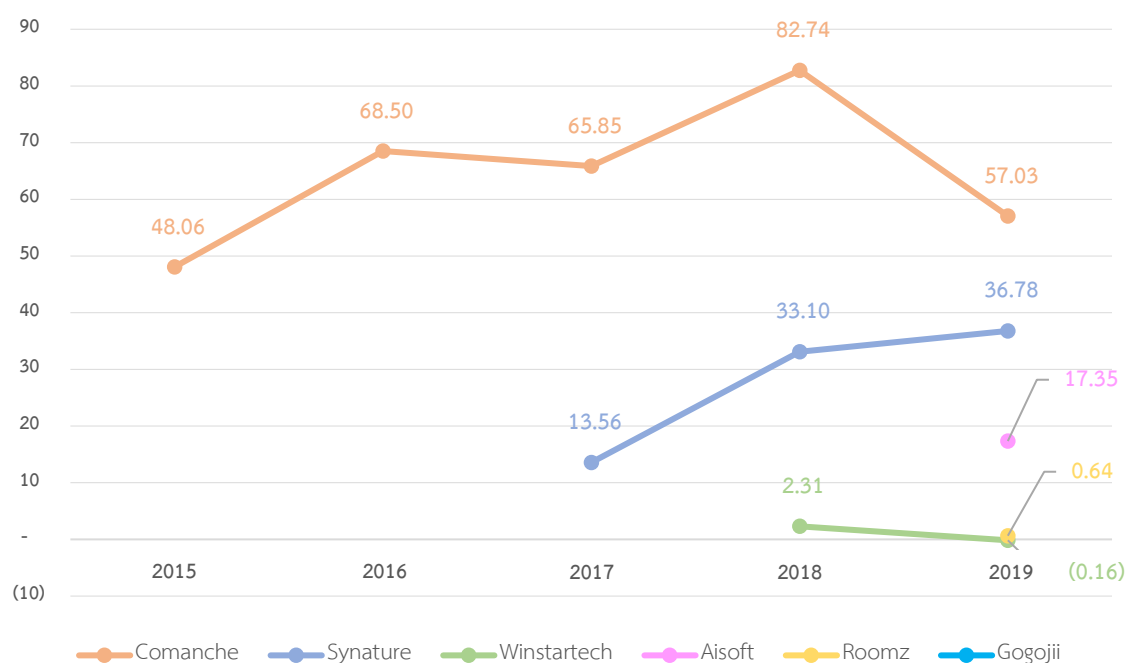
Unit: Million Baht



Revenue Overview

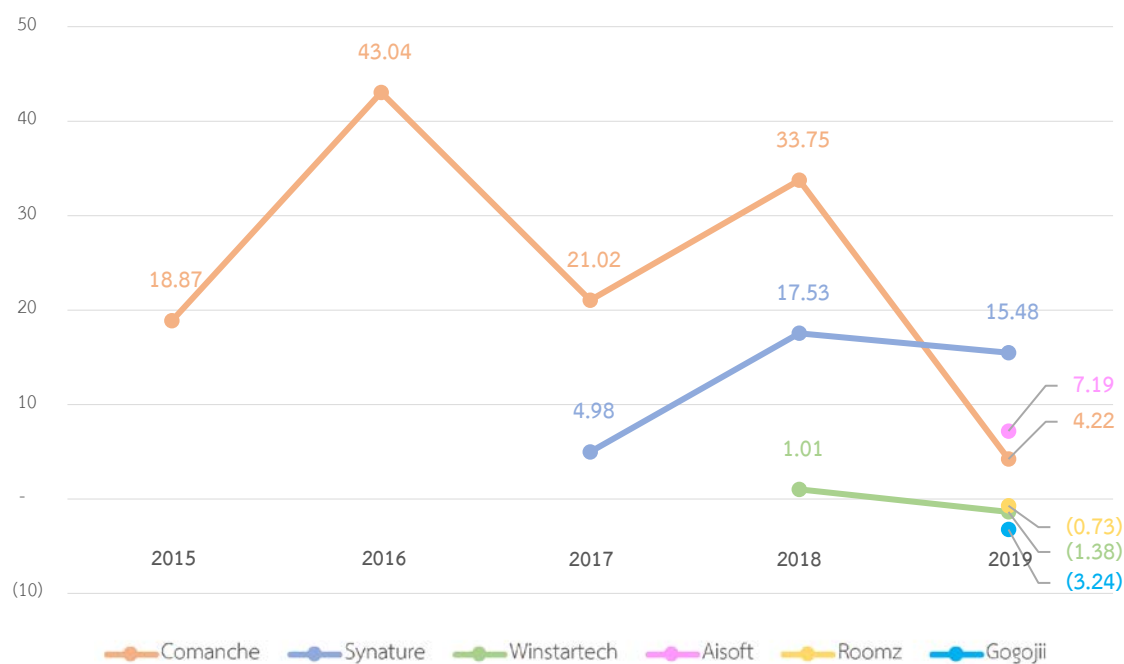


Gross Profit

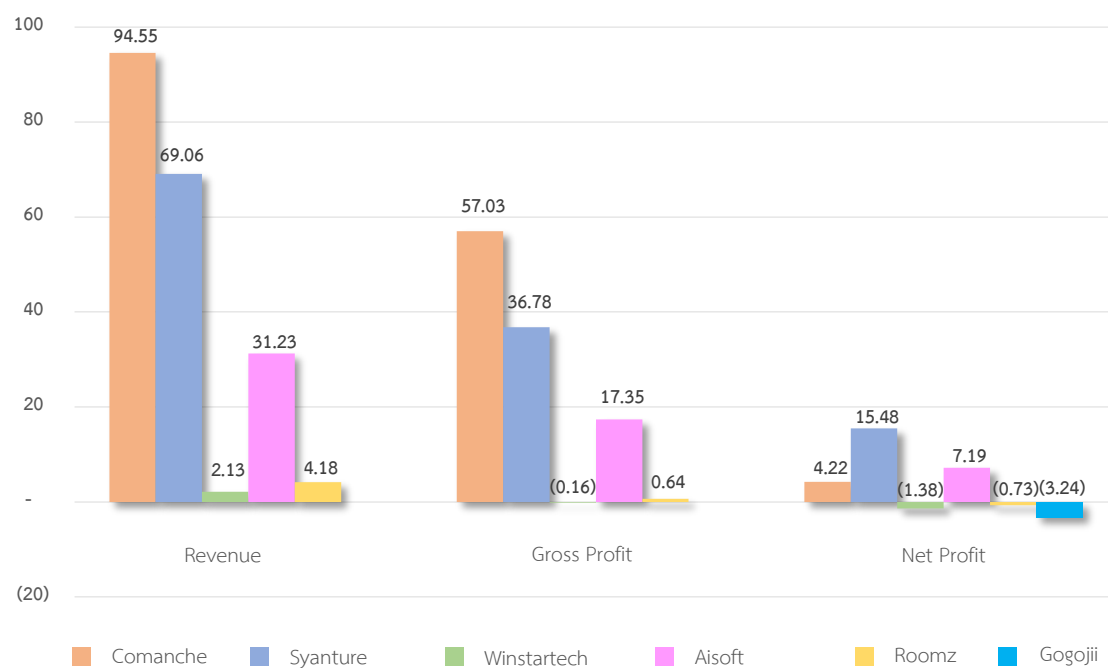


* Coman travel Company Limited had no revenue in 2019

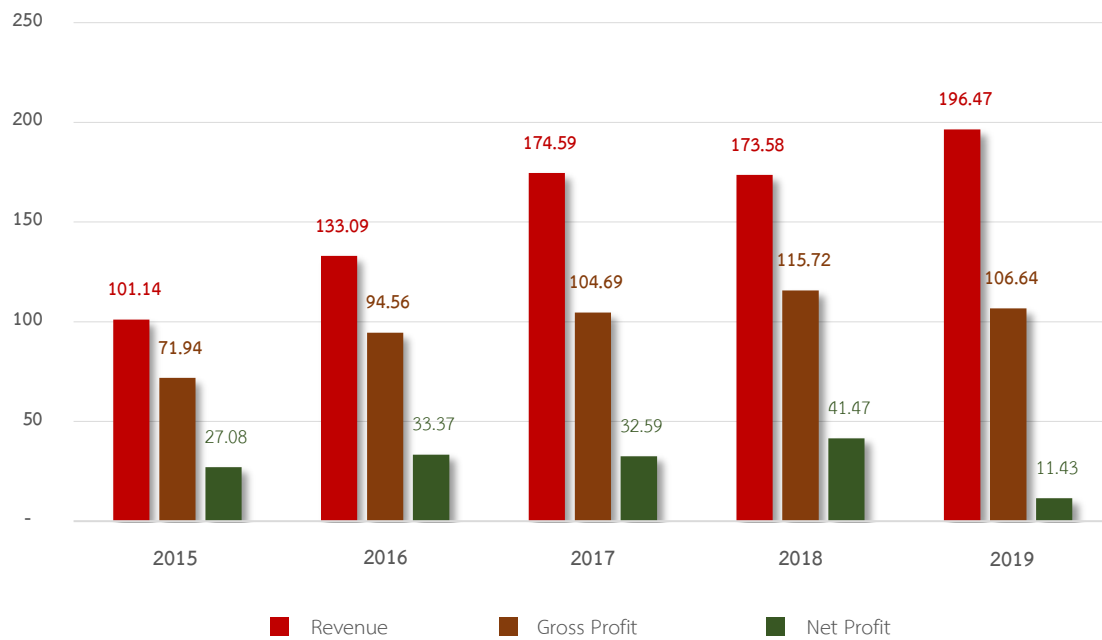
Net Profit



Financial Statistics 2019



Financial Statistics 2015 - 2019 (Consolidated)



Management Analysis and Explanation

Overall Performance of the Company and Subsidiaries

Comanche operates the core business as a developer for sales of ready-to-use program for hotel and serviced apartment management and provides the installation of such program on customer's premises, training programs for users of the program, after-sales service by consulting, various maintenance services, and other related services.

Synature Technology Company Limited (“**Synature**”) operates the core business as a developer for sales, installation, and providing ready-to-use program for restaurant, spa and service management which is the intellectual property of Synature, having registered the pRoMiSe program with the Department of Intellectual Property.

Win Star Tech Company Limited (“**Win Star Tech**”) operates the core business as a developer for sales, installation, and providing ready-to-use program for golf course management which is the intellectual property of WST having registered the WinGolf program with the Department of Intellectual Property and certified by the ISO29110 standards for its program development. During 2019, the Company has received shares from a shareholder at the proportion of 12.4%, calculated to be totaling 99.99%.

On 21st January 2019, the Company invested in AI Soft Company Limited (“**AI Soft**”) in the proportion of 51% of paid-up share capital. AI Soft operates the business of developing, distributing, installing, and providing a computer program for online airline reservation systems by partnering with AMADEUS Southeast Asia and AMADEUS Asia, which has more than 200 travel and airline agency customers both in the country and the Asia Pacific region. The consolidated financial statements for the year ended 31st December 2019 were included the operating results of AI Soft from 21st January to 31st December 2019.

On 14th May 2019, the Company invested in Roomz International Company Limited (“**Roomz**”) in the proportion of 51% of paid-up share capital. Roomz operates the business of providing consulting services regarding revenue management and development for hotels, analyze and manage hotel revenue development by experts, making it possible to plan sales of rooms appropriately which meets the needs of customers at the right time with a good price through appropriate channels. The consolidated financial statements for the year ended 31st December 2019 were included the operating results of Roomz from 14th May to 31st December 2019.

On 20th June 2019, the Company invested in Coman Travel Company Limited (“**Coman Travel**”) in the proportion of 99.99% of paid-up share capital. Coman Travel operates the business of providing business as a reservation service provider for air tickets, rental cars, and others related to all types of tourism businesses. The consolidated financial statements for the year ended 31st December 2019 were included the operating results of Coman Travel from 20th June to 31st December 2019.

The consolidated financial statements of the Company for the year ended 31st December 2019 and 2018 were included operating results of the following subsidiaries.

Company Name	Type of Business	Established in	% of Shareholding as at 31 st December		Remark
			2019	2018	
Synature Technology Company Limited	Providing a service of computer program	Thailand	51.00	51.00	Invested on 20 th June 2017
Win Star Tech Company Limited	Providing a service of computer program	Thailand	99.99	87.50	Invested on 1 st June 2018
AI Soft Company Limited	Providing a service of computer program	Thailand	51.00	-	Invested on 21 st January 2019
Roomz International Company Limited	Providing a consulting service of hotel revenue management	Thailand	51.00	-	Invested on 15 th May 2019
Coman Travel Company Limited	Providing a reservation service for accommodations and others relating to tourism	Thailand	99.99	-	Invested on 20 th June 2019

The summary of changes in operating results of the Company is per the table below

	Consolidated Financial Statements			
	Ended 31 st December 2019	Ended 31 st December 2019 (Restated)	Increased (Decreased)	
	Million Baht	Million Baht	Million Baht	%
Revenue from Sales and Rendering Services	196.47	173.58	22.89	13.19
Other Income*	8.78	16.63	(7.85)	(47.20)
Total Revenue	205.25	190.21	15.04	7.91
Cost of Sales and Rendering Services	89.83	57.86	31.97	55.25
Gross Profit (Excluding Other Income)	106.64	115.72	(9.08)	(7.85)
Distribution Costs	9.15	10.27	(1.12)	(10.91)
Administrative Expenses	77.85	60.84	17.01	27.96
Loss from impairment in investment	12.63	-	12.63	100.00
Finance Costs	0.01	0.01	-	-
Profit before Income Tax Expenses	15.78	61.23	(45.45)	(74.23)
Income Tax Expenses	4.35	4.68	(0.33)	(7.05)
Profit from Continuing Operations	11.43	56.55	(45.12)	(79.79)

Profit (Loss) from Discontinued Operations	-	(15.08)	15.08	100.00
Profit for the Periods	11.43	41.47	(30.04)	(72.44)
Profit Attributable to Owners of the Parent	2.31	32.75	(30.44)	(92.95)
Item that will not be Subsequently Reclassified to Profit or Loss - Actuarial Loss on the Defined Employee Benefit Plans, Net of Income Tax	(1.95)	(2.48)	0.53	21.37
Other Comprehensive Income for the Periods	9.48	38.99	(29.51)	(75.69)
Other Comprehensive Income for the Periods - Attributable to Owners of the Parent	0.36	30.28	(29.92)	(98.81)

* Other income such as interest income, gain from exchange rate, and etc.

In 2019 and 2018, the consolidated financial statements of the Company and its subsidiaries (“**Consolidated financial statements**”) presented total revenue from sales and rendering services in the amount of Baht 196.47 million and Baht 173.58 million, respectively.

In 2019, the Company and its subsidiaries had revenue from sales and rendering service increased by Baht 22.89 million or 13.19% due to the increase in revenue of Synature by Baht 11.63 million from the fact that Synature had revenue from selling and providing services of ready-to-use program for restaurants and maintenance related from the previous year increased from previous year, increased in revenue from AI Soft amounting to Baht 28.72 million which has been included the operating result of 11 months and 11 days for the first year and most of the revenue was from software sales for air ticket and car rental reservation system. And the increased in revenue of Roomz amounting to Baht 4.18 million which has been included the operating result of 11 months and 11 days for the first year and most of the revenue was from the consulting services of revenue management for hotels. However, Comanche had decreased in sales and rendering of services by Baht 19.90 million or (17.68%) from the slowdown in investment in new hotels due to the direction of tourism in 2019 was somewhat lower than expected and the number of major tourists, tourists from China, had decreased, and the number of room occupancy rate increased.

In 2019 and 2018, the consolidated financial statements presented net profit attributable to shareholders of the parent company in the amount of Baht 2.31 million and Baht 32.75 million, respectively, and the net profit margin was 1.13% and 17.22%, respectively. The decrease was caused by Comanche had decreased in profit by Baht 28.34 million which was a result of the decrease of revenue according to the reasons mentioned earlier.

In addition, if the Company did not include an impairment loss of investment of Baht 12.63 million and the effect of the change in employee benefit of maximum 300 days to 400 days amounting to Baht 2.18 million, presented in profit or loss statements, the consolidated financial statements would be presented total net profit of 2019 amounting Baht 16.90 million or net profit attributable to shareholders of the parent company margin of 8.23%.

1. Revenue

1.1. Revenue from sales and rendering services

The revenue structure of the company and its subsidiaries

Revenue from operations	Consolidated Financial Statements for the year					
	2019		2018		Increased / (Decreased)	
	Million Baht	% to total revenue	Million Baht	% to total revenue	Million Baht	%
Revenue from sales and rendering services, and maintenance related by the Company						
Sales and service of program installations	41.59	21.17	61.56	35.46	(19.97)	(32.44)
Maintenance services	48.29	24.58	46.83	26.98	1.46	3.12
Other services ¹	2.76	1.40	4.15	2.39	(1.39)	(33.49)
Total	92.64	47.15	112.54	64.83	(19.90)	(17.68)
Revenue from sales and rendering services, and maintenance related by Synature	68.81	35.02	57.18	32.94	11.63	20.34
Revenue from sales and rendering services, and maintenance related by Win Star Tech	2.13	1.09	3.86	2.23	(1.73)	(44.82)
Revenue from sales and rendering services, and maintenance related by AI Soft	28.72	14.62	-	-	n/a ²	n/a ²
Revenue from sales and rendering services, and maintenance related by Roomz	4.17	2.12	-	-	n/a ³	n/a ³
Revenue from sales and rendering services, and maintenance related by Coman Travel	-	-	-	-	n/a ⁴	n/a ⁴
Total revenue from sales and rendering services	196.47	100.00	173.58	100.00	22.89	13.19

Remark: ¹ Other related service such as reinstallation of programs and on-call solutions consulting, etc.

² Unable be calculated because the Company invested in AI Soft from 21st January 2019.

³ Unable be calculated because the Company invested in Roomz from 14th May 2019.

⁴ Unable be calculated because the Company invested in Coman Travel from 20th June 2019.

In 2019 and 2018, the Company and its subsidiaries (“**The group**”) had revenue from sales and rendering services totaling of Baht 196.47 million and Baht 173.58 million, respectively, which increased by Baht 22.89 million or 13.19% from the same period of preceding year. This was mainly from the following reasons.

- 1.1.1. Comanche had revenue from sales and rendering services, and maintenance related for the year 2019 and 2018 amounting to Baht 92.64 million and Baht 112.54 million or 47.15% and 64.83% of total revenue from sales and rendering services, respectively, decreased by Baht 19.90 million or (17.68%) compared to the same period of preceding year as per following reasons.

- (a.) Revenue from sales and rendering services of program installations in 2019 and 2018 were Baht 41.59 million and Baht 61.56 million or 21.17% and 35.46% of total sales and rendering services, respectively, which decreased by Baht 19.97 million or (32.44%) compared to the same period of preceding year from the slowdown in investment in new hotels due to the direction of tourism in 2019 was somewhat lower than expected and the number of major tourists, tourists from China, had decreased, and the number of room occupancy rate increased, causing many hotels to postpone the installation. As a result, sales and rendering services of the program decreased. The purchase amount from the customers postponing the software installation plan was approximately Baht 8.74 million. However, in overall, the Company still has a backlog of approximately Baht 25.96 million which was expected to continuously install in 2020.

Comanche had 128 new hotel customers in 2019, increased by 15 hotel customers or 13.27% compared to the increase of hotel customers in last year, which was 113 and average revenue in 2019 and 2018 were Baht 3.25 hundred thousand per hotel and Baht 5.45 hundred thousand per hotel, respectively, decreased from the previous year by an average of Baht 2.20 hundred thousand per hotel or (40.36), which the revenue per hotel is vary depending on various factors such as number of rooms, number of functions, etc.

- (b.) In 2019 and 2018, Comanche had revenue from rendering maintenance services in the amount of Baht 48.29 million and Baht 46.83 million or 24.58% and 26.98% of total sales and rendering services, respectively, increased by Baht 1.46 million or equivalent to 3.12% mainly due to Comanche was able to expand its customer base. The first-time sales and rendering services of program installations will include revenue from maintenance services in a proportion of approximately 12-15% of the value in each contract which will gradually recognize revenue regarding to the proportion the service rendered to customers, and the other part is from the customers renewing the maintenance agreement with Comanche after the first year, resulting in increased revenue from 2018 because Comanche has a continuously increasing customer base.
- (c.) Other service income was mainly from services relating to programs and computers to on-call customers who discontinued the maintenance agreement. The service

charges were calculated on a case-by-case basis. In 2019 and 2018, Comanche had revenue from other services in the amount of Baht 2.76 million and Baht 4.15 million or 1.40% and 2.39% of total sales and rendering services, respectively. In 2019, revenue from other services decreased by Baht 1.39 million or equivalent to (33.49%), mainly due to the customers, who were back to renew the maintenance agreement, were not as many as in 2018. As a result, revenue from the version upgrade, required before renewing the maintenance agreement, decreased.

- 1.1.2. Synature had a revenue from sales and rendering services, and maintenance related for the year 2019 and 2018 amounting to Baht 68.81 million and Baht 57.18 million or 35.02% and 32.94% of total revenue from sales and rendering services, respectively, increased by Baht 11.63 million or 20.34% compared to the same period of preceding year. This was a reason from the fact that Synature has sales continuing from the end of 2018 while large department stores were opening in the same period which resulted in the continuous demand of using restaurant management software and related hardware from many restaurants. Moreover, there were new customers coming in during the whole year of 2019 resulting in the increase in revenue in 2019.
- 1.1.3. Win Star Tech had revenue from sales and rendering services, and maintenance related for the year 2019 and 2018 amounting to Baht 2.13 million and Baht 3.86 million or 1.09% and 2.23% of total revenue from sales and rendering services, respectively, decreased by Baht 1.73 million or (44.82%) compared to the same period of preceding year. This was a reason from the decrease in the number of new customers in 2019 comparing to last year. This is because customers who are golf courses were not interested to invest in software this year due to the slowdown in overall economy.
- 1.1.4. Al Soft had a revenue for the year of 2019 during 21st January to 31st December 2019 of Baht 28.72 million or calculated to be 14.62% of total revenue from sales and rendering services, which comprised of the sales of software for air ticket reservation and car rental system.
- 1.1.5. Roomz had a revenue for the year of 2019 during 14th May to 31st December 2019 of Baht 4.18 million or calculated to be 2.13% of total revenue from sales and rendering services, which comprised of the revenue from providing a consulting service of the revenue management for hotels.

- 1.1.6. Coman Travel had no income for the year of 2019 during 20th June to 31st December 2019 because Coman Travel is still in the software development phase of B2C services which is expected to start earning in the 1st quarter of 2020.

1.2. Other income

In 2019 and 2018, the consolidated financial statements presented other income totaling of Baht 8.78 million and Baht 16.63 million, respectively, which decreased by Baht 7.85 million or (47.20%) from 2018. This was mainly from the recognition of profit from the sale of investment in MSL Software (Thailand) Company Limited (“MSL”) in the amount of Baht 12.55 million, which is the difference between the total value of consideration received and the book value, including assets and liabilities of MSL, and interest income from cash at banks and investments amounting to Baht 3.87 million. However, other income of 2019 was mainly from only interest income from cash at banks and investments which increased to Baht 8.16 million.

For the other 5 subsidiaries, there was no significant other income affecting the consolidated financial statements.

2. Cost of sales and rendering services and gross profit

In 2019 and 2018, the consolidated financial statements presented total cost of sales and rendering services of Baht 89.83 million and Baht 57.85 million, respectively, increased by Baht 31.97 million or 55.25% compared to the same period of preceding year. This was mainly from the following reasons.

- 2.1. Comanche has incurred cost of sales and rendering services for 2019 and 2018 amounting to Baht 37.24 million and Baht 29.80 million, increased by Baht 7.44 million or 24.97% from the same period of preceding year. This was mainly from the annual salary increase of employee in cost-related department, the increase in number of employees to support business expansion, and the increase the recalculation of employee benefit obligations under the new labor law from the maximum compensation of 300 days to 400 days amounting to Baht 1.72 million.
- 2.2. Synature has incurred cost of sales and rendering services for 2019 and 2018 amounting to Baht 34.45 million and Baht 26.25 million, increased by Baht 8.20 million or 31.23% from the same period of preceding year. This was in line with the cost arising from hardware sales in 2019 and from the annual salary increase of employee in cost-related department of Synature, incentives paid, and welfares of employee in cost-related department.
- 2.3. Win Star Tech has incurred cost of sales and rendering services for 2019 and 2018 amounting to

Baht 1.88 million and Baht 1.56 million, increased by Baht 0.32 million or 20.51% from the same period of preceding year. This was because the Company started to invest in Win Star Tech since 1st June 2018, which only included the operating resulted for 7 months in last year, resulted in the lower cost in last year compared to this year.

- 2.4. AI Soft has incurred cost of sales and rendering services in 2019 from 21st January to 31st December 2019 amounting Baht 14.64 million. The cost of sales and rendering services of AI Soft mainly consisted of salary and bonus of staff in cost-related department, and the expense of hiring outsourced staff.
- 2.5. Roomz has incurred cost of sales and rendering services in 2019 from 14th May to 31st December 2019 amounting Baht 1.63 million which mainly consisted of salary of staff in cost-related department.
- 2.6. Coman Travel had no cost of sales and rendering services in 2019 from 20th June to 30th September 2019 as it is still in the software development phase for B2C services, which is expected to start generating earnings in the 1st quarter of 2020.

In 2019 and 2018, the consolidated financial statements presented gross profit of Baht 106.64 million and Baht 115.72 million, decreased by Baht 9.08 million or (7.85%), and gross profit margin of 54.28% as compared to 66.67% for the same period of the preceding year. This decrease was mainly due to the increase in the group's cost of sales and rendering services from annual salary increase for employees in cost-related departments and increase in the number of employees to support business expansion. However, revenue increased in the lower proportion compared to costs which affected Comanche's gross profit of 2019 to be at 59.80% compared to 73.54% for the same period of the preceding year. Synature's gross profit margin of 2019 was at 49.93% which slightly decreased from 54.09% from the same period of the preceding year from the increase in cost of hardware, whereby gross profit margin for the sale of hardware is normally lower than that of provision of services. In addition, Roomz's gross profit margin of 2019 was at 61.06 while AI Soft's gross profit margin of 2019 was at 49.04% as personnel organization structure differs, leading to the overall reduction in gross profit margin.

3. Distribution costs and administrative expenses

3.1. Distribution costs

In 2019 and 2018, the consolidated financial statements presented distribution costs of Baht 9.15 million and Baht 10.27 million, respectively, decreased by Baht 1.12 million or (10.91%), and the proportion of distribution costs to operating revenues was at 4.66%, decreased from the same period of the preceding year which was at 5.92%, resulting from the following reasons.

3.1.1. Comanche had distribution costs for 2019 and 2018 amounting to Baht 5.82 million and Baht 6.81 million, respectively, decreased by Baht 0.99 million or (14.54%) from the same period of the preceding year. This was mainly due to the decrease in sales promotion cost, particularly the decrease in sales commission following reduced sales for 2019.

3.1.2. Synature had distribution costs for 2019 and 2018 amounting to Baht 2.10 million and Baht 3.50 million, respectively, decreased by Baht 1.40 million or (40.00%) from the same period of the preceding year. This was mainly due to the reduction in costs pertaining to product exhibition booths in relation to domestic and international restaurant businesses as well as print advertising costs.

3.1.3. Win Star Tech had distribution costs for 2019 and 2018 amounting to Baht 0.11 million and Baht 0.02 million, respectively, increased by Baht 0.09 million or 450.00% from the same period of the preceding year, which is immaterial to the consolidated financial statements.

3.1.4. Al Soft had distribution costs for 2019 of Baht 0.67 million from 21st January to 31st December 2019, mostly comprising sales commission and market share compensation.

3.1.5. Roomz had distribution costs for 2019 of Baht 0.45 million from 14th May to 31st December 2019, mostly comprising sales commission.

3.1.6. Coman Travel did not incur distribution costs for 2019 from 20th June to 31st December 2019 as it is still in the software development phase for B2C services, which is expected to initiate transaction in the 1st quarter of 2020.

3.2. Administrative expenses

In 2019 and 2018, the consolidated financial statements presented administrative expenses of Baht 77.85 million and Baht 60.84 million, respectively, increased by Baht 17.01 million or 27.96%, and the proportion of administrative expenses to operating revenues was at 39.62% for 2019, increased from the same period of the preceding year which was at 35.05%, resulting from the following reasons.

3.2.1. Comanche incurred Baht 37.84 million in administrative expenses for 2019 and 2018 amounting to Baht 48.80 million and Baht 48.25 million, increased by Baht 0.55 million or 1.14% from the same period of the preceding year which considered insignificant. In overall of 2019, this was mainly due to the increase in employee-related expenses such as annual salary increase, increase in the number of employees, increase in annual outing expenses for employees, and the impact from recalculation of employee benefit obligations pertaining to the new labor law from the maximum compensation of 300 days to 400

days. However, in 2018, there were special expenses such as expenses related to the disposition of MSL and the acquisition of Win Star Tech resulted in unchanged administrative expenses for 2019 and 2018.

- 3.2.2. Synature had administrative expenses for 2019 and 2018 amounting to Baht 16.19 million and Baht 11.44 million, respectively, decreased by Baht 4.75 million or 41.52% from the same period of the preceding year. This was mainly due to the increase in employee-related expenses such as annual salary increased, increased in the number of employees, and the impact from recalculation of employee benefit obligations pertaining to the new labor law from the maximum compensation of 300 days to 400 days, and additional management fees in this year.
- 3.2.3. Win Star Tech had administrative expenses for 2019 and 2018 amounting to Baht 1.00 million and Baht 1.29 million, respectively, decreased by Baht 0.29 million or (22.48%) from the same period of the preceding year, which was due to the resignation of 1 top executive.
- 3.2.4. Al Soft had administrative expenses for 2019 of Baht 7.90 million from 21st January to 31st December 2019, mostly comprising salary, employee welfare expenses, bonus, traveling expenses, management fee, and office rentals.
- 3.2.5. Roomz had administrative expenses for 2019 of Baht 0.77 million from 14th May to 31st December 2019, mostly comprising management fee, and office rentals.
- 3.2.6. Coman Travel had administrative expenses for 2019 of Baht 3.19 million from 20th June to 31st December 2019, mostly comprising salary, employee welfare expenses, and office rentals.

4. Loss on impairment of investment

The consolidated financial statements of 2019 presented loss on impairment of investment of Baht 12.63 million following the consideration and decision of management to record of loss on impairment of investment in Win Star Tech due to operating loss.

5. Net profit and net profit margin

The Company made reclassifications in 2018 by presenting the operating results of MSL as “profit (loss) from discontinued operations, net of income tax”. In 2018, MSL had operating loss of Baht 15.08 million (net of the amortization of intangible assets) while such item was not present in the 9-month period of 2019 as the disposition of shares of MSL concluded in 2018.

In 2019 and 2018, the consolidated financial statements presented Baht 2.31 million and Baht 32.75 million net profit attributable to owners of the parent, respectively, which decreased by Baht 30.44 million or (92.95%) from 2018. The proportion of net profit attributable to owners of the parent to revenues for 2019 was at 1.13% margin, a decrease from the same period of the preceding year of 17.22%. This was mainly because the operating result was lower than expected and the record of loss on impairment of investment in Win Star Tech of Baht 12.63 million, project postponements as clients are not ready for the Company to proceed with installation whereby the sales value of delayed projects amounted to Baht 8.74 million which resulted in the lower proportion of the increase in revenue compared to the increase in expenses. However, in overall, the Company still has a backlog of approximately Baht 25.96 million which was expected to continuously install in 2020.

6. Financial position

As at 31st December 2019, the consolidated financial statements presented total assets of Baht 537.96 million, total liabilities of Baht 71.43 million, and shareholders' equity of Baht 466.53 million.

6.1. Assets

The consolidated financial statements presented total assets as at 31st December 2019 and 2018 amounted to Baht 537.96 million and Baht 518.17 million, respectively, increased by Baht 19.79 million or 3.82% due to the following:

- 6.1.1. Decreased from cash and cash equivalents amounted to Baht 133.65 million mainly because the Company has switched cash and cash equivalents to invest in the certificates of deposits and bills of exchange, debentures, open-ended funds amounting to Baht 141.88 million. Cash paid to purchase of common shares from original shareholders to investment in subsidiaries Baht 6.39 million cash paid to purchased fixed assets and intangible assets amounting to Baht 15.48 million, annual payment of dividends of Baht 19.18 million. However, the Company had cash generated from normal business operations, net of income tax, amounting to Baht 32.47 million, cash received from interest income Baht 2.38 million, and cash received from short-term loan to other company amounting to Baht 9.85 million.
- 6.1.2. Increased from temporary investments of Baht 141.88 million from the Company has switched cash and cash equivalents to invest in the certificates of deposits and bills of exchange, debentures, open-ended funds.
- 6.1.3. Increased from trade and other receivables of Baht 9.02 million from the investment in AI Soft which included debtors of AI Soft amounting to Baht 5.63 million, increased in account

receivables of the Company amounting to Baht 4.19 million from customers that the installations of program finished at the end of the year, and customers continued to renew the maintenance agreements, but not yet due.

- 6.1.4. Decreased from short-term loans to other companies of Baht 9.85 million from the receipt of loan repayment from MSL.
- 6.1.5. Increased from inventory of Baht 2.19 million, mostly resulting from Synature's increased purchase of hardware for sale amounting Baht 1.10 million, and the investment in AI Soft which included the work in process of AI Soft amounting to Baht 0.96 million.
- 6.1.6. Increased from intangible assets of Baht 15.30 million from intangible assets under development of Coman Travel of Baht 11.16 million, development of the new call center system of the Company of Baht 1.50 million, the investment in AI Soft which included AI Soft's software of Baht 0.82 million, and net value of intangible assets and customer relationships from the consolidation of AI Soft and Win Star Tech of Baht 7.92 million. In addition, the group had incurred the amortization of intangible assets of Baht 5.66 million.
- 6.1.7. Goodwill decreased by Baht 7.06 million from the record of allowance for impairment loss of investment in Win Star Tech of Baht 12.63 million and investment in AI Soft of Baht 5.57 million in the 1st quarter of 2019.
- 6.1.8. Increased from other non-current assets of Baht 1.36 million, mostly from the increase in deferred tax assets of Synature amounting to Baht 0.61 million, and the rental and other deposits of Coman Travel.

6.2. Liabilities

The consolidated financial statements presented total liabilities as at 31st December 2019 and 2018 amounted to Baht 71.43 million and Baht 47.86 million, respectively, increased by Baht 23.57 million or 49.25% due to the following:

- 6.2.1. Increased from trade and other payables of Baht 14.79 million due to the investment in AI Soft in this year resulted in the inclusion of trade and other payables of AI Soft of Baht 9.22 million, mainly consisted of deposits from customers of Baht 4.80 million, accrued bonus of Baht 3.10 million, and other accrued expenses of Baht 1.01 million. And the increase in unearned revenue of Comanche of Baht 5.12 million from the maintenance agreement paid by customers during the end of the year.

- 6.2.2. Decreased from accrued income tax of Baht 0.81 million due to the decrease in taxable net profit of Comanche, resulted in lower income tax payable as compared to 31st December 2018, by Baht 2.86 million. However, Synature had more taxable profit, resulted in higher tax payable as compared to last year amounting Baht 1.27 million, and AI Soft, invested in this year, had income tax payable of Baht 0.78 million.
- 6.2.3. Increased from other current liabilities in the amount of Baht 1.12 million due to the Company invested in AI Soft this year and included current liabilities of AI Soft in the amount of Baht 1.15 million, which mainly consisted of withholding taxes and VAT payables.
- 6.2.4. Increased from employee benefit obligations for the year 2019 of Baht 9.26 million (inclusive of employee benefit obligations of AI Soft from investment of Baht 2.68 million), recalculation of employee benefit obligations of Comanche and Synature pertaining to the new labor law from the maximum compensation of 300 days to 400 days by actuary and current costs and interests of employee benefit obligations of the current period.

6.3. Shareholders' Equity

The consolidated financial statements presented total shareholders' equity as at 31st December 2019 of Baht 466.53 million comprised of authorized share capital and paid-up share capital totaling Baht 67.00 million, share premium account – ordinary shares totaling Baht 323.40 million, appropriated legal reserve totaling Baht 6.33 million, unappropriated retained earnings Baht 41.78 million, other components of shareholders' equity Baht 0.30 million, and non-controlling interest totaling 27.72 million. The decrease of total shareholders' equity as at 31st December 2019 decreased by Baht 3.77 million or calculated to be (3.42%) compared to 31st December 2018 presented at Baht 470.31 million came from the following reasons.

- 6.3.1. Decreased from the dividend payment amounting Baht 13.40 million in the 1st quarter of 2019
- 6.3.2. Increased from net profit attributable to owners of the parent for the year of 2019 amounting Baht 0.36 million
- 6.3.3. Increased in other components of shareholders' equity amounting Baht 0.30 million from the increase in percentage of shareholding in Win Star Tech.
- 6.3.4. Increased from Non-controlling interests amounting Baht 8.96 million from the dividend payment to non-controlling interests amounting Baht (5.78) million, acquisition of non-

controlling interests from investment in subsidiaries amounting Baht 5.92 million, the change in proportion of investment in Win Star Tech amount Baht (0.30) million, and net profit attributable to non-controlling interests for the year of 2019 amounting 9.12 million.

In addition, the Company had set additional legal reserve from the net profit of 2019 amounting Baht 0.21 million.

Please be informed accordingly.



(Mr. Somboon Sukheviriya)

Chief Executive Officer

THE RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

The Board of Directors of Comanche International Public Company Limited concerned to the duty and responsibility of the completeness and accuracy of the financial statements. The financial statements of Comanche International Public Company Limited were prepared in accordance with the rules and the articles of association of the Company and the Generally Accepted Accounting Principles. Appropriate accounting policies were selected and applied consistently and were accompanied by careful judgment. All the important information is disclosed in the Notes to financial statements accurately which audited by Certified Public Accountant and reviewed by the Audit Committee.

The Board of Directors has appointed the Audit Committee, which comprised of the Independent Directors, to review and responsible for the quality of the financial statements and Internal audit. The observation of Audit Committee related to these matters is appeared in the Audit Committees' Report which is in this annual report.

The Board of Directors has ensured the accuracy and appropriated disclosure of the Company's financial statements which presented in the annual report year 2019 and were prepared in accordance with the Generally Accepted Accounting Principles and applied consistently. The overall Internal audit of the Company was accurate and appropriated, be able to build up the reliability of the separate and consolidated financial statements of the Company and subsidiaries as at 31st December 2019.



(Mr. Somboon Sukheviriya)

Chairman of the Board of Directors /
Chief Executive Officer

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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019



บริษัท สอดบัญชีธรรมนิติ จำกัด
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INDEPENDENT AUDITOR'S REPORT

To The Shareholders and Board of Directors of
Comanche International Public Company Limited

Opinion

I have audited the consolidated financial statements of Comanche International Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and I have audited the separate financial statements of Comanche International Public Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of comprehensive income, statement of changes in shareholders' equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of Comanche International Public Company Limited and its subsidiaries as at December 31, 2019, its consolidated financial performance and its consolidated cash flows for the year then ended and the separate financial position of Comanche International Public Company Limited as at December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 Group and the Company in accordance with the Federation of Accounting Professions 'Code of Ethics for Professional Accountants together with the ethical requirements that are 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in my audit of the consolidated financial statements and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated financial statements and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Business Acquisition

As described in Note 11.1 to the financial statements, the Company had acquired AI Soft Co., Ltd. amounted Baht 10.20 million, the Company engaged an independent appraiser to appropriate the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the purchase date. It had also included the recognition of goodwill resulting from the completion of business combination. I focused on this area because the goodwill balance is highly dependent on the fair value of the net assets acquired at the acquisition date. Also, the valuation methodology involves significant judgements, based on the inputs and assumptions in the model, which affect the valuation of goodwill.

I have inquired the management of the nature and purpose of entering into the purchase transaction as well as reading the business purchase agreement and other related documents, assessing the appropriateness in identifying the assets acquired and liabilities obtained which are prepared by the independent appraiser, perform assessments of knowledge, capability and independence of the appraiser and considering the assumptions, principles for assessing the fair value of assets acquired and liabilities by referring to the sources with external and internal data. as well as testing calculation and consider the adequacy of the disclosure according to the financial reporting standards.

Impairment of Investments in Subsidiaries and Goodwill

As described in Note 11 to the financial statements about impairment of investments in subsidiaries and goodwill, as the uncertainty of the current economic situation affects the subsidiaries operating services relating to computer programs and other related services, the management has considered to provide an allowance for impairment of investments in subsidiaries and goodwill by anticipating the future performance of the subsidiaries. Such estimation uses judgment and significant assumptions such as revenue growth rate and management cost estimation.

I have understanding the management plans and procedures for future operations of subsidiaries, assessed the reasonableness of the estimation of recoverable amounts and assessed the appropriateness of various assumptions, predicted future cash flow of the subsidiaries prepared by the management, tested to calculate the recoverable amount of investment of such subsidiaries according to the financial model. I have also considered the effects of significant changes that may arise in the assumptions used by management in determining the allowance for impairment of investments in subsidiaries whether they are reliable and appropriate to the current situation or not.

Revenues Recognition from Sales and Services

The revenues from sales and services of the Company and its subsidiary are for sale with installation under the different terms and conditions in each agreement. And the revenues from maintenance service that has many agreements with an unequal rate, the Company and its subsidiary will record as deferred income and recognize income according to the agreement period. Therefore, I emphasize on the recognition of such income relating to the accuracy and completeness of income transactions recorded in the financial statements.

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I have understanding the revenue recognition process and related internal control procedures of sales and service income by evaluating and testing the effectiveness of the company's internal control systems that are related to the revenue cycle, understanding and selecting samples to test for compliance with the controls designed by the Company and its subsidiary, inspecting randomly the sales agreement of computer programs including installation services provided by the Company to both new and ongoing customers and assessing the efficiency of data collection in deferred income. In addition, I conduct a sampling audit of sales and service documentation that occurred during the year, audit near the end of the accounting period and also audit to the revenue record from sales and services in the general journal including the comparative analysis of data in order to audit the irregularity in sales and service revenue that may arise.

Emphasis of Matter

I draw attention to Note 33 to the financial statements, the Company has acquired the shares of Win Star Tech Company Limited, as a subsidiary. The Company carried out the fair value of the identifiable assets acquired at the business acquisition date the completion in the second quarter 2019. Therefore, the Company has restated of prior year financial statements concerning the fair value of the identifiable assets acquired including goodwill at the business acquisition date. The consolidated statement of financial position as at December 31, 2018, the related consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended have been restated from the effect of such adjustment. My conclusion is not modified with respect of above matters.

Other Matter

The consolidated financial statements (before restated) of Comanche International Public Company Limited and its subsidiaries and the separate financial statements of Comanche International Public Company Limited for the year ended December 31, 2018, which are included as comparative information, were audited by another auditor who expressed an unqualified opinion thereon in his report dated February 11, 2019, expressed an unqualified opinion with the Emphasis of Matter related to the restatement of the financial statements that may arise from the fair value evaluation of business acquisition applied Thai Financial Reporting Standard No. 3 "Business Combination".

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and separate financial statements in accordance with Thai Financial Reporting Standards, 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 consolidated financial statements and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated financial statements and separate 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 Thai 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 consolidated financial statements and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and separate 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 Group's and 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 Group's and 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 consolidated financial statements and separate 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 Group and the Company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the consolidated financial statements and separate financial statements, including the disclosures, and whether the consolidated financial statements and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance 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.

I also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated financial statements and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner responsible for the audit resulting in this independent auditor's report is Miss Sulalit Ardsawang.



(Miss Sulalit Ardsawang)

Certified Public Accountant

Registration No. 7517

Dharmniti Auditing Company Limited
Bangkok, Thailand
February 28, 2020

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

ASSETS

Unit : Baht

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes		(Restated)		
Current assets					
Cash and cash equivalents	5	66,381,608	200,029,356	14,191,780	172,068,254
Temporary investments	6	342,922,177	201,042,864	336,892,103	201,042,864
Trade and other receivables	4 and 7	29,800,403	20,784,799	15,452,141	9,818,217
Short-term loans to related party	4 and 8	-	-	2,000,000	2,000,000
Short-term loans to other company	9	5,347,075	15,194,150	5,347,075	15,194,150
Inventories		3,510,379	1,324,054	348,945	262,738
Other current assets	10	1,281,743	778,998	27,729	5,508
Total current assets		449,243,385	439,154,221	374,259,773	400,391,731
Non-current assets					
Investment in subsidiaries	11.1	-	-	88,643,523	66,600,000
Equipment	12	5,179,061	5,074,472	3,086,049	3,541,235
Intangible assets	13	33,960,296	18,656,520	8,025,007	6,943,529
Goodwill	11.2	46,362,304	53,421,218	-	-
Deferred tax assets	14	-	-	646,851	569,534
Other non-current assets	15	3,218,985	1,862,475	1,177,610	1,200,551
Total non-current assets		88,720,646	79,014,685	101,579,040	78,854,849
Total assets		537,964,031	518,168,906	475,838,813	479,246,580

Notes to the financial statements form an integral part of these statements.

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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2019

LIABILITIES AND SHAREHOLDERS' EQUITY

		Consolidated financial statements		Separate financial statements		Unit : Baht
		2019	2018	2019	2018	
	Notes		(Restated)			
Current liabilities						
Trade and other payables	16	44,821,603	30,031,343	24,472,814	19,768,899	
Current portion of liabilities under finance lease agreement	17	71,319	87,511	-	-	
Income tax payable		2,669,738	3,480,232	624,542	3,480,232	
Other current liabilities		3,741,036	2,624,137	1,866,252	1,844,006	
Total current liabilities		51,303,696	36,223,223	26,963,608	25,093,137	
Non-current liabilities						
Liabilities under finance lease agreement	17	-	76,438	-	-	
Deferred tax liabilities	14	341,597	1,024,384	-	-	
Provisions for employee benefit	18	19,791,701	10,535,293	14,270,304	8,691,892	
Total non-current liabilities		20,133,298	11,636,115	14,270,304	8,691,892	
Total liabilities		71,436,994	47,859,338	41,233,912	33,785,029	
Shareholders' equity						
Share capital						
Authorized share capital						
134,000,000 ordinary shares of 0.50 Baht each		67,000,000	67,000,000	67,000,000	67,000,000	
Issued and paid share capital						
134,000,000 ordinary shares of 0.50 Baht each		67,000,000	67,000,000	67,000,000	67,000,000	
Premium on ordinary shares	21	323,397,514	323,397,514	323,397,514	323,397,514	
Retained earnings						
Appropriated						
Legal reserve		6,328,549	6,117,476	6,328,549	6,117,476	
Unappropriated		41,775,371	55,023,988	37,878,838	48,946,561	
Other components of shareholders' equity		303,565	-	-	-	
Total equity attributable to owners of the parent		438,804,999	451,538,978	434,604,901	445,461,551	
Non-controlling interests of the subsidiaries		27,722,038	18,770,590	-	-	
Total shareholders' equity		466,527,037	470,309,568	434,604,901	445,461,551	
Total liabilities and shareholders' equity		537,964,031	518,168,906	475,838,813	479,246,580	

Notes to the financial statements form an integral part of these statements.

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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
	Notes		(Restated)		
Continuing operations					
Revenue from sales and rendering services	26	196,478,583	173,581,218	94,550,139	112,541,521
Cost of sales and rendering services	27	89,834,400	57,856,062	37,515,697	29,802,248
Gross profit		106,644,183	115,725,156	57,034,442	82,739,273
Other income					
Dividend income	4 and 11.3	-	-	6,018,000	4,003,500
Gain on sales of investment in subsidiary		-	12,552,399	-	2,120,433
Interest income		7,585,161	3,865,547	7,590,879	3,852,194
Others	4	1,197,485	212,989	1,947,326	830,518
Total other income		8,782,646	16,630,935	15,556,205	10,806,645
Profit before expenses		115,426,829	132,356,091	72,590,647	93,545,918
Distribution costs		9,152,695	10,269,422	5,821,069	6,812,141
Administrative expenses		77,847,401	60,846,408	48,834,765	48,253,931
Loss from impairment of investments	11.1 and 11.2	12,631,368	-	12,186,177	-
Finance costs		6,497	11,965	-	52
Total expenses		99,637,961	71,127,795	66,842,011	55,066,124
Profit before income tax expenses from continuing operations		15,788,868	61,228,296	5,748,636	38,479,794
Income tax expenses	19	4,352,951	4,682,847	1,527,168	5,121,236
Profit for the year from continuing operations		11,435,917	56,545,449	4,221,468	33,358,558
Discontinued operation					
Loss from discontinued operation, net of income tax		-	(15,077,720)	-	-
Profit for the year		11,435,917	41,467,729	4,221,468	33,358,558
Other comprehensive income					
Item that will not be reclassified subsequently to profit or loss					
Actuarial loss on the defined employee benefit plans, net of income tax		(1,952,820)	(2,476,904)	(1,678,118)	(2,476,904)
Other comprehensive loss for the year		(1,952,820)	(2,476,904)	(1,678,118)	(2,476,904)
Total comprehensive income for the year		9,483,097	38,990,825	2,543,350	30,881,654
Total comprehensive income					
Total comprehensive income from continuing operations		9,483,097	54,068,545	2,543,350	30,881,654
Total comprehensive loss from discontinued operation		-	(15,077,720)	-	-
		9,483,097	38,990,825	2,543,350	30,881,654

Notes to the financial statements form an integral part of these statements.

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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

		Unit : Baht			
		Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		(Restated)			
Notes					
Profit attributable to					
	Owners of the parent	2,315,276	32,756,826	4,221,468	33,358,558
	Non-controlling interests of the subsidiaries	9,120,641	8,710,903	-	-
		<u>11,435,917</u>	<u>41,467,729</u>	<u>4,221,468</u>	<u>33,358,558</u>
Total comprehensive income attributable to					
	Owners of the parent	362,456	30,279,922	2,543,350	30,881,654
	Non-controlling interests of the subsidiaries	9,120,641	8,710,903	-	-
		<u>9,483,097</u>	<u>38,990,825</u>	<u>2,543,350</u>	<u>30,881,654</u>
Basic earnings per share	24				
	Attributable to owners of the parent	0.0172	0.2444	0.0315	0.2489
	Weighted average number of ordinary shares (shares)	134,000,000	134,000,000	134,000,000	134,000,000

Notes to the financial statements form an integral part of these statements.



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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total equity attributable to owners of the parent	Non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated	Unappropriated			
				Legal reserve				
Beginning balance as at January 1, 2018		67,000,000	323,397,514	4,449,548	34,853,994	429,701,056	13,627,811	443,328,867
Legal reserve		-	-	1,667,928	(1,667,928)	-	-	-
Dividend payment	23	-	-	-	(8,442,000)	(8,442,000)	-	(8,442,000)
Dividend payment to non-controlling interests		-	-	-	-	-	-	-
Acquisition of non-controlling interests from investment in subsidiaries - restated		-	-	-	-	-	(3,846,500)	(3,846,500)
Total comprehensive income for the year - restated	33	-	-	-	30,279,922	30,279,922	278,376	278,376
Ending balance as at December 31, 2018 - restated		67,000,000	323,397,514	6,117,476	55,023,988	451,538,978	8,710,903	38,990,825
Legal reserve	22	-	-	211,073	(211,073)	-	-	-
Dividend payment	23	-	-	-	(13,400,000)	(13,400,000)	-	(13,400,000)
Dividend payment to non-controlling interests		-	-	-	-	-	(5,782,000)	(5,782,000)
Acquisition of non-controlling interests from investment in subsidiaries		-	-	-	-	-	5,916,372	5,916,372
Change in proportion of investment in subsidiaries		-	-	-	-	303,565	(303,565)	-
Total comprehensive income for the year		-	-	-	362,456	362,456	9,120,641	9,483,097
Ending balance as at December 31, 2019		67,000,000	323,397,514	6,328,549	41,775,371	438,804,999	27,722,038	466,527,037

Notes to the financial statements form an integral part of these statements.



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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

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	Notes	Separate financial statements					Total shareholders' equity	Unit : Baht
		Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Total		
				Appropriated Legal reserve	Unappropriated			
Beginning balance as at January 1, 2018		67,000,000	323,397,514	4,449,548	28,174,835	423,021,897		
Legal reserve		-	-	1,667,928	(1,667,928)	-		
Dividend payment	23	-	-	-	(8,442,000)	(8,442,000)		
Total comprehensive income for the year		-	-	-	30,881,654	30,881,654		
Ending balance as at December 31, 2018		67,000,000	323,397,514	6,117,476	48,946,561	445,461,551		
Legal reserve	22	-	-	211,073	(211,073)	-		
Dividend payment	23	-	-	-	(13,400,000)	(13,400,000)		
Total comprehensive income for the year		-	-	-	2,543,350	2,543,350		
Ending balance as at December 31, 2019		67,000,000	323,397,514	6,328,549	37,878,838	434,604,901		

Unit : Baht

Notes to the financial statements form an integral part of these statements.

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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)			
	Unit : Baht			
Cash flows from operating activities				
Profit before income tax expenses	15,788,868	46,150,576	5,748,636	38,479,794
Adjustments from profit before income tax expenses				
to cash received (paid) from operations:				
Depreciation and amortization	7,974,038	11,805,701	2,674,433	1,631,122
(Gain) loss on sales of fixed assets	99,182	(499)	-	(861)
Gain on sales of investment in subsidiary	-	(12,552,399)	-	(2,120,433)
Gain on sales of temporary investments	(548,706)	-	(548,706)	-
Allowance for doubtful debts	599,923	-	159,551	-
Allowance for diminution in value of inventories	22,230	-	-	-
Bad debts	-	428,537	-	267,261
Unrealized (gain) loss on exchange rate	(7,281)	(15,262)	(9,955)	1,988
Unrealized gain on temporary investment	(169,839)	-	(139,765)	-
Employee benefit expenses	4,109,123	1,704,248	3,876,551	1,007,028
Loss on impairment of investment	12,631,368	-	12,186,177	-
Interest income	(5,389,124)	(3,865,547)	(7,590,879)	(3,852,194)
Interest expenses	6,401	11,965	-	52
Dividend income	-	-	(6,018,000)	(4,003,500)
Profit from operations before changes in operating assets and liabilities	35,116,183	43,667,320	10,338,043	31,410,257
Changes in operating assets - (Increased) Decreased				
Trade and other receivables	(9,072,629)	11,209,887	(2,073,433)	2,777,565
Inventories	(2,208,556)	(4,487,338)	(86,207)	(122,162)
Other current assets	(514,008)	(2,132,885)	(22,221)	(1,369,206)
Other non-current assets	(1,356,510)	(554,169)	22,940	(94,821)
Changes in operating liabilities - Increased (Decreased)				
Trade and other payables	14,925,799	(2,080,259)	4,713,969	(2,321,414)
Other current liabilities	1,116,901	643,883	22,246	643,293
Cash received from operations	38,007,180	46,266,439	12,915,337	30,923,512
Cash paid for income tax	(5,539,165)	(1,915,194)	(4,436,432)	(1,915,194)
Net cash provided by operating activities	32,468,015	44,351,245	8,478,905	29,008,318

Notes to the financial statements form an integral part of these statements.



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COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2019

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(Restated)			
Cash flows from investing activities				
Cash received from dividend income	-	-	6,018,000	4,003,500
Cash received from interest income	2,378,925	3,250,307	4,574,364	3,233,964
Cash paid for temporary investments	(795,366,938)	(201,042,864)	(789,366,938)	(201,042,864)
Cash received from temporary investments	656,673,204	77,796,305	656,673,204	77,796,305
Cash received from deposit from sale of investment in subsidiary	-	112,431,256	-	114,420,000
Cash paid for short-term loan to related parties	-	-	-	(2,000,000)
Cash received from short-term loans to	9,847,075	-	9,847,075	-
Cash paid for investment in subsidiaries	(6,390,447)	(14,365,969)	(34,229,700)	(14,580,000)
Cash paid for purchases of fixed assets and intangible assets	(15,475,745)	(9,707,289)	(6,471,384)	(4,458,571)
Cash received from sales of assets	17,630	500	-	10,000
Net cash used in investing activities	(148,316,296)	(31,637,754)	(152,955,379)	(22,617,666)
Cash flows from financing activities				
Interest paid	-	(11,965)	-	(52)
Cash paid for liabilities under financial lease agreement	(87,767)	(147,736)	-	-
Dividends paid	(13,400,000)	(8,442,000)	(13,400,000)	(8,442,000)
Dividends of subsidiaries paid to non-controlling interests	(5,782,000)	(3,846,500)	-	-
Cash received from ordinary shares non-controlling interests	1,470,300	-	-	-
Net cash used in financing activities	(17,799,467)	(12,448,201)	(13,400,000)	(8,442,052)
Increased (Decreased) in cash and cash equivalents - net	(133,647,748)	265,290	(157,876,474)	(2,051,400)
Cash and cash equivalents at the beginning of the year	200,029,356	199,764,066	172,068,254	174,119,654
Cash and cash equivalents at the end of the year	66,381,608	200,029,356	14,191,780	172,068,254

Notes to the financial statements form an integral part of these statements.

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. GENERAL INFORMATION

Comanche International Public Company Limited ("the Company") was incorporated as a limited company under the Thai Civil and Commercial Code on January 10, 2003. The Company registered the conversion of a private company into a public company on June 10, 2016 and registered with the Market for Alternative Investment (MAI) on October 19, 2016.

To engage in the business of selling computers and computer software as well as providing maintenance services and other services relating to computer software.

The Company's registered office is located at 252/118 unit E-F, 23rd Floor, Muangthai - Phatra Office Tower 2, Ratchadaphisek Road, Khwaeng Huai Khwang, Khet Huai Khwang, Bangkok.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS
2.1 Basis for the preparation of financial statements

The financial statements have been prepared in accordance with the accounting standards prescribed by Thai Accounts Act enunciated under the Accounting Profession Act B.E.2547 by complying with Thai Financial Reporting Standards. The presentation of the financial statements has been made in compliance with the Notification of the Department of Business Development, the Ministry of Commerce, re : the financial statements presentation for public limited company, issued under the Accounting Act B.E.2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language version.

2.2 Basis of consolidated financial statements preparation

a) The consolidated financial statements include the financial statements of Comanche International Public Company Limited and its subsidiaries are as follows:-

Name of subsidiaries	Type of business	Head office	Percentage of shareholding (%)	
			2019	2018
1. Synature Technology Co., Ltd.	Service for Computer Software	Bangkok	51.00	51.00
2. Win Star Tech Co., Ltd.	Service for Computer Software	Bangkok	99.99	87.50
3. AI Soft Co., Ltd.	Service for Computer Software	Nonthaburi	51.00	-
4. Roomz International Co., Ltd.	Consulting for Hotel Revenue Management	Bangkok	51.00	-
5. Coman Travel Co., Ltd.	Service for Accommodation Reservation and Other Reservation Relating to Tourism	Bangkok	99.99	-

- b) These consolidated financial statements are prepared by including the financial statements of its subsidiaries under control by Comanche International Public Company Limited after eliminating inter-company transactions between Comanche International Public Company Limited and its subsidiaries. Investment in subsidiaries and the shareholders' equity of the subsidiary has been eliminated from the consolidated financial statements.
- c) Accounting policy for subsidiary companies will utilize the same policy as the parent company.
- d) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately from the portion of owners of the parent.

The Company prepared the separate financial statements for the benefit of the public which presented investments in subsidiaries under the cost method.

2.3 Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised (revised 2018) and new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

2.4 Financial reporting standards that will become effective in the future

During the year, the Federation of Accounting Professions issued the revised and new financial reporting standards interpretations and the accounting guideline, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Except, the new standard involves changes to key principles, as summarized below.

Financial reporting standards related to financial instruments:

A set of TFRSs related to financial instruments, which consists of five financial reporting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial reporting standard interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be superseded.

TFRS 16 Leases

These TFRSs supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value. Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Company and its subsidiaries are currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

3. SIGNIFICANT ACCOUNT POLICIES

3.1 Recognition of revenues and expenses

Revenue from sale of goods rendered are recognized when the significant at the point in time when control of goods have been transferred to the customer. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns and discounts.

Service income is recognized as services are provided.

Revenue from the sales of computer software which includes installation are recognized as revenue when the installation is completed.

Revenue from services of one subsidiary is recognized as revenue when the outcome of service can be estimated reliably and recognized when services are rendered in each milestone specified in the contracts. In case, it is probable that total contract costs will exceed total contract revenue, the expected loss will be recognized as an expense immediately.

Interest income is recognized on the accrual basis based on the effective interest rate.

Other income and expenses are recognized on the accrual basis.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and deposits at financial institutions, which is due to be repaid within a period not exceeding 3 months from the date of acquisition and no restrictions on the withdrawal.

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3.3 Trade receivables

Trade receivables are stated at net realizable value with allowance for doubtful accounts.

3.4 Inventories

Inventories are stated at the lower of cost, first-in first-out method, net of allowance for diminution in value, and net realizable value.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated incremental costs necessary to sales.

Work in process consists of computer software under development and deferred costs of service provided to customers. Costs of work in process mainly includes costs of software purchased, related development service costs provided by outsource service provider and the Company's personnel.

3.5 Investments

Temporary investments and long-term investments

Investment in debt securities which the Company intent and able to hold investment to maturity is stated at amortized cost net from impairment loss (if any). Interest income is recognized by using the effective interest rate method in statement of comprehensive income. Unit trust is stated at fair value are calculated from the yield-rate quoted on The Thai Bonds Market Association.

Investments in subsidiaries

Subsidiaries are entities over which the Company has the power to control their financial and operating policies generally accompanying a shareholding of more than one-half of the voting rights. The financial statements of the subsidiaries are consolidated from the date the Company exercises control over the subsidiaries until the date that control power ceases.

Investments in subsidiaries are stated at cost net from allowance on impairment (if any) in the separate financial statements.

3.6 Equipment and depreciation

Equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Cost is initially recognized upon acquisition of assets along with other direct costs attributing to acquiring such assets including any other costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located, which are the obligations of the Company (if any).

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Depreciation is calculated by cost less residual value on the straight-line basis over useful lives of assets, as follows:

	Period (Years)
Telephone system	5
Leasehold improvement	3 - 5
Office equipment	5
Furniture and fixtures	5
Asset for demonstration	3 - 5
Vehicles	5

No depreciation is provided for construction in progress.

The Company and its subsidiaries have reviewed the residual value and useful lives of the assets every year.

The depreciation is separately recorded if any of the components has a significant cost compared with its original cost.

Depreciation is included in determining business performance.

Any gain or loss arising from sale or disposal of an asset is calculated from the difference between cash received and book value and recognized as other income in the statement of comprehensive income.

3.7 Intangible assets

Intangible assets are stated at cost less accumulated amortization and allowance for impairment (if any).

Amortization is calculated by cost on the straight-line method over the estimated economic benefit generating of assets, as follows:

	Period (Years)
Computer software	3 - 5
Customer relationships	7

3.8 Impairment of assets

The carrying amounts of the Company and its subsidiaries, other than inventories are reviewed at the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the statement of comprehensive income.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows which mostly independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. All reversals of impairment losses are recognized in the statement of comprehensive income.

3.9 Leases

Finance leases

Leases which transfer to the Company and subsidiaries most of substantial risks and rewards of ownership others than legal title, are accounted for as finance leases. At the inception of the lease, the fair value of assets is recorded together with the obligation, excluding interest element, to pay future rentals (if any). Interest or financial charges are recognized as expenses in the statement of comprehensive income in proportion to the principal balance.

Operating leases

Leases where most of the substantial risks and rewards of ownership of assets still remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

3.10 Financial instruments

The Company and its subsidiaries have no policy to speculate in or engage in the trading of any financial derivative instruments outside the financial statements.

Financial instruments carried in the balance sheets include deposits at financial institutions, accounts receivable, loans, accounts payable, bank overdrafts, short-term loans from financial institutions, long-term loans, income tax payable, accrued expenses and liabilities under finance lease agreement. The particular accounting methods adopted are disclosed in the individual policy statements associated with each item.

3.11 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 statement of financial position date are translated to Thai Baht at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognized in the statement of comprehensive income.

Non-monetary assets and liabilities, measured at cost, denominated in foreign currencies are translated to Thai Baht using the foreign exchange rates ruling at the dates of the transactions.

3.12 Employee benefits

Short - term employment benefits

The Company and its subsidiaries recognize salary, overtime, bonus, social securities and provident fund as expenses when incurred.

Post-employment benefits (Defined contribution plans)

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and its subsidiaries have obligations in respect of the severance payments that it must pay to the employees upon retirement under the labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is calculated based on the actuarial principles by a qualified independent actuary using the projected unit credit method. Such estimates are made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rate.

Actuarial gains and losses for post-employment benefits of the employees are recognized immediately in other comprehensive income as a part of retained earnings.

3.13 Using of accounting estimation

Preparation of financial statements in conformity with the financial reporting standards requires management to estimate and make assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual results may differ from those aforesaid estimation.

3.14 Provisions

Provisions are recognized in the statement of financial position when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain, and such effect is significant.

3.15 Premium on share capital

Premium on share capital under Section 51 of the Public Companies Act B.E. 2535 arisen when the Company share subscription monies are in excess of the par value of the shares issued, have to be set aside to a reserve account (" premium on ordinary shares"). Premiums on share capital are not available for dividend distribution.

3.16 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3.17 Income tax

Income tax comprises current income tax and deferred tax.

Current tax

The Company and its subsidiaries record income tax expense, if any, based on the amount currently payable under the Revenue Code at the income tax rate of 20% on profit before income tax, after adding back certain expenses which are non-deductible for income tax computation purposes, and less certain transactions which are exemption or allowable from income tax.

Deferred tax

Deferred tax assets and liabilities are provided on the temporary differences between the carrying amount and the tax bases of assets and liabilities at the end of the reporting period. Changes in deferred tax assets and liabilities are recognized as deferred tax income or deferred tax expense which are recognized in the profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or in other comprehensive income.

The deductible temporary differences are recognized as deferred tax assets when it is probable that the Company and its subsidiaries will have future taxable profit to be available against which the deferred tax assets can be utilized. The taxable temporary differences on all taxable items are recognized as deferred tax liabilities.

Deferred tax assets and liabilities are measured at the tax rates that the Company and its subsidiaries expect to apply to the period when the deferred tax assets are realized or the deferred tax liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

At the end of each reporting period, the carrying amount of deferred tax assets are reviewed and reduced the value when it is probable that the Company and its subsidiaries will have no longer the future taxable profit that is sufficient to be available against which all or some parts of deferred tax assets are utilized.

Deferred tax assets and deferred tax liabilities are offset when there is the legal right to settle on a net basis and they relate to income tax levied by the same tax authority on the same taxable entity.

3.18 Basic earnings per share

Basic earnings per share are calculated by dividing profit for the year with the weighted average number of the issued and paid-up shares during the year.

3.19 Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect amounts reported in the financial statements and disclosures and actual results may differ from these estimates. Significant judgements and estimates are as follows:

Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for diminution value of inventories

The determination of allowance for diminution in value of inventory, requires management to make judgements and estimates of the loss expected to occur. The allowance for diminution in net realizable value is estimated based on the selling price expected in the ordinary course of business less selling expense. The provision for obsolete slow-moving and deteriorated inventory, is estimated based on the approximate useful life of each type of inventory. The allowance for diminution in value of inventory as determined is compared with the original balance in the books of account and the increase or decrease in the allowance for diminution in value of inventory will be recognized as cost of sales and service in profit or loss.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgement in evaluating the conditions and details of the agreement whether significant risk and rewards of ownership of the leased asset has been transferred.

Equipment and depreciation, and intangible assets

In determining depreciation of plant and equipment and amortization of intangible assets, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review the estimated useful lives and residual values when there are any changes.

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In addition, the management is required to review equipment and intangible assets for impairment on a periodical basis and record the impairment loss when it is determined that the recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

Deferred tax assets

Deferred tax assets are recognized for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of estimated future taxable profits.

Post-employment benefits (Defined benefit plans)

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

4. RELATED PARTIES TRANSACTIONS

The Company and its subsidiaries have certain transactions with its related parties. These companies are related through common shareholdings and/or directorships. The effects of these transactions are reflected in the accompanying financial statements on the basis mutual determined by the Company and related parties.

Relationships with related parties that control the Company or are being controlled by the Company or have transactions with the Company and its subsidiaries are as follows:

Related parties	Nature of relationships
1. Subsidiaries	
1.1. Synature Technology Co., Ltd.	51.00% shareholding
1.2. Win Star Tech Co., Ltd.	99.99% shareholding
1.3. AI Soft Co., Ltd.	51.00% shareholding (Since January 21, 2019)
1.4. Roomz International Co., Ltd.	51.00% shareholding (Since May 14, 2019)
1.5. Coman Travel Co., Ltd.	99.99% shareholding (Since June 20, 2019)
2. Related person	The Company's directors

The pricing policies for particular types of transactions are explained as follows:

	Pricing Policies
Service fee paid	Market Rates
Interest income	2.50% per annum
Directors and managements remuneration represent meeting allowance, salary and bonus	The amounts are approved by the Company's directors and shareholders

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Related parties significant transactions in the statements of financial position as at December 31, 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Unit : Baht				
Accrued interests				
Win Star Tech Co., Ltd.	-	-	-	6,849
Total	-	-	-	6,849
Account receivables				
Roomz International Co., Ltd.	-	-	582,933	-
Total	-	-	582,933	-
Other receivables				
Win Star Tech Co., Ltd.	-	-	246,100	-
Total	-	-	246,100	-
Short-term loans				
Win Star Tech Co., Ltd.	-	-	2,000,000	2,000,000
Total	-	-	2,000,000	2,000,000
Other deposits				
Synature Technology Co., Ltd.	-	-	-	83,325
Total	-	-	-	83,325
Accrued revenue				
Roomz International Co., Ltd.	-	-	124,722	-
Total	-	-	124,722	-
Unearned revenue				
Roomz International Co., Ltd.	-	-	107,177	-
Total	-	-	107,177	-
Other payables				
Win Star Tech Co., Ltd.	-	-	-	7,345
Total	-	-	-	7,345

Related parties transactions in the statements of comprehensive income for the years ended December 31, 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Unit : Baht				
Sales and rendering services income				
Synature Technology Co., Ltd.	-	-	233,600	-
Roomz International Co., Ltd.	-	-	1,906,293	-
Total	-	-	2,139,893	-

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Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Management income				
Synature Technology Co., Ltd.	-	-	540,000	630,000
Win Star Tech Co., Ltd.	-	-	60,000	-
AI Soft Co., Ltd.	-	-	156,000	-
Roomz International Co., Ltd	-	-	160,000	-
Coman Traval Co., Ltd	-	-	60,000	-
Total	-	-	976,000	630,000
Other income				
Win Star Tech Co., Ltd.	-	-	75,394	-
Total	-	-	75,394	-
Interest income				
Win Star Tech Co., Ltd.	-	-	50,000	7,384
Total	-	-	50,000	7,384
Dividend income				
Synature Technology Co., Ltd.	-	-	5,610,000	4,003,500
AI Soft Co., Ltd.	-	-	408,000	-
Total	-	-	6,018,000	4,003,500
Other expenses				
Synature Technology Co., Ltd.	-	-	33,000	-
Total	-	-	33,000	-
Directors and key management remunerations				
Short-term benefits	27,965,589	17,332,268	12,551,890	15,999,969
Long-term benefits	2,199,257	1,127,114	1,304,017	1,127,114
Total	30,164,846	18,459,382	13,855,907	17,127,083

The Company has entered into service agreement with its subsidiaries. This contract requires the Company to provide services, including management and other business operation support, to the subsidiaries. The Company charged service fees as agreed by both parties based on estimated time spent and cost incurred plus margin. Service fee for the years 2019 and 2018, are as follows:

		Unit : Baht
Name of companies	Period of contracts	Annual fee
Synature Technology Co., Ltd.	January 1 - December 31, 2018	630,000
	January 1 - December 31, 2019	540,000
Win Star Tech Co., Ltd.	January 1 - December 31, 2019	60,000
AI Soft Co., Ltd.	January 1 - December 31, 2019	156,000
Roomz International Co., Ltd	May 1 - December 31, 2019	160,000
Coman Traval Co., Ltd	July 1 - December 31, 2019	60,000

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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consisted of:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash on hand	148,216	17,579	90,235	1,609
Cash at banks - current accounts	30,577,734	25,077,704	658,052	509,285
Cash at banks - savings accounts	35,655,658	174,934,073	13,443,493	171,557,360
Total cash and cash equivalents	66,381,608	200,029,356	14,191,780	172,068,254

Unit : Baht

As at December 31, 2019 and 2018, cash at banks have the effective interest rates at 0.37% per annum to 0.50% per annum and 0.37% per annum to 1.40% per annum, respectively.

6. INVESTMENTS

Investments consisted of :

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Temporary investments				
Time deposits with banks	50,000,000	201,042,864	50,000,000	201,042,864
Negotiable certificates and bill of exchange	190,839,491	-	190,839,491	-
Debenture	20,000,000	-	20,000,000	-
Unit trust - mutual fund	82,082,686	-	76,052,612	-
Total temporary investments	342,922,177	201,042,864	336,892,103	201,042,864

Unit : Baht

As at December 31, 2019 and 2018, investments have the effective interest rates at 1.40% per annum to 6.00% per annum and 1.70% per annum to 1.75% per annum, respectively.

7. TRADE AND OTHER RECEIVABLES

Trade and other receivables consisted of:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Trade receivables - other companies	21,770,169	14,156,304	9,127,784	4,942,214
Other receivables - other companies	164,013	124,817	246,100	-
Accrued income	2,217,589	2,786,598	1,256,233	1,470,923
Accrued interest receivables - related parties	-	-	-	6,849
Accrued interest receivables	1,372,632	822,619	1,371,340	815,010
Prepaid expenses	1,403,245	743,945	578,529	462,980
Retention receivables	17,092	8,846	16,492	8,246
Deposits	2,855,663	2,141,670	2,855,663	2,111,995
Total trade and other receivables - net	29,800,403	20,784,799	15,452,141	9,818,217

Unit : Baht

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Trade receivables can be classified by age analysis as follows:-

	Consolidated financial statements		Separate financial statements	
	2019		2019	
	2019	2018	2019	2018
Trade receivables				
Current	4,990,381	7,040,067	3,910,624	2,955,169
Overdue less than 3 months	12,701,733	5,672,397	4,503,274	1,044,979
Overdue 3 - 6 months	3,121,877	1,155,430	596,511	982,848
Overdue 6 - 12 months	857,819	542,558	92,696	123,097
Overdue over 12 months	1,109,460	157,030	445,408	97,299
	22,781,270	14,567,482	9,548,513	5,203,392
Less Allowance for doubtful debts	(1,011,101)	(411,178)	(420,729)	(261,178)
Total trade receivables - net	21,770,169	14,156,304	9,127,784	4,942,214

The movement of allowance for doubtful debts is change during the year as follows :

	Consolidated financial statements		Separate financial statements	
	2019		2019	
	2019	2018	2019	2018
Beginning balance	(411,178)	(411,178)	(261,178)	(261,178)
Increase during the year	(599,923)	-	(159,551)	-
Ending balance	(1,011,101)	(411,178)	(420,729)	(261,178)

8. SHORT-TERM LOANS TO RELATED PARTY

As at December 31, 2019 and 2018, the Company has short-term loans to related party of Baht 2 million, which carried interest rate of 2.50% per annum, were unsecured and due within 12 months from the agreement date.

9. SHORT-TERM LOANS TO OTHER COMPANY

As at December 31, 2019 and 2018, the Company has short-term loans to other company of Baht 5.34 million and Baht 15.19 million respectively, which carried interest rates of 7.5% per annum and 5% per annum, guaranteed by the director of such company.

10. OTHER CURRENT ASSETS

Other current assets consisted of:

	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Withholding tax	58,448	755,759	-	-
Undue input value added tax	104,417	23,239	27,729	5,508
Revenue Department receivable	1,118,878	-	-	-
Total other current assets	1,281,743	778,998	27,729	5,508

11. INVESTMENT IN SUBSIDIARIES

11.1 Investment in subsidiaries consisted of:

Name of subsidiaries	Paid up share capital		Percentage of shareholding (%)		Separate financial statements Cost method	
	2019	2018	2019	2018	2019	2018
	Unit : Baht					
1. Synature Technology Co., Ltd.	10,000,000	10,000,000	51.00	51.00	52,020,000	52,020,000
2. Win Star Tech Co., Ltd.	3,300,000	3,300,000	99.99	87.50	14,580,000	14,580,000
3. AI Soft Co., Ltd.	3,000,000	-	51.00	-	10,200,000	-
4. Roomz International Co., Ltd.	3,750,000	-	51.00	-	1,529,925	-
5. Coman Travel Co., Ltd.	22,500,000	-	99.99	-	22,499,775	-
Total investment in subsidiaries					100,829,700	66,600,000
Less provision for impairment of investment - Win Star Tech Co., Ltd.					(12,186,177)	-
Investment in subsidiaries - net					88,643,523	66,600,000

Win Star Tech Co., Ltd.

On June 1, 2018, the Company purchased 28,875 shares of Win Star Tech Co., Ltd. ("Win Star Tech") representing 87.50% of total paid-up share capital. The Company classified the investment of such company as a subsidiary.

During the year of 2019, the Company engaged an independent appraiser to appropriate the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the purchase date. The Company received the purchase price allocation report dated August 2, 2019 from the independent appraiser. The Company has applied Thai Financial Reporting Standard No. 3 (revised 2018) "Business Combination" to recognize the business combination transaction. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business purchase date consisted of:

	Unit : Baht
Cash and cash equivalents	214,031
Trade and other receivables	800,406
Inventories	183,817
Other current assets	63,064
Equipment	16,069
Intangible assets	2,511,651
Other non-current assets	360,416
Trade and other payables	(1,207,435)
Other current liabilities	(88,225)
Provisions for employee benefit	(534,434)
Deferred tax liabilities	(92,352)
Identifiable assets and liabilities	2,227,008
Less non-controlling interests	(278,376)
Net assets acquired	1,948,632
Total purchase consideration - cash paid	14,580,000
Goodwill	12,631,368
Total purchase consideration - cash paid	14,580,000
Less cash and cash equivalents in subsidiary acquired	(214,031)
Cash outflow on acquisition of investment - net of cash and cash equivalents acquired	14,365,969

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For the preparation of the consolidated financial statements for the year ended December 31, 2019, the Company has considered the fair value of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the goodwill account amounting to Baht 12.63 million, the Company has restated the previously recognized estimates as at the business acquisition date and recognized assets and liabilities and accounts related to reflect the results of additional information received regarding facts and the existing environment as the business acquisition date as described in Note 33 to the financial statements.

On July 31, 2019, the Company has received the shares transferred of Win Star Tech amounting 4,123 shares from a shareholder without having to pay for such shares. As a result, the proportion of investment in Win Star Tech Co., Ltd. has changed from 28,875 shares or 87.50% of the total registered capital to 32,998 shares or 99.99% of the total registered capital.

AI Soft Co., Ltd.

On January 21, 2019, the Company purchased 153,000 shares of AI Soft Co., Ltd. ("AI Soft") representing 51.00% of total paid-up share capital. The Company classified the type of the investment in that company as a subsidiary.

During the year of 2019, the Company engaged an independent appraiser to appropriate the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the purchase date. The Company received the purchase price allocation report dated July 30, 2019 from the independent appraiser. The Company has applied Thai Financial Reporting Standard No. 3 (revised 2018) "Business Combination" to recognize the business combination transaction. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business purchase date consisted of:

	Unit : Baht
Cash and cash equivalents	3,809,553
Trade and other receivables	2,435,638
Inventories	1,473,083
Other current assets	13,532
Equipment	275,173
Intangible assets	7,748,297
Other non-current assets	380,343
Trade and other payables	(3,051,104)
Accrued income tax	(158,430)
Other current liabilities	(264,626)
Provisions for employee benefit	(2,332,025)
Deferred tax liabilities	(1,255,814)
Identifiable assets and liabilities	9,073,620
Less: non-controlling interests	(4,446,074)
Net assets acquired	4,627,546
Total purchase consideration - cash paid	10,200,000
Goodwill	5,572,454
Total purchase consideration - cash paid	10,200,000
Less cash and cash equivalents in subsidiary acquired	(3,809,553)
Cash outflow on acquisition of investment - net of cash and cash equivalents acquired	6,390,447


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For the preparation of the consolidated financial statements for year ended December 31, 2019, the Company has considered the fair value of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the goodwill account amounting to Baht 5.57 million.

Roomz International Co., Ltd.

According to the Executive Committee's Meeting No. 2/2019 dated April 5, 2019, it had a resolution to approve the Company to invest with Nova Asset Management Co., Ltd. by establishing Roomz International Co., Ltd. to provide a consulting service for hotel revenue management. The registered capital is Baht 8 million (80,000 shares at par value of Baht 100 per share). The Company holds 51.00% of total registered capital or 40,798 shares, and paid-up shares capital at share of Baht 37.50, amounting to Baht 1.53 million. Such company has registered with the Ministry of Commerce on May 14, 2019. The Company classified the type of the investment in that company as a subsidiary.

Coman Travel Co., Ltd.

According to the Board of Directors' Meeting No. 3/2019 dated June 15, 2019, it had a resolution to approve the establishment of new company "Coman Travel Company Limited" by transferring the section of B2C out of the Company in order to provide a reservation service and other services related to tourism. The registered capital is Baht 30 million (300,000 shares at par value of Baht 100 per share). The Company holds 99.99% of total registered capital or 299,997 shares, paid-up shares capital at share of Baht 75, amounting to Baht 22.50 million. Such company has registered with the Ministry of Commerce on June 20, 2019. The Company classified the type of the investment in that company as a subsidiary.

11.2 Goodwill

Goodwill consisted of:

Name of subsidiaries	Unit : Baht	
	Consolidated financial statements 2019	2018
Synature Technology Co., Ltd.	40,789,850	40,789,850
Win Star Tech Co., Ltd.	-	12,631,368
AI Soft Co., Ltd.	5,572,454	-
Total goodwill	46,362,304	53,421,218

The consideration of impairment of goodwill in the consolidated financial statements and investment in subsidiaries in the separate financial statements.

The management of the Company performed impairment test of carrying amount of investment in subsidiaries in the separate financial statements. The recoverable amount was based on its value in use, determined by discounted future cash flows based on its business plan. The key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal. As well as the future prediction that is believed to be reasonable in the present situation. Changes in the information or new noticeable information may lead to the change in the assumptions and the discount rate for the estimation of the discounted future cash flows along with sensitivity of key assumptions effect to the recoverable amount.

The key assumptions used in estimating the value in use are as follows:

	Discount rate	Unit : Percent
		Growth rate
Synature Technology Co., Ltd.	14.00	3.70
Win Star Tech Co., Ltd.	11.80	0
AI Soft Co., Ltd.	10.32	2

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Based on the impairment test, Win Star Tech Co., Ltd. has the recoverable amount lower than its carrying amount, the Company recognized impairment loss of investment in Win Star Tech Co., Ltd. in the separate financial statements and written-off goodwill in the consolidated financial statements. For Synature Technology Co., Ltd. and AI Soft Co., Ltd. have the recoverable amount was higher than its carrying amount. Therefore, the Company did not recognize impairment loss in the consolidated and separate financial statements.

11.3 Dividend income

Dividend income from subsidiary companies for the years ended December 31, 2019 and 2018 are as follows :

	Unit : Baht	
	Separate financial statements	
	2019	2018
Synature Technology Co., Ltd.	5,610,000	4,003,500
AI Soft Co., Ltd.	408,000	-
Total dividend income	6,018,000	4,003,500

11.4 The subsidiaries that have material non-controlling interests

The consolidated financial statements has consolidated Synature Technology Co., Ltd. that have material non-controlling interest as follows :

Name of subsidiaries	Proportion of ownership interests and voting rights held by non-controlling interests		Comprehensive income allocated to non-controlling interests		Accumulated non-controlling interests	
	2019	2018	2019	2018	2019	2018
Synature Technology Co., Ltd.	49	49	6,180,252	8,590,417	19,161,979	18,784,228
AI Soft Co., Ltd.	49	-	3,354,071	-	7,408,145	-
Room International Co., Ltd.	49	-	(355,696)	-	1,114,379	-
Other	-	-	(57,986)	120,486	37,535	(13,638)
Total			9,120,641	8,710,903	27,722,038	18,770,590

Summarized financial information in respect of Synature Technology Co., Ltd. before the elimination of related party transactions are as follows :

	Unit : Baht	
	2019	2018
Current assets	46,764,510	37,964,061
Non-current assets	2,791,992	2,735,359
Current liabilities	13,528,335	10,422,365
Non-current liabilities	2,723,928	1,448,177
Revenues	69,667,671	57,199,603
Profit attributable to the non-controlling interests	6,314,856	8,590,416
Total comprehensive income to the non-controlling interests	6,180,252	8,590,416
Dividends paid to non-controlling interests	5,390,000	3,846,500
Net cash provided by operating activities	21,612,289	17,175,274
Net cash used in investing activities	(6,382,549)	(955,090)
Net cash used in financing activities	(11,087,256)	(7,997,736)
Net cash increased	4,142,484	8,222,448

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12. EQUIPMENT

Equipment consisted of :

	Consolidated financial statements				Unit : Baht
	Balance as at December 31, 2018 (Restated)	Additions	Acquisitions through business combinations (Note 11)	Disposals	Balance as at December 31, 2019
Cost:					
Telephone system	314,600	32,500	-	-	347,100
Leasehold improvement	580,444	282,715	113,000	(113,000)	863,159
Office equipment	9,753,933	1,865,268	186,965	(17,630)	11,788,536
Furniture and fixtures	3,396,232	170,462	9,991	-	3,576,685
Assets for demonstration	160,303	81,374	-	-	241,677
Vehicles	1,790,036	-	-	-	1,790,036
Total cost	15,995,548	2,432,319	309,956	(130,630)	18,607,193
Accumulated depreciation:					
Telephone system	(200,601)	(50,129)	-	-	(250,730)
Leasehold improvement	(130,423)	(245,602)	(679)	13,498	(363,206)
Office equipment	(6,222,785)	(1,758,316)	(34,044)	320	(8,014,825)
Furniture and fixtures	(2,894,066)	(236,789)	(60)	-	(3,130,915)
Assets for demonstration	(80,516)	(47,217)	-	-	(127,733)
Vehicles	(1,392,685)	(148,038)	-	-	(1,540,723)
Total accumulated depreciation	(10,921,076)	(2,486,091)	(34,783)	13,818	(13,428,132)
Equipment - net	5,074,472				5,179,061

	Consolidated financial statements				Unit : Baht
	Balance as at December 31, 2017 (Restated)	Additions	Acquisitions through business combinations (Note 11)	Disposals	Balance as at December 31, 2018 (Restated)
Cost:					
Telephone system	314,600	-	-	-	314,600
Leasehold improvement	445,561	460,094	-	(325,211)	580,444
Office equipment	9,156,691	1,603,518	20,783	(1,027,059)	9,753,933
Furniture and fixtures	3,663,388	75,412	-	(342,568)	3,396,232
Assets for demonstration	143,360	16,943	-	-	160,303
Vehicles	1,790,036	-	-	-	1,790,036
Total cost	15,513,636	2,155,967	20,783	(1,694,838)	15,995,548
Accumulated depreciation:					
Telephone system	(150,882)	(49,719)	-	-	(200,601)
Leasehold improvement	(92,359)	(168,005)	-	129,941	(130,423)
Office equipment	(5,215,170)	(1,551,148)	(4,715)	548,248	(6,222,785)
Furniture and fixtures	(2,854,094)	(262,157)	-	222,185	(2,894,066)
Assets for demonstration	(40,468)	(40,048)	-	-	(80,516)
Vehicles	(1,181,133)	(211,552)	-	-	(1,392,685)
Total accumulated depreciation	(9,534,106)	(2,282,629)	(4,715)	900,374	(10,921,076)
Equipment - net	5,979,530				5,074,472

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	Separate financial statements			Unit : Baht
	Balance as at	Additions	Disposals	Balance as at
	December			December
	31, 2018			31, 2019
Cost:				
Telephone system	314,600	-	-	314,600
Leasehold improvement	541,944	87,650	-	629,594
Office equipment	6,648,178	1,097,133	(105,556)	7,639,755
Furniture and fixtures	2,845,428	108,747	(63,367)	2,890,808
Total cost	10,350,150	1,293,530	(168,923)	11,474,757
Accumulated depreciation:				
Telephone system	(200,601)	(49,719)	-	(250,320)
Leasehold Improvement	(122,900)	(205,095)	-	(327,995)
Office equipment	(4,048,996)	(1,170,133)	15,861	(5,203,268)
Furniture and fixtures	(2,436,418)	(183,115)	12,408	(2,607,125)
Total accumulated depreciation	(6,808,915)	(1,608,062)	28,269	(8,388,708)
Equipment - net	3,541,235			3,086,049

	Separate financial statements			Unit : Baht
	Balance as at	Additions	Disposals	Balance as at
	December			December
	31, 2017			31, 2018
Cost:				
Telephone system	314,600	-	-	314,600
Leasehold improvement	120,350	421,594	-	541,944
Office equipment	5,674,796	973,382	-	6,648,178
Furniture and fixtures	2,807,089	57,274	(18,935)	2,845,428
Total cost	8,916,835	1,452,250	(18,935)	10,350,150
Accumulated depreciation:				
Telephone system	(150,882)	(49,719)	-	(200,601)
Leasehold Improvement	(11,066)	(111,834)	-	(122,900)
Office equipment	(3,050,796)	(998,200)	-	(4,048,996)
Furniture and fixtures	(2,266,227)	(179,987)	9,796	(2,436,418)
Total accumulated depreciation	(5,478,971)	(1,339,740)	9,796	(6,808,915)
Equipment - net	3,437,864			3,541,235

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2019	2018	2019	2018	
Depreciation	2,486,091	2,282,629	1,608,062	1,339,740	

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As at December 31, 2019 and 2018, the Company and its subsidiary have vehicles purchased under hire-purchase agreement at the total net book value of Baht 0.21 million and Baht 0.33 million, respectively for the consolidated financial statements.

As at December 31, 2019 and 2018, the fully depreciated equipment that still in use were at cost of Baht 6.19 million and Baht 6.17 million, respectively for the consolidated financial statements and Baht 4.69 million and Baht 3.58 million, respectively for the separate financial statements.

13. INTANGIBLE ASSETS

Intangible assets consisted of

	Consolidated financial statements				Unit : Baht
	Balance as at December 31, 2018 (Restated)	Additions	Acquisitions through business combinations (Note 11)	Disposals	Balance as at December 31, 2019
Cost:					
Computer software	16,538,590	284,506	8,091,141	-	24,914,237
Customer relationships	431,098	-	710,296	-	1,141,394
Software under development	8,469,294	12,758,921	-	(884,000)	20,344,215
Total cost	25,438,982	13,043,427	8,801,437	(884,000)	46,399,846
Accumulated amortization:					
Computer software	(6,746,537)	(5,330,528)	(169,141)	-	(12,246,206)
Customer relationships	(35,925)	(157,419)	-	-	(193,344)
Total accumulated amortization	(6,782,462)	(5,487,947)	(169,141)	-	(12,439,550)
Intangible assets - net	18,656,520				33,960,296

	Consolidated financial statements				Unit : Baht
	Balance as at December 31, 2017 (Restated)	Additions	Acquisitions through business combinations (Note 11)	Disposals	Balance as at December 31, 2018 (Restated)
Cost:					
Computer software	40,268,126	242,968	2,884,560	(26,857,064)	16,538,590
Customer relationships	31,341,387	-	431,098	(31,341,387)	431,098
Software under development	8,565,753	7,317,493	120,000	(7,533,952)	8,469,294
Total cost	80,175,266	7,560,461	3,435,658	(65,732,403)	25,438,982
Accumulated amortization:					
Computer software	(9,749,590)	(6,770,741)	(929,913)	10,703,707	(6,746,537)
Customer relationships	(21,046,003)	(2,710,500)	(35,925)	23,756,503	(35,925)
Total accumulated amortization	(30,795,593)	(9,481,241)	(965,838)	34,460,210	(6,782,462)
Intangible assets - net	49,379,673				18,656,520

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	Separate financial statements			Unit : Baht
	Balance as at December 31, 2018	Additions	Disposals	Balance as at December 31, 2019
Cost:				
Computer software	1,363,242	10,604,179	(3,030,000)	8,937,421
Software under development	6,931,295	1,504,970	(6,931,295)	1,504,970
Total cost	8,294,537	12,109,149	(9,961,295)	10,442,391
Accumulated amortization:				
Computer software	(1,351,008)	(1,066,376)	-	(2,417,384)
Total accumulated amortization	(1,351,008)	(1,066,376)	-	(2,417,384)
Intangible assets - net	6,943,529			8,025,007

	Separate financial statements			Unit : Baht
	Balance as at December 31, 2017	Additions	Disposals	Balance as at December 31, 2018
Cost:				
Computer software	1,363,242	-	-	1,363,242
Software under development	3,924,974	3,006,321	-	6,931,295
Total cost	5,288,216	3,006,321	-	8,294,537
Accumulated amortization:				
Computer software	(1,059,626)	(291,382)	-	(1,351,008)
Total accumulated amortization	(1,059,626)	(291,382)	-	(1,351,008)
Intangible assets - net	4,228,590			6,943,529

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2019	2018	2019	2018	
Amortization	5,487,947	9,481,241	1,066,376	291,382	

As at December 31, 2019 and 2018, the fully amortized intangible assets that still in use were at cost of Baht 1.85 million and Baht 1.09 million, respectively for the consolidated financial statement and Baht 1.35 million and Baht 1.09 million, respectively for the separate financial statement.

14. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities consisted of:-

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2019	2018 (Restated)	2019	2018	
Deferred tax assets	1,862,338	569,534	646,851	569,534	
Deferred tax liabilities	(2,203,935)	(1,593,918)	-	-	
	(341,597)	(1,024,384)	646,851	569,534	



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Changes in deferred tax assets and liabilities for the year ended December 31, 2019 are summarized as follows:

Unit : Baht

	Consolidated financial statements				
	As at	Acquisitions		Recognized	As at
	December	through	Recognized	in other	December
	31, 2018	business	in profit	comprehensive	31, 2019
	(Restated)	combinations	or loss	income	
	(Note 11)				
Deferred tax assets:					
Account receivable	-	-	118,074	-	118,074
Inventories	-	-	17,523	-	17,523
Provisions for employee benefit	569,534	-	1,064,789	92,418	1,726,741
Total	569,534	-	1,200,386	92,418	1,862,338
Deferred tax liabilities:					
The difference from fair value adjustment of subsidiary's asset regarding business acquisition	(1,593,918)	(1,255,814)	645,797	-	(2,203,935)
Total	(1,593,918)	(1,255,814)	645,797	-	(2,203,935)

Unit : Baht

	Consolidated financial statements				
	As at December 31, 2017	Acquisitions through business combinations (Note 11)	Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2018 (Restated)
Deferred tax assets:					
Provisions for employee benefit	43,214	-	136,835	389,485	569,534
Total	43,214	-	136,835	389,485	569,534
Deferred tax liabilities:					
The difference from fair value adjustment of subsidiary's asset regarding business acquisition	(1,939,955)	(87,979)	434,016	-	(1,593,918)
Total	(1,939,955)	(87,979)	434,016	-	(1,593,918)

	Separate financial statements			Unit : Baht
	As at December 31, 2018	Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2019
Deferred tax assets:				
Provisions for employee benefit	569,534	53,574	23,743	646,851
Total	569,534	53,574	23,743	646,851

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	Separate financial statements			Unit : Baht
	As at December 31, 2017	Recognized in profit or loss	Recognized in other comprehensive income	As at December 31, 2018
Deferred tax assets:				
Provisions for employee benefit	43,214	136,835	389,485	569,534
Total	43,214	136,835	389,485	569,534

15. OTHER NON-CURRENT ASSETS

Other non-current assets consisted of:-

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2019	2018	2019	2018	
Deposits	514,288	6,550	237,250	6,550	
Deposits for office and equipment rental	1,383,501	1,264,223	940,360	962,716	
Withholding tax	1,016,196	591,702	-	231,285	
Retention	305,000	-	-	-	
Total other non-current assets	3,218,985	1,862,475	1,177,610	1,200,551	

16. TRADE AND OTHER PAYABLES

Trade and other payables consisted of:-

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2019	2018	2019	2018	
Trade payables - other companies	1,337,120	1,109,811	-	-	
Other payables					
Deposit from customers	2,784,123	199,177	-	-	
Accrued salary and bonus	7,432,950	-	-	-	
Accrued expenses	1,707,940	4,466,521	650,557	1,362,901	
Unearned revenue	29,883,441	23,812,304	23,166,749	18,050,513	
Others	1,676,029	443,530	655,508	355,485	
Total other payables	43,484,483	28,921,532	24,472,814	19,768,899	
Total trade and other payables	44,821,603	30,031,343	24,472,814	19,768,899	

17. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

Liabilities under finance lease agreements consisted of:-

	Consolidated financial statements		Separate financial statements		Unit : Baht
	2019	2018	2019	2018	
Lease - vehicle	71,319	163,949	-	-	
Less due within 1 year	(71,319)	(87,511)	-	-	
Net	-	76,438	-	-	

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As at December 31, 2019 and 2018, the subsidiary has engaged in 1 outstanding finance lease agreement. The repayments are made by equal installments every month. The ownership of asset purchased under this finance lease agreement shall be transferred after the last installment.

The subsidiary has details of the amount to be paid, as follows:

Unit : Baht

	Consolidated financial statements					
	2019			2018		
	Principle	Interest	Total	Principle	Interest	Total
Due within 1 year	83,648	2,963	86,611	87,511	6,401	93,912
Due over 1 year, but not over 5 years	8,438	33	8,471	76,438	1,822	78,260
Total	92,086	2,996	95,082	163,949	8,223	172,172

18. PROVISIONS FOR EMPLOYEE BENEFIT

The statements of financial position

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019		2019	
	2019	2018	2019	2018
Beginning balance of the present value of the defined benefit obligations	10,535,293	6,166,491	8,691,892	4,818,475
Acquisitions through business combinations	2,332,026	534,434	-	-
Decreased from sales of investment in subsidiary	-	(326,044)	-	-
Decreased from dismissal of employees of subsidiary	(497,528)	-	-	-
Losses on remeasurements of defined benefit plans	2,045,239	2,866,389	1,701,861	2,866,389
Past service costs and interests - change in a considered post-employment plan amendment	2,044,052	-	1,618,953	-
Current service costs and interests	3,332,619	1,294,023	2,257,598	1,007,028
Ending balance of the present value of the defined benefit obligations	19,791,701	10,535,293	14,270,304	8,691,892

Expenses recognized in statements of comprehensive income

For the years ended December 31, 2019 and 2018

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2019		2019	
	2019	2018	2019	2018
Past service costs	2,044,052	-	1,618,953	-
Current service costs				
Cost of sales and rendering services	1,472,871	525,743	1,234,781	453,026
Distribution costs	201,537	69,056	175,936	54,001
Administrative expenses	830,398	538,768	567,449	368,473
Interest on obligations	330,284	160,456	279,432	131,528
	2,835,090	1,294,023	2,257,598	1,007,028
Total	4,879,142	1,294,023	3,876,551	1,007,028

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The principle of actuarial assumptions

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate (p.a.)	2.71 - 2.83	2.71 - 2.83	2.71	2.71
Expected rate of salary increase (p.a.)	5.00 - 6.33	5.00 - 6.33	6.33	6.33
Voluntary resignation rate (Depended on employee's age) (p.a.)				
- Monthly employees	0 - 15	0 - 15	0 - 15	0 - 15

Unit : Percentage

The results of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligations as at December 31, 2019 and 2018 are summarized below :

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate				
Discount rate, decrease of 1 percent	2,028,389	1,304,428	1,685,011	1,095,370
Discount rate, increase of 1 percent	(1,681,308)	(1,085,028)	(1,391,153)	(909,142)
Salary increase rate				
Salary increase rate, decrease of 1 percent	(1,833,162)	(1,103,166)	(1,508,661)	(918,999)
Salary increase rate, increase of 1 percent	2,174,716	1,296,658	1,794,117	1,081,378
Turnover rate				
Turnover rate, decrease of 1 percent	938,136	601,671	818,808	520,623
Turnover rate, increase of 1 percent	(1,808,805)	(1,169,929)	(1,494,290)	(978,223)

Unit : Baht

On April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This Act shall come into force after the expiration of thirty days from the enacted date in the Royal Gazette onwards. This change is considered a post-employment benefits plan amendment. The effect of the change is recognized past service costs as expenses in the statement of comprehensive income.

During the year 2019, long-term interest rate has significantly reduced which affected the discount rate assumed by the actuarial from 2.71% per annum to 2.83% per annum to 1.70% per annum to 1.83% per annum. The Company and its subsidiaries have considered to record the increase of employee benefit obligations in the amount of Baht 2.05 million (Company : Baht 1.70 million) and to recognize the past service costs in other comprehensive income in the amount of Baht 1.95 million (Company : Baht 1.68 million). For the sensitivity analysis data above, it may have some changes as stated. However, the Company and its subsidiaries are in the process of reassessing the employee benefits by the actuarial.

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19. INCOME TAX EXPENSES

19.1 Major components of income tax expenses for the years ended December 31, 2019 and 2018 as follows:-

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Unit : Baht				
Income tax expenses shown in profit or loss :				
Current tax expenses:				
Income tax expenses for the year	6,199,134	5,258,071	1,580,742	5,258,071
Deferred tax expenses:				
Changes in temporary differences relating to the original recognition and reversal	(1,846,183)	(575,224)	(53,574)	(136,835)
Total	4,352,951	4,682,847	1,527,168	5,121,236
Income tax relating to component of other comprehensive income :				
Deferred tax relating to :				
Actuarial loss	158,347	-	23,743	-
Total	158,347	-	23,743	-

19.2 The reconciliation between the accounting profit and income tax expense for the years ended December 31, 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Unit : Baht				
Accounting profit before income tax expense				
Income tax exemption business	4,125,212	23,320,935	4,125,212	12,888,970
Non-income tax exemption business	23,901,895	37,949,192	1,623,424	25,590,824
Total accounting profit before tax expense for the year	28,027,107	61,270,127	5,748,636	38,479,794
The applicable tax rate (%)	20%	20%	20%	20%
Income tax expense at the applicable tax rate	5,605,422	12,254,025	1,149,727	7,695,959
Reconciliation items:				
Tax effect of expenses that are not deductible in determining tax profit:				
- Expenses not allowed as expenses in determining taxable profit	2,600,812	1,035,133	3,239,089	121,094
Tax effect of income or profit that are not required in determining taxable profit:				
- Exemption of non-taxable dividend income	(1,203,600)	(800,700)	(1,203,600)	(800,700)
- Exemption profit of promoted business	(1,578,534)	(4,664,187)	(1,578,534)	(1,895,117)
- Expenses allowed as additional expenses in determining taxable expenses	(79,514)	-	(79,514)	-
Unrecognized tax losses on deferred tax assets	932,168	(2,566,200)	-	-
Others	(1,923,803)	(575,224)	-	-
Total reconciliation items	(1,252,471)	(7,571,178)	377,441	(2,574,723)
Total income tax expenses	4,352,951	4,682,847	1,527,168	5,121,236

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19.3 The reconciliation between the average effective tax rate and the applicable tax rate for the years ended December 31, 2019 and 2018 are summarized as follows:

	Consolidated financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the year	28,027,107		61,270,127	
Income tax expense at the applicable tax rate	5,605,422	20	12,254,025	20
Reconciliation items	(1,252,471)	(5)	(7,571,178)	(12)
Income tax expenses at the average effective tax rate	4,352,951	15	4,682,847	8

	Separate financial statements			
	2019		2018	
	Tax amount (Baht)	Tax rate (%)	Tax amount (Baht)	Tax rate (%)
Accounting profit before income tax expense for the year	5,748,636		38,479,794	
Income tax expense at the applicable tax rate	1,149,727	20	7,695,959	20
Reconciliation items	377,441	7	(2,574,723)	(7)
Income tax expenses at the average effective tax rate	1,527,168	27	5,121,236	13

20. PROVIDENT FUNDS AND EMPLOYEE JOINT INVESTMENT PROGRAM

20.1 Provident funds

The defined contribution plan comprises provident fund for its employees of the Company. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% of their basic salaries and by the Company at rate from 5% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entities and is managed by a licensed Fund Manager.

For the years ended December 31, 2019 and 2018, the contributions of the Company and a subsidiary recognized as expenses in the consolidated and separate statements of profit or loss and other comprehensive income are Baht 2.16 million and Baht 1.94 million, respectively (Company: Baht 2.06 million and Baht 1.94 million, respectively).

20.2 Employee Joint Investment Program

The Company has established Employee Joint Investment Program ("E-JIP") for employee who voluntarily joined the program to invest by purchasing the Company's ordinary shares. Employee contributes 5% of the amount contributed by the Company on monthly basis and the Company contributes in the rate stated in the condition of the program on monthly basis. The length of E-JIP is 3 years commencing on August 1, 2017 and terminating on July 31, 2020. The contributions from employee and the Company will be used to purchase the Company's ordinary shares through an agency appointed by the Company using Dollar Cost Average method from The Market for Alternative Investment ("MAI") on monthly basis.

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The employee is obligated to hold the Company's ordinary shares in E-JIP trading account until the termination of the program on July 31, 2020. The employee will only receive their own contribution upon the resignation before the termination of the program and return 90% of the contribution made by the Company. Upon termination of employment from death, disability or retirement, the employee will receive all stocks.

For the years ended December 31, 2019 and 2018, the contribution of the Company recognized as expenses in the consolidated and separate statement of profit or loss and other comprehensive income are Baht 3.30 million and Baht 2.77 million, respectively.

21. PREMIUM ON ORDINARY SHARES

Section 51 of the Public Limited Companies Act B.E. 2535 requires a company to set aside share subscription monies received in excess amount of the par value of the shares issued to a reserve account ("share premium"). This share premium is not available for dividend distribution.

22. LEGAL RESERVE

Under the provision of the Public Limited Companies Act B.E. 2535, the Company is required to set aside as statutory reserve at least 5% of its annual net income until the reserve reaches 10% of the authorized capital. The reserve is not available for dividend distribution.

23. DIVIDEND PAID

Comanche International Public Co., Ltd.

On March 28, 2019, the Annual General of Shareholders' Meeting No. 1/2019 has passed the resolutions for approval the dividend payment for 134,000,000 ordinary shares at Baht 0.10 each, totaling Baht 13.40 million. Such dividend was paid on April 26, 2019.

On April 25, 2018, the Annual General of Shareholders' Meeting No. 1/2018 has passed the resolutions for approval the dividend payment for 134,000,000 ordinary shares at Baht 0.063 each, totaling Baht 8.44 million. Such dividend was paid on May 26, 2019.

Synature Technology Co., Ltd.

On March 25, 2019, the Annual General of Shareholders' Meeting No. 1/2019 has passed the resolutions for approval the dividend payment for 100,000 ordinary shares at Baht 110 each, totaling Baht 11 million. Such dividend was paid on April 30, 2019.

AI Soft Co., Ltd.

On March 22, 2019, the Annual General of Shareholders' Meeting No. 1/2019 has passed the resolutions for approval the dividend payment for 300,000 ordinary shares at Baht 2.67 each, totaling Baht 0.80 million. Such dividend was paid on April 12, 2019.

24. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to shareholders of the Company (excluded other comprehensive income) by the weighted average number of ordinary shares which are issued and paid-up during the year.


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	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Profit attributable to ordinary owners of the parent (Baht)	2,315,276	32,756,826	4,221,468	33,358,558
Number of ordinary shares weighted average (shares)	134,000,000	134,000,000	134,000,000	134,000,000
Basic earnings per share (Baht per share)	0.0172	0.2444	0.0315	0.2489

25. EXPENSES BY NATURE

Expenses by nature mainly consisted of the following items:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Rental and office expenses	5,748,319	4,765,953	4,022,347	3,685,353
Employee expenses	107,329,863	79,145,407	66,372,262	59,197,284
Vehicle and accommodation	1,626,783	1,550,673	891,051	1,142,674
Electricity and water supply	3,095,672	3,073,692	2,067,738	2,115,362
Professional fee and fee	2,513,046	8,125,119	1,785,196	7,175,414
Depreciation and amortization	7,974,038	11,805,701	2,674,433	1,631,122
Advertising expenses and promotion expense	3,096,932	3,242,367	2,841,608	2,703,966
Remuneration to outsources	-	1,323,383	-	1,160,985
Finance cost	6,497	11,965	-	52
Other expenses	787,286	732,238	782,956	726,768
Doubtful debt and bad debt	599,923	428,536	159,551	267,260
Remuneration expenses of directors	1,370,000	1,555,000	1,370,000	1,555,000

26. INVESTMENT PROMOTION CERTIFICATE

On May 17, 2018, the Company was granted the privileges according to the Promotional Certificate No. 61-0565-1-01-2-0 by the Board of Investment for business type 5.7.2 of Enterprise Software and/or Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 7 years, from the first date of that income from the operation is derived from such business which was on June 6, 2018.

On November 20, 2017, the subsidiary was granted the privileges according to the Promotional Certificate No. 60-1302-1-00-2-0 by the Board of Investment for business type 5.7.2 of Enterprise Software and/or Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 5 years, from the first date of that income from the operation is derived from such business. For the year ended December 31, 2019, the subsidiary had not yet received income from such operation under this Promotional Certificate.

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The Company and its subsidiaries' revenue from sales and rendering services for the years ended December 31, 2019 and 2018 classified under promoted and non-promoted businesses are as follows:

Unit : Baht

	Consolidated financial statements					
	2019		Total	2018		Total
	Promoted Business	Non-Promoted Business		Promoted Business	Non-Promoted Business	
Revenue from sales and rendering services						
Domestic	81,825,238	105,266,842	187,092,080	32,484,151	129,846,998	162,331,149
Overseas	6,173,571	3,212,932	9,386,503	3,593,249	7,656,820	11,250,069
Total	87,998,809	108,479,774	196,478,583	36,077,400	137,503,818	173,581,218

Unit : Baht

	Separate financial statements					
	2019		Total	2018		Total
	Promoted Business	Non-Promoted Business		Promoted Business	Non-Promoted Business	
Revenue from sales and rendering services						
Domestic	81,825,238	6,049,888	87,875,126	32,484,151	70,315,048	102,799,199
Overseas	6,173,571	501,442	6,675,013	3,593,249	6,149,073	9,742,322
Total	87,998,809	6,551,330	94,550,139	36,077,400	76,464,121	112,541,521

27. OPERATING SEGMENT INFORMATION

Operating segment information is reported in a manner consistent with the internal report used for making decisions about the allocation of resources and assess its performance. The chief operating decision maker has been identified as the Company's Chief Executive Officer.

Business segment

The Company and its subsidiaries operate in only one segment which is in the business of selling computer and computer software which includes installation, and maintenance services and other services relating to computer software.

Geographic segment

Business operation by geographic segment in the consolidated financial statements for the years ended December 31, 2019 and 2018 are as follow:

Unit : Baht

	2019			2018		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Revenue from sales and rendering services	187,092,080	9,386,503	196,478,583	162,331,149	11,250,069	173,581,218
Cost of sales and rendering services	89,273,342	561,058	89,834,400	57,334,301	521,761	57,856,062
Gross profit	97,818,738	8,825,445	106,644,183	104,996,848	10,728,308	115,725,156

Information about major customers

For the years ended December 31, 2019 and 2018, the Company and its subsidiaries have no revenue from sales and rendering services from each external customer over 10% of total revenue.



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28. COMMITMENTS

28.1 Commitments of rental and service agreements

As at December 31, 2019, the Company and its subsidiaries have entered into the operating lease agreements for office and service covering the period of 6 months to 3 years. The future payments are summarized as follows:

	Unit : Baht	
	Consolidated financial statements	Separate financial statements
Within 1 year	6,337,186	3,582,360
Over 1 year, but not over 5 years	2,587,577	1,328,940
Total	8,924,763	4,911,300

28.2 Commitments of capital expenditure

As at December 31, 2019, the Company had the commitments Building design of 1 contract, which the Company has to pay under the agreement amounting to Baht 0.83 million.

29. SIGNIFICANT AGREEMENTS

The Company has made the distribution agreement to distribute the Company's computer software in foreign countries which the main objective is to have a distributor to do a distribution, marketing, installation and customer services. The agreement is for 2 years and the fee is agreed between the Company and the agents in each country.

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company and its subsidiaries use the market approach to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

Level 1 - Use of quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Use of inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (e.g. market prices) or indirectly (e.g. derived from market prices).

Level 3 - Use of unobservable inputs such as information of future cash flows estimated by the Company.

As at December 31, 2019, the Company and its subsidiaries have the following assets and liabilities that were measured at fair value using different levels of inputs as follows :-

	Consolidated financial statements			Unit : Baht
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Time deposits with banks	50,000,000	-	-	50,000,000
Negotiable certificates and bill of exchange	190,000,000	-	-	190,000,000
Debenture	20,000,000	-	-	20,000,000
Unit trust - mutual fund	-	82,082,686	-	82,082,686

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	Separate financial statements			Unit : Baht
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Time deposits with banks	50,000,000	-	-	50,000,000
Negotiable certificates and bill of exchange	190,000,000	-	-	190,000,000
Debenture	20,000,000	-	-	20,000,000
Unit trust - mutual fund	-	76,052,612	-	76,052,612

During the current year, there were no transfers within the fair value hierarchy.

Valuation techniques and inputs for Level 2 valuations

The fair value of investments in unit trust are calculated from the latest yield-rate quoted on The Thai Bonds Market Association.

31. FINANCIAL INSTRUMENTS

31.1 Risk management

The Company and its subsidiaries manage their financial risk exposure on financial assets and financial liabilities in the normal business by its internal management and control system, and the Company and its subsidiary do not hold or issue any derivative financial instruments.

31.2 Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks and some parts of bank overdrafts facility. The Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market. However, the management believed that the future fluctuation on market interest rate would not significantly affect their operations and/or cash activities, therefore no financial derivatives was adopted to manage such risks.

As at December 31, 2019, the significant financial assets and financial liabilities classified by types of interest rates were as follows:

	Consolidated financial statements			Unit : Baht
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
Financial Assets				
Cash and cash equivalents	35,655,658	-	30,725,950	66,381,608
Temporary investments	82,082,686	260,839,491	-	342,922,177
Trade and other receivables	-	-	29,800,403	29,800,403
Short - term loans to other company	-	5,347,075	-	5,347,075
Financial liabilities				
Trade and other payables	-	-	44,821,603	44,821,603

	Separate financial statements			Unit : Baht
	Floating interest rate	Fixed interest rates	Non-interest bearing	Total
Financial Assets				
Cash and cash equivalents	13,443,493	-	748,287	14,191,780
Temporary investments	76,052,612	260,839,491	-	336,892,103
Trade and other receivables	-	-	15,452,141	15,452,141
Short - term loans to other company	-	5,347,075	-	5,347,075
Short - term loans to related party	-	2,000,000	-	2,000,000
Financial liabilities				
Trade and other payables	-	-	24,472,814	24,472,814

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31.3 Credit risk

The Company and its subsidiaries are exposed to credit risk of trade receivables. The management of the Company and its subsidiaries manage this risk by establishing appropriate credit control policies and procedures. Therefore, the Company does not expect to incur material losses from debt collection more than the amount already provided in the allowance for doubtful accounts.

31.4 Foreign currency risk

The Company and its subsidiaries do not consider themselves exposed to foreign currency risk since the Company and its subsidiaries perform only domestic business activities.

31.5 Liquidity risk

The Company and its subsidiaries manage its liquidity risk by maintaining adequate level of cash and cash equivalents to support the Company's and its subsidiaries' operations as well as securing and reducing the impact of fluctuations in cash flow by establish reasonable short-term credit facilities from financial institutions.

31.6 Fair value

The value of financial instruments as presented in the financial statements are mostly bear floating interest rates or fixed interest rates which are close to market rate. The management believes that the fair value does not materially differ from the amount presented in the statements of financial position.

32. RECLASSIFICATION

The Company and its subsidiaries have reclassified certain accounts in the financial statement for the year 2018 to conform with the presentation the current year, without any effect to the previous reported profit (loss) or shareholders' equity as follows:-

	Unit : Baht		
	Consolidated financial statements		
	Before Reclassification	Reclassification Increased (decreased)	After Reclassification
Statement of comprehensive income			
For the year ended December 31, 2018			
Cost of sale and rendering services	57,609,932	204,299	57,814,231
Distribution costs	10,325,547	(56,125)	10,269,422
Administrative expenses	60,993,632	(147,224)	60,846,408
Other expenses	950	(950)	-

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33. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

Restatement of prior year's financial statements relating to business acquisition

According to the Company's shares acquisition in Win Star Tech Co., Ltd. on June 1, 2018, such transaction is treated as a business combination and has undertaken at the fair value of the identifiable assets acquired at the business acquisition date to be completed in the second quarter of 2019 which is within the valuation period of not over 1 year from the business acquisition date as required under Thai Financial Reporting Standard No.3 (revised 2018) "Business Combination". Therefore, the Company has restated the consolidated statement of financial position as at December 31, 2018 and the consolidated statement of comprehensive income for the year then ended relating to the previously reported fair value measurement of net identifiable assets including goodwill as at the business acquisition date as follows:

	Unit : Baht		
	Consolidated financial statements		
	As previously reported	Increased (Decreased)	As newly reported
Statement of financial position			
As at December 31, 2018			
Equipment	5,094,439	(19,967)	5,074,472
Intangible assets	18,216,627	439,893	18,656,520
Goodwill	53,744,449	(323,231)	53,421,218
Deferred tax liabilities	936,405	87,979	1,024,384
Retained earnings	55,056,764	(32,776)	55,023,988
Non-controlling interests of the subsidiaries	18,729,096	41,494	18,770,590
Statement of comprehensive income			
For the year ended December 31, 2018			
Cost of sales and rendering services	57,814,231	41,831	57,856,062
Tax expenses	4,687,220	(4,373)	4,682,847
Profit for the periods			
Attributable to owners of the parent	30,312,698	(32,776)	30,279,922
Attributable to non-controlling interests of the subsidiaries	8,715,585	(4,682)	8,710,903
Basic earnings per share	0.24	(0.01)	0.23

34. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the Company's Board of Directors on February 28, 2020.



