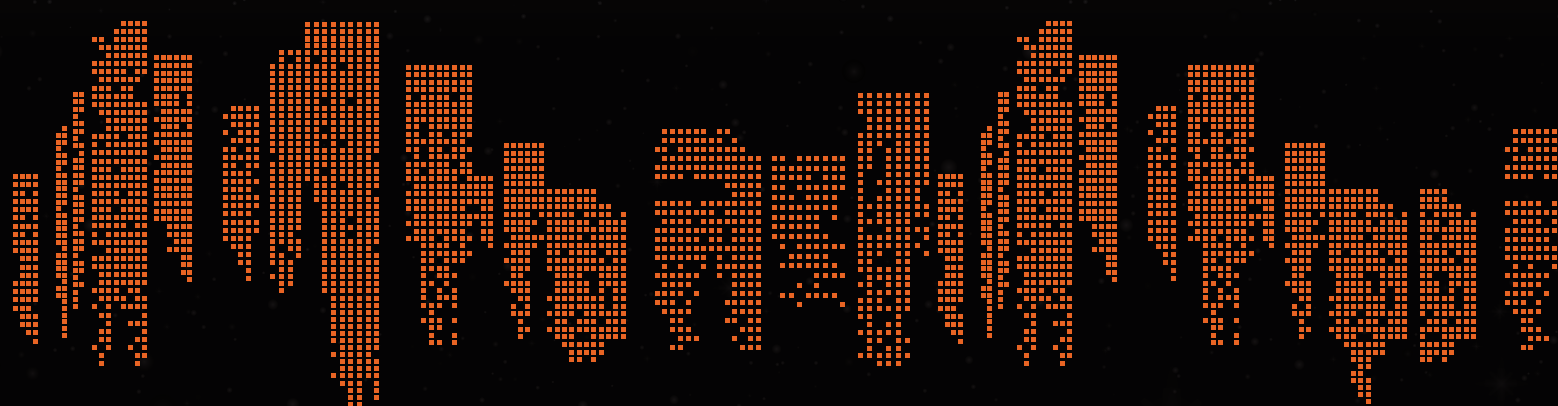


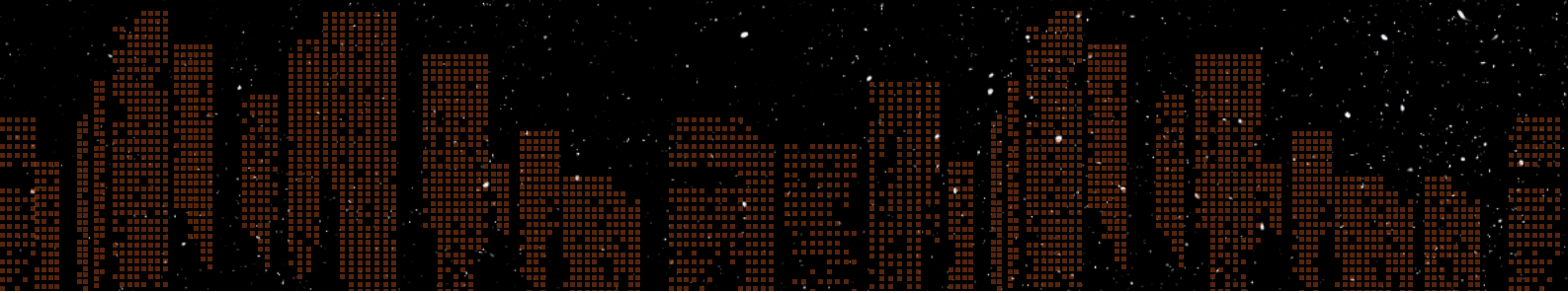


Annual Report 2017



ANNUAL REPORT

2017



MESSAGE FROM CHAIRMAN OF THE BOARD



CHANITR CHARNCHAINARONG

CHAIRMAN OF THE BOARD

Dear shareholders,

2017 was a period of growth and rapid change in the digital and technology industry, especially in the areas of communication systems, data storage systems, analytical systems and systems management, enhanced by the Government promotion “Thailand 4.0”, which will change the digital path both in everyday life and business arenas.

The operating results of Comanche International Public Company Limited during the past year show a growth in line with the recovery of the national economy. The Company has prioritised the importance of transparent management and corporate governance with transparency and in accordance with the principles of the Securities and Exchange Commission and the Stock Exchange of Thailand. As a result, the Company has achieved a 3-star rating in accordance with the principles of good corporate governance for listed companies. In addition to focusing on the manufacture and provision of software, “COMAN” also aims to be the leader in the tourism technology sector by seeking additional international business through new innovations and continuous product research and development.

On behalf of the Board of Directors, I would like to express our appreciation and gratitude to all who continuously strive to support the daily operation of the Company. The Company would not be able to achieve its goals without the cooperation and support of all stakeholders, namely, clients, shareholders, manufacturers, financial institutions, and trading partners. In accordance with our visions and planned strategies, you can trust that the Board, management and staff are dedicated and performing their duties at full capacity to advance future growth in accordance with recommended corporate governance principles.

A handwritten signature in blue ink, consisting of stylized, cursive letters that appear to read 'Chanitr Charnchainarong'.

CHANITR CHARNCHAINARONG

CHAIRMAN OF THE BOARD

MESSAGE FROM CHIEF EXECUTIVE OFFICER



SOMBOON SUKHEVIRIYA
CHIEF EXECUTIVE OFFICER

Comanche International Public Company Limited (“COMAN”) soared continuously throughout 2017 in the fields of product development and service. We have elevated our standards to become the leading Thai company in the tourism software industry. Our aim is that our products and services will fulfill everyone’s travel needs.

COMAN’s continuous growth both financial and globally, has strengthened our alliances in 2 additional countries, bringing our international dealerships to a total of 10. During the past year, COMAN acquired the important partner, Synature Technology Company Limited (“SYN”), to be a part of us which allows COMAN to expand its customer base to more than 1,600 clients, divided into 600 from “SYN” and 700 from “COMAN”, or more than 100,000 hotel rooms and 4,000 restaurants. This huge customer base makes us the no.1 ranking Thai tourism software companies, the first and only tourism software in Thailand.

Finally, on behalf of the management team of Comanche International Public Company Limited, I would like to express our appreciation and gratitude to shareholders, trading partners, financial institutions, relevant public and private sectors, and all clients for their continued confidence and support towards COMAN. More importantly, I would like to thank staff and all management of the Company for their dedication both physically and mentally that drives this accomplishment. Additionally, I would like all of you to know that the Company will strive with dedication to maintain our leadership in technology and to advance and make a sustainable return for all shareholders and stakeholders.

A stylized, handwritten signature in blue ink, consisting of a large, flowing 'S' followed by a checkmark-like flourish.

SOMBOON SUKHEVIRIYA
CHIEF EXECUTIVE OFFICER



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Chanitr

Charnchainarong

Chairman of the Board of Directors/
Independent Director **Age (Years) 54**

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) NONE

EDUCATIONAL BACKGROUND

- Master's Degree in Electrical Engineering, Purdue University, USA
- Bachelor's Degree in Electrical Engineering, Purdue University, USA
- Chartered Financial Analyst (CFA)

TRAINING

- Director Certification Program (Dcp) Class of 52/2004, Thai Institute of Directors (Iod)
- Capital Market Academy Leadership Program Class of 2/2006, The Stock Exchange of Thailand

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2015 - Present

Independent Director/
Chairman of the Board of
Directors
Comanche International Public
Company Limited
Hotel Management Software
Developer

OTHER COMPANIES OR ORGANIZATIONS

2016 - Present

Independent Director
Strategic Property Investors Company

Limited

REIT Manager

2016 - Present

Senior Executive Vice President
Central Group
Retail Store, Mall, Hotel, and
Restaurant Operator

2015 - Present

Independent Director/
Chairman of the Audit
Committee
United Overseas Bank (Thai) Public
Company Limited
Financial Institution

2011 - 2015

Executive Vice President

The Stock Exchange of
Thailand

2015 - Present

Independent Director/
Audit Committee
GMM Grammy Public
Company Limited
Integrated entertainment media
platform provider



Somboon

Sukheviriya

Authorized Director/ Risk Management Committee/
Chairman of the Executive Committee/
Chief Executive Officer **Age (Years) 56**

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 30.45

EDUCATIONAL BACKGROUND

- Bachelor's Degree from the Faculty of Business Administration, Ramkhamhaeng University

TRAINING

- 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

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2003 - Present

Director (Authorized Director)/
Risk Management Committee/
Chairman Of The Executive
Committee /Chief Executive Officer
Comanche International Public
Company Limited
Hotel Management Software
Developer

2015 - Present

Director (Authorized Director)
MSL Software (Thailand)
Company Limited
Data and Content Management
Software Developer

2017 - Present

Director
Synature Technology Company
Limited Point of Sales (POS)
Software
Developer for Restaurants and
Retail Stores

OTHER COMPANIES OR ORGANIZATIONS

2015 - 2015

Director (Authorized Director)
Pt. Comanche International
Indonesia
Hotel Management
Software and Related Products
Distributor

2011 - 2015

Director (Authorized Director)
Comanche International
Malaysia Sdn Bhd

2013 - 2015

Director (Authorized Director)
Comanche International
Vietnam Co., Ltd.

2015 - 2015

Director
Iyara Vc Company
Limited Venture Capital Firm



Chim Tantiyaswasdikul, PhD

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

Age (Years) 65

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) NONE

EDUCATIONAL BACKGROUND

- Doctoral Degree in Statistics, University of Michigan, USA
- Master's Degree in Computer, Information and Control Engineering, University of Michigan, USA
- Bachelor's Degree in Computer and Communication Science, University of Michigan, USA

TRAINING

- Director Accreditation Program (DAP) Class of 123/2016, Thai Institute of Directors (IOD)
- Finance for Non-Finance Director (FND) Class of 34/2007, Thai Institute of Directors (IOD)

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2015 – Present

Independent Director/
Chairman of The Audit Committee /
Nomination and Remuneration Committee
Comanche International Public
Company Limited
Hotel Management Software
Developer

OTHER COMPANIES OR ORGANIZATIONS

2015 – Present

Member of the Information
Technology Subcommittee
Office of Insurance Commission
Government Agency

2014 – Present

Member of the Data Center
Subcommittee
Office of the National
Broadcasting and
Telecommunications
Commissiongovernment Agency

2014 – Present

Member of the Information
Technology Subcommittee
Ministry of Information and
Communication Technology
Government Agency

2014 – Present

Independent Director
Audit Committee
National ITMX Company Limited
Payment Infrastructure

2013 – Present

Member of the Digital Corporate Strategy
Subcommittee Member of the Process
Development and Information Technology
Subcommittee Deposit Protection Agency
Government Agency

2015 - 2017

Chairman of the Board of
Directors/Independent Director
Bangkok Commercial Asset
Management Public Company
Limited Asset Management Company

2011-2012

Advisor to the Governor
Bank of Thailand
Central Bank

2007-2013

Chairman of the Control and
Supervision of Service Businesses
Relating to Electronic
Transactions Subcommittee
Ministry of Information and
Communication Technology
Government Agency

2006-2013

Member of the Electronic Transactions
Commission Ministry of Information and
Communication Technology Government
Agency



Dolrudee Pornpipat

- Independent Director
 - Audit Committee
 - Chairman of the Risk Management Committee
 - Chairman of the Nomination and Remuneration Committee
- Age (Years) 71**

FAMILY TIES BETWEEN EXECUTIVES NONE
OWNERSHIP OF THE COMPANY (%) NONE

EDUCATIONAL BACKGROUND

- Bachelor's Degree (2nd Class Honors) in Accounting, Faculty of Commerce and Accountancy, Chulalongkorn University

Training

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

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2015 – Present

Independent Director/
Audit Committee/ Chairman of the Risk Management Committee / Chairman of the Nomination and Remuneration Committee
Comanche International Public Company Limited
Hotel Management Software Developer

OTHER COMPANIES OR ORGANIZATIONS

2017 – Present

Performance Appraisal and Expenditure Subcommittee
Office of the National Broadcasting and

Telecommunications Commission Oversees and Regulates
Television Broadcast and Telecommunications

2017 – Present

Head of Internal Audit the Royal Project Foundation Royally-Initiated Development Projects

2016 - 2016

Performance Appraisal and Expenditure Working Team
Office of the National Broadcasting and

Telecommunications Commission Oversees and Regulates

Television Broadcast and Telecommunications

2011 – 2016

Deputy Head of Internal Audit
The Royal Project Foundation

Royally-Initiated Development Projects



Supoj Kaewmanee

- Director
- Audit Committee
- Nomination and Remuneration Committee

Age (Years) 57

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) NONE

EDUCATIONAL BACKGROUND

- Master's Degree from the Faculty of Law, Ramkhamhaeng University
- Bachelor's Degree from the Faculty of Law, Thammasat University

TRAINING

- Taxation Law Course (Batch 2), The Legal Training Institute, The Thai Bar Under the Royal Patronage
- Taxation Law for the Public Course (Batch 5), Judicial Training Institute, Office of Judiciary
- Director Accreditation Program (DAP) Class of 107/2014, Thai Institute of Directors (IOD)

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2017 – Present

Director/Audit Committee/Nomination and Remuneration Committee
Comanche International Public Company Limited
Hotel management software developer

OTHER LISTED COMPANIES

2013 – Present

Director/Audit Committee/
Chairman of the Nomination and Remuneration Committee

LDC Dental Public Company Limited
Dental clinic

2014 – Present

Director/Audit Committee/
Chairman of the Nomination and Remuneration Committee
Salee Printing Public Company Limited
Labels and high-quality prints manufacturer

2016

Director The Royal Ceramic Industry Public Company Limited
Ceramic floor and wall tiles manufacturer and distributor



Gancanapol

Geert Marcel Cyriel Van Compernelle

- Director
- Risk Management Committee

Age (Years) 36

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) NONE

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 IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2015 – Present

Director/Risk Management Committee
Comanche International Public
Company Limited

Hotel management software developer

2015 – 2015

Business Analyst
MSL Software (Thailand) Company
Limited

Data and content
management software developer

OTHER LISTED COMPANIES

2017 – Present

Independent Director / Audit Committee
L.V. Technology Public Company
Limited

Engineering design and other services
provider

2012 – 2016

Independent Director/
Audit Committee L.V. Technology
Public Company Limited
Machinery designer and manufacturer
for cement and related industries

OTHER COMPANIES OR ORGANIZATIONS

2015 – Present

Managing Partner

Ross & Van Compernelle Investment
company

2007 – 2014

Director
Voxtron International, Belgium
Telecommunications

2012 - 2014

Vice President
SCB Securities Company Limited
Securities company

2010 - 2012

Vice President
Merchant Partners Asset Management
Limited
Securities company



Apichai

Sakulsureeyadej

- Authorized Director
- Risk Management Committee
- Executive Director

Age (Years) 40

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 29.25%

EDUCATIONAL BACKGROUND

- Bachelor of Science
Information Systems
University of Melbourne
Australia

Training

- Director Accreditation Program (DAP) Class 121/2558
Thai Institute of Directors (IOD)

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2015 – Present

Director (Authorized Director) /
Risk Management Committee /
Executive Director
Comanche International Public
Company Limited

Hotel Management Software
Developer

2007 – Present

Director (Authorized Director) /
Chief Executive Officer

Msl Software (Thailand) Co.,Ltd.
Data and Content Management
Software Developer

OTHER COMPANIES OR ORGANIZATIONS

2015 - 2015

Director
Iyara Vc Co., Ltd
Venture Capital

2013 - 2015

Director
Software Park Thailand

Government

2012 - 2015

Director
(Authorized Director) Peeplepass Pte.
Ltd. Singapore

Start Up

2007 - Present

Chairman And Founder
Tourism Technology Association
Association



Darunee

Sae-tung

- Risk Management Committee
- Chief Financial Officer

Age (Years) 47

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 0.000665671

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

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2016 – Present

Risk Management Committee/Chief Financial Officer

Comanche International Public Company Limited

Hotel management software developer

2017

Director

Synature Technology Company Limited

Point of Sales (POS) software developer for restaurant and retail stores

OTHER LISTED COMPANIES

2013 – 2015

Director/

Company Secretary/ Chief Financial Officer

LDC Dental Public Company Limited
Dental clinic

OTHER COMPANIES OR ORGANIZATIONS

1994 – 2013

Audit Senior Manager

Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
Audit firm



Veerapong Kruwang

- Risk Management Committee
- Chief Operations Officer

Age (Years) 44

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 0.000665671

EDUCATIONAL BACKGROUND

- Master's Degree in Information Technology in Business, Faculty of Commerce and Accountancy, Chulalongkorn University
- Bachelor's Degree in Information Technology in Business, Faculty of Business Administration, Saint John's University

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2013 – Present

Risk Management Committee
Chief Operations Officer
Comanche International Public
Company Limited
Hotel management software developer

Windegy Company Limited
Computer software system advisory
2008 - 2013
Assistant Vice President
TCC Hotels Group Company Limited
Hotel business

OTHER COMPANIES OR ORGANIZATIONS

2015 – 2016

Director



Pirom Methaveerapong

• Acting Chief Marketing Officer
Age (Years) 47

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 0.006660447

EDUCATIONAL BACKGROUND

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

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2003 - Present

Acting Chief Marketing Officer

Comanche International Public Company Limited

Hotel management software developer

2017

Director

Synature Technology Company Limited

Point of Sales (POS) software developer for restaurant and retail stores



Parichart Sontorn

• Acting Chief Administrative Officer
Age (Years) 44

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 0.006660447

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 IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2003 - Present

Acting Chief Administrative Officer

Comanche International Public

Company Limited

Hotel management software

developer



Supattra Hirunyanon

• Finance & Accounting Division Manager
Age (Years) 29

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 0.000665671

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 IN THE PAST 5 YEARS

LISTED COMPANIES AND GROUP COMPANIES

2015 - Present

Finance & Accounting Division
Manager

Comanche International Public
Company Limited

Hotel management software
developer

Accounting Division Manager

Geothermic Company Limited

Sprayer and steam generator

distributor and service provider

2007 - 2013

Accounting Officer

Car Boutique Company Limited

Motor vehicle parts and accessories
retailer

OTHER COMPANIES OR ORGANIZATIONS

2014 - 2015



Nikul Tangninlasap

- Company Secretary
- Investor Relations

Age (Years) 28

FAMILY TIES BETWEEN EXECUTIVES NONE

OWNERSHIP OF THE COMPANY (%) 0.000665671

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)

WORK EXPERIENCE IN THE PAST 5 YEARS

LISTED COMPANIES AND

GROUP COMPANIES

2017 - Present

Company Secretary
Investor Relations
Comanche International Public
Company Limited
Hotel management software
developer

2015 - 2017

Senior Managerial Accounting
Comanche International Public
Company Limited

Hotel management software
developer

OTHER LISTED COMPANIES

2015 - 2015

Account Officer
LDC Dental Public Company Limited
Dental clinic

OTHER COMPANIES OR ORGANIZATIONS

2014 - 2015

Assistant Audit
ACSS Company Limited
Audit firm



COMANCHE

INTERNATIONAL

COMANCHE INTERNATIONAL ANNUAL REPORT 2017



Business Operations



Business Operations

Policies and Overview of Business Operations

Overview of Business Operations

Comanche International Public Company Limited (“the Company” or “COMAN”) operates its core business as a software developer and installation and other services provider for ready-for-use software registered with the Department of Intellectual Property under the name of Comanche Hotel Software and Data Base. The Company offers installation service at client sites, user training programs, and after-sales service through consultancy, maintenance, and other related services.

At present, the Company aims to develop ready-for-use software in the tourism industry such as ready-for-use software for hotels and serviced apartments. Moreover, the Company has a policy to invest in companies with similar businesses or complementary businesses to the Company to expand its reach in software services. The Company currently has investments in 2 other companies which are the Company’s subsidiaries with details as follows.

- MSL Software (Thailand) Company Limited (“MSL”), in which the Company holds 99.99% stake of paid-up capital, engages in the business of offering consultancy services, planning, design, and development of information technology software solutions for enterprise data management as required by clients. MSL also provides annual maintenance services or for any time period as specified in the contract, with target customers who are large enterprises in various segments including banking and finance and airlines.
- Synature Technology Company Limited (“SYN”), in which the Company holds 51% stake of paid-up capital, engages in the business of developing for sale and provision of services for ready-for-use software registered with the Department of Intellectual Property under the name of pRoMiSe.

The nature of business and details on business operations for each company are as follows.

Nature of Business	COMAN
1. Software Installation Services	<ul style="list-style-type: none"> • Planning and installation of Comanche Hotel Software, a ready-for-use hotel management software • Hosting user training programs for Comanche Hotel Software

continue

Nature of Business	COMAN
2. Maintenance Services	<ul style="list-style-type: none"> • Provision of consultancy services as after-sales service 24/7 in Thai and English in accordance with the annual maintenance service agreement • Software bug fixes • Software version upgrades
3. Other Services	<ul style="list-style-type: none"> • On-call service • Software re-installation • Other related services such as technical software support for programs other than that of the Company

Nature of Business	MLS
1. Software Solutions & Implementation	<ul style="list-style-type: none"> • Data analysis both outside and inside the company that could affect management or enterprise decision-making • Planning and design of software for data analysis to achieve the results required by the client • Development and management of data systems of the client <ol style="list-style-type: none"> (1) Content management (2) Document and records management (DRM) (3) Analytics tool • Cloud hosting management services <ol style="list-style-type: none"> (1) Planning and consultancy services for selecting appropriate cloud hosting to the clients' database (2) Data management on cloud hosting platform such as access to information, transfer of information, and back up of information

continue

Nature of Business	MSL
2. Maintenance Services	<ul style="list-style-type: none"> • Provision of consultancy and maintenance services in accordance with the annual maintenance service agreement or for any time period as specified in the contract agreed upon with the client • Bug fixes which occurred from usage • Coordination with software service providers in resolving issues or version upgrades
3. Micro Focus Distributor	<ul style="list-style-type: none"> • Acting as Micro Focus Pte Ltd. (“Micro Focus”)’s distributor, which sells software or application testing products

Nature of Business	SYN
1. Software Installation Services	<ul style="list-style-type: none"> • Planning and installation of ready-for-use software for restaurant management under the name of pRoMiSe Restaurant Software • Hosting user training programs for pRoMiSe Restaurant Software
2. Other Services	<ul style="list-style-type: none"> • Procuring hardware to facilitate the needs of clients • Provision of after-sales services such as call center to resolve problems arising from the use of pRoMiSe Restaurant Software • Other related services such as restaurant and retail stores software consultancy services



Vision, Mission, and Business Goals

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 key 3-year strategies (within 2019) 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-invest 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, and tourism events reservation systems for B2B and B2C

Major Changes and Developments

Mr. Somboon Sukheviriya, the Company's founder, has over 30 years of experience in hotel management software. He was the manager of the Computer Division of Hilton International Hotel and Oriental Hotel during the years 1984-1989, before taking the position of managing director at Fidelio Software (Thailand) Company

Limited during the years 1990 - 1995, which Mr. Somboon Sukheviriya was both shareholder and management. Fidelio Software Group from Germany is a producer and developer of ready-for-use software used in the hotel business on personal computers (PC) chosen by global hotel chains. Mr. Somboon Sukheviriya can be considered

experienced and specialized in the production and development of ready-for-use hotel management software both in the user perspective and developer perspective.

Later in 1996 after terminating his role at Fidelio Software (Thailand) Company Limited by selling all his shares to third party, Mr. Somboon Sukheviriya founded Comanche Communications Company Limited to develop and provide installation services for ready-for-use hotel management software, focusing on development on the DOS (Disk Operating System¹) with the market constrained within Thailand. Later, when information technology development led to the Windows² operating system on personal computers, which became popular among users coupled with the idea to expand to tourism IT software solutions internationally, Comanche Communications Company Limited's operations came to a halt (the company currently ceases to exist³). Comanche International Company Limited ("the Company" or "COMAN") was founded in January 2003 with registered capital of THB 1,000,000 divided into 10,000 common shares with a par value of THB 100 per share to operate the business of development of ready-for-use software for hotel and serviced apartment management registered under the name of Comanche Hotel Software and Data Base.

The software's distinctive point was that it is of Thai nationality with operational flexibility able to work with servers under the Linux⁴ and Windows operating systems. Moreover, the Company has developed the software to best suit the needs of clients and to be appropriate with the hotel business such as internet reservation system, food and beverages pricing system, and management-related information reporting system. Key customers are hotels and serviced apartments rated at least 3 stars both domestically and internationally. As of 31 December

2017, the Company has over 807 clients, categorized into 653 domestic clients and 154 international clients, with a total of approximately 118,079 guest rooms. The Company has 73 hotels in hotel-chains including Centara, Imperial, Eastin, Kantary, and Oakwood. In expanding overseas, the Company engages in 2 marketing methods which are direct sales focusing on clients in neighboring countries using the Company's direct sales team and appointment of foreign dealers. As of 31 December 2017, the Company has 10 foreign dealers in 8 countries, which are China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, and Singapore. In the past, the Company was a major shareholder in 3 foreign dealer companies which are Comanche International Malaysia Sdn Bhd, PT. Comanche International Indonesia Co., Ltd., and Comanche International Vietnam Co., Ltd. incorporated in Malaysia, Indonesia, and Vietnam respectively.

In 2015, the Company restructured its business as it recognized the benefits and the ability to reduce investment and service risks of the Company with regards to sales through foreign dealers in comparison to sale and provision of services overseas through the setup of representative offices. Thus, the Company sold its entire stake in the 3 foreign dealer subsidiary companies to employees who once worked in these subsidiary companies. The aforementioned persons are not related-party or related to the Board of Directors, management, and major shareholders of the Company in any way, and the Company proceeded appointed the 3 companies as foreign dealers. As of 31 December 2017, the Company has clients in over 17 countries such as China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, Myanmar, Japan, and Singapore.

In 2015, Mr. Somboon Sukheviriya as major shareholder of the Company and Mr. Apichai Sakulsureeyadej as major shareholder of MSL Software (Thailand) Company

¹Disk Operating System (DOS) is an early operating system widely installed in personal computers using a line-by-line command method

²Windows is another operating system developed by Microsoft, arising from the difficulty of using DOS, with a characteristic of GUI (Graphic-User-Interface) as replacement for the line-by-line command method

³On 7 June 2016, Comanche Communications Company Limited's shareholders' meeting passed a resolution to terminate the company's operations and proceed with settlement of the company's accounts

⁴An operating system similar to the Disk Operating System, but is a free ware operating system, used at no cost.

Limited engaged in business restructuring. On 1 September 2015, the Company offered 58,266 shares (with par value of THB 100 per share) at a price of THB 102.31 per share, which is the book value of the Company as of 31 December 2014 adjusted for interim dividend payments, to MSL's shareholders. The Company then used proceeds from the issuance of shares to purchase MSL's common shares from existing shareholders amounting to 54,610 shares (with par value of THB 100 per share) or a proportion of 99.99% of paid-up capital at a price of THB 109.16 per share, which is the book value of MSL as of 31 December 2014 adjusted for interim dividend payments, making MSL the Company's subsidiary.

MSL was founded in 2007 by Mr. Apichai Sakulsureeyadej. As of 31 December 2017, MSL has paid-up capital of THB 23,461,300, divided into 234,613 shares at a par value of THB 100 per share. It operates the business of providing consultancy services, planning, design, and development of digital solutions information technology systems for enterprise data management on a by-project basis. MSL's key customer groups are government agencies, state-owned enterprises, and private organizations with the need to bring in information technology systems to manage, process, and analyze data to aid in decision-making. MSL's selected key projects include the development of Electronic Document and Records Management System: EDRMS for the Bank of Thailand in 2008, the development of Image Archive System: IAS for the Bank of Thailand in 2010, and the development of Web Content Management System: CMS for Thai Airways International Public Company Limited in 2013. Moreover, MSL provides maintenance services on a project-by-project basis as agreed with clients, which in the past have been specified in the maintenance

agreement service for a 1-year time period or any time period as specified in the contract agreed upon with the client.

On 28 April 2017, the shareholders' meeting passed a resolution approving the purchase of 51,000 common shares (with par value of THB 100 per share) from existing shareholders of Synature Technology Company Limited ("SYN") at a price of THB 1,020 per share, amounting to THB 52,020,000 or a proportion of 51% of SYN's paid-up capital. SYN specializes in the development of ready-for-use point-of-sales (POS) software for restaurants, retail stores, and spa facilities. The Company, in purchasing shares of SYN, can benefit from the utilization of the expertise and sales channels of SYN, and the transaction was completed on 20 June 2017, making SYN the Company's subsidiary.

SYN was founded in 2006 by Mr. Chatchai Tolertmongkol with paid-up capital of THB 10,000,000 divided into 100,000 shares at a par value of THB 100 per share as of 31 May 2006. It operates the business in developing ready-for-use software for sale, provision of installation services at client sites, hosting user training programs, and resolving software-related usage issues. SYN's key customer groups are restaurant and retail store businesses who wish to incorporate software systems to more efficiently manage their business and analyze data to support in accurate decision-making. SYN's selected key project includes the development of pRoMiSe Mobile Ordering for iOS and pRoMiSe Mobile Ordering for Android software in 2013 compatible with technologically-advanced restaurant management systems which meet the needs of restaurant businesses for convenience and speed in serving customers, creating customer satisfaction and sweeping in revenues as targeted.

Comanche International Public Company Limited and its subsidiaries' major developments can be summarized as follows

• Comanche International Public Company Limited's Major Developments

Year	Details
2003	<ul style="list-style-type: none"> On 10 January 2003, Comanche International Company Limited was established with initial registered capital of THB 1,000,000 divided into 10,000 common shares at a par value of THB 100 per share. Headquartered at Units E-F, 23rd Floor, 252/118 Muangthai Phatra 2 Building, Ratchadapisek Road, Huaykwang, Bangkok 10310, the Company operates the business as a developer and installation service provider of ready-for-use hotel solutions software under the name of Comanche Hotel Software and Data Base.
2006	<ul style="list-style-type: none"> The Company won Thailand ICT Awards 2006 in the field of Tourism and Hospitality, and in the same year was sent as a representative and 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, serving as a big leap for market entry for Thai software in the international community.
2008	<ul style="list-style-type: none"> On 4 December 2008, the Company was granted BOI Certificate for Enterprise Software and Digital Content, exempting the Company from corporate income taxes for net profits from the business receiving promotion for a period of 8 years from first revenue received.
2009	<ul style="list-style-type: none"> On 13 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 27 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. On 3 August 2015, the Board of Directors' Meeting No. 1/2015 passed a resolution for the Company to proceed with the sale of its stake in 3 subsidiary companies including Comanche International Malaysia Sdn Bhd, PT. Comanche International Indonesia Co., Ltd., and Comanche International Vietnam Co., Ltd. established in Malaysia, Indonesia, and Vietnam, respectively to employees who once worked in these subsidiary companies. The aforementioned persons are not related-party or related to the Board of Directors, management, and major shareholders of the Company in any way, and the Company proceeded appointed the 3 companies as foreign dealers. In expanding to cover large scale data management solutions, the Extraordinary General Meeting No. 2/2015 on 1 September 2015 passed a resolution to increase the Company's registered capital by THB 5,826,600 from THB 8,651,100 to THB 14,477,700 by issuing 58,266 new shares (with par value of THB 100 per share) at a price of THB 102.31

(continue) • Comanche International Public Company Limited's Major Developments

Year	Details
2015 (continue)	<p>per share, which is the book value of the Company as of 31 December 2014 adjusted for interim dividend payments, to MSL's shareholders. Proceeds from the issuance of shares are used to purchase MSL's common shares from existing shareholders amounting to 54,610 shares (with par value of THB 100 per share) or a proportion of 99.99% of paid-up capital at a price of THB 109.16 per share, which is the book value of MSL as of 31 December 2014 adjusted for interim dividend payments, making MSL the Company's subsidiary.</p>
2016	<ul style="list-style-type: none"> • On 31 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 THB 100 per share to THB 0.5 per share, and increasing the Company's registered capital by THB 17,000,000 from THB 50,000,000 to THB 67,000,000 for the Initial Public Offering (IPO) of 34,000,000 shares with par value of THB 0.5 per share. • On 19 October 2016, the Company received approval from the Securities and Exchange Commission enabling it to sell shares to the public. • On 25 October 2016, the Company received approval from the Stock Exchange of Thailand enabling it to sell shares to the public under the ticker COMAN. • On 7 November 2016, the Company's shares were first offered to the public on the MAI
2017	<ul style="list-style-type: none"> • On 30 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 • On 20 June 2017, the Company purchased 51,000 common shares of Synature Technology Company Limited at a price of THB 1,020 per share amounting to THB 52,020,000 or a proportion of 51% of paid-up capital

• MSL Software (Thailand) Company Limited's Major Developments

Year	Details
2007	<ul style="list-style-type: none"> On 14 February 2007, MSL Software (Thailand) Company Limited (“MSL”) was established with initial registered capital of THB 1,000,000 divided into 10,000 common shares at a par value of THB 100 per share. Headquartered at 38 Soi Sukhumvit 22, Sukhumvit Road, Khlong Teoi, Khlong Teoi, Bangkok 10110, MSL operates the business as a planner, developer, and installation service provider for large scale data management solutions. On 23 July 2007, MSL was granted BOI Certificate for Enterprise Software and Digital Content, exempting the Company from corporate income taxes for net profits from the business receiving promotion for a period of 8 years from first revenue received. MSL won 1st place in the Industrial Application Category at the Thailand ICT Awards MSL received Merit Award at the Asia Pacific ICT Awards (APICTA), a software product competition between Asia Pacific countries.
2008	<ul style="list-style-type: none"> MSL was selected for the development of Electronic Document and Records Management System: EDRMS for the Bank of Thailand in 2008, the development of Image Archive System: IAS for the Bank of Thailand in 2010, which is a part of the Image Cheque Clearing and Archive System: ICAS of the Bank of Thailand.
2012	<ul style="list-style-type: none"> MSL received Excellence Award for Best Tourism Marketing in marketing website development from the ASEAN-Tourism Association
2013	<ul style="list-style-type: none"> MSL received Best Performance Reseller 2013 Award from Hewlett Packard (HP) Thailand, given to excellent partners for the year MSL was selected for the development of web content management for Thai Airways International Public Company Limited, an important development of the company’s website in terms of speed of access to information and content management. In 2014, Thai Airways International Public Company Limited received the 7th Annual TravelMole APAC Web Award 2014 for Best APAC Airline Website.
2015	<ul style="list-style-type: none"> On 15 July 2015, MSL was granted renewed BOI Certificate for Enterprise Software and Digital Content, exempting the Company from corporate income taxes for net profits from the business receiving promotion for a period of 7 years from first revenue received.

(continue) • MSL Software (Thailand) Company Limited's Major Developments

Year	Details
2015 (continue)	<ul style="list-style-type: none"> On 1 September 2015, MSL's shareholders including Mr. Apichai Sakulsureeyadej and other shareholders sold 99.99% of MSL's total shares to COMAN in a restructuring effort to prepare for the listing on the MAI. On 20 October 2015, the Department of Intellectual Property, Ministry of Commerce issued a certificate of copyright notification for registration of MSL Big Data Platform.

• Synature Technology Company Limited's Major Developments

Year	Details
2003	<ul style="list-style-type: none"> On 31 May 2003, Synature Technology Company Limited was established with initial registered capital of THB 5,000,000 divided into 50,000 common shares at a par value of THB 100 per share. Headquartered at 55/165 Mooban Baan Klang Muang, Soi Ladprao 88, Ladprao Road, Phlapphla, Wang Thonglang, Bangkok 10310, SYN operates its business as a developer and installation service provider of ready-for-use restaurant solutions software under the name of pRoMiSe Restaurant.
2007	<ul style="list-style-type: none"> Synature Technology was a member of the Association of Thai Software Industry in the Buy Thai First campaign. Thus, pRoMiSe Restaurant software was allowed to use the Thailand S/W yes logo. The software is outstanding from its technological development such as web-based technology, .NET application, MySQL database, and Android operating system coupled with technical support 7 days a week. With over a hundred thousand transactions passing through our system from 4,000 stores in Thailand and 300 from 9 other countries, SYN is our pride.
2009	<ul style="list-style-type: none"> Won the Golden Sun Award as best software developer from the Association of Thai Software Industry On 8 October 2009, SYN was granted renewed BOI Certificate for Enterprise Software and Digital Content, exempting the Company from corporate income taxes for net

(continue) • Synature Technology Company Limited’s Major Developments

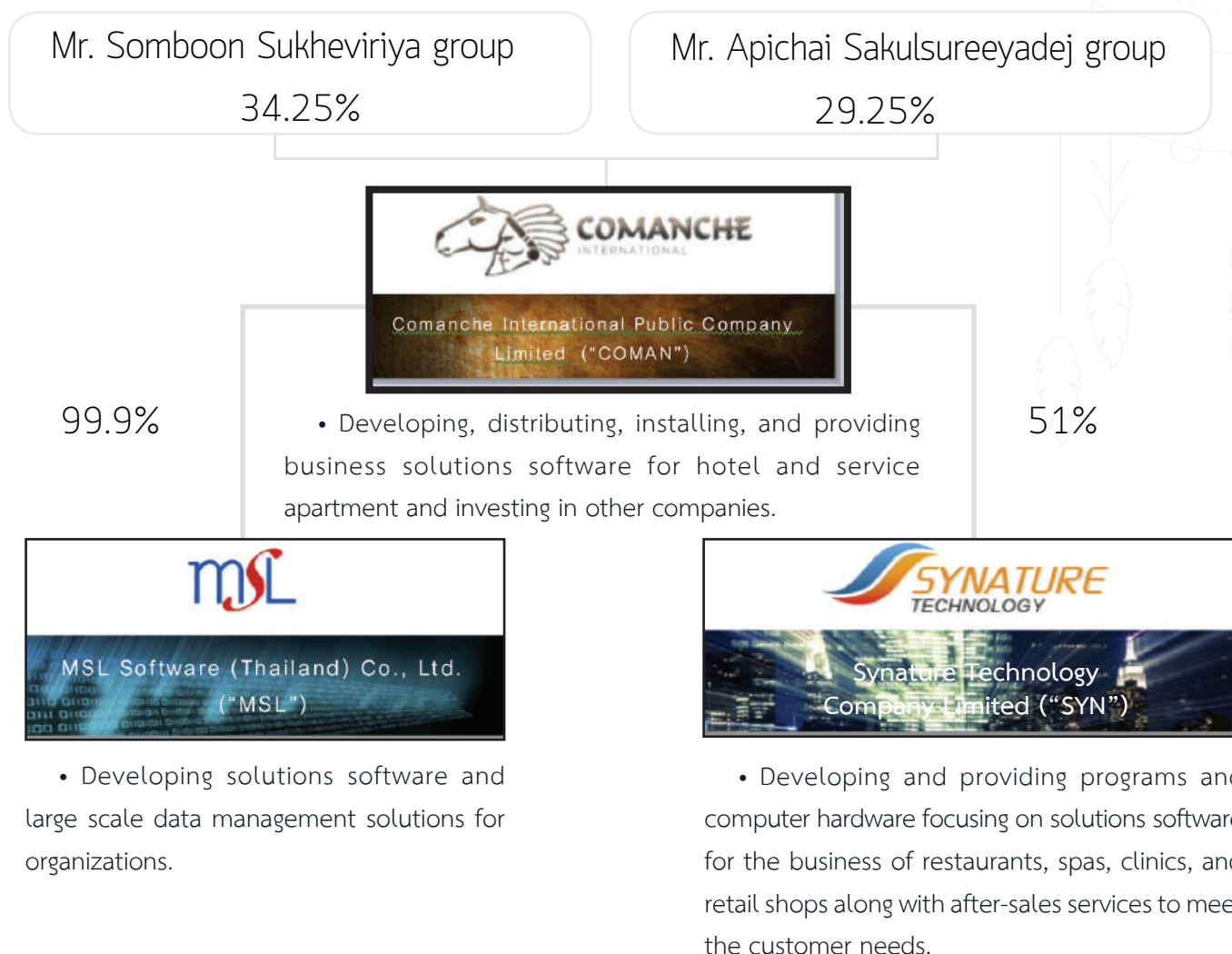
Year	Details
2009 (continue)	profits from the business receiving promotion for a period of 8 years from first revenue received.
2011	<ul style="list-style-type: none"> • Certified ISO/IEC 29110 Software Engineering-Lifecycle Profiles • Received innovation coupons worth THB 400,000 from the National Innovation Agency for ordering through iPad/Android system and POS system for restaurant services project • Received an award as 1 in 20 from 700 participating companies and received THB 1,000,000 funding support in the restaurant business application category from the 84th King’s Anniversary held by the Software Industry Promotion Agency (Public Organization) or SIPA for ordering through iPad/Android system and POS system for restaurant services project

The Company’s Shareholding Structure

In 2015, the Company restructured its business to enhance future business potential and prepare itself for the listing on the Market for Alternative Investment (mai). In doing so, it sold all of its stake in 3 foreign subsidiaries including Comanche International Malaysia Sdn Bhd, PT. Comanche International Indonesia, and Comanche International Vietnam Co., Ltd., and in the same year, the Company issued new shares to existing shareholders of MSL and used the proceeds from issuance to purchase MSL common shares from existing shareholders of MSL, causing the Company to hold 99.99% stake in MSL.

In 2017, the Annual General Meeting held on 28 April 2017 passed a resolution approving the purchase of 51,000 common shares (with par value of THB 100 per share) from existing shareholders of Synature Technology Company Limited (“SYN”) at a price of THB 1,020 per share, totaling THB 52,020,000 or a proportion of 51% of SYN’s registered capital. The transaction was completed on 20 June 2017, making SYN the Company’s subsidiary.

Shareholding Structure as at 31st December 2017



Information of subsidiaries

1. MSL Software (Thailand) Limited ("MSL")

Date of Establishment	14 February 2007
Location of Head Office	Unit 1608-1610, 16th Floor , 689 Bhiraj Tower at EmQuartier, Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110
Nature of Business	Operates the business of consulting, planning, developing, and installing Enterprise Data Management Solutions
Registered Capital	Baht 23,461,300, comprises of 234,613 ordinary shares with a par value of Baht 100 per share.
Issued and Paid-up Capital	Baht 23,461,300
Company Directors	1) Mr. Somboon Sukheviriya 2) Mr. Apichai Sakulsureeyadej
Authorized Directors	Mr. Somboon Sukheviriya jointly sign with Mr. Apichai Sakulsureeyadej and affix the Company's seal

Name of Shareholders

Name	No. of Share(s)	Shareholding (%)
1. Comanche International Public Company Limited	234,610	99.99
2. Mr. Apichai Sakulsureeyadej	1	<0.01
3. Mr. Somboon Sukheviriya	1	<0.01
4. Mr. Balajander Ramajandran	1	<0.01
Total	234,613	100.00

2. Synature Technology Company Limited (“SYN”)

Date of Establishment	31 May 2006
Location of Head Office	55/165 Mooban Baan Klang Muang, Soi Ladprao 88, Ladprao Road, Phlapphla, Wang Thonglang, Bangkok 10310
Nature of Business	Operates the business of planning and installing the solutions software for restaurants, “pRoMiSe Restaurant Software”.
Registered Capital	Baht 10,000,000, comprises of 100,000 ordinary shares with a par value of Baht 100 per share.
Issued and Paid-up Capital	Baht 10,000,000
Company Directors	1) Mr. Viroj Jearanaiphaisan 2) Mr. Chatchai Tolertmongkol 3) Mr. Somboon Sukheviriya 4) Mr. Pirom Methaveerapong 5) Ms. Darunee Sae-tung
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 Pattanachuanom	11,000	11.00

(continue) Name of Shareholders

Name	No. of Share(s)	Shareholding (%)
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

Nature of Business

The group, which currently consists of Comanche International Public Company Limited (“the Company” or “COMAN”), MSL Software (Thailand) Company Limited (“MSL”), and Synature Technology Company Limited (“SYN”), has the following revenue from sales and provision of services in 2015-2017.

Sources of Revenue from Sales and Provision of Services

Unit: THB mm

Consolidated Financial Statement for the Year							
Revenue	2015		2016		2017		Growth Rate
	Amount	Percent	Amount	Percent	Amount	Percent	
Revenue from the Company’s sale of software and provision of related services							
Sales and installation of software	41.76	41.29	51.62	38.79	47.25	27.06	-8.47%
Maintenance services	29.14	28.81	36.30	27.27	40.92	23.44	12.73%
Other services ¹	2.38	2.35	4.71	3.54	3.55	2.03	-24.63%
Total	73.28	72.45	92.63	69.60	91.72	52.53	-0.98%
Revenue from MSL’s sales and provision of development, system management, and maintenance services							
	27.86	27.55	40.46	30.40	53.75	30.79	32.85%
Revenue from SYN’s sales and provision of maintenance and other services							
	-	-	-	-	29.12	16.68	N/A ²
Total revenue from sales and provision of services	101.14	100.00	133.09	100.00	174.59	100.00	31.18%

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

2 Unable to calculate as the Company invested in SYN since 20 June 2017

Nature of Business of the Company and its Subsidiaries

Comanche International Public Company Limited

1. Nature of Business

Comanche International Public Company Limited (“the Company” or “COMAN”) operates its core business as a developer, installation service provider, and other related services provider of ready-for-use software, an intellectual property of the Company through registration with the Department of Intellectual Property under the name of Comanche Hotel Software and Data Base. The Company

installs the aforementioned software at the client site, holds training programs, and provides after-sales services including consultancy services, maintenance, and related services. At present, the Company aims to develop ready-for-use software for the tourism industry such as in hotels and serviced apartments.

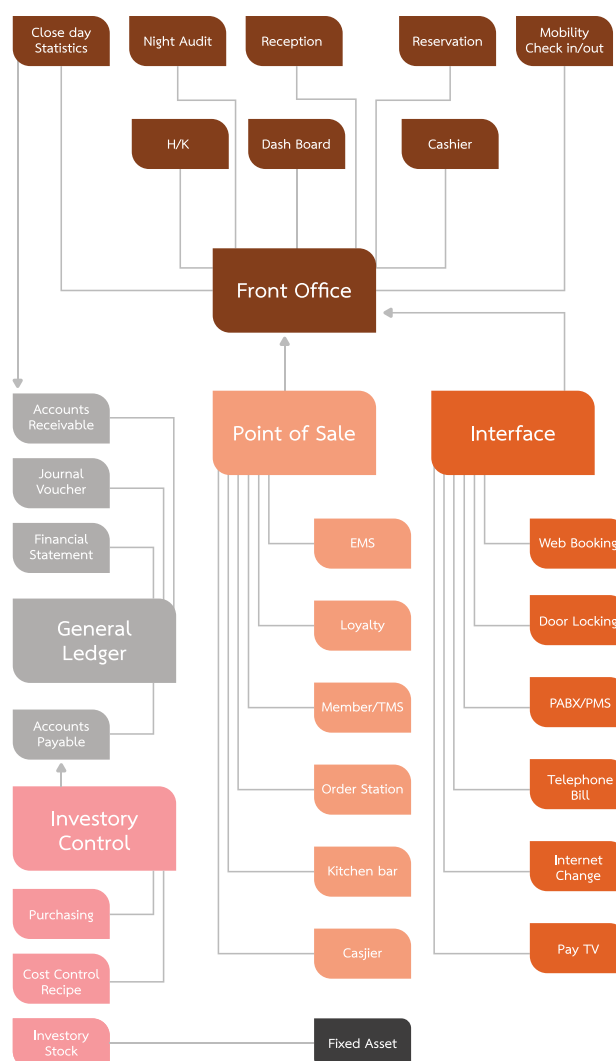
2. Nature of Product and Services

Since its establishment in 2003, The Company developed ready-for-use software for the hotel industry, which was patented under the name of Comanche Hotel Software and Data Base by the Department of Intellectual Property on 13 May 2009. The Company has a team of software developers who continuously develop the aforementioned software to better serve the needs of various clients, leading to a continuous and sustainable business operations as the Company has its own patented product.

At present, the Company’s core business consists of 1) the development of ready-for-use software for sale and the provision of installation services at client sites, along with training programs for users 2) the provision of maintenance services and problems resolution related to the software in the form of annual contracts and 3) the provision of other related services such as installation of new software and occasional problems resolution, with the key customer group of the Company being hotels and serviced apartments.

Apart from the core business as mentioned above, the Company has a policy to invest in other companies with the same business operations of the Company, with similar business operations, with complementary business operations with the Company such that the Company would be able to achieve higher revenues or profits, or with businesses able to create synergies with the Company to further support the core business in its comprehensiveness and enhance the Company’s competitive advantage. As of 31 December 2017, the Company has invested in 2 other companies with the status of being the Company’s subsidiaries, which are MSL and SYN.

Comanche Hotel Software’s Module Integration



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

System Module	Feature
<ol style="list-style-type: none"> 1. Comanche Front Office System <ol style="list-style-type: none"> 1.1. Management Dashboard System 1.2. Mobility Check-in/Out by Tablet 	Hotel and serviced apartment management system relating to reception, reservations, and check-in and check-out through desktop, ipad, and tablet devices
<ol style="list-style-type: none"> 2. Comanche Point of Sales System <ol style="list-style-type: none"> 2.1. Cashier Station 2.2. Order Station 2.3. Tablet Station 2.4. Member 2.5. Loyalty 2.6. Table Management System 	In-hotel and in-serviced apartment restaurant management system covering the functions of table reservations, ordering, billing, and membership programs
<ol style="list-style-type: none"> 3. Comanche Back Office System <ol style="list-style-type: none"> 3.1. Account Receivable 3.2. Account Payable 3.3. General Ledger 	Relevant accounting system covering account receivables, account payables, and general ledger
<ol style="list-style-type: none"> 4. Comanche Inventory System <ol style="list-style-type: none"> 4.1. Purchasing System 4.2. Inventory Store 4.3. Cost Control Recipe System 	Inventory management system covering the purchase, inventory management, and cost control (recipe)
<ol style="list-style-type: none"> 5. Comanche Fixed Asset System 	Fixed asset management system
<ol style="list-style-type: none"> 6. Comanche Event Management System 	Event and seminar rooms management
<ol style="list-style-type: none"> 7. Comanche Interface Module <ol style="list-style-type: none"> 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 7.7. PMS/PABX interface System 7.8. Yield Management System Integration 	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)

Moreover, the Company has developed a new set of products called Victor, a program accessible through the internet which is currently widely-used, with the following details.

System Module	Feature
WCFO	Hotel and serviced apartment management system relating to reception and reservations
WCAR	Account receivable system
WCAP	Account payable system
WCGL	General ledger system
WINV	Inventory management system (inventory control)

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

The development and design of Comanche Hotel Software is the heart of the Company's business operations. The Company's in-house software development team aims to continuously develop and enhance the Comanche Hotel Software system relevant to users to meet the needs of different hotels which continuously aims to serve the needs of hotel guests which continuously changes with technology. This is reflected by the Company being certified of CMMI® for Development, Version 1.3 Level 3 and CMMI® for Services, Version 1.3 Level 3 from the Software Engineering Institute, Carnegie Mellon University, USA.

Moreover, in 2017, the Company initiated the PA-DSS Certification (PCI Compliant) project, an improvement of software for enhanced security up to global standards relating to transactions made through credit cards, password access, and security systems for key information database. In making the Company's software more globally certified,

the Company's target customers would accept its products and thus create a higher chance of sale for the Company.

In improving Comanche Hotel Software system, the Company comprehensively collects and analyzes data, seeking input through the means of survey of clients and employees in the Business Development Department, Project Management Division, Customer Relations Division, and Customer Support Division, as well as information on technological advancements and other surrounding factors such that the Company could better understand the needs of customers and be able to evaluate the economic feasibility before it commences development. Before the software is presented for sale to clients, the Company performs quality checks in accordance with specified standard to reduce the chances of error and changes affecting users. 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 31 December 2017, the Company has 20 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. 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. Steps in software installation and user training can be summarized as follows.

(1) The Business Development Division and/or foreign dealers meet with clients to present the Comanche Hotel Software system. Once client needs are known, the Company team lays out services provision plan and related advice to support the purchase decision.

(2) Once the clients agree to the purchase, the Project Management Division plans for software installation and makes an appointment with the clients to install the software.

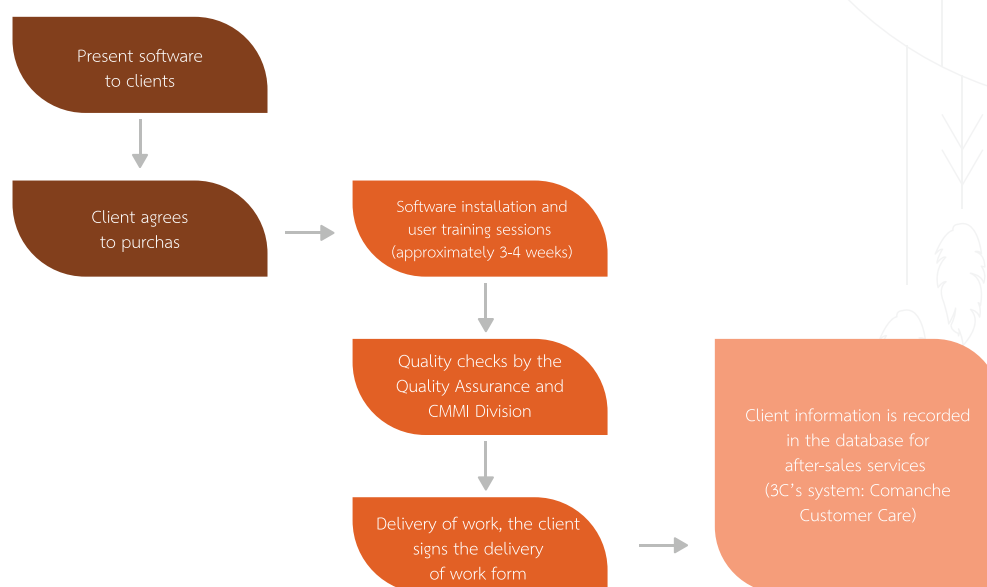
(3) The Project Management Division installs the program and holds user training sessions at the client site, after which Company personnel will still be present at the client site to assist software users for a period of time. The process of software installation and user training will take approximately 3-4 weeks from first installation; this may vary according to the number of functions and system modules that the clients purchase.

(4) The Quality Assurance and CMMI Division will perform checks on the installed software to ensure that software installation was done in accordance with the Company's standards and system modules installed are consistent with what was agreed upon.

(5) Software installation work is delivered and the client signs the delivery of work form.

In case of sale through a foreign dealer, the dealer is responsible for the installation of software and hosting user trainings. As of 31 December 2017, the Company has 18 personnel in the Project Management Division responsible for the installation of software and hosting of user trainings.

Software Installation Process



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 an 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 31 December 2017, the Company has 25 personnel in the Customer Support Division providing after-sales services.

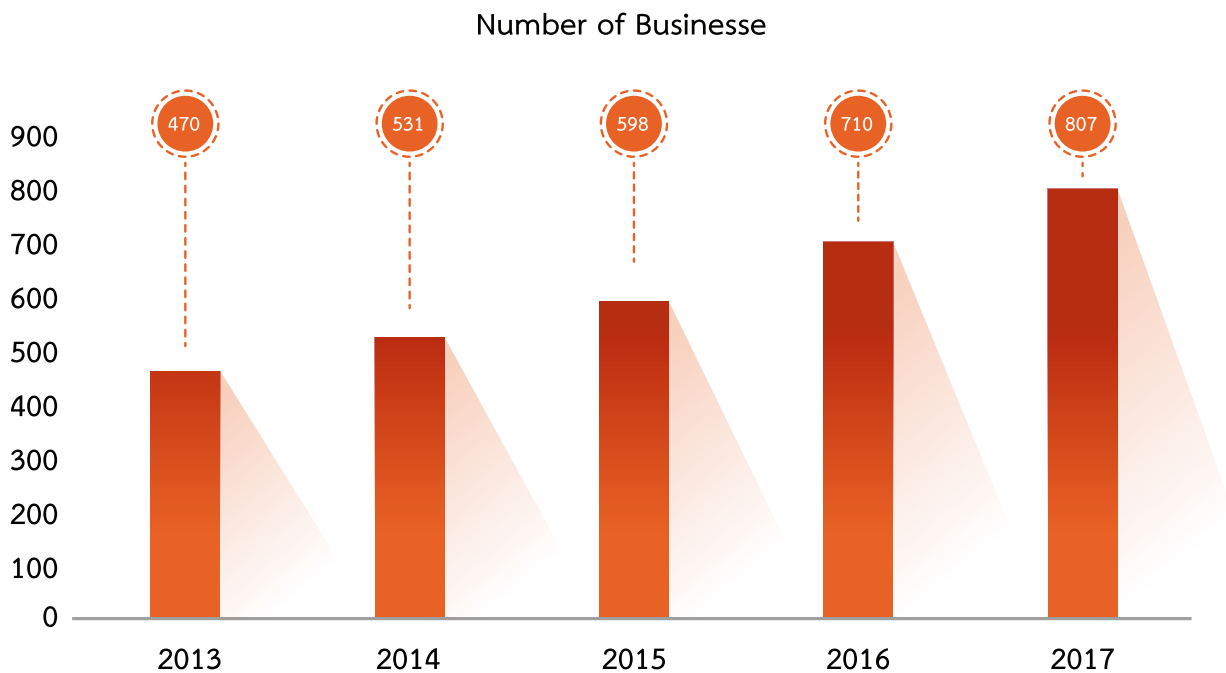
3. Clients and Target Group

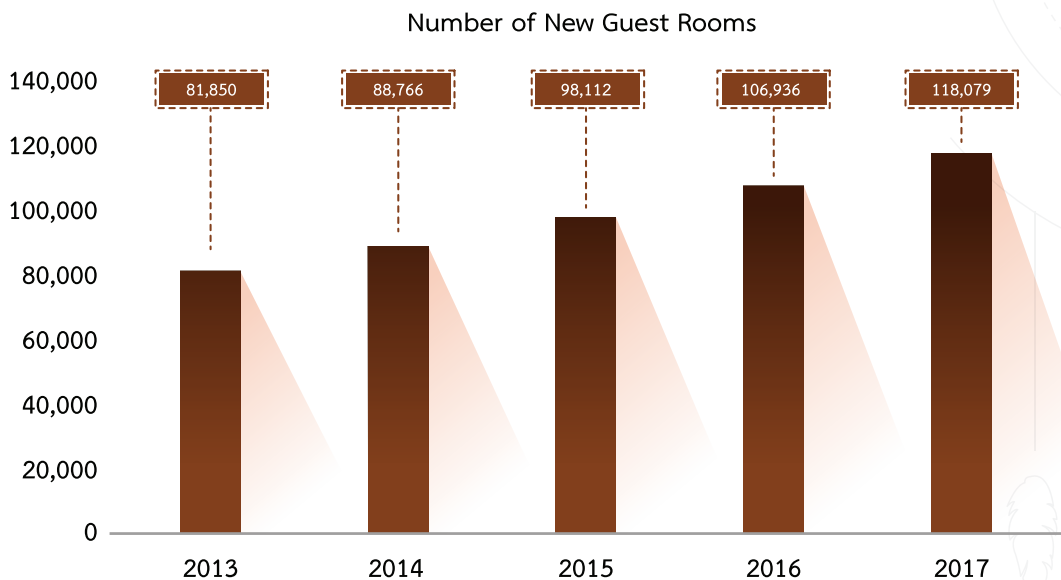
The key target customer group of the Company are hotels and serviced apartments rated at least 3 stars both domestically and internationally. Distribution channels are through the Company's Business Development Department and through foreign dealers. As of 31 December 2017, the Company has over 807 clients, categorized into 653 domestic clients and 154 international clients, with a total of approximately 118,079 guest rooms.

In categorizing by client types for which the Company sold and provided installation services in 2017, 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 31 December 2017, the Company has clients categorized as mentioned above at a portion of 89.34%, 9.05%, and 1.61% respectively.

For the year 2013-2017, 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.



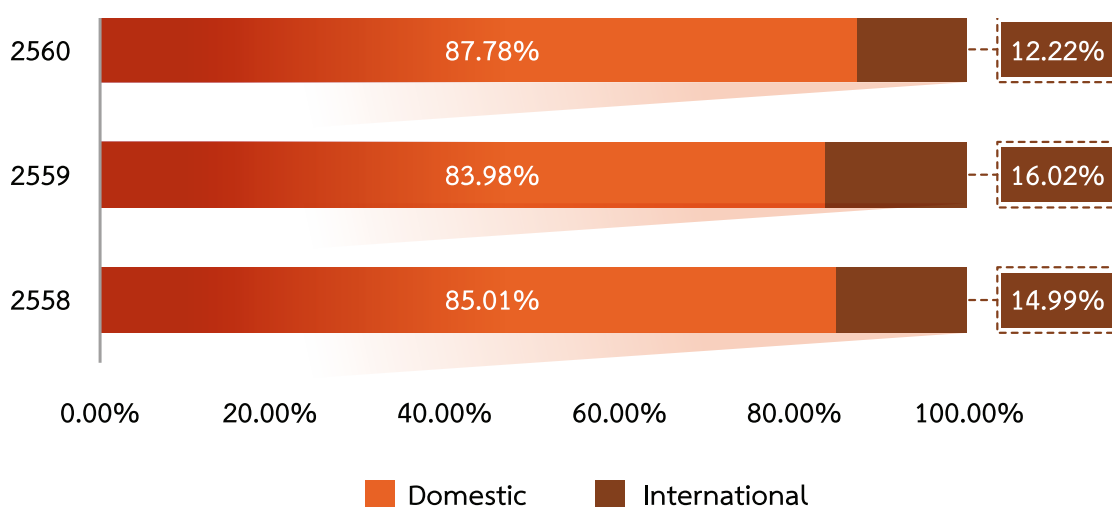


As of 31 December 2017, the Company has 73 hotels in hotel chains including Centara, Imperial, Eastin, Kantary, and Oakwood. These hotels are key business partners of the Company, and most would continue using Comanche Hotel Software as hotel management software for new hotels when they expand their 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 31 December 2017, approximately 76% of all clients utilize the Company’s maintenance services, leading to the continuous revenues for the Company.

As of 31 December 2017, 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 2015-2017, the Company’s revenue breakdown from sale of software and provision of services for Comanche Hotel Software domestically and internationally is as follows.

The peoprtion of revenue from domestic and overseas sales and rendering of services



4. Sales 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 31 December 2017, the Company has 10 foreign dealers in 8 countries with details as follows.

No.	Country	Appointment Date (Month/Year)	Appointed Dealers
1.	The Philippines	1/2017-12/2018	AUDACITY SYSTEMS, INC.
2.	China	1/2017-12/2018	GUANGZHOU AUTOMATED SYSTEMS LIMITED
3.	Malaysia*	11/2016-10/2018	COMANCHE INTERNATIONAL MALAYSIA SDN. BHD.
4.	Indonesia*	11/2016-10/2018	PT. COMANCHE INTERNATIONAL INDONESIA
5.	Vietnam*	11/2016-10/2018	COMANCHE INTERNATIONAL VIETNAM CO., LTD.
6.	Lao PDR	5/2016-4/2018	LAOS ASEAN TRADING CO., LTD.
7.	India	5/2016-4/2018	COMANCHE HOTEL SYSTEMS INDIA PRIVATE LIMITED
8.	India	12/2017-11/2019	IT BAHN INDIA PVT. LTD.
9.	China	07/2017	SHANGHAI HANFORD BUSINESS CONSULTING CO., LTD.
10.	Singapore	08/2017	UBAC Pte., Ltd.

*Remark: * The Company once was a major shareholder in these 3 companies before selling all of its stake in 2015 and appointed the 3 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

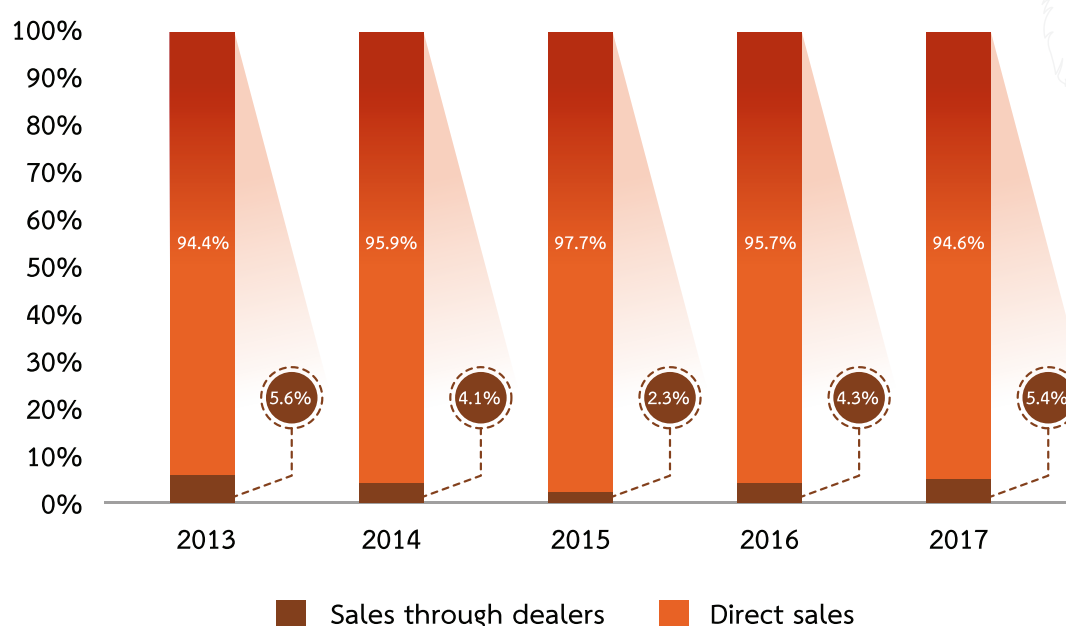
potential, and in foreign countries in which the Company's existing clients have expanded operations overseas. The Distribution Division is also able to engage in marketing efforts in countries which the Company has already appointed foreign dealers, in the case that the client has contacted the Company 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 2013-2017, the Company has the following revenue breakdown from direct sales and sales from foreign dealers.



5. 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.

6. 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.

MSL Software (Thailand) Company Limited (“MSL”)

1. Nature of Business

MSL operates the business of consultancy, planning, design, and development of information technology systems for clients with various needs on a project-based manner. MSL is categorized as a prime contractor with key partners such as Hewlett Packard Enterprise Co. (HPE), Hewlett Packard Inc. (HPI), Adobe Systems Inc. (Adobe), Micro Focus Pte Ltd. (Micro Focus), and Amazon Web Services Inc. (AWS), who are developers and service providers of fundamental technological services that MSL utilizes in developing information technology systems for its clients.

MSL aims to develop information technology systems in the form of digital solutions for enterprise data management, in-depth data analytics, as well as consultancy, planning,

and design services for process and data management both on servers and on the cloud system. MSL ensures consistency of its project with the information technology of the whole firm and suitability with client needs to enhance enterprise data management in its efficiency and standards. MSL’s key customer groups are government agencies, state-owned enterprises, and private companies with large scale database crucial for decision-making.

After the development of solutions for the client, MSL also provides annual maintenance services on a project-by-project basis in the form of annual maintenance service agreement or for a period of time specified as agreed with the client. This is to ensure clients that the solution developed is practicable and effective.

Nature of Product and Services

MSL is experienced in the development of information technology systems for companies with high volume, varied, and dynamic data which relies on the knowledge and understanding of the clients’ business to develop solutions that is efficient and up to standard to meet client needs. MSL’s current scope of service can be categorized into 3 key groups as follows.

1. Consultant, planner, designer, and developer of data management information technology system
2. Software testing product distributor
3. Maintenance service provider on an annual basis or for a time period as specified in the contract

1. Consultant, planner, designer, and developer of data management information technology system

MSL engages in consultancy, planning, design, and development of enterprise data management information technology systems by experienced management and working teams with expertise in the field of information technology. Relevant data are first analyzed, sorted and categorized, examined for relationship between data, format, and processing method, and specified for data

management guidelines. MSL will seek analytics tools, applications, or software from key vendors (for some projects that MSL develops, these vendors may act as co-contractors), adapt them to suit the system under development, and proceed to install the finished system on the server or cloud system as preferred by the client.

Examples of MSL's work in the development of enterprise data management information technology systems are as follows.

• Electronic Document and Records Management System: EDRMS

In 2008, MSL was entrusted to develop an Electronic Document and Records Management System: EDRMS) for the Bank of Thailand with the aim of developing information technology infrastructure to efficiently store and manage enterprise data such as categorization of data, storage of data, routing of data, referencing, and user access control.

• Image Archive System: IAS

In 2010, MSL was entrusted to develop an Image Archive System: IAS, which is part of the Image Cheque Clearing and Archive System: ICAS of the Bank of Thailand. MSL was involved in the planning, design, and development of the IAS for integration with the ICAS of the Bank of Thailand, and the electronic cheque clearing of every branch of every bank in Thailand.

• Web Content Management System: CMS

In 2013, MSL was entrusted to develop data management system on Thai Airways International Public Company Limited ("THAI")'s website. This was part of the THAI website operating system efficiency improvement in which MSL planned, designed, and developed data management system interlinked with the existing enterprise data management and work systems for efficiency, such as booking system, THAI website system overseas, partner companies' website, and other related applications. The

aforementioned system is integrated with the processing system to manage and display results on various devices including computers, mobile phones, and tablets. Moreover, MSL designed and developed data management system for data on THAI website on cloud hosting system to accommodate the management of a large database of information. In case of error in any server, the other server would be able to immediately take its place to enhance efficiency of transactions on THAI website.



Source : Thai Airways website

Steps in MSL’s provision of consultancy services, planning, and design of data management is as follows.

- 1) MSL working team discusses with users or system administrator in an organization to obtain in-depth understanding of client needs.
- 2) Information received are then analyzed, sorted and categorized, examined for relationship between data, format, and processing method, and specified for data management guidelines.
- 3) Analytics tools, applications, or fundamental software are adapted to suit the nature of the project
- 4) A prototype is submitted to the client for any feedback for product modification.
- 5) Once the client approves the prototype presented, the software development team starts planning and coding based on what was agreed.
- 6) The quality control team performs tests to detect any flaws, and notifies the software development team to fix accordingly.
- 7) Once quality control is passed, related documents are prepared. These include user manual, installation manual, and details on the development process.
- 8) The team then plans the management process of data storage system in the server or cloud system for consideration by the client.
- 9) Cloud web hosting service providers are contacted (if any) to rent cloud storage appropriate for the amount of data or software to be stored on the cloud system as the client requires.
- 10) Software installation
- 11) Submission of work

2. Software testing product distributor

MSL is a distributor of Micro Focus Pte Ltd. (“Micro Focus”) software or application testing product, an internationally-accepted product developed to enable users to detect errors such as calculation errors, efficiency errors, and system over-capacity errors such that software developers or system administrators within the organization will be able to analyze and resolve efficiently.

Product Type	Details
Micro Focus Enterprise	Software which is able to support application on older technology infrastructure and operate such applications on newer infrastructures such as.net, J2EE, SOA, and other new technology
CORBA	Software which connects information technology on different infrastructures
Micro Focus COBOL	Software which supports applications written with COBOL and enables operation on new technology infrastructures
Micro Focus Niche	Software that checks operating functions of information technology systems
Software Delivery and Test	Software that checks and simulates different applications developed by the company to test efficiency on various platforms and devices

3. Maintenance service provider on an annual basis or for a time period as specified in the contract

MSL provides annual maintenance services as agreed upon with the client, with experienced teams able to offer advice and resolve problems which may occur during the course of the client's business. In the past, MSL's maintenance services are in the form of maintenance service agreement on an annual basis or for a period of time as specified in the contract that the client hires MSL in solutions development. The key scope of maintenance service agreement is as follows.

- | | |
|---|---|
| <ol style="list-style-type: none"> 1) Check, modify, and update software version 2) Communicate and coordinate with clients in case any issue arises on the date and time as specified by the client 3) Conduct annual maintenance or for the time period as | <p>specified in the contract</p> <ol style="list-style-type: none"> 4) Prepare reports detailing the process of checks, modifications, and updates to the program up to the latest version |
|---|---|

2. Clients and Target Group

MSL targets organizations, both public and private, with a large database and the need to develop information technology systems to enhance working efficiency. These include organizations such as companies in banking and finance, government agencies, state-owned enterprises, and large private organizations that, in their operations, involve a large number of transactions, have dynamic and fast-changing databases, and foresee an increasing amount of data in the future. Thus, these organizations have the need to store a large amount of information covering from financial transactions, personal information, as well as information on the internet, which relies on the use of information technology system to aid in the management and storage of enterprise data which is efficient, recoverable, complete, and secure from unwarranted users or technical glitches. Moreover, these organizations may need to process stored information for correct, prompt, and timely decision-making.

MSL has a policy to retain existing customer base by creating good relationships with clients and related parties in quality of work and after-sales services, seeks opportunities in expanding its scope of services, and sets strategies to cover a larger new customer base. MSL sees growth prospects for big data solutions projects for organizations both public and private, and MSL is experienced in working with large organizations without any issues.

Since the nature of most of MSL's work are the development of solutions as required by each client, in the case that MSL has been selected or successfully bids on high-value projects, MSL's revenues will significantly increase in the period of that project. At the same time, such client may be a major client until completion of work, which may cause fluctuations in MSL's revenues over time.

3. Sales Channels

Since MSL's products are developed in accordance with each client's needs, coupled with the organization's system administrators having understanding in the nature of the organization's business and information technology system, MSL as a prime contractor utilizes this channel to directly contact with project owners. MSL teams will conduct studies into the nature of the project and present

to clients for consideration on a per-project basis through general bids or direct procurement.

In the case that MSL has been selected as a government agency or state-owned enterprise project developer, a performance guarantee of approximately 5% of project value in accordance with the terms and specifications of the contract. In the past, MSL utilized letters of guarantee

issued by commercial banks, in which the contractor would usually receive back the guarantee once the project is complete and has been accepted by the client according

to the terms of the contract, which is usually a period of within 1 year from submission.

4. Procurement of Products and Services

The development of solutions for each project MSL receives is different in nature in accordance with the requirements and fundamental characteristics of information technology systems of each client. Thus, MSL procures products and technological services from its partners (which in some projects also act as co-contractors) to adapt and suit the specifications which was presented to the client once hired. In the past, MS: worked with global product developers and fundamental technological service providers such as HPE, HPI, Adobe, Micro Focus and AWS.

Personnel is another important factor to business operations. As a result, MSL seeks experienced and specialized personnel and utilizes a lean management system by employing full-time workers only for key aspects of the project such as architect IT and project manager. A part of the projects would then be outsourced, under the supervision of MSL in accordance with the designed quality of work, and each aspect is then combined and

submitted to the client. MSL continuously evaluates the quality of work of outsourced personnel and keeps a record of the information.

In the past, projects take approximately 3 - 12 months depending on the nature of the work. In the case that MSL is not able to deliver on time as specified in the contract, a penalty is charged on a daily basis with most of the penalty calculated as 0.1 - 0.2% of the value of the portion of work not yet submitted.

After submission, MSL provides after-sales maintenance service for a period of time as specified in the maintenance service agreement, which is 1 year or any time period as agreed. Key terms regarding the capability of providing service is that if MSL takes action later than specified, a penalty is charged on a daily basis with most of the penalty calculated as 0.1 - 0.2% of the value of after-sales maintenance service.

Key Business Partners

MSL operates its business in the information technology industry, which relies on high technology in the development of solutions specific to each project. Thus, MSL has partners who are product developers and fundamental technology service providers, who support MSL in delivering the best solutions to clients. This also builds on the competitiveness and business operations of MSL. Current key business partners are as follows.

Company	Nature of Business
Hewlett Packard Enterprise (HPE)/ Hewlett Packard Inc. (HPI)	Product developer and information technology service provider
Amazon Web Services Inc.	Cloud web hosting service provider
Adobe Systems Inc.	Product developer and information technology service provider
Micro Focus Pte Ltd.	Application testing tools developer

5. Pricing

MSL sets its price based on estimates of costs of development for each project, added with an amount of profit (cost plus), and considers the competitiveness of its pricing on a per-project basis for projects that MSL undertakes.

Synature Technology Company Limited ("SYN")

1. Nature of Business

Synature Technology Company Limited operates its core business as a developer, installation service provider, and software services provider of ready-for-use software registered with the Department of Intellectual Property under the name of pRoMiSe. Moreover, SYN provides

installation service at client sites, hosts user training programs, and provides after-sales consultancy and other services.

At present, SYN focuses on the development of ready-for-use software for the tourism industry such as ready-for-use software used in restaurants and retail stores.

2. Nature of Product and Services

Since its inception in 2003, SYN has developed a ready-for-use restaurant management software registered with the Department of Intellectual Property under the name of pRoMiSe Mobile Ordering for ios, pRoMiSe Mobile Ordering for Android, pRoMiSe Mobile POS for ios, and pRoMiSe Mobile POS for Android on 10 April 2013. SYN has software development teams for continuous improvements on the software to meet the increasing needs to clients, and thus SYN's business operations is continuous and sustainable in having its own patented software.

At present, SYN's operations consist of 1) the development for sale of ready-for-use software, provision of installation service at client sites, and provision of user training 2) software issue resolution in the form of annual contract 3) provision of other relevant services such as installation of new software and case-by-case issue resolution 4) sale of Point of Sale hardware such as POS touch screen system, fingerprint scanner, and computers with the key customer groups being restaurants and retail stores.

Clients who operate restaurant usually purchase the first 3 system modules which are front-end system, web-based back office system, and inventory system. However,

clients may choose to install all system modules or choose some as preferred. SYN's experienced installation team is able to better meet the various needs of clients.

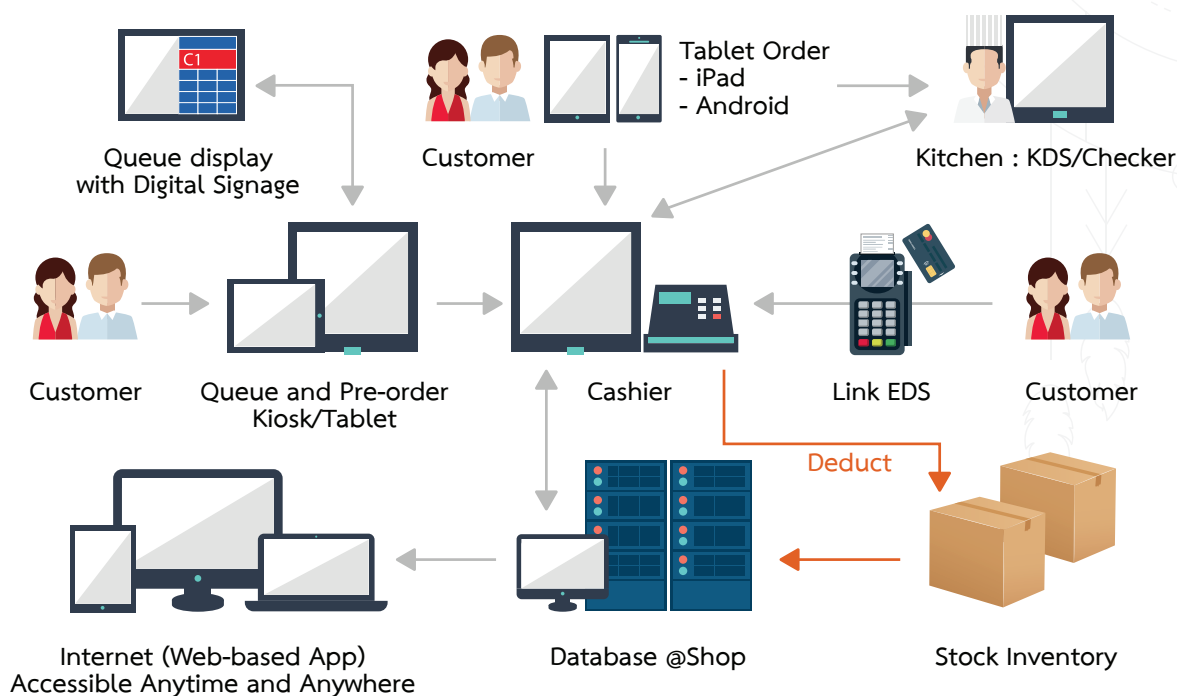
Product Development

The development and design of pRoMiSe Restaurant are the core of SYN's business operations. SYN has its own software developers with the focus of developing and improving the capabilities of pRoMiSe Restaurant software to suit user demands and respond to the needs to different restaurants, which aim to cater to the changing

needs of end users from technological advancements. This is reflected in the certification of software development and design processes with core modules catering to various forms and sizes to restaurants, with the following key characteristics.

System Module	Feature
pRoMiSe Android Ordering System	pRoMiSe Android Ordering System enables product ordering through smartphones and enhances service efficiency
pRoMiSe Queuing and Pre-Ordering System	pRoMiSe Queuing and Pre-Ordering System is linked with the ordering system to enable customers to pre-order while waiting in queue. The queue status and advertisements would be displayed at the same time.
pRoMiSe KDS	pRoMiSe KDS helps reduce delivery time and reports on menu service time periods to improve service
pRoMiSe EDC Link System	pRoMiSe EDC Link System is connected to EDCs from Hypercom, Nera, and Posnet to reduce payment time and reduce the chances of errors occurring.
pRoMiSe Electronic Journal	pRoMiSe Electronic Journal helps reduce the use of receipt papers by utilizing electronic documents.
pRoMiSe Support Various Types of Menu & Sale-mode	pRoMiSe Support Various Types of Menu & Sale-mode caters to various formats or menus such as set menus, combo sets, takeaways, or deliveries.
pRoMiSe ERP Interface	pRoMiSe ERP Interface can be connected to large organizations' ERP such as SAP, Microsoft Dynamics AX, and MAC5

This diagram shows how the connection between systems in the “pRoMiSe Restaurant” program works



Software Installation and User Training

Software installation and user training are crucial processes that support real-world application of pRoMiSe Restaurant appropriate to the nature and volume of transactions that occur during the course of business.

After-Sales Services and Other Services

SYN places emphasis on the provision of after-sales services, and has developed an after-sales service system to instill confidence in its customers after the installation of software. Synature Customer Care consists of after-sales service staff ready to facilitate both domestic and international clients 7 days a week in case. In case of any software problems, the after-sales service team can

assist online, through email, through telephone, or in cases where the aforementioned is insufficient, support teams will assist on site as soon as possible. This creates confidence in the pRoMiSe Restaurant software as teams are on standby to solve any issues clients may have to ensure smooth operations.

3. Clients and Target Group

SYN's key customer groups are restaurants and retail stores both domestically and internationally. Sales channels are directly through the Sales Department and through foreign dealers. As of 31 December 2017, SYN has over 900 restaurant operators as clients, with over 4,000 branches.

4. Sales Channels

SYN distributes its products and services through 2 main channels which are 1) directly through the Sales Department and 2) through foreign dealers. As of 31 December 2017, SYN has appointed 4 foreign dealers in 5 countries with details as follows.

No.	Country	Appointment Date (Month/Year)	Appointed Dealers
1.	Myanmar	1/2017-12/2018	CONCEPTINE SDN.BHD
2.	Indonesia	1/2017-12/2018	PT.GRAHA CIPTA SOLUSINDO
3.	Malaysia	11/2016-10/2018	DATAPREP TECHNOLOGIES PTE LTD.
4.	Singapore	11/2016-10/2018	DATAPREP TECHNOLOGIES PTE LTD.
5.	Cambodia	11/2016-10/2018	IQ TECHNOLOGIES ASIA CO.,LTD.

Domestic Market:

The sale of pRoMiSe Restaurant software and other related services to all domestic clients are through SYN's Sales Department.

International Market:

The sale of pRoMiSe Restaurant software and other related services overseas relies on 2 key channels which are direct sales and sales through foreign dealers in each country. SYN has set up the Distribution Department to support the coordination and marketing efforts, and to cater to the expanding business of SYN to increase share of revenues from international markets.

Direct Sales

SYN has the Business Development – Thailand & CLMV Division experienced in the restaurant business domestically. The Distribution Department is responsible for establishing contact and marketing efforts in foreign countries with particular focus on countries with growing tourism industry which SYN has not appointed dealers with

potential, and in foreign countries in which existing clients have expanded restaurant operations overseas. SYN is also able to engage in marketing efforts in countries which the Company has already appointed foreign dealers, in the case that the client contacts it directly.

Sales Through Foreign Dealers

SYN has overseas expansion policy in appointing foreign dealers who have the knowledge, expertise, and understanding of client needs in each country. This enables SYN to expand its client base to such country in a faster and more efficient manner compared to if it 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 restaurant industry, installation capabilities, and after-sales services are considered. Thus, the Distribution Department act as the filter, coordinator, and supporter of foreign dealers of SYN.

Key Business Partners

SYN operates the business of developing software for sale, providing installation services at client site, and hosting user training. Thus, SYN establishes partnership efforts with product developers and service providers who

could support SYN in delivering quality software solutions to clients as well as enhance its competitiveness. SYN's current key business partners are as follows.

Company	Nature of Business
Yes I am Innovation Co., Ltd.	Software solution distributor
Winstartech Co., Ltd.	IT and web application service provider
Xtremeservice Co., Ltd.	IT solution service provider
Fujitsu (Thailand) Co., Ltd.	Leading IT and solution company
Biz Serv and V Serv Co., Ltd.	IT service provider

5. Marketing

SYN places emphasis on building credibility in SYN's products from quality services, secure database, and value for money, which serves SYN in promoting its product. Moreover, it has a website and promotes itself on various media such as Google Adwords to enhance its image and create brand recognition and brand awareness towards target customers.

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 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 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 and Thailand Hotel Directory
- Promotion by setting up booths in different events both domestically and internationally such as
- Booths at domestic events such as MAI Forum 2017 and Food & Hotel Exhibition 2017 events

- Booths at international events related to tourism and hotels



Food & Hotel Exhibition 2017

- Booths at international events related to tourism and hotels
- Company management constantly participating as speakers in IT panel discussions



SIPA Friday Event "Going Abroad"



"Enhancing SMEs' Productivity with Software" Event

Source : SIPA

• Educational support in allowing academic institutions and universities 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. In the past, 8 institutions have expressed interest in using the Company's software as instructional media, such as Ubon Ratchathani University, Vatel's Thailand, International Business School Hotel & Tourism Management in coordination with Silpakorn University International College and Panyapiwat Institute of Management. Moreover, the Company's management, Mr. Somboon Sukheviriya, is one of the authors of a book used as instructional media on University Hotel and Restaurant Information Technology System for Sukhothai Thammathirat Open University, Silpakorn University, and Panyapiwat Institute of Management.



Source : Sukhothai Thammathorat University

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, while for international markets the Companies has added another channel by appointing foreign dealers specialized in each country to enhance the sales capabilities of the Company's products. As of 31 December 2017, the Company has 10 foreign dealers in 8 countries such as China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, and Singapore.

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: Comache 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.

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.

Industry Status and Competition

Software Industry

The software industry expands in relation to the increase in users with constantly increasing needs. These include individuals, government agencies, state-owned enterprises, and private companies ranging from small to large organizations with the need for advanced information technology systems able to adapt to various information technology information to enhance operating efficiency and support expansion in the future. At present, the software industry covers various segments such as banking and finance, telecommunications, hotels and tourism, retail stores, and logistics.

Enterprise users are expected to have high growth prospect both domestically and internationally as technological advancements and changes in enterprise-level communications create a need to constantly develop new solutions and services. Moreover, the software industry in the digital economy era causes new services to be presented to the market, leading to a more varied set of entrepreneurs in software

development such as multiplatform applications development, e-commerce development, applications on mobility devices development, and solutions development on cloud computing systems to share information technology resources and reduce costs. These factors cause organizations to develop and enhance their information technology systems to support the uses in every situation.

Value of Software Development and Software-Related Services

Unit: THB mm

Type	Consolidated Financial Statement for the Year						2015-2016 Growth Rate
	2014		2015		2016		
	Amount	Percent	Amount	Percent	Amount	Percent	
Ready-for-use software	14,050	27.0	14,068	26.8	12,730	25.4	-9.5%
- Domestic	13,530	26.0	13,496	25.7	12,124	24.2	-10.2%
- Export	520	1.0	572	1.1	606	1.2	5.9%
Software-related services							
- Domestic	37,902	73.0	38,493	73.2	37,399	74.6	-2.8%
- Export	35,103	67.6	35,735	68.0	34,291	68.4	-4.0%
Total	2,799	5.4	2,758	5.2	3,108	6.2	12.7%
	51,952	100.0	52,561	100.0	50,129	100.0	-4.6%

Source: Digital Economy Promotion Agency (DEPA)

The report on findings of the software and software-related services market survey, published in joint efforts between the Digital Economy Promotion Agency : DEPA and the IMC Institute, found that the value of the software market, comprising of the value of software developed for use within the country and for exports, can be categorized into 2 key groups which are 1) the value of ready-for-use software development such as software installed on end users' devices and software installed on the developer's server, accessible through a website (Software as a service: SaaS) and 2) the value of software-related services such as custom software, SI services related to software, software maintenance services, software services outsourcing, service and application hosting, and software related training and education.

In 2016, the value of ready-for-use software amounted to THB 12,730 mm, a 9.51% decrease from the year 2015, which was a result of an overall sluggish economy and the emergence of large amounts of software-enabled services, reflecting a shift in the business model for

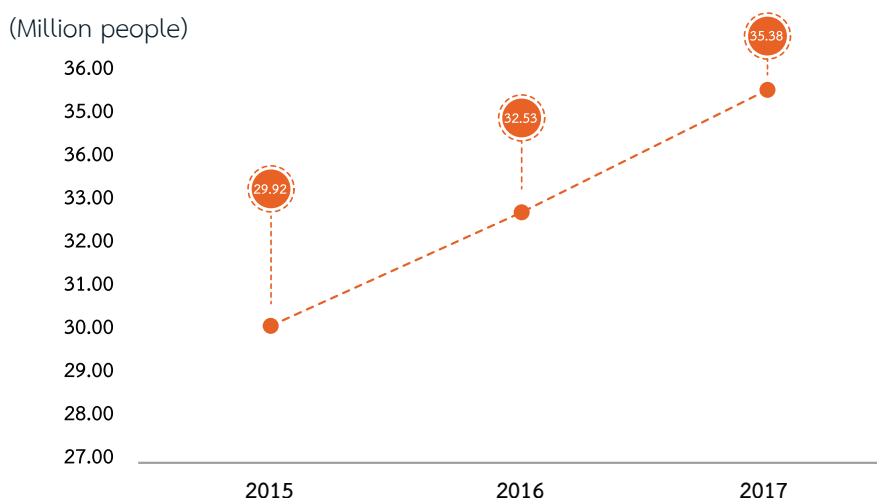
some players in the industry. However, the value of exported ready-for-use software such as hotel and resort management software, retail management software, and human resources management software is still growing. The value of exported ready-for-use software amounted to THB 606 million, reflecting a growth rate of 5.94% compared to the previous year. The value of software-related services amounted to THB 37,399 mm, which decreased 2.84% from the year 2015 due to changes in the way software businesses operate as organizations that seek flexibility shift to using cloud technology and reduce project sizes that consume time. However, the value of software-related services within the country grew 12.69% from the previous year and amounted to THB 3,108 mm as a result of Thai entrepreneurs expanding their business horizons overseas, with key markets being the ASEAN community in services such as banking, telecommunications, hotel and tourism, and retail.

Hotel and Tourism Industry

Tourism is one of the key sectors which drives the hotel and tourism industry, especially for the economies of ASEAN nations such as Cambodia, Lao PDR, Malaysia, the Philippines, and Thailand. The tourism industry generated revenues both directly and indirectly of approximately USD 301.1 billion, or equivalently a portion of over 11.80% of the total GDP of Southeast Asian nations in 2016, and is

expected to grow 6.90% in 2017. Moreover, the tourism industry has created jobs both directly and indirectly of over 30.15 mm positions in 2016, and this is expected to increase 3.67% to 31.26 mm positions (Source: Travel & Tourism Economy Impact 2017 South East Asia by the World Travel & Tourism Council).

The Number of foreign tourists traveling into the country, 2015 - 2017



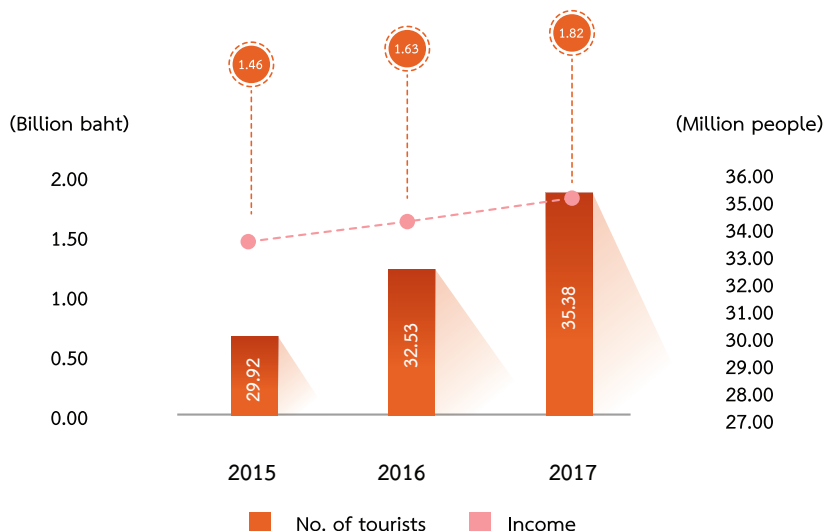
Source : The Ministry of Tourism and Sports

In Thailand, the tourism industry is of very high importance to the economy for generating revenues and stimulating employment within the country. The Ministry of Tourism and Sports reports a total number of 35.38 mm foreign tourists traveling into the country in 2017, an 8.77% increase from 32.53 mm tourists in 2016, with the top 5 origin countries in 2017 being China, Malaysia, Korea, Lao PDR, and Japan, in their respective order. In addition, the

Mastercard Global Destination Cities Index 2017 reports Bangkok as the number one city with the most tourist visits in the world.

In 2017, revenues from the tourism industry grew 9.47% from the previous year, generating direct and indirect revenues for the country of THB 2.75 trillion, comprising of revenues from foreign tourists of THB 1.82 trillion and Thai tourists of THB 0.93 trillion.

The number of tourists and tourism revenue, 2015 - 2017

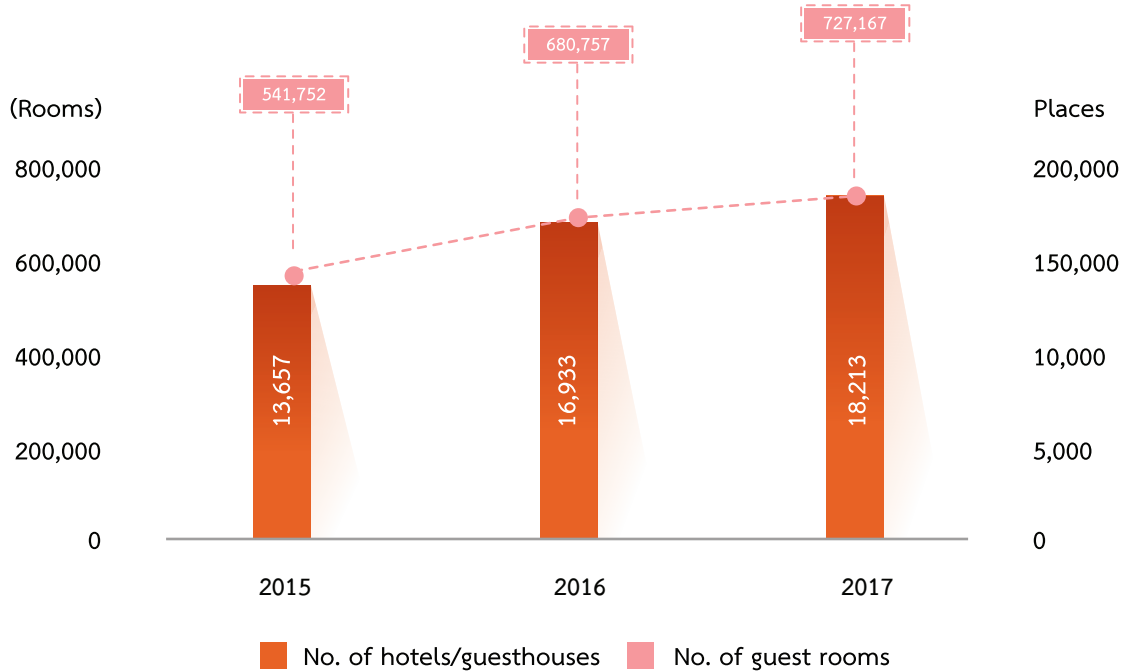


Source : Department of Tourism, the Ministry of Tourism and Sports

During the years 2015-2017, the number of inbound tourists traveling to Thailand continuously increased, resulting in growth in revenues from foreign tourists. In

2017, revenues from foreign tourists amounted to THB 1.82 trillion, an 11.66% increase from THB 1.63 trillion in 2016.

The number of tourists and tourism revenue, 2015 – 2017

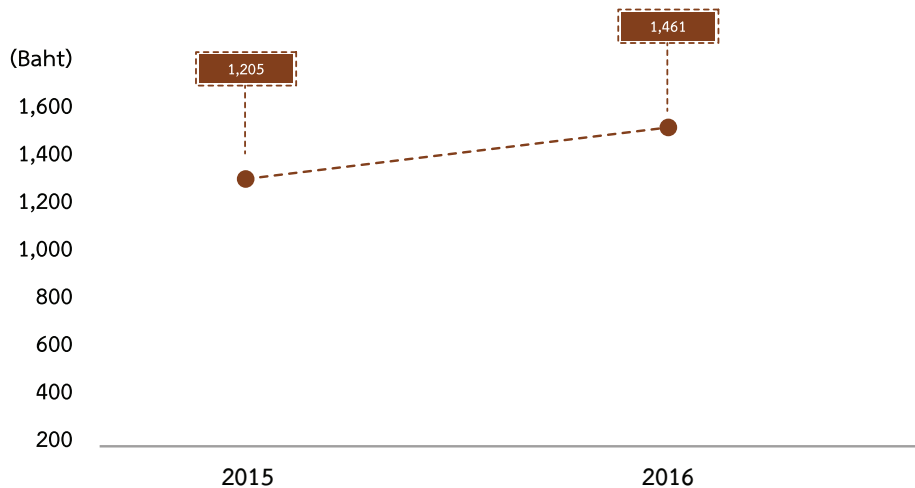


Source : the TAT Intelligence Center of the Tourism Authority of Thailand

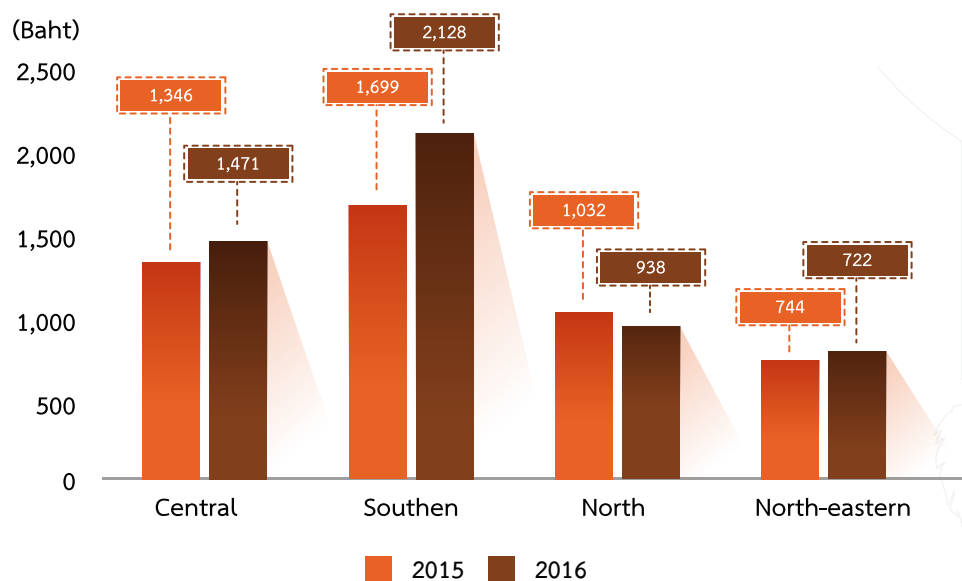
Looking into the number of hotels/guesthouses and the number of guest rooms, the TAT Intelligence Center of the Tourism Authority of Thailand reports growth in the number of hotels and guesthouses to accommodate the increase in the number of tourists. The number of hotels and guesthouses was 18,213 in 2017, a 7.56% increase from 16,933 in 2016. The number of guest rooms also rose in

the same manner, increasing from 680,757 rooms in 2016 to 727,167 rooms in 2017, or equivalent to a 6.82% growth, as there are continual investments small- to mid-sized hotels to tap into the middle-class tourists from East Asia such as China, Malaysia, Lao PDR, Japan, and South Korea who often travel to key provinces of Thailand.

Average hotel room rates comparison 2015 and 2016 (Nationwide)



Average hotel room rates comparison 2015 and 2016 (divided by Region)



Source : Bank of Thailand, the Ministry of Tourism and Sports

The price of guest rooms rose nationwide of 21.24% on average, increasing from THB 1,205 in 2015 to THB 1,461 in 2016, with growth rates in the price of guest rooms in the central, southern, and north-eastern parts of the country being more prominent as a result of marketing efforts to tap into high-class tourists as well as the increase in the number of tourists from the Middle East, the revival of quality tourists from Europe and the Americas, and tourists categorized as MICE (Meeting Intensives, Conventions and

Exhibitions), who spend over twice more than the average tourist.

However, as a result of government efforts to eliminate zero-dollar tours, competition between entrepreneurs has intensified from the number of hotel businesses and other types of accommodation. Pricing of guest rooms in the northern part of Thailand dropped 9.11% from THB 1,032 in 2015 to THB 938 in 2016.

Data Management Software Industry

The development of data management solutions plays a crucial role in today's digital economy era. Those with efficient data management systems are able to use such information to aid in making accurate, prompt, and real-time decisions, which foster effective operations especially for mid-sized to large organizations, both state-owned and private, which sift through large amounts of transactions on a daily basis. These companies bring in data management software, and together with advancements in technology which facilitate internet access and reduced prices of computers and mobile devices such as telephones and tablets, development of applications through mobile devices is fostered. Moreover, users see the benefit of bringing information from the internet, such as from social media and public websites apart from normal operations, for data analytics to serve the needs of different types of users. Thus, conventional data management technology may not be able to accommodate this increasing need, causing the data management software outlook to tend towards the development of a wider variety of solutions

enabling big data analytics to serve users on a continuous and real-time basis.

Resources for reduced costs is looking to become more prominent in information technology storage. In the past, users need to invest a large amount of capital to develop the infrastructure able to support data storage systems. Looking forward as users will be able to store their information on the cloud system, such investments would no longer be necessary as additional cloud storage space could be leased when needed, and users can access information through the internet and may use shared services. Cisco reports that cloud technology-related activities overall will increase from 1,756 exabyte in 2013 to 3,225 exabyte in 2015, reflecting a growth rate of 35.5%. Expanded use is expected to be most prominent in the Middle East with a growth rate of 57.6%, followed by Asia Pacific with 43.6%. In 2015, North America has the most cloud-based users at 1,211 exabyte constituting 37.6% of the total, followed by Asia Pacific with 1,042 exabyte constituting 32.3% of the total.

Competition in the Hotel Management Software Business

Information technology now plays a crucial role in business operations to support more efficient productions, reduced cost, and effective processes. As a result, growth in software development has been rapid over the past years. Low capital requirements encourage new entrants to enter the software market, however, in order to grow sustainably in the long run, a company needs experienced management and working teams to create intellectual property from quality software.

The hotel business brings in information technology for a variety of its operations from reception and reservations to check-in, restaurant management, accounting and finance, and finally to check-out. It is safe to say that a good hotel management software is important in building the success of hotel operations.

The Company is the developer of Comanche Hotel

Software, a full-system hotel management software covering all functions and modules of the hotel business from front office to restaurant management, inventory management, fixed asset management, to meeting room management, and interfaces with other devices or computers such as guest room access, internet billing, smart TV, and the central computer. Being the developer of Comanche Hotel Software, the Company is able to comprehensively satisfy the needs of customers, offer installation services, training, and after-sales services, boosting customers' confidence to choose the software and services of the Company.

The hotel software management industry in Thailand consists of a variety of developers and service providers, and a wide range of software with different specifications, functions, and modules. Hotel management software of comparable companies can be summarized as follows.

Name of Company	Name of Software
Micros Systems Inc.	Opera Enterprise Solutions
Easyfo Co., Ltd.	Easyfo
New Soft Technologies Consultants Co., Ltd. Thai Software Enterprise Co., Ltd.	Fromas, Ras, Elis, ACCSYS GENIUS iHotel

Source : Compiled by the Company

The Company has assessed the intensity of competition in the future that each company targets different customer groups, and multinational companies mainly target hotel chains from overseas. Moreover, as the software of some companies may be comparable, a successful hotel management software developer requires management and working team members experienced in the hotel industry, comprehensive functions and modules, good after-sales services, and the ability to provide assistance to clients at all times to ensure their smooth operations. Moreover, to avoid switching costs such as the cost of acquiring new software and the cost of training employees for new software, hotel businesses usually would not switch to different software if the price and specifications

of the alternative are not significantly better. As the client expands investment to new hotels, hotel management contractors would normally choose the software in use.

As of 31 December 2017, the Company's clients operate over 807 accommodations, which can be categorized into 653 within the country and 154 abroad, or equivalent to approximately 118,079 guest rooms. 73 hotels in hotel chains use Comanche Hotel Software, such as Centara hotel chain, Imperial hotel Chain, Eastin hotel chain, Kantary hotel chain, and Oakwood hotel chain. Thus, the Company is able to expand its business alongside the growth of existing clients and to new clients in the future.



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Risk Management

There are risks 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 strengths 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 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 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 prior to 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 loss or lack of personnel with knowledge and capability as mentioned above. In the year 2015, the Company 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, compared to the industry, 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 recruitment of qualified personnel to work for the Company.

With regard to the business of MSL, it operates the business of consulting, planning, designing and developing software systems or IT systems solution; it is a business that requires knowledge, capability and specialized skills of personnel to apprehend clients' needs, process of work, and primary stage of work of the system and software products in order to communicate with trade partners, software application service providers or vendors in order to jointly develop system solutions to satisfy clients' needs. MSL recognizes the importance of personnel with specialized skills and the risk of losing such personnel which may affect business operations and MSL's competitive edge, therefore tries to minimize its reliance on a large number of personnel with specialized skills by using the services of experts employed by trade partners, software application service providers who already possess specialized knowledge of the product, to help developing systems or systems solution. Moreover, MSL focuses on continuous development of human resources by promoting teamwork in order that staffs can exchange knowledge and can be a substitution for one another, as well as setting employees' remunerations at a competitive level to motivate staffs to remain with the organization for a long period of time.

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 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 (“SYN”) in 2017 enables the Company to spread its revenue to other customer base besides the present hotel clientele, to minimize risks associated with being dependent solely on the domestic tourism business.

Risk from Competition among Software Solutions Data Management Service Providers

Since service providers for the business of consulting, planning, designing and developing enterprise data management software solutions systems consist mainly of large international organizations with business operations in Thailand, namely, IBM (Thailand) Company Limited, Oracles Corporation (Thailand) Limited and EMC Corporation, said operators being experts in specific solutions, differing from the other, using mainly software developed within their own company group in order to develop software solutions for customers and focusing on providing service for high-end projects, thereby affecting MSL, which must face competition from said service providers.

However, MSL business undertakings differ from

said business enterprises by focusing on the selection of software programs from vendors comprising several software developers who are MSL’s trade partners in order to develop software solutions suitable for customers’ requirements in each project, ensuring that working efficiency would be suitable for the job on hand and is able to provide after sales maintenance and service, thereby giving assurance to and maintaining continuous good relationship with customers. Moreover, MSL accepts lower-priced projects as it still has a profit margin, whereas international enterprises have a higher break-even point in their business operations. Therefore, any available project, project value of which is not too high, is still an important business market for MSL.

Risk from Situation Where Main Clients of MSL Have High Bargaining Power

Since MSL major clients are in the business of software data management, comprising mostly large enterprises, such as government agencies, state enterprises, private business sectors and financial institutions, which may result in clients having high bargaining powers, e.g. with regard to payment period, which may be longer than normal clients, or regulations governing such clients which may affect MSL work procedures, having to comply with said regulations. Anyhow, this type of client’s main concern

is the quality of work, while MSL is a business operator that has a working team of experienced personnel with a portfolio in software management solutions for large scale and complex data which could deliver work on schedule, and a trade partner who is a cloud-based software systems developer of international standards. Thus, the Company believes that these qualifications will build up clients’ confidence, and continue to create a competitive edge in its software data management business.

Risk from Reliance on Very Few Customers of MSL

Since MSL provides development and management of system as a project and, at present, has a very limited number of clients and may be at risk on continuity of future revenue if MSL is not selected by clients to continue to provide services. Therefore, if MSL loses existing clients and is unable to find other clients to replace them, it would affect MSL's revenue.

Anyhow, from experience of past services rendered to clients from large enterprises, after MSL has developed an operational system for this group of clients, said clients still use the services of MSL to maintain their operational system, with the result that MSL still earns revenue from this customer group.

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 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 copyright 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 prevention of opportunity as well as prevention of effects from copyright violation by establishing guidelines for

prevention of unauthorized use of the Comanche Hotel Software and Data Base Program 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 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 copyrights 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 a 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 for 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 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 a 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 is dependent on the Company's success in its operations in accordance with 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 of time, 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 insufficient profit, or if deemed appropriate, the Company might not pay dividends in the future.

Presently, the Company has a 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. Moreover, Mr. Apichai Sakulsureeyadej, founder of MSL and a major shareholder of the Company, also holds the position of Chief Executive Officer in MSL. Should the Company and MSL lose any or both directors, it may affect the business operations and operating results of the Company and MSL.

Anyhow, the Company and MSL specified 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 any one of Mr. Soomboon Sukheviriya and/or Mr. Apichai Sakulsureeyadej, but will depend on the Company's Board of Directors, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee as well as management team to participate in management of the Company and making decisions on various matters according to the powers stipulated in order to reduce dependency on the said two major executives.

Financial Risk

Risk from Impairment of Intangible Assets and Goodwill for the Financial Statements

Following the Company's acquisition of MSL Software (Thailand) Limited on 1st September 2015 in the proportion of 99.99% of the registered capital, causing MSL to become a subsidiary of the Company in accordance with the

Thai Financial Reporting Standards No. 3 (revised 2015) "Business Merger", whereby the Company shall have to set a fair value for assets and liabilities acquired on the date of acquisition according to the Price Purchase

Allocation method. From said transaction, the Company's consolidated financial statements as at 31st December 2017 presented a Goodwill value from the business merger of Baht 64.26 million, and net customers relationship value of Baht 10.30 million. The Company is obligated to assess the depreciation of the goodwill arising from business merger on yearly basis or more often if there are indicators of any impairment while customers relationship is amortized

according to the period as it expected to create a cash flow for the Company's business, with an amortization period of 2 – 5 years 4 months. In this connection, according to the Company's consolidated financial statements for year ended 31st December 2016 and 2017, goodwill arising from the business merger and customers relationship of MSL are as follows:

Unit: Baht

Item	Consolidated Financial Statements as at 31st December 2016	Consolidated Financial Statements as at 31st December 2017
Goodwill	64,260,047	64,260,047
Provision for Impairment	-	-
Balance	64,260,047	64,260,047

Unit: Baht

Item	Consolidated Financial Statements as at 31st December 2016	Consolidated Financial Statements as at 31st December 2017
Customer Relationship	31,341,387	31,341,387
Accumulated Amortization	(15,792,157)	(21,046,003)
Balance	15,549,230	10,295,384

Therefore, in the event indicating impairment in value of MSL which arises from its business operations not working out according to plan, significant changes in economic conditions and/or market conditions which may cause the Company to set a provision for Goodwill impairment or having to amortize Customers Relationship sooner (present policy for amortization of Customers Relationship commences from year 2015 to year 2020) which may have a negative impact on the operational results figure in the accounting period that recorded the impairment as well as the financial operational performance figures of the

Company (as it is a non cash item, there will be no effect on the cash flow of the Company in any way).

Anyhow, the Company believes that the chance of impairment of intangible assets and goodwill is rather limited as MSL has a clear-cut business plan and is capable to build up growth in revenue and profit steadily. This includes the fact that MSL has experience in a business that has been in service for over 5 years and therefore has the opportunity of continuous business expansion.

Research and Development

The Company promotes continuous research and development to increase both 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. Project for Development of Software Program Version Web-based (Cloud-based) Application

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 which is starting to gain popularity among hoteliers, is 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, facilitating the work of systems operators of both customer IT unit and the Company's Customer Care Department.

Unit : Baht

Research and Development Expenditure	Budget	Total Amount Spent			Total
		2015	2016	2017	
Staff expenditure	4,336,800	86,632	788,723	1,987,094	2,862,449
Software expenditure for program development	103,808	103,808	-	234,395	338,203
Estimated other expenditure	444,061	-	-	-	-
Grand Total	4,884,669	90,440	788,723	2,221,489	3,200,652

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

Modules	Progress as at 31st December 2017	Estimated Testing Period with Specific Groups of Client	Estimated Period for Sale to General Clients
Account Receivable	100%	1st October 2017	1st January 2017
Front Office	100%	1st October 2017	1st January 2017
Account Payable	95%	3rd Quarter/2017	3rd Quarter/2017
Inventory	90%	4th Quarter/2017	4th Quarter/2017
Recipe	75%	4th Quarter/2017	4th Quarter/2017
Purchasing	80%	4th Quarter/2017	4th Quarter/2017
General Ledger	95%	4th Quarter/2017	4th Quarter/2017
Point of Sale	100%	4th Quarter/2017	4th Quarter/2017

2. Research and Development Project for Hotel Business Intelligence Software System

This project has conducted the statistics of hotel occupants from the Front Office System / Property Management System to be presented in a data management format to the hotel's managements for use as collaborating information in order to make strategic decisions. The Company has initiated the research in the 3rd quarter of 2016, expecting that this project would meet customers' requirements and generate more revenue in the future.

As at 31st December 2017, the Company has already offered a prototype reports to a sample group of clients and received comments and additional requirements from said clients, then plan to develop more on the prototype

reports to cover on customers' requirements.

The project is expected to be completed within 2017 or no later than the 2nd quarter of 2018 (in case of major customers are interested to install and request the Company to develop additional reports on demand) at a budget of Baht 3,437,211 with details as follows:

Unit : Baht

Research and Development Expenditure	Budget	Total Amount Spent			
		2015	2016	2017	Total
Expenditure for staff	943,800	-	39,864	135,782	175,646
Software fee for Development of Program 1 (Development Tool)	180,937	-	-	-	-
Software fee for Development of Program 2 (BI software)	2,000,000	214,200	1,800,000	-	2,014,200
Estimated other expenditure	312,474	-	-	309,100	309,100
Grand Total	3,437,211	214,200	1,839,864	444,882	2,498,946

3. Research and Development Project for PA-DSS Certification (PCI Compliant)

The PA-DSS Certification (PCI Compliant) 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 employees of SYN to learn from the program development to meet important international standards.

The Company has initiated the project in the 3rd quarter of 2017 and expected to be completed in the 2nd quarter of 2018

Unit : Baht

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

4. Research and Development Project for Retailers and Service Providers Management System (Software POS)

SYN has a great number of customers using the management system for retailers and service providers such as restaurants, retail shops, and spas. However, at present, customers have increased in information that requires larger storage space and better data security as well as the demand of software that cover all business's requirements, convenient, and easy to use. In this connection, SYN has foreseen an opportunity to develop the program to be used in the management system for retailers and service providers. The research and development of said software then has been initiated under the name "pRoMiSe System Ultra" which allows SYN to provide a wide-range of products that meet customers' requirements leading to an opportunity to increase in revenue in the future.

SYN has planned to develop such program during 2017 - 2018 and expected for the distribution in 2018 with the total budget of Baht 5,154,000 as per following details;

- The inventory management system that can be operated on cloud system for more convenient, secure, and up-to-date inventory management.
- The self-ordering application system that supports food orders from customer's smartphones to add the diversity of services and convenience for customers.
- The payment system that provides more convenient, faster, and secured payment methods such as Alipay and PromptPay.

Unit : Baht

Research and Development Expenditure	2017	2018
Staff expenditure	1,500,000	1,800,000
Equipment	310,000	80,000
Estimated other expenditure	714,000	750,000
Total in each year	2,524,000	2,630,000
Grand Total		5,154,000

Besides the result as a product for sales, SYN also benefits from the knowledge of the development for portable devices and cloud which can be adopted to other products and services of SYN in the future.



COMANCHE

INTERNATIONAL

COMANCHE INTERNATIONAL ANNUAL REPORT 2017

Assets Used in Business Operations

Investment

As of 31 December 2017, the Company has investment in 2 subsidiaries with details as follows.

Company	Nature of Business	Ownership (%)	Registered Capital (THB)	Paid-up Capital (THB)
MSL Software (Thailand) Company Limited	Computer software services	99.99	23,461,300	23,461,300
Synature Technology Company Limited	Computer software services	51.00	10,000,000	10,000,000

Fixed Assets Used in Business Operations of the Company and its Subsidiaries

As of 31 December 2017 and 2016, fixed assets used in business operations of the Company and its subsidiaries comprises of computer equipment, office supplies, and intangible assets with net book values after the depreciation and amortization amounting to THB 55.36 million and THB 47.65 million, respectively. Details on these assets are as follows.

Asset	Book Value (according to the consolidated financial statements) (THB million)		Nature of Right on the Asset	Obligations
	As of 31 December			
	2017	2016		
Computer equipmaent and office supplies	5.98	4.55	Ownership	None
Intangible assets	49.38	43.10	Ownership	None
Total Value – Net	55.36	47.65		

Intangible Assets

As of 31 December 2017 and 2016, intangible assets used in business operations of the Company and its subsidiaries comprises of computer software, customer relationship, and computer software under development worth THB 49.38 million and THB 43.10 million, respectively. Details on these assets are as follows.

Asset	Book Value (according to the consolidated financial statements) (THB million)	
	As of 31 December	
	2017	2016
Computer software	30.52	25.98
Customer relationship*	10.29	15.55
Computer software under development	8.57	1.57
Total Value – Net	49.38	43.10

Remark : * Customer relationship is considered an intangible asset arising from the fair value appraisal when the Company invested in MSL on 1 September 2015 (99.99%), according to the Thai Financial Reporting Standards 3 (IFRS 3) (revised 2014) on Business Combinations

Copyrights and Trademarks

Copyrights

The Company and its subsidiaries received certificate of copyright notification in the literature category from the Department of Intellectual Property, Ministry of Commerce with the following details.

Name of Work	Company	Type of Work	Registration	Date of Certificate Issuance
Comanche Hotel Software and Data Base	COMAN	Literature/Computer Software	Wor1. 3070	13 May 2009
MSL Big Data Platform	MSL	Literature/Computer Software	Wor1. 5590	20 October 2015

Trademarks

The Company's subsidiary received certificate of trademark notification in the services category from the Department of Intellectual Property, Ministry of Commerce with the following details.

Name of Work	Company	Type of Work	Registration	Date of Certificate Issuance
pRoMiSe Retail Management System	SYN	Services/Computer Software	Kor219557	25 May 2017

BOI Certificate

The Company and its subsidiaries received benefits from investment incentive programs from the Board of Investment of Thailand with the following details.

Type	Company	Rights and Benefits	BOI Certificate Number	Date of Issuance	Date of Expiry
Type 5.8 Enterprise Software and Digital Content	COMAN	Corporate income tax exemption for a period of 8 years from the date the company starts earning income from operations (3 September 2009)	1156(7)/2552	20 February 2009	2 September 2017
Type 5.7.2 Enterprise Software and/or Digital Content	MSL	Corporate income tax exemption for a period of 7 years from the date the company starts earning income from operations (30 September 2015)	58-2032-1-01-2-0	14 August 2015	29 September 2022
Type 5.8 Enterprise Software and Digital Content	SYN	Corporate income tax exemption for a period of 8 years from the date the company starts earning income from operations (22 July 2008)	1776(7)/2552	20 October 2009	19 October 2017

Key Contracts Used in Business Operations

Office Lease and Service Contracts

As of 31 December 2017 and 2016, the Company and its subsidiaries own no office buildings. Office space used in business operations are in the form of operating lease from parties not connected to the Company, with the following details.

Item	Tenant	Landlord	Compensation as Stated in Contract	Term of Lease
1)Muangthai Phatra Office Complex 23rd Floor Building B Unit 252/117(H) Unit 252/118(E) Unit 252/118(F) and Unit 252/118(G) with total space of 481.50 square meters	COMAN	Muang Thai Life Assurance Public Company Limited	Lease Contract THB 224/square meter/month (Total of THB 107,856 per month) Service Contract THB 336/square meter/month (Total of THB 161,784)	15 May 2016 - 14 May 2018

Office Lease and Service Contracts (Cont.)

Item	Tenant	Landlord	Compensation as Stated in Contract	Term of Lease
2) Bhiraj Tower at EmQuartier No. BTE-TWR.16.1610, 16th Floor with total space of 133 square meters	MSL	Bhiraj Buri Company Limited	Lease Contract THB 376/square meter/ month (Total of THB 50,008 per month)	1 January 2016 – 31 December 2018
3) Bhiraj Tower at EmQuartier No. BTE-TWR.16.1610, 16th Floor with total space of 133 square meters	MSL	Penta 591 Company Limited	Service Contract THB 564/square meter/ month (Total of THB 75,012)	1 January 2016 – 31 December 2018
4) Bhiraj Tower at EmQuartier No. BTE-TWR.16.1608, BTE-TWR.16.1609, 16th Floor with total space of 241 square meters	MSL	Bhiraj Buri Company Limited	Lease Contract THB 376/square meter/ month (Total of THB 90,616 per month)	1 October 2016 – 31 May 2017
5) Bhiraj Tower at EmQuartier No. BTE-TWR.16.1608, BTE-TWR.16.1609 16th Floor with total space of 241 square meters	MSL	Penta 591 Company Limited	Service Contract THB 564/square meter/ month (Total of THB 135,924 per month)	1 October 2016 – 31 August 2017
6) 55/165 Soi Ladprao 88, Wang Thonglang, Bangkok	SYN	Long Beach Brotherhood Group of Persons	Lease Contract THB 40,000 per month	1 January 2017 – 1 January 2020
7) 55/166 Soi Ladprao 88, Wang Thonglang, Bangkok	SYN	Mr. Nopporn Leelertyuth	Lease Contract THB 30,000 per month	1 August 2015 – 31 July 2017

Office Lease and Service Contracts (Cont.)

Item	Tenant	Landlord	Compensation as Stated in Contract	Term of Lease
8) 55/166 Soi Ladprao 88, Wang Thonglang, Bangkok	SYN	Mr. Nopporn Leelertyuth	Lease Contract THB 33,000 per month	1 August 2017 – 31 July 2019

Insurance Policies

Insurance Policy No. 1

Policy	Insurance Policy for Small Businesses
Insurer	MSIG Insurance (Thailand) Public Company Limited
The Insured	Comanche International Public Company Limited
Period	16 June 2017 – 16 June 2018
Sum Insured	THB 4,000,000

Coverage	Coverage	Sum Insured
	<p>Category 1 : Fire, lightning, and additional protection against loss or damage from storm, water (excluding floods), scrape or collision from vehicle and aircraft, earthquake, volcanic eruption, underwater current or tsunami, explosion</p> <p>Properties insured include furniture, fixed decoration, and other assets within the building including computers, printers, photocopying machines, meeting rooms, tables, chairs</p>	Not exceeding THB 3,000,000
	<p>Category 2 : Compensation for loss of income for the events which occur under Category 1</p>	Not exceeding 10% of claim amount
	<p>Category 3 : Theft, burglary, break-ins, in which evidence of tampering is present</p> <ul style="list-style-type: none"> - Protection for loss or damage of insured property - Protection for damage of the building which holds the insured property 	Not exceeding THB 100,000/incident/year

Insurance Policy No. 1

Policy	Insurance Policy for Small Businesses
Insurer	MSIG Insurance (Thailand) Public Company Limited
The Insured	Comanche International Public Company Limited
Period	16 June 2017 – 16 June 2018
Sum Insured	THB 4,000,000

Coverage	Coverage	Sum Insured
	Category 4 : Compensation in the event of death of the insured and/or members of the family resulting from accident occurring in the insured property under Category 1 and 3	Not exceeding THB 100,000/incident/year
	Category 5 : Money insurance in the insured property during working hours against theft and robbery	Not exceeding THB 50,000/incident/year
	Category 6 : Windows	Not exceeding THB 50,000/incident/year
	Category 7 : Responsibility to outsiders in the insured property	Not exceeding THB 500,000/incident and not exceeding THB 1,500,000/year

Location of Insured Property	Units E-F, 23rd Floor, 252/118 Muangthai Phatra 2 Building, Ratchadapisek Road, Huaykwang, Bangkok 10310
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Insurance Policy No. 2

Policy type	Property Insurance Policy
Insurer	AXA Insurance Public Company Limited
Beneficiary	MSL Software (Thailand) Company Limited
Period insured	5 July 2017 – 5 July 2018
Sum Insured	Baht 1,299,020.73

Coverage	Coverage	Sum Insured
	Category 1 : All risks insurance (Including burglary that leave any traces of tampering and fixed glass) – assets inside the building (Excluding inventory)	Not exceeding THB 1,299,020.73
	Category 2 : Insured from flooding under the insurance of category 1.	Not exceeding 10% of damage cost or a minimum of THB 25,000 whichever is higher for each incident
	Category 3 : Insured from natural disasters, storms, earthquakes, and hailstones under the insurance of category 1.	Not exceeding THB 250,000
	Category 4 : Damage to electrical machines or machines from fire and lighting, additional benefit of insurance from category 1.	Not exceeding THB 50,000 per time per year
	Category 5 : Damage to advertising signs and neon signs, additional benefit of insurance from category 1.	Not exceeding THB 20,000 per time per year

Location of Insured Property	689, Bhiraj Tower at EmQuartier, 16th Floor, Unit 1610, Sukhumvit Road, Klongton Nua, Wattana, Bangkok 10110
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Insurance Policy No. 3

Policy	Fire Insurance
Insurer	Bangkok Insurance Public Company Limited
Beneficiary	Synature Technology Company Limited
Period insured	5 April 2017 – 5 April 2018
Sum Insured	THB 2,000,000

Coverage	Coverage	Sum Insured
	OrKor.1.39 : Storm Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 400,000
	OrKor.1.40 : Flood Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 400,000 (10% or a minimum of THB 10,000 whichever is higher for each and every damage incident)
	OrKor.1.41 : Earthquake or volcanic eruption Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 400,000
	OrKor.1.44 : Damage from water (excluding flood) Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 2,000,000
	OrKor.1.45 : Scrape or collision from vehicle Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 2,000,000
	OrKor.1.49 : Smoke from water heater and kitchen equipment Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 2,000,000
	OrKor.1.50 : Explosion Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 2,000,000
	OrKor.1.53 : Electrical appliances (for fire insurance) Insured properties include inventory stock, computers, printers, post machines and equipment	Not exceeding THB 20,000

Location of Insured Property	55/165, 166 Soi Ladprao 88, Ladprao Road, Wang Thonglang, Bangkok
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International Dealer Appointment Contract

International Dealer Appointment Contract in Indonesia

Contractual Parties	(1) Comanche International Public Company Limited (“the Company”) (2) PT. Comanche International Indonesia Co., Ltd. (“the Dealer”)*
Execution Date	27 September 2017

Contract Key Terms

- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
- The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
- The Dealer can use the Company’s trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
- The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
- The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
- The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.
- The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
- The Company will find replacement software for the Dealer to repair any flaws or faults in the Company’s software without charging an additional fee.
- The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

Compensation

- Software License Fee
The Company charges a rate of 20% of customer purchase amount

International Dealer Appointment Contract in Indonesia (Cont.)

- Second Level of Support
The Company charges a rate of 20% of customer purchase amount

Term of the Contract • 2 years from 27 September 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

Contract Termination • One of the contractual party informs the other party of intent to terminate the contract 30 days in advance

Remark : * *The Company once held 90% stake before selling the entire portion on 30 September 2015 to the buyer, who is an employee of PT. Comanche International Indonesia Co., Ltd. and later appointing the company as its international dealer. The aforementioned person is not related in any way to the Board of Directors, management, and major shareholders of the Company or its subsidiaries.*

International Dealer Appointment Contract in Vietnam

Contractual Parties	(1) Comanche International Public Company Limited (“the Company”) (2) Comanche International Vietnam Co., Ltd. (“the Dealer”)*
Execution Date	27 September 2017

- Contract Key Terms**
- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
 - The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
 - The Dealer can use the Company’s trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
 - The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
 - The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
 - The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.

Remark : * *The Company once held 100% stake before selling the entire portion on 30 September 2015 to the buyer, who is an employee of Comanche International Vietnam Co., Ltd. and later appointing the company as its international dealer. The aforementioned person is not related in any way to the Board of Directors, management, and major shareholders of the Company or its subsidiaries.*

International Dealer Appointment Contract in Vietnam (Cont.)

- Contract Key Terms**
- The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company's software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

-
- Compensation**
- Software License Fee
The Company charges a rate of 20% of customer purchase amount
 - Second Level of Support
The Company charges a rate of 20% of customer purchase amount

-
- Term of the Contract**
- 2 years from 27 September 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

-
- Contract Termination**
- One of the contractual party informs the other party of intent to terminate the contract 30 days in advance
-



International Dealer Appointment Contract in Malaysia

Contractual Parties	(1) Comanche International Public Company Limited (“the Company”) (2) Comanche International Malaysia Sdn. Bhd. (“the Dealer”)*
Execution Date	19 October 2017

Contract Key Terms

- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
- The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
- The Dealer can use the Company’s trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
- The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
- The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
- The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.
- The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
- The Company will find replacement software for the Dealer to repair any flaws or faults in the Company’s software without charging an additional fee.
- The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

Remark : * The Company once held 99.85% stake before selling the entire portion on 30 September 2015 to the buyer, who is an employee of Comanche International Malaysia Sdn. Bhd., and later appointing the company as its international dealer. The aforementioned person is not related in any way to the Board of Directors, management, and major shareholders of the Company or its subsidiaries.

International Dealer Appointment Contract in Malaysia (Cont.)

Compensation

- Software License Fee
The Company charges a rate of 20% of customer purchase amount
- Second Level of Support
The Company charges a rate of 20% of customer purchase amount

Term of the Contract

- 2 years from 19 October 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

Contract Termination

- One of the contractual party informs the other party of intent to terminate the contract 30 days in advance

International Dealer Appointment Contract in China

Contractual Parties

- (1) Comanche International Public Company Limited (“the Company”)
- (2) Guangzhou Automated Systems Limited (“the Dealer”)

Execution Date

1 January 2015

Contract Key Terms

- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
- The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
- The Dealer can use the Company’s trademark and logo in documents prepared by the dealer.
- The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service. .
- The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.

International Dealer Appointment Contract in China (Cont.)

- Contract Key Terms**
- The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company's software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

- Compensation**
- Software License Fee
Set by the Company according to the price chart as agreed
 - Second Level of Support
The Company charges a rate of 50% of customer purchase amount

- Term of the Contract**
- 2 years from 1 January 2015, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 90 days in advance

- Contract Termination**
- One of the contractual party informs the other party of intent to terminate the contract 90 days in advance

International Dealer Appointment Contract in Lao PDR

Contractual Parties (1) Comanche International Public Company Limited ("the Company")
(2) Lao Asean Trading Co.,Ltd. ("the Dealer")

Execution Date 27 September 2017

- Contract Key Terms**
- The Dealer can sell and market the Company's software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company's product, and the aforementioned right is non-transferrable.
 - The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
 - The Dealer can use the Company's trademark and logo in documents prepared by the dealer.

International Dealer Appointment Contract in Lao PDR (Cont.)

- Contract Key Terms**
- The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
 - The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
 - The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.
 - The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company’s software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

- Compensation**
- Software License Fee
The Company charges a rate of 20% of customer purchase amount
 - Second Level of Support
The Company charges a rate of 20% of customer purchase amount

- Term of the Contract**
- 2 years from 27 September 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

- Contract Termination**
- One of the contractual party informs the other party of intent to terminate the contract 30 days in advance

International Dealer Appointment Contract in India

Contractual Parties	(1) Comanche International Public Company Limited (“the Company”) (2) Comanche Hotel Systems India Private Limited (“the Dealer”)
Execution Date	1 May 2016

International Dealer Appointment Contract in India (Cont.)

- Contract Key Terms**
- The Dealer can sell and market the Company's software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company's product, and the aforementioned right is non-transferrable.
 - The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
 - The Dealer can use the Company's trademark and logo in documents prepared by the dealer.
 - The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
 - The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
 - The Dealer is not allowed to teach or give information on the Company's software to competitors or outsiders, unless permitted by the Company.
 - The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company's software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

-
- Compensation**
- Software License Fee
The Company charges a rate of 20% of customer purchase amount
 - Second Level of Support
The Company charges a rate of 20% of customer purchase amount

-
- Term of the Contract**
- 2 years from 1 May 2016, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 90 days in advance

-
- Contract Termination**
- One of the contractual party informs the other party of intent to terminate the contract 90 days in advance
-

International Dealer Appointment Contract in Philippines

Contractual Parties	(1) Comanche International Public Company Limited (“the Company”) (2) Audacity Systems, INC. (“the Dealer”)
Execution Date	27 September 2017

- Contract Key Terms**
- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
 - The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
 - The Dealer can use the Company’s trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
 - The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
 - The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
 - The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.
 - The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company’s software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

-
- Compensation**
- Software License Fee The Company charges a rate of 20% of customer purchase amount
 - Second Level of Support The Company charges a rate of 20% of customer purchase amount
-

International Dealer Appointment Contract in Philippines (Cont.)

Term of the Contract • 2 years from 27 September 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

Contract Termination • One of the contractual party informs the other party of intent to terminate the contract 30 days in advance

International Dealer Appointment Contract in China

Contractual Parties	(1) Comanche International Public Company Limited (“the Company”) (2) Shanghai Hanford Business Consulting Co., Ltd. (“the Dealer”)
Execution Date	11 July 2017

- Contract Key Terms**
- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
 - The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
 - The Dealer can use the Company’s trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
 - The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
 - The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
 - The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.
 - The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company’s software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version

International Dealer Appointment Contract in China (Cont.)

Contract Key Terms software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

Compensation

- Software License Fee
The Company charges a rate of 20% of customer purchase amount
- Second Level of Support
The Company charges a rate of 20% of customer purchase amount

Term of the Contract • 2 years from 11 July 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

Contract Termination • One of the contractual party informs the other party of intent to terminate the contract 30 days in advance

International Dealer Appointment Contract in Singapore

Contractual Parties (1) Comanche International Public Company Limited (“the Company”)
(2) UBAC Pte., Ltd. (“the Dealer”)

Execution Date 11 August 2017

Contract Key Terms

- The Dealer can sell and market the Company’s software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company’s product, and the aforementioned right is non-transferrable.
- The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.
- The Dealer can use the Company’s trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
- The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
- The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
- The Dealer is not allowed to teach or give information on the Company’s software to competitors or outsiders, unless permitted by the Company.

International Dealer Appointment Contract in Singapore (Cont.)

- Contract Key Terms**
- The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company's software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

- Compensation**
- Software License Fee
The Company charges a rate of 20% of customer purchase amount
 - Second Level of Support
The Company charges a rate of 20% of customer purchase amount

- Term of the Contract**
- 2 years from 11 August 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

- Contract Termination**
- One of the contractual party informs the other party of intent to terminate the contract 30 days in advance

International Dealer Appointment Contract in India

Contractual Parties	(1) Comanche International Public Company Limited ("the Company") (2) IT Bahn India PVT. Ltd. ("the Dealer")
Execution Date	19 December 2017

- Contract Key Terms**
- The Dealer can sell and market the Company's software within the country as specified in the contract. The Dealer does not have exclusive right in the sale of the Company's product, and the aforementioned right is non-transferrable.
 - The Dealer is responsible for marketing efforts such as advertising and product expos, and is responsible for the costs incurred.

International Dealer Appointment Contract in India (Cont.)

- Contract Key Terms**
- The Dealer can use the Company's trademark and logo in documents prepared by the dealer, and can enter into sub-dealership contracts for the distribution and marketing within the country as specified in the contract.
 - The Dealer is responsible for providing first level of support to clients, which includes on-site aid service, phone aid service, and pre-specified service.
 - The Dealer is not allowed to sell or distribute hotel management software developed by other companies for the duration of 2 years starting on the contract execution date.
 - The Dealer is not allowed to teach or give information on the Company's software to competitors or outsiders, unless permitted by the Company.
 - The Company will provide assistance to the Dealer, such as help on the modem and high-speed internet, through email and web service 24/7.
 - The Company will find replacement software for the Dealer to repair any flaws or faults in the Company's software without charging an additional fee.
 - The Company will arrange to give the Dealer access to upgrades and newer version software as appropriate for normal operations without charging a fee. However, the Company will inform the dealer if there are fees outstanding and if there are upgrades or new versions of the software.

-
- Compensation**
- Software License Fee
The Company charges a rate of 20% of customer purchase amount
 - Second Level of Support
The Company charges a rate of 20% of customer purchase amount

-
- Term of the Contract**
- 2 years from 19 December 2017, automatically renewed in subsequent years if no contractual party informs the other party of intent to terminate the contract 30 days in advance

-
- Contract Termination**
- One of the contractual party informs the other party of intent to terminate the contract 30 days in advance
-

From the 10 effective dealer appointment contracts in 8 countries, compensation scheme that the Company receives from its dealers can be grouped into 2 categories: 1) a specific rate according to the price chart as agreed and 2) as a portion of customer purchase amount. Going forward, once the contracts with the former compensation scheme reaches the end of its term, the Company will proceed to switch to the latter compensation scheme. This also applies to new dealer appointments which will happen in the future, in order to induce flexibility in the adjustment of prices by dealers to better suit the market.

The Company has set a policy in using the Company's name as part of the dealers' company name such that any dealer who wishes to use "Comanche" as part of the company name has to submit its intent to the Company and seek approval from the Company. The Company reserves the right to revoke its approval in the case that dealers do not comply to the agreed upon terms, in order to preserve the reputation of the Company.

Sales representative Agreement

Contractual Parties	(1) MSL Software (Thailand) Company Limited ("Sales representative") (2) Micro Focus Pte Ltd. ("Micro Focus")
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Agreement Date	1 May 2016
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Key conditions

- Sales representative may sell and market the software in the country stipulated in the agreement.
- Sales representative must prepare business plan and marketing plan for Micro Focus to consider as well as meets the annual sales target as agreed.
- Sales representative must not sell other products similar to the software of Micro Focus unless there is an expressed permission in writing.
- Sales representative is responsible for selling the software and providing technical support to clients.

Compensation

Micro Focus will compensate Sales representative at a rate no higher than 35 percent of the sales revenue

Product

Micro Focus Enterprise, CORBA, Micro Focus COBOL, Micro Focus Niche และ Software Delivery and Test

Terms of Contract

12 months from May 2016, and the agreement will be automatically extended for 12 months after the term ends, unless a party wishes to terminate the contract (requires 30 day written notice).

Contract Termination

One of the parties is required to notify another party of the termination in writing at least 30 days in advance.

Teaming Agreement

Contractual Parties	(1) MSL Software (Thailand) Company Limited ("Sales representative") (2) Dr.Thanachart Ritbumroong ("Data Scientist")
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Agreement Date	22 June 2015
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Teaming Agreement (Cont.)

Key conditions

- Contractual Parties agreed to cooperate in a mutual exclusivity term, i.e. both parties will not work with other individuals to provide services to clients as listed in the agreement to jointly provide the services in Solution Design for Big Data Solutions, Analytics and Data Management Services (A&DM)
- MSL is the primary party who will provide advice and work on a project, and prepare a proposal for client's consideration. The conditions and agreement in the project proposal are agreed to by both parties, and MSL and Data Scientist will have an agreement in a form of subcontract.
- The contract stipulates the service responsibilities providing to clients by each party.

Terms of Contract

- The contract is effective from 1 July 2015 and will be terminated from any of the following conditions, whichever happens first.
- MSL and Data scientist enter into a subcontract agreement between both parties.
 - Client cancels the contract.
 - An amendment is made to the contract with client, resulting in the cancellation of services or purchase of product
 - Contractual parties agree to terminate the contract in writing.
 - Contractual parties are unable to agree to a subcontract agreement.
 - After the period of 2 years, commencing from 1 July 2015

Termination

Both parties agree on the termination in writing.

Loan agreement with commercial bank

As of 31st December 2017, MSL has made a long-term loan agreement and an overdraft loan agreement with a commercial bank, the details of which are as follows.

Long-term loan agreement

Date of agreement	16th December 2013 (amended on 2nd November 2015)
Borrower	MSL Software (Thailand) Company Limited ("MSL")
Loan amount	Baht 1.70 million
Outstanding debt	- None – (as of 31st December 2017)
Loan period	7 years from the first loan transaction date
Interest rate	Savings rate +2% per annum
Collaterals	1. Mr. Apichai Sakulsureeyadej, a major shareholder and a Director of MSL, serves as loan guarantor. 2. A savings account of Mr. Apichai Sakulsureeyadej, a major shareholder and a MSL Director

Key conditions

Borrower confirms and guarantees that throughout the loan period which the borrower has an obligation to the lender under this loan agreement, the borrower will not

- Sell, pay, transfer, lease, pawn, mortgage, or create an obligation, responsibility or any condition that will give other individuals a claim over the borrower's property in any way, unless it is done with the lender or there is a prior permission from the lender in writing.
- Lend, provide credit, serve as a guarantor for anyone, or assume responsibility of other individuals, unless a written notification is made to the lender and the lender agrees that such transaction is a part of usual operation of the borrower.
- Decrease in registered capital, invest, or merge with other juristic persons, or form or invest in other juristic persons to act on its behalf, or join with other juristic persons for any purposes, unless there is a prior expressed permission from the lender in writing, and the juristic persons must share responsibility of debt under this agreement.
- Cause or allow changes to the juristic person status, the Board of Directors, shareholding proportion, or changes its Memorandum of Association, regulations, and/or its objective unless there is a prior expressed permission from the lender in writing.

Letters of Guarantee

As at 31st December 2017, MSL has letters of guarantee issued by 2 commercial banks in Thailand under the name of MSL to use as performance guarantee with clients.

Letter of Guarantee issued by the first commercial bank

Guarantor	The first commercial bank (amended on 31st December 2016)
Collateral provider	MSL Software (Thailand) Company Limited ("MSL")
Objective	Software development and maintenance
Value of Collateral	Baht 3.16 million
Outstanding	
Value of Collateral	Baht 3.16 million
Collaterals	(1) Mr. Apichai Sakulsureeyadej, a major shareholder and a Director of MSL, serves as loan guarantor. (2) A savings account of Mr. Apichai Sakulsureeyadej, a major shareholder and a Director of MSL As of 11th November 2016, the collateral (1) and (2) were revoked and replaced by a bank account under the name of MSL Software (Thailand) Company Limited.
Nature of Contract	Letter of guarantee to provide assurance of the work performance with clients

Letter of Guarantee issued by the second commercial bank

Guarantor	The second commercial bank (amended on 31st December 2016)
Collateral provider	MSL Software (Thailand) Company Limited ("MSL")

Letter of Guarantee issued by the second commercial bank (Cont.)

Objective	Software development and maintenance
Value of Collateral	Baht 0.18 million
Outstanding	Baht 0.18 million
Collateral	Bank account under the name of MSL Software (Thailand) Company Limited
Nature of Contract	Letter of guarantee to provide assurance of the work performance with clients

Non-Compete Agreement

Non-Compete Agreement between the Company and Mr. Somboon Sukheviriya

Parties to the Agreement	(1) Comanche International Public Company Limited (“the Company”) (2) Mr. Somboon Sukheviriya (“Mr. Somboon”)
Date of the Agreement	14 July 2016 (amended on 9 September 2016)

Key Terms

(1) Mr. Somboon agrees not to and will not allow persons related to Mr. Somboon as specified in Section 258 of the Securities and Exchange Act B.E. 2535 to undertake any business operations deemed in competition and/or causing conflicts of interest with the Company’s business, regardless of whether the business is solely operated in person or structured as a joint venture with business partners. Mr. Somboon will not purchase or hold shares of a significant portion in any business, or act as an unlimited liability partner in any partnership operating in competition and/or causing conflicts of interest with the Company’s business.

(2) Mr. Somboon agrees not to and will not allow persons related to Mr. Somboon as specified in Section 258 of the Securities and Exchange Act B.E. 2535 to undertake any business operations in the field of software development of a similar nature to the Company’s business, regardless of whether the business is operated in person or structured as a joint venture with business partners, which could be considered in competition and/or causing conflicts of interest with the Company. This does not include businesses and assets which Mr. Somboon owns, but have no potential as a commercial project with significant returns in the future, or assets related to the business of the Company of insignificant value.

(3) Mr. Somboon agrees not to and will not allow persons related to Mr. Somboon as specified in Section 258 of the Securities and Exchange Act B.E. 2535 to invest in companies or businesses similar to that of the Company, which could be considered in competition and/or causing conflicts of interest with the Company’s business, which constitutes a violation of the law, the Notification of the Capital Market Supervisory Board, and the Notification of the Stock Exchange of Thailand.

Effective Date of the Agreement	The agreement is effective from the date the agreement was signed until deemed terminated under the the provisions of this agreement.
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Non-Compete Agreement between the Company and Mr. Somboon Sukheviriya (Cont.)

Termination of the Agreement	<p>(1) a period of 3 years has passed after having relinquished the positions as major shareholder, management, and controlling interest of the Company, or</p> <p>(2) a period of 3 years has passed after being freed from responsibilities as stipulated in regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand concerning conflicts of interest</p>
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Non-Compete Agreement between the Company and Mr. Apichai Sakulsureeyadej

Parties to the Agreement	<p>(1) Comanche International Public Company Limited (“the Company”)</p> <p>(2) Mr. Apichai Sakulsureeyadej (“Mr. Apichai”)</p>
Date of the Agreement	13 May 2016 (1 st amended on 14 July 2016, 2 nd amended on 9 september 2016)

Key Terms	<p>(1) Mr. Apichai agrees not to and will not allow persons related to Mr. Apichai as specified in Section 258 of the Securities and Exchange Act B.E. 2535 to undertake any business operations deemed in competition and/or causing conflicts of interest with the Company’s business, regardless of whether the business is solely operated in person or structured as a joint venture with business partners. Mr. Apichai will not purchase or hold shares of a significant portion in any business, or act as an unlimited liability partner in any partnership operating in competition and/or causing conflicts of interest with the Company’s business.</p> <p>(2) Mr. Apichai agrees not to and will not allow persons related to Mr. Apichai as specified in Section 258 of the Securities and Exchange Act B.E. 2535 to undertake any business operations in the field of software development of a similar nature to the Company’s business, regardless of whether the business is operated in person or structured as a joint venture with business partners, which could be considered in competition and/or causing conflicts of interest with the Company. This does not include businesses and assets which Mr. Apichai owns, but have no potential as a commercial project with significant returns in the future, or assets related to the business of the Company of insignificant value.</p> <p>(3) Mr. Apichai agrees not to and will not allow persons related to Mr. Apichai as specified in Section 258 of the Securities and Exchange Act B.E. 2535 to invest in companies or businesses similar to that of the Company, which could be considered in competition and/or causing conflicts of interest with the Company’s business, which constitutes a violation of the law, the Notification of the Capital Market Supervisory Board, and the Notification of the Stock Exchange of Thailand.</p>
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Effective Date of the Agreement	The agreement is effective from the date the agreement was signed until deemed terminated under the the provisions of this agreement.
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Non-Compete Agreement between the Company and Mr. Apichai Sakulsureeyadej (Cont.)

Termination of the Agreement

(1) a period of 3 years has passed after having relinquished the positions as major shareholder, management, and controlling interest of the Company, or

(2) a period of 3 years has passed after being freed from responsibilities as stipulated in regulations set by the Securities and Exchange Commission and the Stock Exchange of Thailand concerning conflicts of interest

Policy on Investing in Subsidiaries and Affiliates

The Company has set the following guidelines according to its policy regarding the investment in subsidiaries and affiliates.

1) The Company will invest in companies which have similar business objectives to the Company's core business, of similar business nature, or can support the business of the Company in generating additional revenues or creating synergies and expanding the offering of the Company to further equip its competitiveness.

2) Governance and management of Subsidiaries and/or Affiliates

2.1) The Company will send qualified and experienced personnel as a representative to take the position of director or management, at least reflecting the shareholding portion of the Company in such subsidiary or affiliate.

2.2) Director or management who represent the Company shall

2.2.1) Take part in setting key policies in the operations of the subsidiary and/or affiliate according to the guidelines of the Company

2.2.2) Govern the subsidiary and/or affiliate in the management and operations according to the guidelines of the Company

2.2.3) Exercise discretion reflecting the resolutions of the Board of Directors' Meeting and/or Shareholders' Meeting to approve key issues of the subsidiary and/or affiliate

2.2.4) Report the operating performance to the Company as appropriate for the highest benefit and long-term sustainable growth of the Company





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Future Projects

During the years 2017 - 2019, the Company aims to expand its scope of business from being the leader in fully-integrated hotel management software system development and service provision in Thailand, to being the leader in fully-integrated travel and tourism management software system development and service provision both domestically and internationally, which is an important milestone for the Company to move towards being leader in the region in the future.

In order to achieve that, the Company looks for opportunities of joint-investment with other companies which develop and provide services for other key programs in the tourism industry by 2019, such as restaurant management system, spa management system, golf course and membership management system, and tourism

reservation system for both business to business (B2B) and business to customer (B2C). In order to add value and promote long-term competitiveness, the aforementioned systems must be compatible and integrated with the Company's hotel management software.

Thus, the Company has established the following guidelines for selecting companies for joint-investment.

1. Develops, installs, and provides services for a fully-integrated restaurant management system, including the modules of reservation, billing, cost control, and customer data storage

2. Develops, installs, and provides services for a fully-integrated spa management system, including the modules of treatment, room, and staff reservation, billing, accounting and management services, and customer data storage

3. Develops, installs, and provides services for a fully-integrated golf course and membership management system, including the modules of reservation, billing, accounting and management services, and customer data storage

4. Develops, installs, and provides services for a fully-integrated car rental management system, including the modules of car reservation and other tourism-related reservations such as ferry reservation, billing, accounting and management services, and customer data storage

5. Develops, installs, and provides services for a tourism reservation system for both business to business (B2B) and business to customer (B2C), fully-integrated with hotels, restaurants, spa facilities, golf courses, airports, and car rental boutiques to accommodate reservation and facilitate tourists as a one-stop service

Legal Disputes

The Company and its subsidiaries are not involved in any legal dispute or legal proceedings which pose a significant negative impact on the assets of the Company or its subsidiaries of more than 5% of shareholders' equity according to the consolidated financial statements as of 31 December 2017.

General Information and Other Important Information

General Information

Information on the Company

Company Name in Thai	: บริษัท โคแมนชี อินเตอร์เนชั่นแนล จำกัด (มหาชน)
Company Name in English	: Comanche International Public Company Limited
Nature of Business	: Develops, installs, and provides services for hotel business solutions software, as well as invests in other companies
Head Office	: Units E-F, 23 rd Floor, 252/118 Muangthai Phatra 2 Building, Ratchadapisek Road, Huaykwang, Bangkok 10310
Telephone	: 0-2693-3569
Fax	: 0-2693-3577
Website	: www.comancheinternational.com
Registered Capital	: THB 67,000,000
Paid-up Capital	: THB 67,000,000
Par Value	: THB 0.50

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

Company Name in Thai	: บริษัท เอ็มเอสแอล ซอฟต์แวร์ (ไทยแลนด์) จำกัด
Company Name in English	: MSL Software (Thailand) Company Limited
Nature of Business	: Advises, plans, designs, and develops information technology system in the form of digital solutions for enterprise data management
Head Office	: Unit 1610, 16 th Floor, 689 Bhiraj Tower at Emquartier, Sukhumvit Road, Khlong Tan Nuea, Vadhana, Bangkok 10110
Telephone	: 0-2042-8300
Website	: www.mslsoftware.com
Registered Capital	: THB 23,461,300
Paid-up Capital	: THB 23,461,300
Par Value	: THB 100.00

Information on 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	: Develops, installs, and provides services for business solutions software for restaurants, retail stores, and spa
Head Office	: 55/165 Mooban Klang Muang, Soi Ladprao 88, Ladprao Road, Plubpla, Wang Thonglang, Bangkok 10310
Telephone	: 0-2530-3835-6
Fax	: 0-2530-3092
Website	: www.synaturegroup.com
Registered Capital	: THB 10,000,000
Paid-up Capital	: THB 10,000,000
Par Value	: THB 100.00

Information on Other Related Parties

Auditor	: Deloitte Touche Tohmatsu Jaiyos Advisory Company Limited AIA Sathorn Tower Floors 23-27, 11/1 South Sathorn Road, Yan Nawa, Sathorn, Bangkok 10120 Telephone: 0-2034-0000 Fax : 0-2034-0100
Internal Auditor	: P&L Internal Audit Company Limited 92/204 Moo 5, Mooban Nanthana Garden, Soi Tha-It, Rattana Thibet Road, Bang Rak Noi, Muang Nonthaburi, Nonthaburi Telephone: 0-2526-6100, 0-2526-7811
Financial Advisor	: Trinity Securities Company Limited Bangkok City Tower Floors 25-26, 29, 179 South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120 Telephone: 0-2343-9511 Fax: 0-2343-9683
Securities Registrar	: The Thailand Securities Depository Company Limited 93 Ratchadaphisek Road, Dindaeng, Bangkok 10400 Telephone : 0-2009-9000 Fax: 0-2009-9991 SET Contact center: 0-2009-9999 Website: http://www.set.or.th/tsd E-mail: SETContactCenter@set.or.th



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Management and Corporate Governance



Securities and Shareholders Information

Shareholders

Names and shareholding structure of shareholders as at 7th March 2018

No.	Major Shareholders	Number of Shares	%of Shares
1.	Mr. Somboon Sukheviriya	40,798,600	30.45
2.	Mr. Apichai Sakulsureeyadej	39,199,000	29.25
3.	Mrs. Watcharee Sukheviriya	5,101,000	3.81
4.	Mr. Kachen Benjakul	4,701,500	3.51
5.	Mr. Wasorn Anurakwongsri	4,302,600	3.21
6.	Mr. Sangchai Wasuntara	1,500,000	1.12
7.	Miss Sarintip Soontharuch	1,380,000	1.03
8.	Mr. Chaowarat Wetpinyo	975,000	0.73
9.	Miss Oraphan Sarabudharat	919,600	0.69
10.	Mr. Natdanai Ngammaharat	812,800	0.61
11.	Mr. Piphat Jeakpaporn	810,700	0.61
12.	Miss Kandarath Phakpraphan	700,000	0.52

Dividend Payment Policy

The Board of Directors' Meeting No.1/2017 held on 22nd February 2017 has passed a resolution to approve the annual 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.



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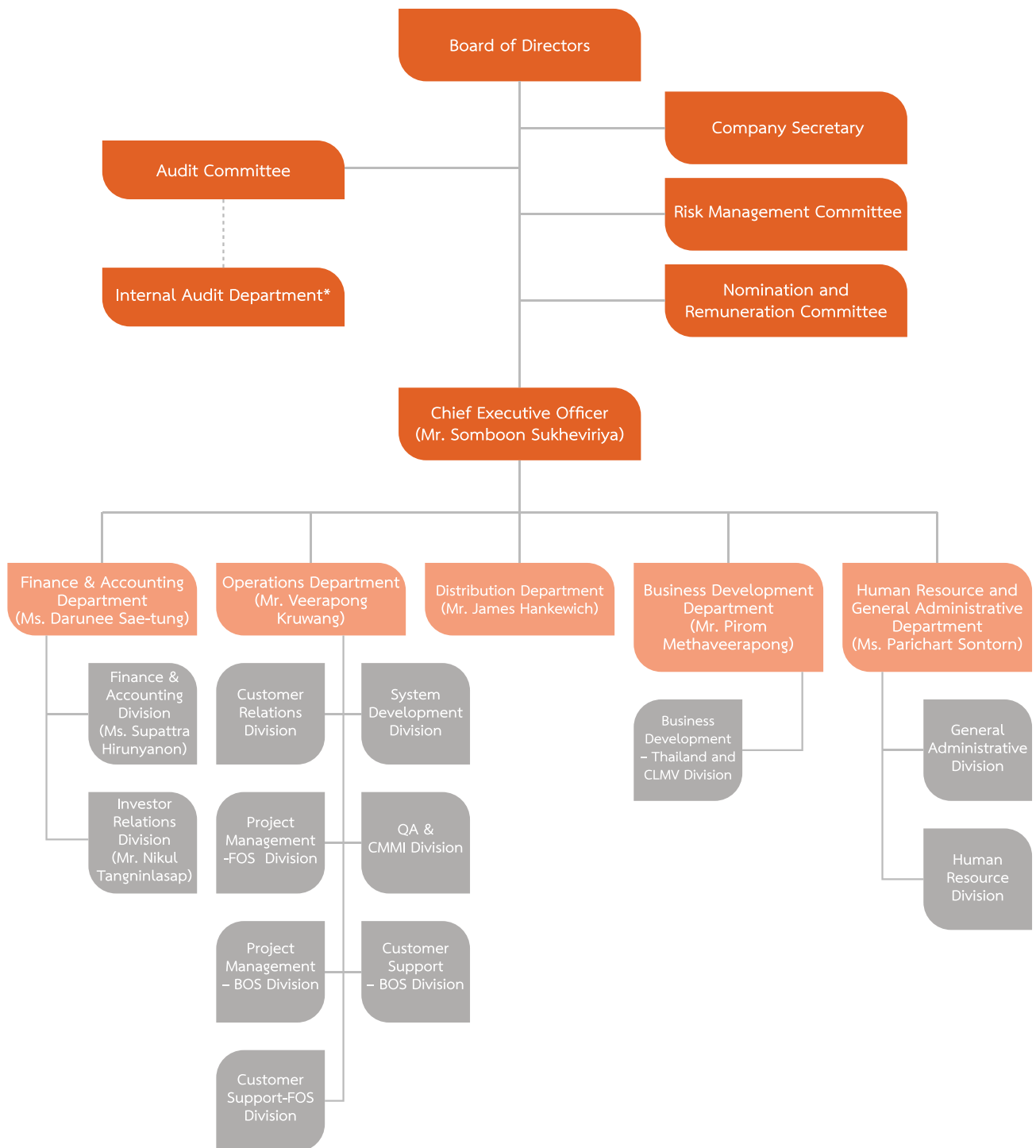
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Management Structure

1. Organization Structure

As of 31 December 2017, the Company's organization structure is as follows.



*Remark :** The Audit Committee Meeting No. 1/2015 on 16 October 2015 has approved the appointment of P&L Internal Audit Company Limited as the Company's internal auditor.

2. Management Structure

The Company's management structure comprises of 4 committees, namely the Board of Directors, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee, with details as follows.

2.1 The Board of Directors as of 31 December 2017 comprises of the following 7 directors.

No.	Name	Position
1.	Mr. Chanitr Charnchainarong	Chairman of the Board of Directors / Independent
2.	Mr. Somboon Sukheviriya	Director / Chief Executive Officer
3.	Mr. Apichai Sakulsureeyadej	Director
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	Director Director
5.	Mr. Chim Tantiyaswasdikul, PhD	Independent Director / Chairman of the Audit Committee
6.	Mrs. Dolrudee Pornpipat	Independent Director / Audit Committee
7.	Mr. Supoj Kaewmanee	Independent Director / Audit Committee

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

Authorized Directors

Mr. Somboon Sukheviriya and Mr. Apichai Sakulsureeyadej are directors authorized to act on behalf of the Company through joint signatures and the Company seal.

Limitations to Directors' Authorities

- None -

Board of Directors' Meetings, 2015 - 2017

No.	Name	Attendance*		
		2015	2016	2017
1.	Mr. Chanitr Charnchainarong	2/2	5/6	6/6
2.	Mr. Somboon Sukheviriya	5/5	6/6	6/6
3.	Mr. Apichai Sakulsureeyadej ¹	3/3	5/6	6/6
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	2/2	6/6	4/6
5.	Mr. Chim Tantiyaswasdikul, PhD	2/2	6/6	6/6
6.	Mrs. Dolrudee Pornpipat	2/2	6/6	6/6
7.	Mr. Kris Panijpan, PhD ²	2/2	5/6	1/6
8.	Mr. Supoj Kaewmanee ²	-	-	4/6
9.	Mrs. Watcharee Sukheviriya ¹	2/2	-	-

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

¹ Mrs. Watcharee Sukheviriya has resigned from directorship, and Mr. Apichai Sukheviriya was appointed in replacement in the Extraordinary General Meeting No. 2/2015 on 1 September 2015

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 22 February 2017.

2.2 The Audit Committee as of 31 December 2017 comprises of the following 3 directors.

No.	Name	Position
1.	Mr. Chim Tantiyaswasdikul, PhD	Chairman of the Audit Committee and Independent Director
2.	Mrs. Dolrudee Pornpipat	Audit Committee and Independent Director
3.	Mr. Supoj Kaewmanee	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. Nikul Tangninlasap, appointed by the Audit Committee Meeting No. 4/2017 on 9 November 2017, is the Secretary of the Audit Committee.

Term of the Audit Committee

The Audit Committee members have a 3-year term, or equivalent to the term of directorship in the Company. Thus, after the completion of their term, Audit Committee members may be reappointed as the Board of Directors deem appropriate.

Audit Committee Meetings, 2015 - 2017

The attendance of Audit Committee members are as follows.

No.	Name	Attendance		
		2015	2016	2017
1.	Mr. Chim Tantiyaswasdikul, PhD	1/1	10/10	4/4
2.	Mrs. Dolrudee Pornpipat	1/1	10/10	4/4
3.	Mr. Kris Panijpan, PhD ¹	1/1	8/10	1/4
4.	Mr. Supoj Kaewmanee ¹	-	-	3/4

*Remark:** ¹ 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 22 February 2017.

2.3 The Risk Management Committee as of 31 December 2017 comprises of the following 6 directors.

No.	Name	Position
1.	Mrs. Dolrudee Pornpipat	Chairman of the Risk Management Committee
2.	Mr. Somboon Sukheviriya	Risk Management Committee
3.	Mr. Apichai Sakulsureeyadej	Risk Management Committee
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	Risk Management Committee
5.	Ms. Darunee Sae-tung	Risk Management Committee
6.	Mr. Veerapong Kruwang	Risk Management Committee

Ms. Parichart Sontorn, appointed by the Risk Management Committee Meeting No. 1/2016 on 15 June 2016, is the Secretary of the Risk Management Committee.

Term of the Risk Management Committee

The Risk Management Committee members have a 3-year term. Thus, after the completion of their term, Risk Management Committee members may be reappointed as the Board of Directors deem appropriate.

Risk Management Committee Meetings, 2015 - 2017

The Board of Directors' Meeting No. 2/2016 on 13 May 2016 has appointed the Risk Management Committee. The attendance of Risk Management Committee members are as follows.

No.	Name	Attendance		
		2015	2016	2017
1.	Mrs. Dolrudee Pornpipat	-	2/2	1/1
2.	Mr. Somboon Sukheviriya	-	2/2	1/1
3.	Mr. Apichai Sakulsureeyadej	-	0/2	1/1
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	-	2/2	1/1
5.	Ms. Darunee Sae-tung	-	2/2	1/1
6.	Mr. Veerapong Kruwang	-	2/2	1/1

2.4 The Nomination and Remuneration Committee as of 31 December 2017 comprises of the following 3 directors.

No.	Name	Position
1.	Mr. Supoj Kaewmanee	Chairman of the Nomination and Remuneration Committee
2.	Mr. Chim Tantiyaswasdikul, PhD	Nomination and Remuneration Committee
3.	Mrs. Dolrudee Pornpipat	Nomination and Remuneration Committee

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

Nomination and Remuneration Committee Meetings, 2015 - 2017

The Board of Directors' Meeting No. 3/2017 on 11 May 2017 has appointed the Nomination and Remuneration Committee. The attendance of Nomination and Remuneration Committee members are as follows.

No.	Name	Attendance		
		2015	2016	2017
1.	Mrs. Dolrudee Pornpipat	-	-	1/1
2.	Mr. Chim Tantiyaswasdikul, PhD	-	-	1/1
3.	Mr. Supoj Kaewmanee	-	-	1/1

2.5 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 9 November 2017 has 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 regards 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) 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 will appoint a new Company Secretary

within 90 days from such date. Thus, the Board of Directors may assign a director to act as the Company Secretary during that period. Mr. Nikul Tangninlasap has completed his training as Company Secretary (Batch 85) from the Thai Listed Companies Association, with details of her background as shown in Attachment 1.

2.6 The Management Team as of 31 December 2017 comprises of the following 7 directors.

No.	Name	Position
1.	Mr. Somboon Sukheviriya	Chief Executive Officer
2.	Mr. Veerapong Kruwang	Chief Operating Officer
3.	Ms. Darunee Sae-tung	Chief Financial Officer
4.	Mr. James Hankewich	Chief Distribution Officer
5.	Mr. Pirom Methaveerapong	Acting Chief Marketing Officer
6.	Ms. Parichart Sontorn	Acting Chief Administrative Officer
7.	Ms. Supattra Hirunyanon	Finance & Accounting Division Manager

3. Directors and Management Remuneration

3.1 Directors Remuneration

The Annual General Meeting No. 1/2017 on 28 April 2017 has approved the remuneration scheme for the Board of Directors, the Audit Committee, and the Risk Management Committee with details as follows. Remuneration for the Nomination and Remuneration Committee has been approved by the Board of Directors' Meeting No. 5/2017 on 9 November 2017, and will be presented in the Annual General Meeting for the year 2018 for approval.

1. 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

1. Meeting Allowance (cont.)

Position	Allowance per Meeting
Audit Committee (with ability to review the credibility of financial statements)	THB 30,000
Audit Committee	THB 25,000
Risk Management Committee (excluding management and employees)	THB 25,000
Nomination and Remuneration Committee	THB 25,000

2. Bonus

- None -

For the years 2016 and 2017, directors received meeting allowances with details as follows.

No.	Name	2016 (THB)			Total
		The Board of Directors	The Audit Committee	The Risk Management Committee	
1.	Mr. Chanitr Charnchainarong	200,000	-	-	200,000
2.	Mr. Somboon Sukheviriya	150,000	-	-	150,000
3.	Mr. Apichai Sakulsureeyadej	125,000	-	-	125,000
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	150,000	-	-	200,000
5.	Mr. Chim Tantiyaswasdikul, PhD	150,000	300,000	50,000	450,000
6.	Mrs. Dolrudee Pornpipat	150,000	300,000	50,000	500,000
7.	Mr. Kris Panijpan, PhD	125,000	200,000	-	325,000
8.	Mr. Supoj Kaewmanee	-	-	-	-
	Total	1,050,000	800,000	100,000	1,950,000

3.2 Management Remuneration As of 31 December 2017, the Company's 7 persons at management level have been remunerated with details as follows.

Management Remuneration	2015 THB	2016 THB	2017 THB
Management (persons)	5	6	7
Salary, allowance, and other benefits	5,879,270	9,042,405	12,564,024
Provident fund contribution	197,326	322,263	421,321
Total	6,076,596	9,364,668	12,985,345

2017 (THB)				
The Board of Directors	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	Total
240,000	-	-	-	240,000
150,000	-	-	-	150,000
150,000	-	-	-	150,000
100,000	-	25,000	-	120,000
150,000	120,000	-	25,000	295,000
150,000	120,000	25,000	25,000	320,000
25,000	25,000	-	-	50,000
100,000	75,000	-	25,000	200,000
1,065,000	340,000	50,000	75,000	1,530,000

4. Employees

At the end of year 2015 - 2017, the Company and its subsidiaries have a total of 107, 125, and 151 employees, respectively. Details are set out according to departments as follows.

Department/Divison	2015 (persons)	2016 (persons)	2017 (persons)
Management	5	6	7
Human Resource and General Administrative Department	3	5	5
Human Resource Division	1	2	2
General Administrative Division	2	3	3
Finance & Accounting Department	1	3	4
Finance and Accounting Division	1	3	3
Investor Relations Division	0	0	1
Operations Department	43	54	66
QA & CMMI Division	3	4	4
Customer Support – BOS Division	7	10	9
Customer Support – FOS Division	9	10	16
Customer Support – Major Account	2	2	0
Project Management – BOS Division	5	5	7
Project Management – FOS Division	7	9	11
System Development Division	8	11	16
Customer Relations Division	2	3	3
Business Development Department	0	3	2
Business Development – Thailand and CLMV Division	0	3	2
Company Secretary	1	0	1
Employees of the Company	53	71	85
Employees of the Company's Subsidiary - MSL	10	16	23
Employees of the Company's Subsidiary – SYN	44	38	43
Total Number of Employees of the Company and its Subsidiaries	107	125	151

4.1 Employee Remuneration

For the years 2015 - 2017, the Company paid a total of approximately THB 24.45million, THB 36.05 million, and THB 48,605,823.33 in employee remuneration, respectively. Such remuneration comprises of salary, overtime, commission, bonus, allowance, social security contribution, provident fund contribution, and other benefits.

4.2 Major Labor Disputes in the Past 3 Years

- None -

4.3 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.

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.

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.

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.

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 Company’s Annual General Meeting for the year 2017 was held at 10.00 am. on 28 April 2017 at the Fortune Meeting Room, on the 3rd Floor of Grand Mercure Bangkok Fortune Hotel, located at 1 Rachadaphisek Road, Din Daeng, Bangkok. The Company distributed Notice of the Shareholders’ Meeting along with related documents in Thai and English to shareholders on 10 April 2017, which exceeds the period of 14 working 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 4 April 2017.

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 explanation of appointment of a proxy, 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. For the highest benefit during the meeting and

to facilitate the preparation of the most comprehensive explanation by the Board of Directors and Management possible, 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 Company's Annual General Meeting for the year 2017 was held at 10.00 am. on 28 April 2017 at the Fortune Meeting Room, on the 3rd Floor of Grand Mercure Bangkok Fortune Hotel, located at 1 Rachadaphisek Road, Din Daeng, Bangkok, which is a meeting room able to suitably accommodate attendees. Registration is open 2 hours prior to the Meeting to ensure that officers 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 in turning 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.

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 day. 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 2017, the Company has been evaluated for the quality of hosting the Shareholders' Meeting for the year 2017 by the Thai Investors Association and received a score of 81.5%.

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) Directors and management shall report the holding of securities for every purchase or sale of securities within 3 days to the Securities and Exchange Commission, and disclose such transaction in the Annual Report.

(5) 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.

(6) 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.

(7) 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 : Stakeholders' Roles

In recognition of stakeholders' roles in augmenting our competitiveness and in increasing our profits and yielding long-term results, we have placed a great deal of importance on all groups of stakeholders-namely, shareholders, customers, suppliers, business competitors, creditors, employees, society, communities, and the environment. We have compiled our policies and principles 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 in 2017:

1. Shareholders : Encourages its shareholders to exercise their fundamental rights and is committed to the utmost satisfaction of shareholders regarding to a sustainable growth, value added, and steady suitable return. It also warrants that its operations comply with principles of good corporate governance. 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 consider opinions and suggestions from shareholders. Furthermore, shareholders may reach out to the Company via <http://www.comancheinternational.com/investor.php> or by email to ir@comancheinternational.com. This information is disclosed under Shareholder Rights and Equitable Treatment toward Shareholders.

2. Customers : The Company is committed to customers to bring them utmost satisfaction and ensure trust for its reasonable priced and quality products and services and to continuously improve our standards. It is also committed to maintaining a good and sustainable relationship with customers. To become customers' best choice, we offer products and services that are innovative as it is the Company's obligation to maintain and improve quality of our products and services. To build trust and to yield the utmost satisfaction, we ensure our customers and public earn high-quality products and services for reasonable price through a fair, appropriate, transparent, and accountable management. We take responsibility towards our customers who purchase our products through several activities, striving for customer-centric marketing excellence in the following five categories;

- 1) Building values for customers
- 2) New product development
- 3) Pricing strategy
- 4) Distribution channel strategy
- 5) Human resource development and customer satisfaction survey

In 2017, the Company has made the adjustments to our customer satisfaction survey, aligning it with international standards and rendering it more comparable to others' in the same industry. Its result reflects our success

in fostering a good relationship with our customers, as well as our ability to meet their demands. According to fostering a good relationship with customers, we also invited customers to the plants to experience our production and quality control processes first-hand. Moreover, we provided these customers with a system for receiving and managing complaints about our products and services. The channels for this included the website, email, and telephone. Also, we put guidelines in place to mitigate and prevent future problems. We also monitored complaints regularly, as well as evaluated how they were dealt with. 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, agreement, and business code of conduct. We select and treat our suppliers fairly in accordance with our business code of conduct. We have put procurement regulations in place to assure that the process flows efficiently and smoothly with good and accountable control and is appropriate for the business transaction. Our practices demonstrate our responsibility towards our supplier, harmonizing mutual benefits to the both parties equally and transparently. We recognize our suppliers as our equals and strive for honesty in conducting business. To ensure mutual benefits, the Company strictly adheres to applicable laws, agreement. 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 aforementioned 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 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 : Our treatment towards competitors is aligned with international practices under the framework of competition laws. We also adhere to principles of fair competition. 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 adhere to the terms and conditions, with fairness, and takes responsibility for our creditors, including making due payments. 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. 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 nonfinancial matters. The Company has no lawsuit on default payment with any of our creditors.

6. Employees : The Company is committed to becoming an organization of learning. We promote the Company culture, encourage teamwork and give fair compensation to employees. We prioritize safety and maintain a suitable work environment. We favor development, as well as knowledge and expertise transfer. We open to suggestions from all levels of employees without discrimination. We also promote and instill an organizational culture with a realization that every employee is vital to the success and sustainable growth of the Company. 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. We have restructured our Research and Development Department to support our business unit and to better connect with foreign businesses. We have enlarged our business context in terms of size and diversity. We have prioritized recruiting personnel that is vital to the success of our organizational strategies. We are prepared to recruit new talents replace retiring talents.

The Company promotes happiness in work place, with good quality of living, safety, and occupational health. The Company has been dedicated to improving and enhancing our organizational and human resource management as it values human resource as a foundation to a robust and sustainable growth.

7. Society, Communities, and the Environment : The Company operates with a great deal of responsibility toward society, communities, and the environment, whether it be in terms of safety, quality of living, conservation of natural resources, or efficient energy consumption. The Company is committed to improving the quality of life for people in society, which is the foundation for organizational development. We are also committed to environmental conservation, allowing society, communities, and the Company to grow together.

The Company operates with a great deal of emphasis on Good Corporate Governance and Business Code of Conduct; therefore, our business is transparent and accountable. Processes are put 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. We promoted, communicated, created awareness and understanding on the best practices to employees to recognize the importance of the fight against corruption.

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

Postal service : Company Secretary / Managing Director
Comanche International Public Company Limited
252/118, 23 Floor, Unit E-F, Muangthai Patra Office
Tower II, Ratchadapisek Road, Huaykwang, Bangkok 10310
Tel : (+66) 2693-3569 Ext. 53
Fax : (+66) 2693-3577
Website : <http://www.comancheinternational.com/investor.php>
Email : ir@comancheinternational.com

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

Moreover, the protection and keep secrets of the informants are processed to examine such complaints and find solutions by the Company.

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/> 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 2017, 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.

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 2017, the Company held 4 opportunity day events, after the announcement of each quarter’s financial statements, with top executives and investor relations staff providing information.

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, attendees are as follows.

- GMO-Z com Securities (Thailand) Limited
- KTB Securities (Thailand) Company Limited
- APPLE Wealth Securities Public Company Limited
- KGI Securities (Thailand) Public Company Limited
- Yuanta Securities (Thailand) Company Limited
- UOB Securities (Thailand) Company Limited
- Kasikorn Asset Management Company Limited
- Capital Nomura Securities Public Company Limited
- Phillip Securities (Thailand) Public Company Limited

During the past year, equity analysts have published 5 reports covering the Company.

Section 5 : Board Responsibilities

The Board of Directors consists of qualified knowledgeable and experienced professionals from various fields beneficial to Board undertakings and independent in decision-making for the utmost benefit of the Company and its shareholders. Thus, the Board of Directors has participated in the specification of and/or approval of the Company's vision, mission, strategy, goal, business model, and budget, and has overseen that the management team proceed according to the set business model and budget in an effective manner for the highest benefit for the Company and trust of shareholders. Moreover, an evaluation process is put in place to monitor as well as continuously follow-up the appropriateness of the internal control system, internal audit, risk management, and financial reporting.

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 7 directors (including the Chairman of the Board of Directors) which includes 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, with 3 Audit Committee members performing 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. The Company has a policy to have different persons holding the position of Chairman of the Board of Directors and Chief Executive Officer to prevent any one person to hold decision-making authority in a specific matter. The scope of authority of each position has been clearly specified in the Company authority index.

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 3 subcommittees consisting of the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.



Directors and Executives' Remuneration

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 Board of Nomination and Remuneration Committee specified 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 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. The Company shall 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, as well as specify 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-third of all directors to be present. Moreover, the Company Secretary shall accurately and comprehensively take minutes of the meeting such that shareholders may inspect. After the minutes has been

approved by the Board of Directors, it shall be stored ready for inspection by any director or related party.

Thus, for the highest benefit of the Company, the Board of Directors is involved in the yearly review of the Company's vision and strategy to be in accordance with its operations and business outlook. Directors with no management roles shall arrange a meeting without the management team at least once a year 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.

Self-evaluation of the Board of Directors

To enhance the efficiency of the Board of Directors' undertakings, the Company has set for self-evaluation by the Board of Directors as a whole to consider the performance and problems faced to further develop measures to improve the efficiency of the Board of Directors. Scores are separated into 5 tiers, and the results from this self-evaluation shall be presented in the Annual Report.

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 December 2017, totaling 7 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. Evaluation of the performance of the committee as a whole and individually has been arranged, and in 2017 every subcommittee has reviewed and updated the evaluation questions and scoring.

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 evaluation individually, questions consist of 3 key categories including

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

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 Board of Directors and Executives 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 and 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 Chairman of the Board of Directors has no management role, is not the same person as the Chief Executive Officer, and has no authority to enter into acts

legally binding to the Company. Thus, to clearly define the separation between overall policy oversight and business management, management has been delegated authority to manage business operations according to the goals, work plan, and annual budget as approved by the Board of Directors. The Chief Executive Officer has been delegated authority as approved by the Board of Directors, and executives have been delegated authority as specified in the authority index.

Subcommittees and Scope of Duties

The structure of the Board of Directors and 3 other subcommittees comprises of the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee. Details on the management team have been specified under Management Structure section.

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

Scope of Duties of the Chairman of the Board of Directors

The Chairman of the Board of Directors has the following duties.

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. Manage the use of 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

(9) Appoint the Company Secretary and specify the scope of duties and responsibilities

(10) 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

(11) Consider the specification and alterations to the names of authorized directors

(12) 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

(13) Take proceedings to ensure the Company and its subsidiaries have appropriate and efficient accounting systems, reliable financial reports, and sufficient and appropriate internal audit

(14) 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

(15) Consider the approval of 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

(16) Consider the approval of related party transactions, 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

(17) 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

(18) Take proceedings to ensure dissemination of appropriate information and disclosure of information to stakeholders, persons which may have conflicts of interest, and related parties in an accurate, complete, appropriate, and timely manner

Delegation of authority by the Board of Directors shall

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 and nominate 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

preclude the delegation of authority that would allow the Board of Directors or persons being delegated authority to approve transactions with which the person may have conflicts of interest (as specified in the Notification of the Securities Exchange Commission) with the Company or its subsidiaries.

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

1. Opinion on the accuracy, completeness, and credibility of the Company's financial reports

2. Opinion on the sufficiency of the Company's internal control system

3. 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

4. Opinion on the suitability of the auditor

5. Opinion on the transactions which may pose conflicts of interest

6. Number of Audit Committee meetings and attendance of each Audit Committee member

7. Opinion or overall comment that the Audit Committee has from practicing in accordance with the Audit Committee Charter

8. 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) 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
- (4) Review the risk management report to follow-up on key matters and ensure that the organization has sufficient and appropriate risk management measures
- (5) 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
- (6) Regularly report to the Board of Directors regarding risk factors and risk management practices
- (7) Review and amend the Risk Management Committee Charter
- (8) Undertake other proceedings delegated by the Board of Directors regarding risk management 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 other reasons
- (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 succession plan for the Chief Executive Officer of the Company and its subsidiaries to be presented to the Board of Directors
- (5) 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
- (6) 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
- (7) 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 each year
- (8) 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
- (9) Specify evaluation criteria for the Chief Executive Officer of the Company and its subsidiaries and present to the Board of Directors for approval
- (10) Report on the progress and performance to the Board of Directors after every Nomination and Remuneration Committee meeting
- (11) Evaluate the performance of duties of Nomination and Remuneration Committee and report on the evaluation results to the Board of Directors
- (12) 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 contact, command, 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.

Corporate Social Responsibility

The Company realizes the Corporate Social Responsibility which continuously takes a part in the business operations, namely, fair treatment with trading partners, fair quality of products produced and services rendered, fairness in consumer pricing, fair evaluation of employees as well as being a part of education development and human resource development. In this connection, the Company will regularly report all activities related to the Corporate Social Responsibility at <http://www.comancheinternational.com>.

The Company has placed the importance of the responsibility to effects occurred from all business operations in all aspects, thus the guidelines of corporate social responsibility has been set as follows

1. 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.



COMANCHE received the award in “Prime Minister’s Export Award 2017”

On 30th August 2017, Comanche International Public Company Limited has won “Best Service Enterprise Award” for digital content & software in the Prime Minister’s Export Award 2017, receiving by Mr. Somboon Sukheviriya, Chief Executive Officer, and the Board of Directors from The Prime Minister, General Prayut Chan-o-cha, at Santi Maitri Building,

the Government House. The “Prime Minister’s Export Award 2017” is highest official tribute to the country’s foremost exporters to promote image and quality of Thai products in global market which make the Board of Directors and employees of the Company proud and increase the morale to drive the business to its goal, “Aiming to be a leader in the development and service of information technology for tourism and hotels”.

2. Respect of Human Rights and Fair Treatment of Employees

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.



COMAN Team working together to step to NEW AGE COMANCHE

On 21st July 2017, Comanche International Public Company Limited, leading by Mr. Somboon Sukheviriya, Chief Executive Officer, and the Board of Directors, joined the Brainstorming Workshop Activity to drive COMAN to the New Age COMANCHE in Lopburi Province.



COMANCHE participated by arranging a presentation booth in Food and Hotel Thailand Exhibition 2017

The activity was held for the preparation of coping with rapid changes in IT industry which COMANCHE is the developer for sales and installation, and software provider for years, realizing the importance of turning crisis into opportunities, using the advantages of funding, experienced and skillful staffs, and huge customer base to expand via workshop activities. Thus, the workshop was full of knowledge and joy.

During 6-9 September 2017, 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 2017 held at Bitec, Bangkok International Trade and Exhibition Centre, Bangna, Bangkok. The Comanche's booth was honorably visited by Mr. Sanan Angubolkul – Assistant Vice President of the Thai Chamber of Commerce, Miss Supawan Tanomkieatipume – President of Thai Hotels Association, and the representatives of Lao National Chamber of Commerce and Industry.

The Food and Hotel Thailand Exhibition 2017 is the leading premium international trade exhibition for food and hospitality business in Thailand, celebrating the 25th anniversary of its exhibition in this year, and supported 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, with regard to 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.

3. 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.

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

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.

During the year, Mr. Pirom Methaveerapong, Acting Chief Marketing Officer of Comanche International Public Company Limited, has given a speech in a topic of hotel management to undergraduate students at several universities such as Chiang Mai Vocational College and the Faculty of Management Sciences, Tourism and Hospitality Management, Phuket Rajabhat University.



Undergraduate students, Chiang Mai Vocational College



Undergraduate students, Faculty of Management Sciences, Tourism and Hospitality Management, Phuket Rajabhat University



Undergraduate students, Ubon Ratchathani University



COMANCHE donated supporting money to the Basketball Sport Association of Thailand

Supporting Thai Athletes Activity

Mr. Somboon Sukheviriya, Chief Executive Officer, donated supporting money for a good morale of Thai basketball players to Mr. Krisana Wacheekrailas - Manager, staffs, and players, the representatives of the Basketball Sport Association of Thailand in the ASEAN Youth Basketball Champions League, held during 14 – 18 May 2017, in Manila, the Philippines, on 8 May 2017 at the Basketball Sport Association of Thailand.

Anti-Corruption

The Company 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 actually 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 with regard to 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 actually 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.





COMANCHE

INTERNATIONAL

COMANCHE INTERNATIONAL ANNUAL REPORT 2017

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. 1/2017 held on 22nd February 2017, the Audit Committee consists of three independent directors who have knowledge and experience in the fields of information technology, law, management, accounting, and finance. At present, the Audit Committee comprises of:

- | | | | |
|----|---------------|-------------------------|---------------------------------|
| 1. | Mr. Chim | Tantiyaswasdikul, Ph.D. | Chairman of the Audit Committee |
| 2. | Mrs. Dolrudee | Pornpipat | Audit Committee |
| 3. | Mr. Supoj | Kaewmanee | 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 2017, 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. wReview of Financial Reports and Non-Financial Reports

The Audit Committee reviewed the quarterly and annual financial statements for the year 2017 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 managements and the auditors to give explanations and clarify any questions that related

to the accuracy, completeness, significant adjustment entries that affected the financial statements, 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 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 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 managements 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 managements 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 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 managements in accordance with 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 managements continuously improve 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 P&L Internal Audit Company Limited to be the internal auditors 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 auditors 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 independency according to the defined structure and well collaborated with the managements and the auditors. These indicate that the Company has independent and effective internal audit which operate in accordance with the 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 managements' information disclosure which indicate 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 there is 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 which irregularities from approved contracts those were processed in accordance with the announcement of SEC.

7. Appointment of the Auditors and Determination of the Audit Fee for 2018

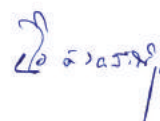
The Audit Committee has considered, selected and nominated the auditors as well as determined the audit fee for 2018 by considering their current year performance according to the Company's benchmarks. Taking into account of their qualifications, independency, quality, satisfactory standard of work, and the auditors have qualified the requirements announced by SEC and SET. The Audit Committee has nominated Mr. Chavala Tienpasertkij, Certified Public Accountant (Thailand) No.4301 and/or Mr. Suphamit Techamontrilkul, Certified Public Accountant (Thailand) No.6638 and/or Mrs. Nisakorn Songmanee, Certified Public Accountant (Thailand) No.5035 from Deloitte Touche Tohmatsu Jaiyos Audit Company Limited to be the auditors of the Company for the year 2018.

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

The Audit Committee has reviewed its requirements to be suitable and in accordance with 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 its duties independently and provide recommendations, consultation, and useful information

for a decision-making regarding to the improvement of the Company's operations.

The Audit Committee has already considered and opinioned that, in 2017, 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 2017 from the Board of Directors, the managements, the auditors, and relevant parties. As such, we would like to express our gratitude to all of them.



Chim Tantiyaswasdikul, PhD
Chairman of the Audit Committee



Related Party Transactions

Potential Conflicting Parties

Potential Conflicting Parties	Nature of Relationship
Mr. Somboon Sukheviriya	<ul style="list-style-type: none"> • Company Director and Authorized Director of the Company and Subsidiary Companies. • Chairman of the Executive Committee of the Company. • Joint shareholders with spouse, holding shares at 34.25% of registered and paid-up share capital.
Mr. Apichai Sakulsureeyadej	<ul style="list-style-type: none"> • Company Director and Authorized Director of the Company and Subsidiary Companies. • Chairman of the Executive Committee of MSL • Shareholder, holding shares at 29.25% of registered and paid-up share capital.

Related party transactions between the Company and subsidiaries and potential conflicting parties for 2017 and 2016 are as follows.

Related party transaction between the Company and Mr. Somboon Sukheviriya

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee										
	Year 2016	Year 2017											
1. The Company paid an advance and provided a loan to Mr. Somboon Sukheviriya	B/F	8.31	- During the year 2015, the Company paid advances, provided a loan to Mr. Somboon Sukheviriya and received payment of advances from Mr. Somboon Sukheviriya several times, partly for normal Company business operations and some not for the business operations of the Company. At the end of 2015, balance outstanding was Baht 12.14 million. At the same time, Mr. Somboon Sukheviriya paid advances on behalf of the Company for Company business operations, totaling Baht 0.82 million as at end of 2015. Moreover, at the Board of Directors Meeting No.1/2015 held on 3 rd August 2015, the approval was made for the payment of an interim dividend to shareholders and at the end of 2015 the Company had accrued dividend payable of Baht 3.01 million owing to Mr. Somboon Sukheviriya for shares held. The Company and Mr. Somboon Sukheviriya entered into an agreement to confirm outstanding debt between both parties as at 31 st December 2015, details of which were as follows:										
	Increased	0.00											
	Decreased	<u>(8.31)</u>											
	C/F	<u>0.00</u>											
			<table border="1"> <thead> <tr> <th>Transaction</th> <th>Baht Million</th> </tr> </thead> <tbody> <tr> <td>(1) The Company paid an advance to Mr. Somboon</td> <td>12.14</td> </tr> <tr> <td>(2) Mr. Somboon paid an advance to the Company</td> <td>(0.82)</td> </tr> <tr> <td>(3) Outstanding accrued dividend payable to Mr. Somboon</td> <td><u>(3.01)</u></td> </tr> <tr> <td>Net Advances from the Company</td> <td><u>8.31</u></td> </tr> </tbody> </table>	Transaction	Baht Million	(1) The Company paid an advance to Mr. Somboon	12.14	(2) Mr. Somboon paid an advance to the Company	(0.82)	(3) Outstanding accrued dividend payable to Mr. Somboon	<u>(3.01)</u>	Net Advances from the Company	<u>8.31</u>
Transaction	Baht Million												
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(2) Mr. Somboon paid an advance to the Company	(0.82)												
(3) Outstanding accrued dividend payable to Mr. Somboon	<u>(3.01)</u>												
Net Advances from the Company	<u>8.31</u>												

Related party transaction between the Company and Mr. Somboon Sukheviriyā

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee
	Year 2016	Year 2017	
			<p>In the first quarter of 2016, Mr. Somboon Sukheviriyā has fully paid outstanding liabilities to the Company totaling Baht 8.31 million.</p> <p><u>Opinion of the Audit Committee</u></p> <p>The Audit Committee is of the opinion that the transactions mentioned above were transactions that had occurred in the past between the Company and Mr. Somboon Sukheviriyā as Director and Shareholder of the Company. In this connection, the Audit Committee has reviewed the transactions and expressed the following opinion on the said transactions:</p> <p>The Audit Committee enquired about guidelines to prevent payment of advances not for the business operations or unrelated to business transactions. The managements informed the Audit Committee that the Company and MSL had established a good internal audit control system to be complied by all departments, the importance of strictly abiding by the policies, including requisitions for payment of advances, petty cash, and journal entries to be in line with the guidelines stipulated. This type of transaction must not occur in the future. In this connection, from the announcement of said policy to the present, the Company has not paid advances of such a nature again.</p>
2. Accrued Interest Receivables from Mr. Somboon Sukheviriyā	B/F Increased Decreased (2.13) C/F	2.02 0.11 <u>0.00</u>	-
			<p>In the past until the end of 2014, the Company has made several loan transactions to Mr. Somboon Sukheviriyā, with the Company charging interest at the rate of 5.25% p.a. for loans occurring during the year 2014. By including accrued interest receivables to the Company brought forward from the year prior to 2014, accrued interest payables totaled Baht 1.47 million at the end of 2014.</p> <p>Moreover, from the sale of investments of three subsidiary companies in the year 2015, two subsidiaries, namely Comanche International Malaysia Sdn Bhd, and Comanche International (Vietnam) Limited had accrued interest payables with the Company at the end of 2014 of approximately Baht 0.55 million, with the Company also charging interest at the rate of</p>

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee
	Year 2016	Year 2017	
			<p>5.25% p.a. and with Mr. Somboon Sukheviriya, who is the director of both companies, being responsible for interest payment on behalf of said two companies.</p> <p>During the first quarter of 2016, Mr. Somboon Sukheiriya repaid all interest payables totaling Baht 2.02 million to the Company.</p> <p>As at 30th June 2016, the Company had a transaction of accrued interest receivables from Mr. Somboon Sukheviriya, amounting Baht 109,132, being accrued interest receivables from advances made to Mr. Somboon Sukheviriya outstanding as at 31st December 2015 of Baht 8.31 million, with the Company charging interest at the rate of 5.25% p.a. for advances paid by Mr. Somboon in the first quarter of 2016. In this connection, the Company received full payment of said accrued interest receivables in July 2016.</p> <p><u>Opinion of Audit Committee</u></p> <p>The Audit Committee is of the opinion that said transactions occurred in the past. Anyhow, the Company does not have a policy for such a type of loan transaction to directors in the future.</p>

Transactions between MSL and Mr. Apichai Sakulsuriyadej

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee
	Year 2016	Year 2017	
1. MSL provided a loan to Mr. Apichai Sakulsuriyadej, at no interest on loan in 2015.	B/F 18.92 Increased 10.21 Decreased (29.13) C/F <u>0.00</u>	-	<p>In 2015, MSL received partial repayment of a loan from Mr. Apichai Sakulsuriyadej from outstanding balance carried forward of Baht 18.92 million (including accrued interest receivables of Mr. Apichai Sakulsuriyadej calculated at the at the rate of 1% p.a. to the end of 2014). In 2015, MSL had liquidity problems occurring from the payment of service fees paid in installments of a major customer was being delayed for a longer period that anticipated, due to internal approval process of said customer. As a result, MSL had to borrow money from its director, Mr. Apichaik Sakulsuriyadej.</p> <p>Thus, in the year 2015, total amount received from Mr. Apichai Sakulsuriyadej by MSL for the purpose of liquidity management was Baht 43.22 million, while advances and loan to Mr. Apichai Sakulsuriyadej was Baht 10.21 million.</p>

Transactions between MSL and Mr. Apichai Sakulsuriyadej

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee															
	Year 2016	Year 2017																
2. MSL entered into a Loan Agreement dated 3rd August 2015 with Mr. Apichai Sakulsuriyadej in an amount not exceeding Baht 17 million at an interest rate of 0%, loan principal repayable within 31st March 2016.	B/F Increased Decreased C/F	14.09 2.13 <u>(16.22)</u> <u>0.00</u>	<p>On 31st December 2015, MSL and Mr. Apichai Sakulsuriyadej made an MOU to confirm the balance of outstanding liabilities to each other, details of which were as follows:</p> <table border="1"> <thead> <tr> <th>Transaction</th> <th colspan="2">Baht Million</th> </tr> </thead> <tbody> <tr> <td>B/F Provided a loan to Mr. Apichai</td> <td>18.92</td> <td></td> </tr> <tr> <td>Add Provided additional loan to Mr. Apichai in year 2015</td> <td><u>10.21</u></td> <td>29.13</td> </tr> <tr> <td>Less Borrowed from and received loan repayment from Mr. Apichai in year 2015</td> <td></td> <td><u>(43.22)</u></td> </tr> <tr> <td>Total borrowings from Mr. Apichai as at 31st December 2015</td> <td></td> <td><u>(14.09)</u></td> </tr> </tbody> </table> <p>In January 2016, Mr. Apichai Sakulsuriyadej lent an additional amount of Baht 2.13 million to MSL for use as working capital. Anyhow, after MSL received payment from its debtor in March 2016, MSL repaid the full loan amount of Baht 16.22 million to Mr. Apichai Sakulsuriyadej.</p> <p>Opinion of the Audit Committee</p> <p>The Audit Committee is of the opinion that the said agreement was necessary to solve MSL's liquidity problem and MSL benefited from the term of 0% interest. The Audit Committee also made the following comments regarding to said transactions:</p> <p>1) Said transaction occurred in the past between Mr. Apichai Sakulsuriyadej, as director and shareholder, and MSL, which occurred partly from the fact that MSL paid advances that were not related to business undertakings to Mr. Apichai Sakulsuriyadej.</p>	Transaction	Baht Million		B/F Provided a loan to Mr. Apichai	18.92		Add Provided additional loan to Mr. Apichai in year 2015	<u>10.21</u>	29.13	Less Borrowed from and received loan repayment from Mr. Apichai in year 2015		<u>(43.22)</u>	Total borrowings from Mr. Apichai as at 31 st December 2015		<u>(14.09)</u>
Transaction	Baht Million																	
B/F Provided a loan to Mr. Apichai	18.92																	
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Less Borrowed from and received loan repayment from Mr. Apichai in year 2015		<u>(43.22)</u>																
Total borrowings from Mr. Apichai as at 31 st December 2015		<u>(14.09)</u>																

Transactions between MSL and Mr. Apichai Sakulsuriyadej

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee
	Year 2016	Year 2017	
			<p>2) The Audit Committee enquired about guidelines to prevent MSL from making advance payments unrelated to business operations of MSL. Management informed the Audit Committee that the Company and MSL started enforcing an internal control system on 1st March 2016, to be strictly abided by all concerned.</p> <p>3) MSL shall realize the effect of late payment. The managements informed the Audit Committee that MSL has established an operational guideline to lessen the effect by changing the type of payment, negotiating with the customers to make monthly payments in future agreements, so that MSL will have a steadier cash flow for business operations.</p>

Guarantees between MSL and Mr. Apichai Sakulsuriyadej

Credit Facilities	Receiver of Credit Facilities	Loan Amount (Baht Million)	Value (Baht million)		Details of guarantee	Type of Transaction
			Year 2016	Year 2017		
Overdraft from a commercial bank	MSL	5.60	B/F Changed C/F	3.19 (3.19) -	-	1. Commercial Bank Savings Account under the name of Mr. Apichai Sakulsuriyadej. MSL received revolving credit facilities in the form of overdraft for use as working capital for its business operations at an interest rate equal to MRR + 1 p.a.
Long-term loan from a commercial bank	MSL	1.70	B/F Increased Decreased C/F	1.30 0.00 (1.30) -	-	2. Guarantee person, Mr. Apichai Sakulsuriyadej. MSL received a long-term loan for a period of 7 years for business use at an interest rate of the deposit used as guarantee + 2% p.a.
Long-term loan from a commercial bank	MSL	0.56	B/F Changed Decreased C/F	0.04 0.00 (0.04) -	-	MSL received a long-term loan for a period of 5 years for business use at an interest rate of the deposit used as guarantee + 2% p.a.

Opinion of the Audit Committee

The Audit Committee has considered and is of the opinion that the above transactions occurred through the necessity for loan facilities from financial institutions for use in the business operations of MSL and is in line with general terms of financial institutions. Mr. Apichai Sakulsuriyadej made no charge for guaranteeing the loan, which is of benefit to MSL. Therefore, said transactions are appropriate and of benefit for the business operations of MSL.

Measures and Procedures for Related Party Transactions

In the case of related party transactions between the Company or subsidiary companies 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.

With regard to measures and procedures for related party where the related party are not transactions under normal commercial practices, the Company shall provide comments of the Audit Committee with regard to the necessity and appropriateness of 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 in 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 be in compliance 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.

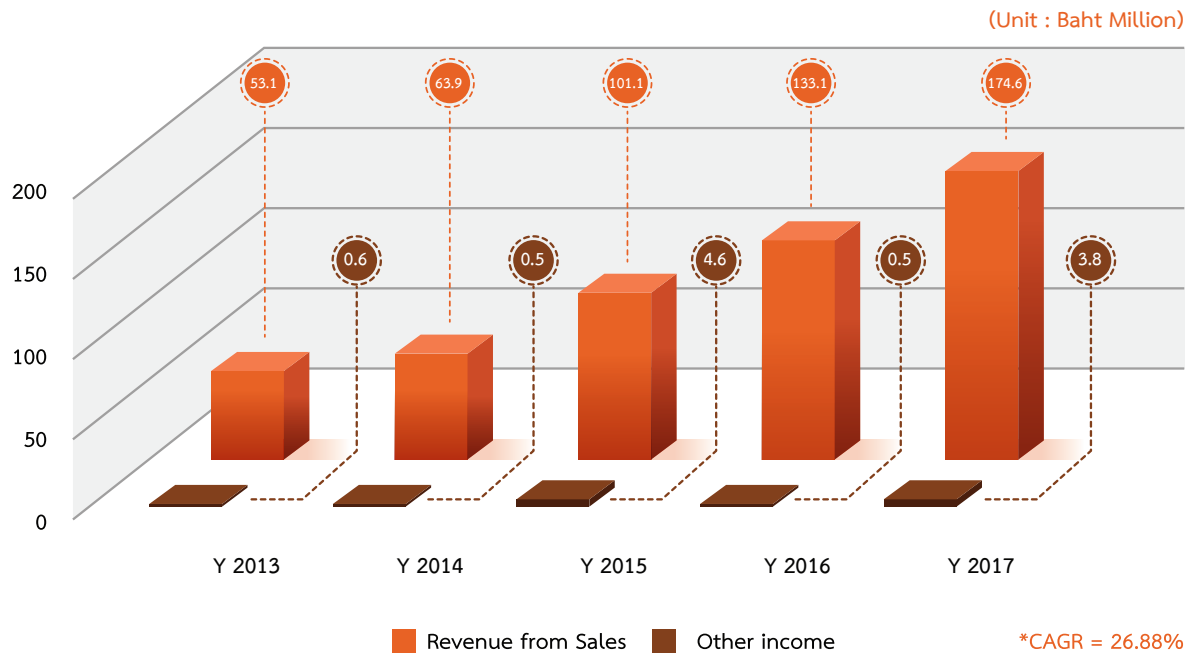


Financial Position and Performance



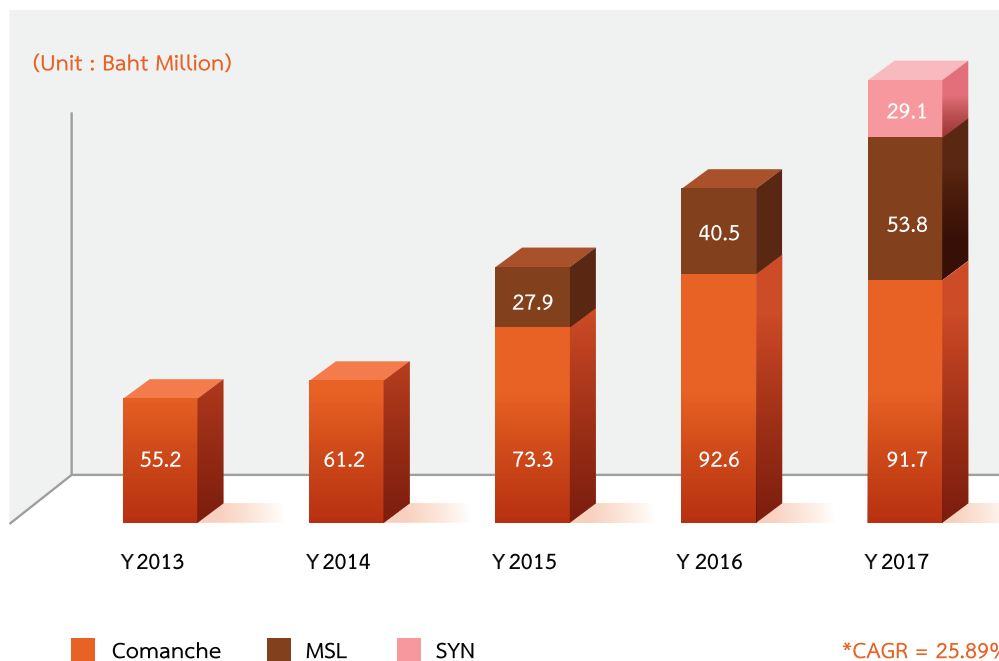
Financial Highlight

► The Revenue Structure (Consolidated FS)



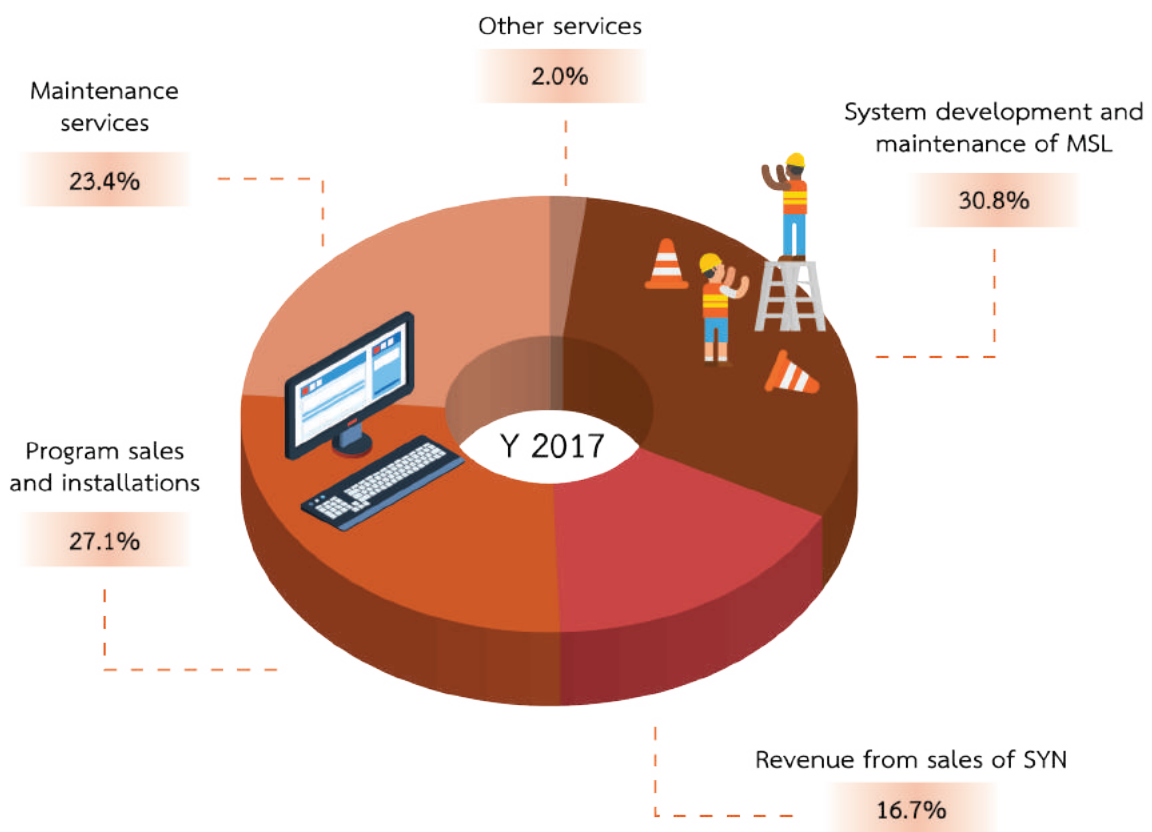
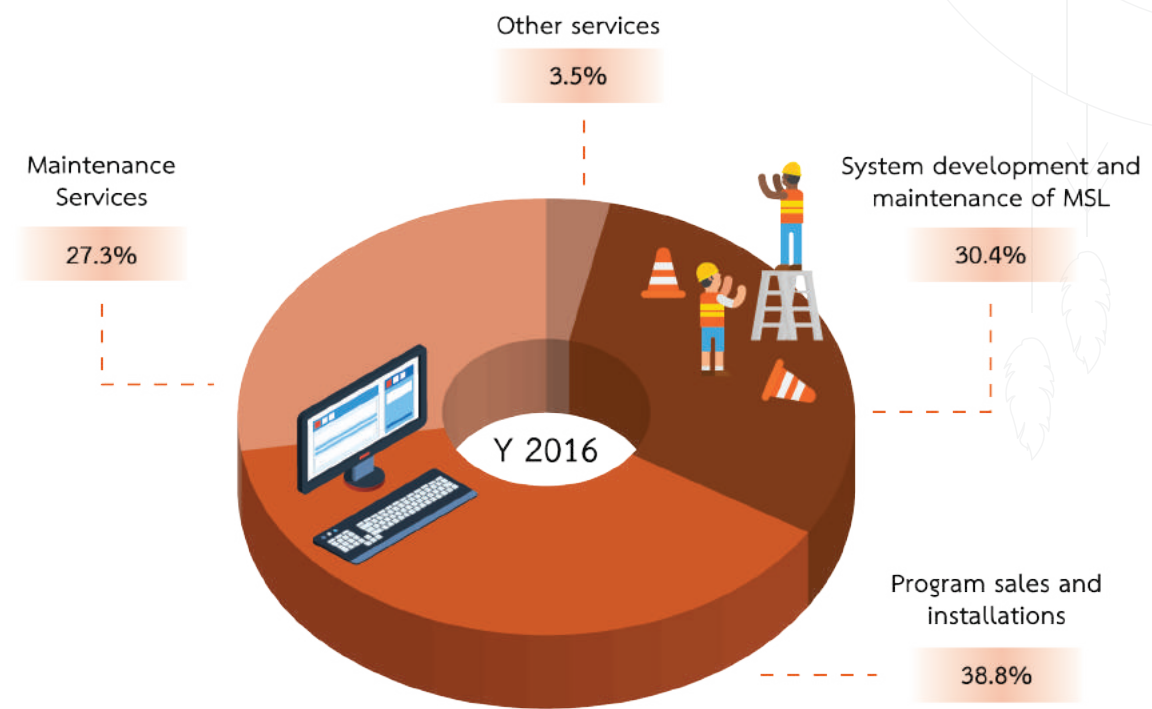
Remark : * Other incomw such as internet income, gain on exchange rate, and gain on the sales of fixed assets

► The Revenue Structure (cont.) Propotion between sales and services (Consolidated FS)



Remark : * The revenue of MSL has been included to the consolidated financial statements since 1 september 2015
The revenue of Synature has been included to the consolidated financial statements since 20 June 2017

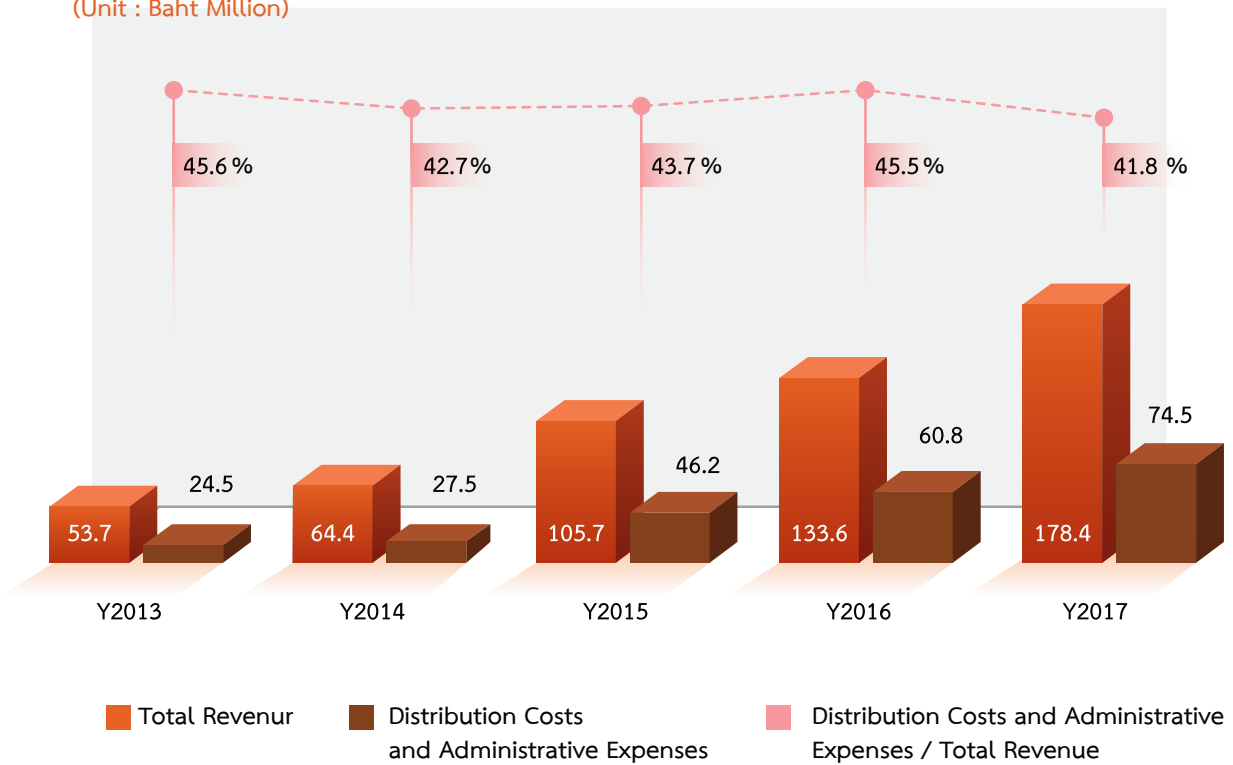
► Source of revenue from sales and rendering of services (Consolidated FS)



Remark : * Other services such as program reinstallation and non-MA service

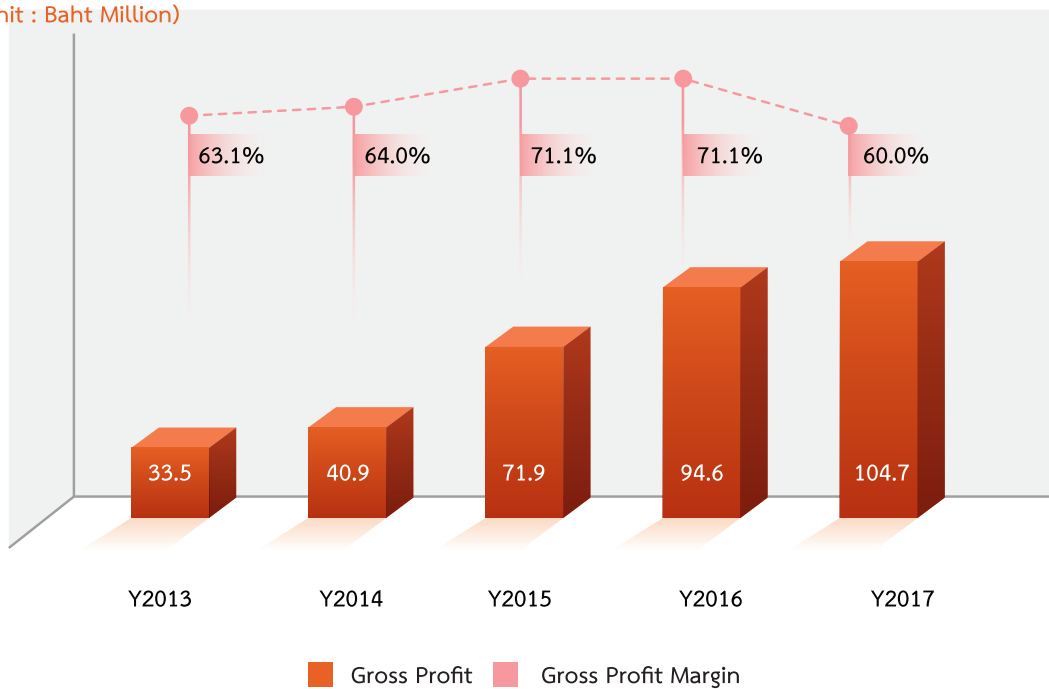
Profitability Ratios Total Distribution cost and Administrative Expenses to Total Revenue (Consolidated FS)

(Unit : Baht Million)



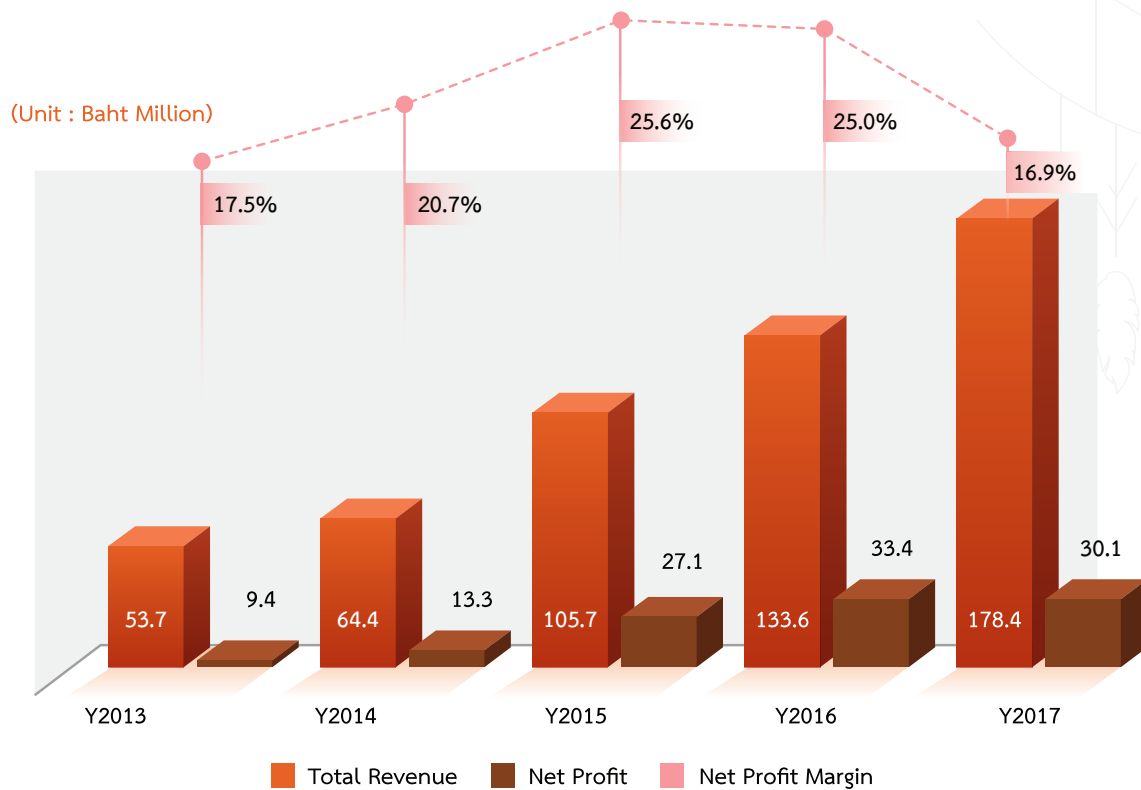
Profitability Ratios (cont.) Gross Profit and Gross Profit Ratios (Consolidated FS)

(Unit : Baht Million)

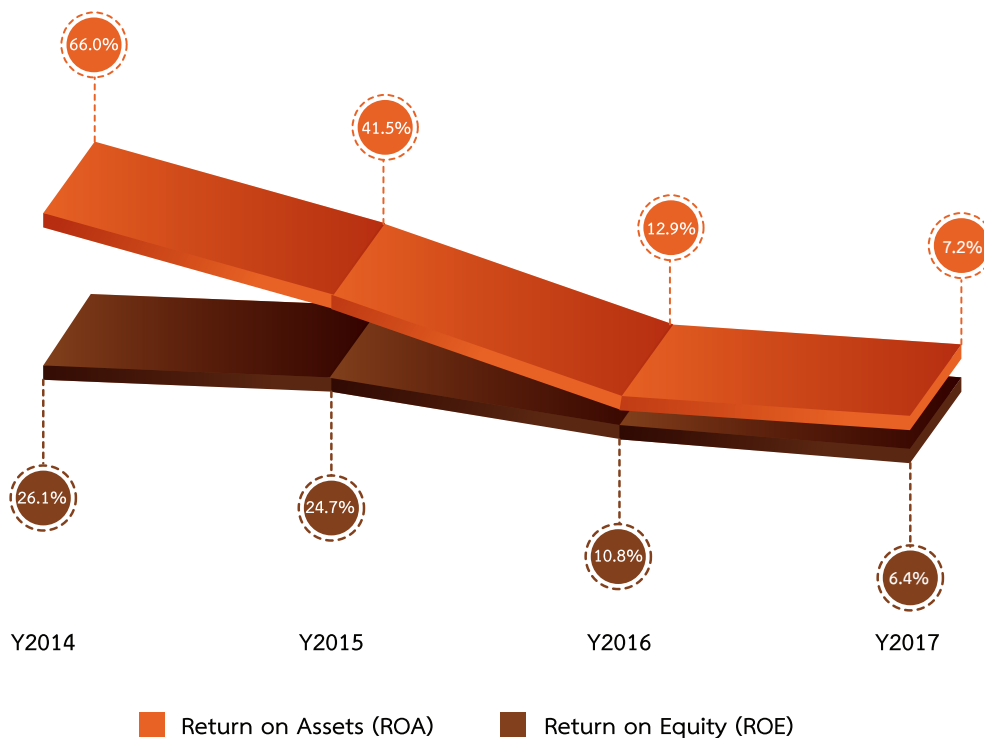


Remark : * The operating results of MSL have been included to the consolidated financial statements in 1 September 2015
The operating results of Synature have been included to the consolidated financial statements in 20 June 2017

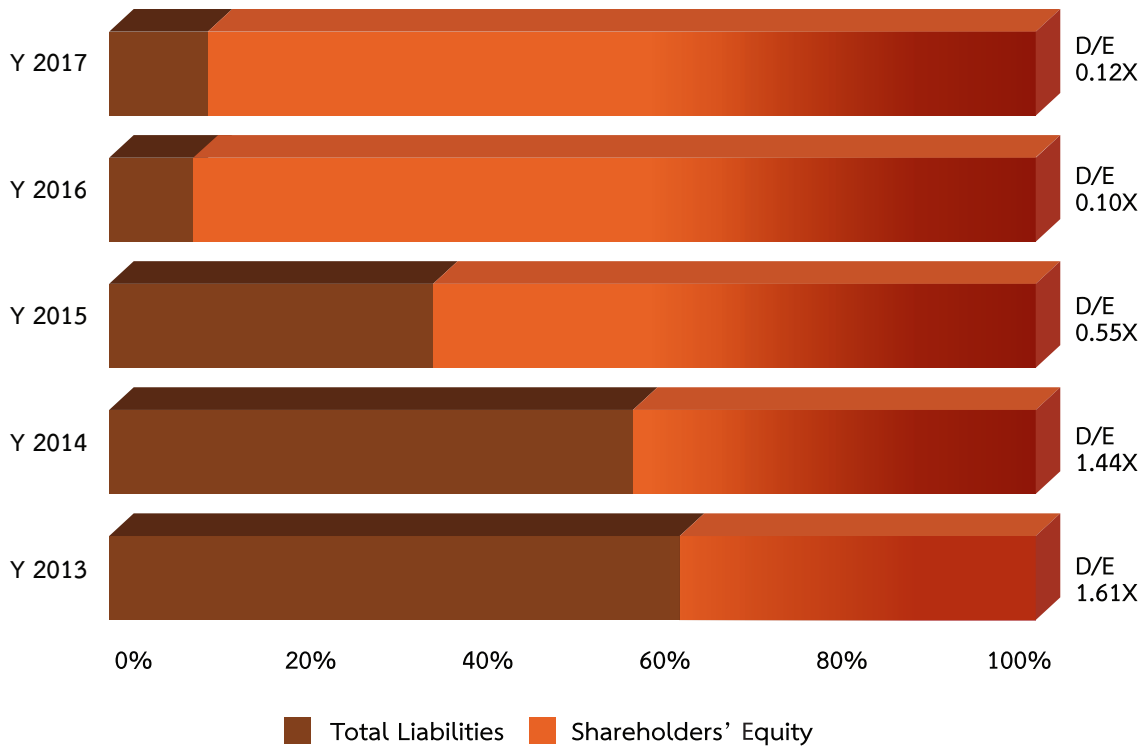
▶ Profitability Ratios (cont.) Net Profit and Profitability Ratios (Consolidated FS)



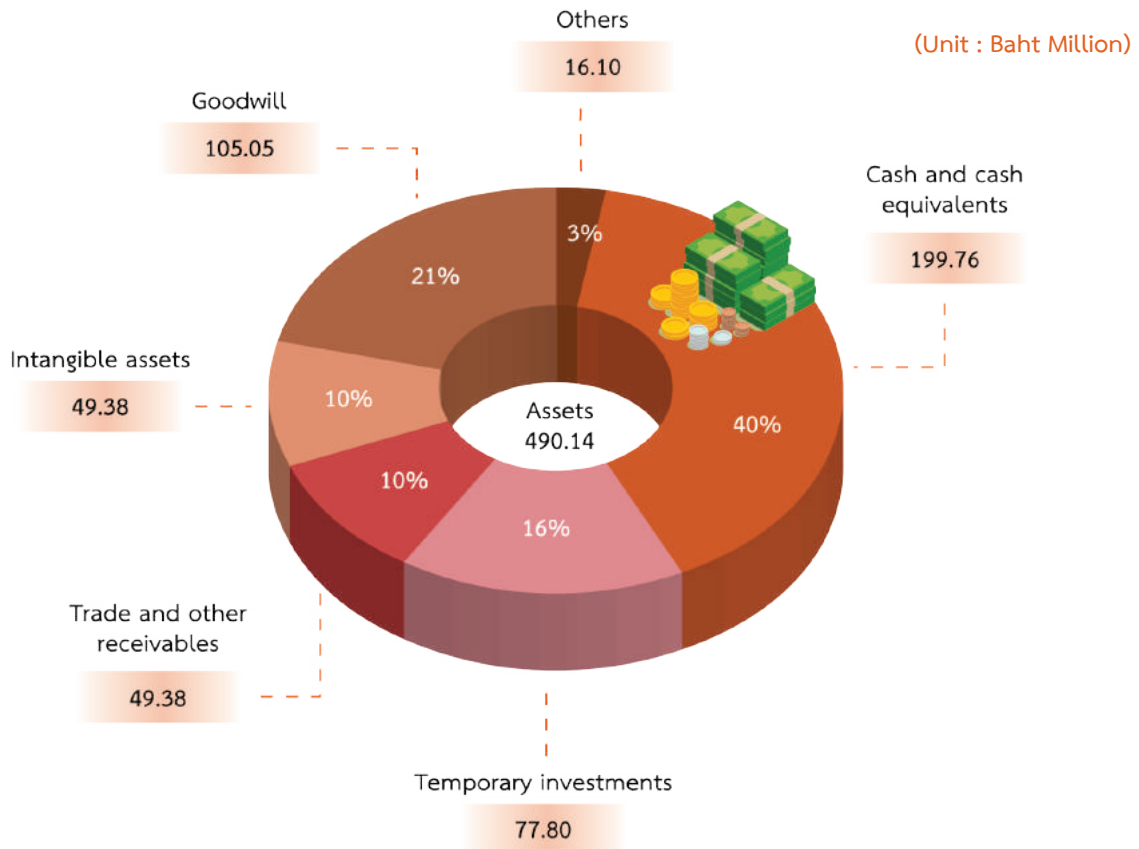
▶ Profitability Ratios (cont.) Return on Assets/Return in Equity



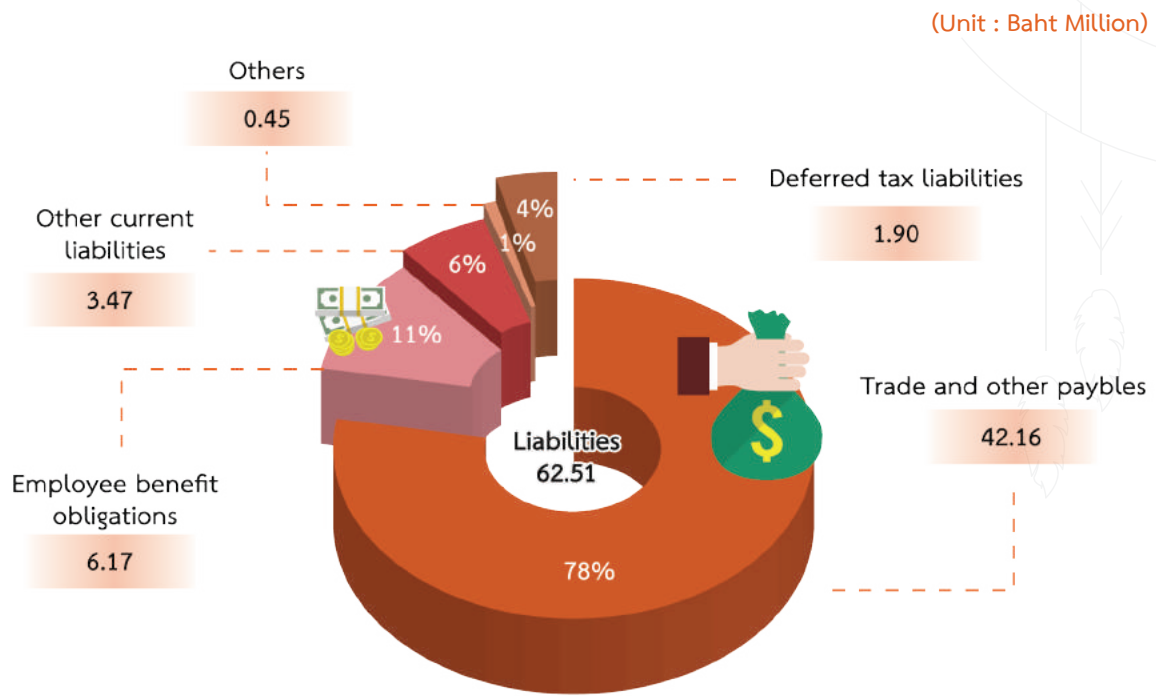
Financial Positions



Financial Positions (cont.)



► Financial Positions (cont.)



Analysis and Explanatory Note from Management

Overall Performance of the Company and Subsidiaries.

Comanche International Public Company Limited (“the Company”) operates its core business as a developer for sales of software or ready-for-use program for hotel and serviced apartment management, service provider of installation of said program on client’s premise and user training, and after-sales service through consultancy, maintenance, and other related services. On 1st September 2015, the Company invested in a subsidiary, MSL Software (Thailand) Company Limited (“MSL”), with shareholding of 99.99% of authorized and paid up capital. MSL operates its business as a system design consultation, system development in the form of solutions customized to client requirements, and system management which it developed. On 20 June 2017, the Company invested in

Synature Technology Company Limited (“SYN”), with shareholding of 51% of authorized and paid up capital. SYN operates a business of developing for sales, installing, providing program for the management of restaurants, spas, and service providers which is an intellectual property of SYN by registered a copyright of “pRoMiSe” program with the Department of Intellectual Property. In this connection, SYN provides software installation service on the client’s premise and user training, and after-sales maintenance through consultation and other related services. The consolidated financial statements of the Company for the year ended 31st December 2016 and 2017 are included the operating results of its subsidiaries as follows

Company	Type of business	Country registered in	Percentage of shareholding at 31 December		Remarks
			2016	2017	
MSL Software (Thailand) Company Limited (“MSL”)	Computer program service provider	Thailand	99.99	99.99	Purchased shares on 1 September 2015
Synature Technology Company Limited (“SYN”)	Computer program service provider	Thailand	-	51.00	Purchased shares on 20 June 2017

For the year 2016 and 2017, the consolidated financial statements are presented including revenue from sales and rendering of services of Baht 133.09 million and Baht 174.59 million, respectively.

For the year 2017, the Company and subsidiaries increased in revenue from sales and rendering of services by Baht 41.50 million or 31.18%, resulting from the increase in revenue of MSL amounting Baht 13.29 million. Main revenue of MSL in 2017 was from the rendering of data

development and data management related services as well as maintenance services, specified in the contract, rendered to private companies, government agencies, and state-owned enterprises. Also, the increase in revenue of SYN by Baht 29.12 million which mainly comprise from revenue from sales and rendering of services of ready-for-use program and related maintenance services.

For the year 2016 and 2017, net profits presented in the consolidated financial statements were Baht 33.37

million and Baht 30.15 million, respectively, and net profit margins were 24.98% and 16.90%, respectively. Net profit of the year 2017 decreased from 2016 by Baht 3.22 million or 9.65% which also brought down net profit margin. This was mainly because of the expenditures related to the acquisition of the subsidiary, SYN, during 2017 amounting Baht 4.73 million and income tax expense amounting Baht 1.33 million incurring from the reason that the Company and SYN are in the process of BOI renewal during the 4th quarter.

Besides, if the Company had taken out expenses related to the acquisition of SYN amounting Baht 4.73 million and corporate income tax expense amounting Baht 1.33 million, net profit of the year 2017 presented in the consolidated financial statements would have been Baht 36.21 million or 20.30% net profit margin.

Taking into consideration of statements of financial positions in the consolidated financial statements of the Company, the Company has total assets as at 31 December 2016 and 2017 of Baht 448.87 million and Baht 497.47 million, respectively. At the end of 2017, total assets increased by Baht 48.60 million due to the increase in goodwill amounting Baht 40.79 million and trade and other current receivables amounting Baht 13.30 million.

This was the increase in trade account receivables and accrued income of MSL from 2016 by Baht 7.6 million and Baht 8.5 million, respectively. In addition, accrued income is incurred from the work already performed, but not yet invoiced to clients.

As at 31 December 2016 and 2017, the Company has total liabilities amounting Baht 40.68 million and Baht 54.15 million, respectively. At the end of 2017, total liabilities increased by Baht 13.47 million from the increase in trade and other current payables by Baht 9.69 million, resulting from the increase in deposit for program installations and maintenance services specified in contracts of the Company and SYN amounting Baht 8.76 million as, and deferred tax assets and provision for non-current liabilities of employee benefit obligations increased by Baht 1.90 million and Baht 1.71 million, respectively.

As at 31 December 2016 and 2017, the Company has total shareholders' equity amounting Baht 408.19 million and Baht 443.33 million, respectively. At the end of 2017, total shareholders' equity increased by Baht 35.14 million from the total comprehensive income for the year 2017 amounting Baht 31.09 million while there was the dividend payment of Baht 6.82 million, and the increase in appropriated legal reserve amounting Baht 1.05 million.

Analysis of overall performance

1. Revenue from sales and rendering of services

The structure of revenue from operations of the Company and subsidiaries

Unit: Baht million

Revenue from operation	Consolidated financial statements					
	2559		2560		Increased/(Decreased)	
	Amount	% to total revenue	Amount	% to total revenue	Amount	%
Revenue from software sales and related services of the Company						
Sales and installations of program	51.62	38.79	47.25	27.06	(4.37)	(8.47)
Maintenance services	36.30	27.27	40.92	23.44	4.62	12.73
Other services ¹	4.71	3.54	3.55	2.03	(1.16)	(24.63)
Total	92.63	69.60	91.72	52.53	(0.91)	(0.98)
Revenue from rendering of service of system development and related maintenance of MSL	40.46	30.40	53.75	30.79	13.29	32.85
Revenue from sales and rendering of services, and related maintenance of SYN	-	-	29.12	16.68	N/A ²	N/A ²
Total revenue from sales and rendering of services	133.09	100.00	174.59	100.00	41.50	31.18

Remark : *

¹ Other related services such as program reinstallation and on-call service.

² Cannot be calculated because the Company invested in SYN since 20 June 2017

Revenue from sales and installation services, and the related maintenance services

For the year 2016 and 2017, the Company has generated revenue from sales and installation services of Baht 51.62 million and Baht 47.25 million, respectively, or 38.79% and 27.06%, respectively, of the total revenue from operations. For the year 2017, revenue decreased by Baht 4.37 million or 8.47% because many clients, who run the business of hotel and serviced apartment, postponed the opening of such hotels and serviced apartments due to technical issues such as the delay of the hotel license application process or the construction delay in 2017 which brought down this revenue from 2016 by Baht 6.59 million.

For the year 2016 and 2017, the Company has revenue from maintenance services amounting Baht 36.30 million

and Baht 40.92 million, respectively, or 27.27% and 23.44%, respectively, of the total revenue from operations. For the year 2017, revenue increased by Baht 4.62 million or 12.73%, resulting from the expansion of customer base. This is because a first-time software sale and installation service is included revenue from maintenance service in a proportion of 12 - 15% of total sale in each contract which the Company will gradually recognize such revenue according to the service that has been rendered, and the renewal of maintenance service agreement after the first year which boosted this revenue from 2016.

Revenue from rendering of other services

Revenue from rendering of other services is revenue from services related to programs and computers rendering to clients that are not in the period of maintenance service agreement and charge a service fee each time. For the year 2016 and 2017, the Company has revenue from rendering of other services amounting Baht 4.71 million and Baht 3.55 million, respectively, or 3.54% and 2.03%,

respectively, of the total revenue from operations. For the year 2017, revenue decreased by Baht 1.16 million or 24.63%, reflecting from the fact that clients prefer to renew maintenance service agreement rather than being charged for each time which lowered revenue from rendering of other services.

Revenue from rendering of service related to system development and management, and maintenance of MSL

For the year 2016 and 2017, the Company generated revenue from rendering of service related to system development and management, and maintenance by MSL amounting Baht 40.46 million and 53.75 million, respectively, or 30.40% and 30.79%, respectively, of the

total revenue from operations. For the year 2017, revenue increased by Baht 13.29 million or 32.85%, this was mainly from new clients in 2017, and new projects from existing clients totaling Baht 13.3 million.

Revenue from sales and rendering of services, and related maintenance of SYN

The Company has included revenue from the operating result of SYN to the consolidated financial statement since the acquisition date, on 20 June 2017, which was revenue from the sales of hardware, ready-for-use programs, services, and related maintenance in 2017 amounting Baht 29.12 million or 16.68% of the total revenue from operations. Presently, main clients of SYN are restaurants, retailers and service providers as well as related hardware sales to clients.



2. Other income

For the year 2016 and 2017, the Company has generated other income of Baht 0.48 million and Baht 3.80 million, respectively. Other income mainly comprises of interest income, gain on exchange rate from revenue in foreign currencies, and other income. For the year 2017, the increase in other income was from the recognition of

interest income amounting Baht 3.10 million from fixed deposits at financial institutions, and electricity charges amounting Baht 0.56 million.

3. Cost of sales and rendering of services

Cost of sales and rendering of services mainly comprises of cost of salary and employee compensation related to service rendered and program development, and other costs such as outsourcing cost, license cost for system

development as a part of service of MSL, the amortization of intangible assets – Big Data, and cost of hardware sold to clients of SYN.

Unit: Baht Million

	Consolidated financial statements for the years			
	2016	2017	increased amount	percentage
Revenue from sales and rendering of services	133.09	174.59	41.50	31.18
Cost of sales and rendering of services	38.53	69.90	31.37	81.42
Gross profit	94.56	104.69	10.13	10.71
Gross profit margin (percentage)	71.05	59.96		

For the year 2016 and 2017, the consolidated financial statements of the Company presented cost of sales and rendering of services amounting Baht 38.53 million and Baht 69.90 million, respectively. For the year 2017, the Company increased in cost of sales and rendering of services by Baht 31.37 million or 81.42%, resulting from the increase in cost of sales and rendering of services of SYN amounting Baht 15.55 million because the operating results of SYN has been included to the consolidated financial

statements since 20th June 2017, and cost of rendering of services of MSL increased by Baht 13 million from the amortization of intangible assets – Big Data amounting Baht 5.2 million, the increase in cost of salary of operation division and other cost of rendering of services amounting Baht 7.4 million which brought down gross profit. For the year 2017, the Company has gross profit of 59.96%, while 2016 was 71.05%.

4. Distribution costs and administrative expenses

Distribution costs

For the year 2016 and 2017, the consolidated financial statement presented distribution costs amounting Baht 8.27 million and Baht 7.83 million, respectively. The ratios of distribution costs to total revenue were 6.21% and 4.48%, respectively. In this connection, distribution costs mainly comprise of advertising expenses, commissions, promotional expenses such as advertising expense for printing media, company's brochure, and expenses to

arrange the presentation booths in several exhibitions to promote products and services of the company group. For the year 2017, the Company decreased in distribution costs by Baht 0.44 million because, in 2016, the Company had made some promotional expenses with some clients which terminated in the 3rd quarter of 2016 amounting Baht 0.4 million.

Administrative Expenses

For the year 2016 and 2017, the consolidated financial statements presented administrative expenses amounting Baht 52.51 million and Baht 66.71 million, respectively. The ratios of administrative expenses to revenue from operations were 39.45% and 38.21%, respectively. Administrative expenses mainly comprise of salary, bonus, employee welfare, office rental, traveling expense, depreciation expense, professional service fee, and meeting allowance.

For the year 2017, administrative expenses increased by Baht 14.20 million, and the ratios of administrative expenses to revenue from operations was 38.21% which slightly decreased from 39.45% in prior year. This is because,

in 2017, the Company has significantly increased in revenue from operations approximately by 31.18% while the increase in administrative expenses mainly caused by the increase in overall managerial expense of SYN amounting Baht 9.64 million and expenses related to employee such as salaries causing from the increase in the number of personnel in many departments as well as rental expense and office expense to support the business expansion of the Company and MSL and meeting allowance for the Board of Directors. Moreover, the Company also has expenses related to the investment in SYN in 2017 such as financial analyst consultation fees, audit fees, and lawyer fees, amounting Baht 4.73 million.

5. Other expenses

For the year 2016 and 2017, the consolidated financial statements presented other expenses amounting Baht 0.85 million and Baht 0.01 million, respectively. Other expenses of the year 2016 comprise of loss from the write-off of fixed assets and intangible assets, and loss from foreign exchange rate. Besides, in 2016, there were transactions of the write-off of office equipment from stock count and stock deterioration amounting Baht 0.37 million while there was no such transaction in 2017.

6. Income Tax Expense

The Company and subsidiaries have benefits from tax exemption specified in the investment promotion certificate from The Office of the Board of Investment according to Investment Promotion Act, B.E. 2520 which the Company was granted for the corporate income tax exemption for a period of 8 years from the date it earned revenue from its promoted business operations which was 3rd September 2009, and MSL was exempted from corporate income tax for a period of 7 years from the date it earned revenue from its promoted business operations which was 30th September 2015, and SYN was exempted

from corporate income tax for a period of 8 years from the date it earned revenue from its promoted business operations which was 8th October 2009.

For the year 2016 and 2017, the consolidated financial statements presented the income tax expenses of Baht 0.01 million and Baht 1.33 million, respectively. For the year 2017, income tax expense increased by Baht 1.32 million because the exemption of the corporate income tax of the Company and SYN was expired during the year. However, the Company and SYN has already applied for a new certificate.

7. Net Profit

For the year 2016 and 2017, the consolidated financial statements presented net profits of Baht 33.37 million and Baht 30.15 million, respectively, with net profit ratios of 24.99% and 16.90%, respectively.

For the year 2017, the Company decreased in net profit by Baht 3.22 million or 9.64%. This was mainly because the increase in cost of sales and the rendering of services and expenses related to the investment in SYN.



Analysis of financial positions

Unit: Baht Million

	Statement of Financial Positions		Increased	
	2016	2017	Amount	Percentage
Total Assets	448.87	497.47	48.60	10.83%
Total Liabilities	40.68	54.15	13.47	33.11%
Shareholders' Equity	408.19	443.33	35.14	8.61%

Assets

As at 31st December 2017, the Company has total assets of Baht 497.47 million, increased by Baht 48.6 million comparing to 31st December 2016 from the following reasons;

1. Cash and cash equivalents and temporary investments

Cash and cash equivalents and temporary investments, at the end of 2017, decreased by Baht 13.90 million mainly from the acquisition of SYN on 20th June 2017, paid by cash amounting Baht 52.02 million.

2. Trade and other current receivables

Trade and other current receivables, at the end of 2017, increased by Baht 13.30 million mainly because of the increase in trade account receivables of MSL amounting Baht 7.63 million and accrued income of MSL amounting Baht 8.53 million.

The Managements of the Company and subsidiaries emphasized the importance of debt collection by separately considering long outstanding each debt with involving personnel to acknowledge the cause and follow up the progress of debt collection from clients.

3. Inventories

Inventories, at the end of 2017, increased by Baht 0.68 million. This is mainly because inventories of SYN amounting Baht 0.77 million have been included from

the investment in SYN. Main inventories that have been included were computer equipment and hardware.

4. Equipment

Equipment, at the end of 2017, increased by Baht 1.43 million. This is mainly because equipment of SYN amounting Baht 1.86 million has been included from the investment in SYN, and the sales of office furniture and fixtures of MSL of Baht 0.85 million during 2017.

5. Intangible Assets

Intangible assets, at the end of 2017, increased by Baht 6.28 million from the investment in SYN which caused the increase in intangible assets by Baht 12.27 million and computer program under development by Baht 7.00 million while there was the amortization of computer program amounting Baht 7.75 million and the amortization of customer relationship amounting Baht 5.25 million during 2017.

6. Goodwill

Goodwill, as at 31st December 2017, increased by Baht 40.79 million from the investment in SYN. Goodwill incurred

from the purchase of ordinary share of SYN at the higher price than fair value of net assets of SYN. In addition, at the end of 2017, goodwill remained at Baht 105.05 million and no impairment has been recorded.

7. Other non-current assets

Other non-current assets, at the end of 2017, increased by Baht 0.54 million from the cash deposit at banks used as collateral of MSL increased by Baht 0.77 million.

Liabilities

As at 31st December 2017, the Company has total liabilities of Baht 54.15 million, increased by Baht 13.47 million comparing to 31st December 2016. The reasons are as follows;

1. Trade and other current payables

Trade and other current payables, at the end of 2017, increased by Baht 9.69 million which mainly caused from the increase in unearned income of the Company amounting Baht 4.69 million and SYN amounting Baht 3.29 million. This is the accumulated amount of advance payment received for the maintenance service according to the contract from first-time installation and renewals. In addition, the Company has a policy to collect deposits for program installations at the rate of 50% of total amount specified in invoice, and the Company has received deposits for program installations during the end of 2017, but not yet provided service. Moreover, trade account payables of MSL increased by Baht 5.61 million, but accrued expenses and other payables decreased by Baht 2.09 million and Baht 2.45 million, respectively.

2. Liabilities under Finance Lease Agreements

Liabilities under Finance Lease Agreements, at the end

of 2017, increased by Baht 0.16 million mainly caused from the investment in SYN. This is because SYN still have 2 cars under finance lease agreement. For this reason, liabilities under finance lease agreements increased.

3. Deferred Tax Liabilities

Deferred tax liabilities, at the end of 2017, increased by Baht 1.90 million mainly because of the investment in SYN. This is because said deferred tax liabilities incurred from the temporary difference between book value and fair value of SYN at the date of investment.

4. Employee Benefit Obligations

Employee Benefit Obligations, at the end of 2017, increased by Baht 1.71 million mainly from the investment in SYN. Thus, employee benefit obligation of SYN had been included in the amount of Baht 1.02 million, and the Company increased by Baht 0.87 million based on actuarial calculation.

Shareholders' Equity

As at 31st December 2017, the Company has total shareholders' equity of Baht 443.32 million, increased by Baht 35.14 million comparing to 31st December 2016. The main reasons are that the Company has total comprehensive income for the year 2017 amounting Baht 31.09 million and allocated additional legal reserve from net profit of the year 2017 of the Company amounting Baht 1.05 million while there was the dividend payment of the Company amounting Baht 6.82 million in total, during 2017.



COMANCHE

INTERNATIONAL

COMANCHE INTERNATIONAL ANNUAL REPORT 2017

**REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS
COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED**

Opinion

We have audited the consolidated financial statements of Comanche International Public Company Limited and its subsidiaries (the "Group") and the separate financial statements of Comanche International Public Company Limited (the "Company"), which comprise the consolidated and separate statements of financial position as at December 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Comanche International Public Company Limited and its subsidiaries and of Comanche International Public Company Limited as at December 31, 2017, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards ("TFRS").

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing ("TSA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p>Business Acquisition</p> <p>During the year ended December 31, 2017, the Group has acquired Syncom Technology Company Limited ("Syncom") at the amount of Rupee 52 million. The Group already assessed the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocated at the business acquisition date. Key audit matter is the correctness of business acquisition whether the process of business acquisition and the acquisition assets and liabilities of Syncom at the acquisition date has been recognized in accordance with IFRSs including related disclosures.</p> <p>Accounting policies of the consolidated financial statements preparation basis and details of the business acquisition of Syncom were disclosed in Note 2.3 and Note 4 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none">• Understanding the business acquisition process and related internal control procedures.• Testing the design and implementation of the internal control procedures.• Performing substantive testing as follows:<ul style="list-style-type: none">- Examining the terms and conditions of Share Sale Agreement for the acquisition of Syncom, payment documents, share transfered documents and related supporting documents.- Examining details of assets and liabilities of Syncom at the acquisition date which consists of the measurement of intangible rights, obligations, valuation of assets and liabilities.- Testing the Purchase Price Allocation Report from the independent appraiser by having our expert to assess the appropriateness of process to determine fair value and key assumptions used by the management in the fair value determination.- Reviewing the presentation and related disclosures whether they are made in accordance with IFRSs.

Key Audit Matters	Key Audit Procedures
<p>Recognition of revenue from sales and rendering services</p> <p>Significant operations of the Group is selling computer software including software installation which each contract has different terms and conditions. Therefore, the key audit matter is occurrence of the revenue from sales of computer software including software installation and whether it has been completely and accurately recognized in accordance with IFRS.</p> <p>Accounting policy for revenue and details of segment information were disclosed in Note 3.11 and Note 26 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process relating to revenue from sales of computer software including software installation and related internal control procedures. • Testing the design and implementation of the internal control procedures. • Performing the opening effectiveness testing of internal control procedures over the recognition of revenue from sales of computer software including software installation and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the terms and conditions under the contracts and recalculating the revenue whether the revenue from sales of computer software including software installation is occurrence and has been recognized completely and accurately and examining the related supporting documents for the recognition of these revenues. - Examining the supporting documents for the revenue from sales of computer software including software installation transactions occurring during the year and near the end of accounting period. - Performing substantive analytical procedures relating to the revenue from sales of computer software including software installation.
<p>Impairment of investment in subsidiaries, goodwill and customer relationships</p> <p>The recognition of impairment in subsidiaries, goodwill and customer relationships is dependent on the management judgement and assumptions. Therefore, the key audit matter is whether the valuation of investment in subsidiaries, goodwill and customer relationships and impairment of investment in subsidiaries, goodwill and customer relationships have been recognized in accordance with IFRS.</p> <p>Accounting policies for investment in subsidiaries, goodwill and customer relationships and impairment and details of investment in subsidiaries, goodwill and customer relationships were disclosed in Note 3.A, Note 3.7, Note 3.A, Note 10 and Note 11 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures. • Testing the design and implementation of the internal control procedures. • Performing the opening effectiveness testing of internal control procedures over the impairment consideration process, and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for goodwill and customer relationships. - Assessing the appropriateness of valuation model and key assumptions for management used in the estimation of the impairment provisions for investment in subsidiaries, goodwill and customer relationships.

Emphasis of Matter

Without modifying our opinion, we draw attention to the Note 4 to the financial statements that Comanche International Public Company Limited has acquired the shares of Synnexus Technology Co., Ltd. The Company has recognized the fair values of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date based upon the final appraisal reports dated October 11, 2017 from the independent appraiser and other necessary information obtained within one year from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2016) "Business Combination" and recorded the different amount between the purchase price and the value of consideration received as Goodwill amounting to Baht 40.79 million.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Company.

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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated 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. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We 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 our independence, and where applicable, related safeguards.

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

BANGKOK
February 26, 2018

Chavala Tienpanontkij
Certified Public Accountant (Thailand)
Registration No. 430

DELOITTE TOUCHE TOMMATSU JAIPUR AUDIT CO., LTD.

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2017

(IN US DOLLARS)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	198,792,000	181,298,207	176,119,876	196,953,200
Accounts receivable	9	75,798,222	109,116,222	75,798,240	100,000,000
Trade and other receivables	9	40,379,402	48,296,793	25,222,401	38,292,773
Short-term loans to related party	8 and 10	-	-	1,000,000	-
Prepayments		812,000	228,770	1,807,770	220,741
Contract assets		1,413,444	1,962,202	-	191,122
Other current assets	9	96,100	1,271,200	750,221	281,707
Total current assets		<u>322,071,168</u>	<u>342,072,422</u>	<u>382,739,308</u>	<u>534,979,443</u>
NON-CURRENT ASSETS					
Investments in subsidiaries	8 and 10	-	-	340,119,207	112,299,267
Equities	11	2,979,220	4,194,224	5,077,000	2,969,071
Other intangible assets	12	40,379,402	48,297,262	4,222,240	2,001,222
Goodwill	13	109,298,000	94,290,000	-	-
Deferred tax assets	14	-	1,204	41,114	1,000
Other non-current assets	15	15,817,878	4,222,270	1,292,720	1,496,673
Total non-current assets		<u>171,222,070</u>	<u>148,104,756</u>	<u>351,753,981</u>	<u>119,018,163</u>
TOTAL ASSETS		<u>493,293,238</u>	<u>490,177,178</u>	<u>734,493,289</u>	<u>653,997,606</u>

Refer to the financial statements notes on pages 112-121 of this document.

COLOMBIE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

UNIT: BAHD

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other payables	(1)	81,852,289	73,476,699	22,999,444	23,876,299
Contract payables					
Other financial liabilities	(4)	247,736	-	-	-
Contract liabilities		22,249	-	22,249	-
Other current liabilities		3,471,218	5,198,291	1,200,715	2,218,276
		<u>85,593,492</u>	<u>78,674,990</u>	<u>24,200,408</u>	<u>26,094,575</u>
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreement	(8)	182,049	-	-	-
Deferred tax liabilities	(1)	1,898,561	-	-	-
Provision for employee benefits	(1)	4,348,491	4,415,448	4,415,448	5,232,294
Other non-current liabilities		6,277,241	4,476,678	4,976,871	5,972,294
		<u>11,686,350</u>	<u>8,892,126</u>	<u>9,392,319</u>	<u>11,204,588</u>
TOTAL LIABILITIES		<u>97,279,842</u>	<u>87,567,116</u>	<u>33,592,727</u>	<u>37,299,163</u>

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2017

USD: BATH

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
LIABILITIES AND SHAREHOLDERS' EQUITY (CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
100,000,000 ordinary shares of 10 Baht each		10,000,000	10,000,000	10,000,000	10,000,000
Issued and paid share capital					
10,000,000 ordinary shares of 10 Baht each		10,000,000	10,000,000	10,000,000	10,000,000
Reserves or surplus items	18	12,197,314	12,197,314	12,197,314	12,197,314
RESERVE COMPONENTS					
Appropriated					
Legal reserve	20	1,396,478	1,396,478	1,396,478	1,396,478
Reserve for contingencies		10,790,836	10,790,836	10,790,836	10,790,836
Shareholders' equity attributable to owners of the Company		23,187,618	23,187,618	23,187,618	23,187,618
Noncontrolling interest		(1,127,914)	(1,127,914)	(1,127,914)	(1,127,914)
Total shareholders' equity		22,059,704	22,059,704	22,059,704	22,059,704
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		42,373,266	42,373,266	42,373,266	42,373,266

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

EMBRACHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

(PESOS IN THOUSANDS)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Revenue from sales and rendering services	10 and 11	17,726,420	17,282,299	16,722,666	16,232,787
Cost of sales and rendering services	10	(6,899,241)	(6,222,299)	(2,866,680)	(5,171,231)
Other gains		26,647,197	(4,284,225)	46,334,644	46,334,644
Other income:					
Dividend income	12	-	-	-	18,090,133
Interest income	13	1,000,710	313,200	3,191,000	322,233
Gain on sales of fixed assets	14	61,712	-	-	-
Gain on selling intangibles		62,226	-	-	-
Other income		164,270	144,000	221,270	433,374
Total other income		1,228,918	457,200	3,412,270	1,758,737
Profit before expenses		11,056,907	11,413,000	40,559,256	46,444,628
Operating expenses		(2,626,254)	(2,294,271)	(4,633,678)	(2,212,371)
Administrative expenses		(6,751,846)	(5,212,722)	(4,131,686)	(5,866,354)
Other expenses		(4,210)	(44,281)	291,444	(54,257)
Provision		32,302	(4,226)	-	36
Total Expenses		(13,076,408)	(12,555,499)	(8,473,920)	(11,642,736)
Profit before income tax expense		(2,019,501)	(1,142,499)	32,085,336	34,801,892
Tax expense	15	1,122,266	11,390	1,466,133	11,390
INCOME FOR THE YEAR		(927,235)	(1,153,889)	30,619,203	34,790,502
OTHER COMPREHENSIVE INCOME					
Gain that will not be reclassified subsequently to profit or loss					
Change in measurement of employee benefit plans		1,176,496	96,222	-	25,166
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		249,261	(1,057,667)	30,619,203	34,815,668
INCOME ATTRIBUTABLE TO:					
Owners of the parent		92,464,674	15,987,264	21,282,197	62,091,237
Non-controlling interest		2,490,276	-	-	-
		94,954,950	15,987,264	21,282,197	62,091,237

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF INCOME OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

UNIT: \$MIL

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2017	2016	2017	2016
COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owner of the parent		\$1,000,000	\$1,000,000	\$1,222,000	\$1,000,000
Non-controlling interests		(200,000)	(100,000)	(100,000)	(100,000)
		<u>\$800,000</u>	<u>\$900,000</u>	<u>\$1,122,000</u>	<u>\$900,000</u>
BASIC EARNINGS ATTRIBUTABLE TO:					
OWNER OF THE PARENT PER SHARE (BASIC)	20	\$1.11	\$1.00	\$1.06	\$1.00
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (BASIC)					
	20	710,000,000	900,000,000	1,000,000,000	900,000,000

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

COFINANCER INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

(All in HK\$)

	Share	Distributions to the Issuers of the Parent				Total distributions to issuers of the parent	Total distributions to shareholders
		Issued and paid share capital	Premium on share capital	Residual Earnings			
				Appropriated	Unappropriated		
				Legal reserves			
Beginning balances as at January 1, 2016		4,411,000	44,479,814	200,000	3,811,000	49,841,814	133,000,000
Change during the year							
Issuance of shares		4,411,000	227,000,000			231,411,000	231,411,000
Legal reserves				3,100,000	11,100,000	14,200,000	
Withheld profit					26,270,000	26,270,000	(26,270,000)
Profit repatriation received by the year					10,407,177	10,407,177	10,407,177
Ending balances as at December 31, 2016		8,822,000	271,479,814	3,100,000	11,208,177	238,608,000	485,133,000
Beginning balances as at January 1, 2017		8,822,000	271,479,814	3,100,000	11,208,177	238,608,000	485,133,000
Change during the year							
Legal reserves				3,000,000	6,000,000	9,000,000	
Dividend income of the issued public offering shares			3,350,000			3,350,000	
Withheld profit					6,431,200	6,431,200	
Dividend in share of subsidiaries of non-controlling interest							30,300,000
Profit repatriation received by the year					11,000,000	11,000,000	11,000,000
Ending balances as at December 31, 2017		8,822,000	274,829,814	6,100,000	23,639,377	427,391,200	535,133,000

None of the financial statements have to be audited pursuant to these requirements.

COMANCHE INTERNATIONAL PAPER COMPANY LIMITED AND ITS SUBSIDIARIES
 STATEMENT OF CHANGES IN HIGHERER COSTS ACCOUNTED

SEPARATE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED DECEMBER 31, 2017

Notes	Goodwill year (depreciated)	Provisions on inventory change	Financial Statement		Total
			Appropriated to legal reserves	Management reserves	
Beginning balances as at January 1, 2016					
Change during the year	1,675,000	20,000,000	20,000,000	20,000,000	20,000,000
Amount included	22,225,000	20,000,000	-	20,000,000	20,000,000
Legal reserve	2	1,140,000	1,140,000	-	1,140,000
Financial fund	4	-	-	(20,000,000)	(20,000,000)
Total comprehensive income for the year	2	-	-	20,000,000	20,000,000
Ending balances as at December 31, 2016	1,675,000	20,000,000	20,000,000	20,000,000	20,000,000
Beginning balances as January 1, 2017					
Change during the year	1,675,000	20,000,000	20,000,000	20,000,000	20,000,000
Legal reserve	2	1,140,000	1,140,000	-	1,140,000
Financial reserve of the related public offering shares	4	-	-	20,000,000	20,000,000
Financial fund	4	-	-	(20,000,000)	(20,000,000)
Total comprehensive income for the year	2	-	-	20,000,000	20,000,000
Ending balances as at December 31, 2017	1,675,000	20,000,000	20,000,000	20,000,000	20,000,000

These tables form part of the financial statements and are subject to the same audit procedures.

EDMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

(AMOUNT IN RM)

	CONSOLIDATED		SEPARATE	
	2017	2016	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	11,602,760	12,158,214	12,402,646	4,002,270
Adjusted by:				
Depreciation and amortization	16,118,246	8,290,000	1,492,790	1,297,000
Decrease in trade receivable	(408,115)	(94,240)	(408,115)	(94,240)
Bad debt	15,000	(81,000)	15,000	(81,000)
Share in results of their associates	(71,070)	-	110	-
Loss on write-off fixed assets and intangible assets	19,818	(81,220)	19,818	(80,227)
Financial (gain) loss on exchange rate	(128,110)	(82,270)	30,990	(52,090)
Provision for doubtful debt expense	1,077,649	(97,154)	86,100	101,550
Income taxes	(1,080,110)	(1,013,000)	(1,075,000)	(1,075,000)
Income expense	(6,000)	(1,226)	-	60
Dividend income	-	-	-	(16,990,000)
	16,378,469	10,969,730	12,878,469	3,487,600
(Decrease) increase in trade and other current receivables	1,046,159	2,202,219	(842,500)	(4,100,000)
Income tax prepaid expenses	(408,115)	(1,001,000)	(58,000)	(802,000)
(Decrease) increase in current tax payable	(1,200,000)	(94,114)	(1,002,300)	(174,300)
(Decrease) increase in provisions	(196,717)	(170,000)	80,107	(170,000)
(Decrease) increase in other current assets	(28,206)	(702,220)	(490,700)	(90,700)
(Decrease) increase in other non-current assets	(495,210)	(1,003,000)	190,700	(88,000)
Income (decrease) in trade and other current payables	1,100,000	(4,266,615)	(1,207,900)	(1,802,170)
Income in retained income	8,178,894	8,441,000	8,496,900	1,129,400
Income (decrease) in current expense	(1,140,000)	(2,000,000)	(1,200,000)	(2,000,000)
Income (decrease) in deposit from customer	(171,010)	(81,000)	(181,000)	(81,000)
Income (decrease) in other current liabilities	(488,225)	(56,170)	(56,170)	(488,270)
Provision for doubtful debt expense paid during the year	-	(940,000)	-	(940,000)
End current from operations	16,272,499	10,002,210	16,311,222	3,487,600
Cash paid for income tax	(1,441,810)	(1,100,000)	(1,100,000)	(1,100,000)
Net cash provided by operating activities	14,830,689	8,902,210	15,211,222	2,387,600

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2017

(USD) (MAYN)

	CONSOLIDATED		SEPARATE	
	2017	2016	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from dividend income	-	-	-	1,000,000
Cash received from interest income	1,032,770	1,332,440	2,298,110	2,228,870
Cash paid for business investment	(74,024,000)	(70,224,070)	(71,796,500)	(70,000,000)
Cash received from company investment	30,796,210	-	30,000,000	-
Cash paid for purchase of fixed assets and intangible assets	(6,100,010)	(6,801,000)	(1,800,000)	(3,211,810)
Proceeds from sales of fixed assets	30,870	-	770	-
Proceeds from debt issue from bank and advances to related parties	-	1,330,070	-	1,330,070
Cash paid for short-term loans and advances to related parties	-	-	(1,000,000)	-
Cash paid for security investment to subsidiaries	-	-	(1,000,000)	(1,000,000)
Net cash received from investing activities	(41,996,210)	-	-	-
Net cash used in investing activities	(42,740,890)	(69,741,210)	(41,002,500)	(70,000,000)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	-	(1,230)	-	(1,000)
Cash paid for bank overdraft from financial institutions	-	(1,400,070)	-	-
Cash paid for long-term borrowings from financial institutions	-	(1,344,210)	-	-
Cash paid for long-term borrowings and advances	-	-	-	-
Dividend paid	-	(1,000,000)	-	-
Cash received from long-term borrowings and advances	-	-	-	-
Dividend paid	-	10,000	-	-
Cash paid for liabilities under financial lease agreement	(111,700)	(1,083,310)	-	-
Dividend paid	(6,011,200)	(6,201,610)	(6,011,200)	(6,201,610)
Cash received from capital increase	-	300,722,000	-	300,722,000
Cash paid for director expenses of the annual public offering	(2,700,070)	(8,700,000)	(2,700,070)	(8,700,000)
Net cash provided by (used in) financing activities	(9,000,000)	285,036,800	(9,011,200)	284,520,390
Net increase (decrease) in cash and cash equivalents	8,614,890	195,304,240	(11,000,000)	190,000,390
Cash and cash equivalents as at January 1,	100,000,000	2,700,000	100,000,000	1,010,000
Cash and cash equivalents as at December 31,	108,614,890	198,004,240	179,000,000	191,010,390

Note 4 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, 2017

1. OPERATIONS AND GENERAL INFORMATION OF THE COMPANY AND ITS SUBSIDIARIES

Comanche International Public Company Limited ("the Company") was incorporated as a limited company under the Thai Civil and Commercial Code on January 10, 2003 to engage in the business of selling computers and computer software include providing maintenance services and other services relating to computer software. The Company's registered office is located at 252/118 E.P. Room Floor 23, Muangthai-Patana 2, Ratchadaphisek Road, Kwang Huiyewang, Khet Huiyewang, Bangkok.

On May 11, 2016, the Extraordinary Shareholders' Meeting No. 1/2016 has passed the resolution for approval of the conversion from a private company into a public company limited in order to submit the IPO filing to the Securities and Exchange Commission ("SEC") to issue and offer its shares for initial public offering and list its shares in the Stock Exchange of Thailand. The Company registered the conversion of a private company into a public limited company on June 10, 2016.

On October 19, 2016, the Company has been approved for offering its shares for initial public offering by the Securities and Exchange Commission.

On October 25, 2016, the Company has been approved for offering its shares for initial public offering by The Stock Exchange of Thailand. The symbol is COMAN.

Its major shareholders are the group of Mr. Somborn Sukheviriya and the group of Mr. Apichai Sakulamruedej who hold 34.25% and 29.25% of the Company's shares, respectively.

As at December 31, 2017 and 2016, the Company has subsidiaries, as follows:

No.	Company Name	Date of Incorporation	Principal Business	Registered Office
1	MSI Software (Thailand) Co., Ltd.	February 14, 2007	Services for computer software	Bangkok, Thailand
2	Signature Technology Co., Ltd.	May 31, 2006	Services for computer software	Bangkok, Thailand

On June 20, 2017, the Company purchased 51,000 shares, representing 51% of total paid-up share capital, of Signature Technology Co., Ltd. (see Notes 4 and 10).

The Company has extensive transactions and relationships with the related companies. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliation.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

2.1 The Company and its subsidiaries maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards ("TFRS") and accounting practices generally accepted in Thailand.

2.2 The Company and its subsidiaries' financial statements have been prepared in accordance with the Thai Accounting Standard No. 1 (Revised 2016) "Presentation of Financial Statements", which was effective for financial periods beginning on or after January 1, 2017 onwards, and the Regulation of The Stock Exchange of Thailand ("SET") dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed corporation B.E. 2560 and the Notification of the Department of Business Development dated October 11, 2016 regarding "The Brief Particulars in the Financial Statement (No. 2) B.E. 2559".

2.3 Basis for preparation of the consolidated financial statements

- (a) The consolidated financial statements for the years ended December 31, 2017 and 2016 includes the financial statements of the Company and its subsidiaries in which the Company has control or invested over 50% of their voting rights. These subsidiaries are detailed as follows:

Company's name	Type of business	Country of incorporation	Number of shares		Percentage of ownership	
			as at December 31, 2017	2016	as at December 31, 2017	2016
Subsidiaries						
WTL Services (Thailand) Co., Ltd.	Services for transportation	Thailand	14,125	14,125	100%	100%
Worndat Engineering Co., Ltd.	Services for transportation	Thailand	11,000	-	100%	-

(b) Business combinations

The Company applies the acquisition method for all business combinations.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company. Consideration transferred also includes the fair value of any contingent consideration that are replaced mandatorily in the business combination.

A contingent liability of the acquirer is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

Transaction costs that the Company incurs in connection with a business combination, such as legal fees, other professional fees and consulting fees are expensed as incurred.

- (c) Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2017 and 2016 have included the subsidiaries' financial statements for the years ended December 31, 2017 and 2016 which were audited.
- (d) On June 20, 2017, the Company purchased 31,000 shares of Syntrone Technology Co., Ltd ("Syntrone"), representing 51% of total paid share capital (see Note 10).

2.4 Below is a summary of new Thai Financial Reporting Standards that became effective in the current accounting year and those that will become effective in the future:

1) Adoption of new and revised Thai Financial Reporting Standards

During the period, the Company and its subsidiaries has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

2) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (TFRSs) that will be effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries will adopt such TFRSs in the preparation of the Company and its subsidiaries' financial statements when they become effective. The Company and its subsidiaries' management is in the process to assess the impact of these TFRSs on the financial statements of the Company and its subsidiaries in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies as follows:

3.1 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 three months from the date of acquisition and no restrictions on the withdrawal.

3.2 Current investments

Time deposits with maturity more than 3 months but not more than 12 months and without obligation are classified as current investments which are presented at cost.

3.3 Trade receivables

Trade receivables are the net amount with allowance for doubtful accounts (if any). The Company and its subsidiaries estimates the allowance for doubtful accounts based on the age and experience of the management on the debt.

3.4 Inventories

Inventories are stated at cost or net realizable value whichever is lower. Cost is determined based on the first-in, first-out method.

Net realizable value is the estimated selling price in the ordinary course of business less selling expenses.

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 insurance service provider and the Company's personnel.

3.5 Investments in subsidiaries

Investments in subsidiaries in the separate financial statements of the Company are long-term investments which are stated at cost, net of allowance for impairment losses, if any. The Company will record a loss on impairment (if any) of such investments in the statement of profit or loss and other comprehensive income.

Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized in the statement of profit or loss and other comprehensive income.

3.6 Equipment

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

Equipment are reviewed for impairment at each reporting period whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

Depreciation

Depreciation is recorded as an expense in the statement of profit or loss and other comprehensive income. Depreciation is calculated by the straight line method over the estimated useful lives of each asset. The estimated useful lives are as follows:

Telephone system	3 Years
Office equipment	5 Years
Vehicles	5 Years
Furniture and Fixtures	5 Years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.7 Intangible assets

Intangible assets which are computer software and customer relationships, are stated at cost less accumulated amortization and allowance for diminution in value (if any).

Amortization of each intangible asset is calculated on a systematic basis over the estimated useful lives period of each asset, as follows:

Type	Amortization method	Periods
Computer software	The straight line method	3 - 5 Years
Customer relationships	The straight line method	2 Years
Customer relationships	The proportionate of projected revenue method	3 Years and 6 months

1.8 Impairment

The carrying amounts of the Company and its subsidiaries' assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognized in the statement of profit or loss and other comprehensive income.

Calculation of recoverable amount

The recoverable amount is the greater of the assets' net selling price or value in use. In assessing 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 largely 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, as if no impairment loss had been recognized.

1.9 Provisions for employee benefit

Post-employment benefit upon retirement

Provisions for employee benefit are the provision for benefit obligations for employees who are entitled to receive it upon retirement under the Company and its subsidiaries' regulation and under the Labor Protection Act and the Company's retirement benefit plan. The obligations are assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid at the future. Under this method, the determination is based on actuarial calculations which include the employee's salaries, turnover rate, mortality rate, years of service and other factors. Discount rate used in calculation of the post-employment benefits obligation is referred from the yield curve of government bond. Gains or losses from changes in estimate are recognized in the statement of profit or loss and other comprehensive income for the accounting period they incur. Expenses related to employee benefits are recognized in the statement of profit or loss and other comprehensive income.

Provident fund

The Company has a contributory staff provident fund for its employees who apply to join after pass the probation period 3 months which was registered as the provident fund in accordance with the Provident Fund Act B.E. 2530.

The contribution for employees under provident fund scheme is recorded as expenses when incurred.

Employee Joint Investment Program

The Company has established Employee Joint Investment Program to invest by purchasing the Company's ordinary shares for its employees who pass the probation and apply to join the program.

The contribution for employees under Employee Joint Investment Program is recorded as expenses when incurred.

3.10 Provisions

Provisions are recognized 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 embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.11 Revenue and expense recognition

Revenue from the sales of goods is recognized when the significant risks and rewards of ownership of goods are transferred to the buyer.

Revenue from services for short-term agreement are recognized as revenue when services are rendered.

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

Revenue from services of the subsidiaries are 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 as income in the statement of profit or loss and other comprehensive income on an accrual basis.

Expenses are recognised on accrual basis.

3.12 Foreign currency transactions

Transactions denominated in foreign currencies are translated into Baht at rates of exchange prevailing at the transaction dates. All balances of monetary assets and liabilities in foreign currencies at the end of reporting period are converted into Baht at the reference exchange rates established by the Bank of Thailand on that date.

Gains or losses on foreign exchange rate are recognized as an income or expense in the statement of profit or loss and other comprehensive income.

3.13 Lease agreement

Operating lease

Leases in which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as an expense in the statement of profit or loss and other comprehensive income over the lease term.

Finance lease

Finance leases are the leases in which substantially all the risks and rewards of ownership other than legal title are transferred to the Company and its subsidiaries. At inception, the fair value of the leased assets is recorded together with the obligations less deferred interest. The leased assets are depreciated using the straight-line method over their estimated useful lives of assets. Interest on finance charge is dealt with in the statement of profit or loss and other comprehensive income in proportion to the leased assets balance outstanding.

3.14 Taxation

Income tax expenses comprises the sum amount of current tax in respect of the current year and deferred tax.

3.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statements of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

3.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which these temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each of the end of reporting period. Deferred tax asset shall be reduced to the extent that utilized taxable profits are decreased. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available to allow total or part of the asset to be recovered.

The Company measure deferred tax assets and liabilities at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off the recognized amounts and the Company intend to settle on a net basis or to realize the asset and settle the liability simultaneously and when they relate to income taxes levied by the same taxation authority.

The Company present income tax expenses or income related to profit or loss in the statement of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

3.15 Basic earnings per share

Basic earnings per share are calculated by dividing net profit for the year by the weighted average number of ordinary shares issued and paid-up during the year. The Company and its subsidiaries did not have any common share equivalents which would have a dilutive effect on earnings per share.

3.16 Fair value measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.17 Accounting estimates and source of estimation uncertainty

3.17.1 Use of management's judgment in applying accounting policies

The preparation of financial statements in conformity with The Financial Reporting Standards also requires the management of the Company and its subsidiaries to exercise judgments in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the statements of financial position and the reported amounts of revenue and expense during the reporting period. Although these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

3.17.2 Key sources of estimation uncertainty

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value where the actual future cash flows are less than expected, a material impairment loss may arise.

4. ACQUISITION OF BUSINESSES

On June 30, 2017, the Company purchased 81,000 shares of Synature Technology Co., Ltd. ("Synature"), representing 51% of total paid-up share capital. The Company classified the type of the investment in that company as a subsidiary.

Fair value of the net identifiable assets acquired on the date of acquisition were as follows:

	Unit : Baht
Cash and cash equivalents	12,251,989
Trade and other current receivables	6,716,838
Inventories	1,744,632
Other current assets	224,601
Equipment	2,008,824
Other intangible assets	11,308,210
Other non-current assets	95,000
Trade and other current payables	(7,737,191)
Other current liabilities	(328,242)
Liabilities under finance lease agreements	(404,803)
Provisions for employee benefit	(1,689,899)
Deferred tax liabilities	(2,170,070)
Identifiable assets and liabilities	22,019,901
Less: Non-controlling interests (calculated by acquirer's identifiable net assets according to proportionate ownership held by non-controlling interests)	<u>(10,789,731)</u>
	11,230,150
Consideration transferred	52,020,000
Goodwill	40,789,830

Since the acquisition date until December 31, 2017, Synature has revenue of Baht 29.11 million and net profit of Baht 3.79 million that is included as a part of operating result in the consolidated financial statements for the year ended December 31, 2017.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash on hand	181,280	110,779	111,487	93,222
Cash at banks - current accounts	25,454,810	1,528,663	1,228,531	401,383
Cash at banks - savings accounts	176,126,996	91,750,371	172,770,636	91,876,561
Bills, short-term deposits	-	198,003,780	-	136,028,780
Checks in transit	-	1,007,234	-	1,007,234
Total	198,763,086	191,490,207	174,110,654	198,307,180

Cash and cash equivalents of the Company and its subsidiaries as at December 31, 2017 and 2016 were denominated entirely in Thai Baht.

As at December 31, 2017 and 2016, cash at banks has the effective interest rate at 0.37% per annum to 1.50% per annum and 0.50% per annum to 1.65% per annum, respectively.

6. CURRENT INVESTMENTS

Current investments as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	\$Mn	\$Mn	\$Mn	\$Mn
Time deposits with bank	77,796,314	109,124,557	77,796,315	109,000,000
	<u>77,796,314</u>	<u>109,124,557</u>	<u>77,796,315</u>	<u>109,000,000</u>

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	\$Mn	\$Mn	\$Mn	\$Mn
Trade receivables - other companies	27,632,869	22,553,699	7,287,376	14,909,623
Other receivables - related party	222,349	66,728	1,070,000	3,467
Accrued income	16,427,756	11,016,963	1,634,040	3,397,370
Accrued interest receivables - related party	-	-	123,000	-
Accrued interest receivables - financial institutions	907,348	128,096	303,629	129,704
Dividend receivables (see Note 10)	-	-	6,990,170	6,990,170
Prepaid expenses	2,874,000	2,314,799	499,916	463,257
Total	<u>49,374,612</u>	<u>36,064,791</u>	<u>20,318,061</u>	<u>28,500,713</u>

Aging analyses for trade receivables as at December 31 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	\$Mn	\$Mn	\$Mn	\$Mn
Trade receivables				
Current:				
Current	6,031,327	6,818,026	1,787,235	3,038,914
Overdue less than 1 month	7,785,741	7,112,377	2,800,247	4,767,594
Overdue 3 - 6 months	2,496,856	1,218,492	431,160	1,213,492
Overdue 6 - 12 months	1,455,000	1,128,344	693,081	1,128,544
Overdue over 12 months	2,296,000	1,348,348	2,177,000	1,348,548
	<u>20,064,916</u>	<u>17,525,987</u>	<u>7,548,754</u>	<u>11,593,112</u>
Long Allowance for doubtful debts	(211,178)	(665,289)	(261,178)	(665,289)
Trade receivables - net	<u>19,853,738</u>	<u>16,860,698</u>	<u>7,287,576</u>	<u>14,909,823</u>

8. SHORT-TERM LOANS TO RELATED PARTY

As at December 31, 2017, the Company has short-term loans to related party of Baht 5 million, which carried interest rates of 2.50% per annum, were unsecured and due within 6 months from the agreement date (2016 : Nil).

9. OTHER CURRENT ASSETS

Other current assets as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Value-added tax (net)	221,071	821,699	7,124	33,115
Receivable receivable	8,246	-	8,246	-
Others	781,273	213,892	743,173	213,892
Total	1,010,590	1,039,591	158,543	347,007

10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries as at December 31, consist of:

Name of subsidiaries	% of ownership		SEPARATE FINANCIAL STATEMENTS					
			Paid-up capital		Non-voting		Dividend income	
			2017	2016	2017	2016	2017	2016
	Tha.	Tha.	Baht	Baht	Baht	Baht	Baht	Baht
SPC Software of Thailand Co., Ltd.	50%	50%	11,041,480	11,041,480	11,041,480	11,041,480	-	11,041,480
Smart Technology Co., Ltd.	51%	-	11,041,480	-	11,041,480	-	-	-
					<u>22,082,960</u>	<u>11,041,480</u>		

As of December 31, 2017, the Company has dividend receivable in the amount of Baht 8.90 million (see Notes 7 and 24).

On June 20, 2017, the Company invested in Synature Technology Co., Ltd. with 81,000 common shares at par value of Baht 1,020 each, totaling Baht 82,620 million (see Note 4), or 51% of total paid-up share capital.

II. EQUIPMENT

Equipment as at December 31, amount of:

As at December 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2017 R\$B	Additions R\$B	Disposals through sales R\$B	Depreciation R\$B	Balance as at December 31, 2017 R\$B
Cost					
Telephone system	376,000	40,000	-	-	416,000
Office equipment	5,105,000	1,671,000	2,222,200	(270,000)	4,353,800
Furniture and fixtures	5,160,700	502,000	555,500	(240,000)	5,467,200
Leased equipment	900,000	200,000	-	(400,000)	700,000
Assets for investment	-	20,000	122,200	-	142,200
Total	<u>11,541,700</u>	<u>2,222,000</u>	<u>4,899,700</u>	<u>(1,110,000)</u>	<u>12,212,000</u>
Accumulated depreciation					
Telephone system	(181,000)	(20,000)	-	-	(201,000)
Office equipment	(2,008,511)	(1,181,000)	6,222,275	170,070	3,112,875
Furniture and fixtures	(2,200,000)	(200,000)	(400,000)	70,000	(2,030,000)
Leased equipment	(24,000)	(20,000)	-	40,000	(4,000)
Assets for investment	-	(10,000)	(20,000)	-	(30,000)
Total	<u>(4,413,511)</u>	<u>(1,430,000)</u>	<u>5,822,275</u>	<u>110,070</u>	<u>(1,131,226)</u>
Net book value	<u>7,128,189</u>	<u>7,912,000</u>	<u>4,077,425</u>	<u>(1,220,070)</u>	<u>10,980,774</u>

As at December 31, 2016

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance as at January 1, 2016 R\$B	Additions R\$B	Disposals R\$B	Balance as at December 31, 2016 R\$B
Cost				
Telephone system	65,000	20,000	-	85,000
Office equipment	5,411,000	1,480,700	(1,736,700)	5,155,000
Furniture and fixtures	2,700,000	340,000	(270,000)	3,170,000
Leased equipment	-	912,300	-	912,300
Total	<u>8,176,000</u>	<u>2,032,700</u>	<u>(2,006,700)</u>	<u>8,199,000</u>
Accumulated depreciation				
Telephone system	(11,000)	(20,000)	-	(31,000)
Office equipment	(2,170,000)	(140,000)	430,000	(1,880,000)
Furniture and fixtures	(2,200,000)	(20,000)	70,000	(2,150,000)
Leased equipment	-	(24,000)	-	(24,000)
Total accumulated depreciation	<u>(4,381,000)</u>	<u>(1,814,000)</u>	<u>430,000</u>	<u>(5,965,000)</u>
Net book value	<u>3,795,000</u>	<u>2,218,700</u>	<u>1,676,700</u>	<u>2,234,000</u>

Depreciation for the years ended December 31:

2017	R\$B	<u>1,890,000</u>
2016	R\$B	<u>1,874,200</u>

As at December 31, 2017

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2017	Increases	Decreases	Balance as at December 31, 2017
	Baht	Baht	Baht	Baht
Cost				
Triglycine system	270,000	40,000	-	310,000
Accounted depreciation	-	(20,000)	-	(20,000)
Office equipment	4,303,270	1,240,000	(190,000)	5,353,270
Furniture and fixtures	2,301,100	154,000	(91,200)	2,363,900
Total	7,874,370	1,414,000	(281,200)	9,007,170
Accumulated depreciation				
Triglycine system	(100,000)	30,000	-	(70,000)
Accounted depreciation	-	(1,000)	-	(1,000)
Office equipment	(2,214,100)	(440,000)	101,100	(2,553,000)
Furniture and fixtures	(2,200,000)	(100,000)	93,200	(2,206,800)
Total accumulated depreciation	(4,514,100)	(510,000)	294,300	(4,729,800)
Net book value	3,360,270	904,000	(586,900)	3,677,370

As at December 31, 2016

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2016	Increases	Decreases	Balance as at December 31, 2016
	Baht	Baht	Baht	Baht
Cost				
Triglycine system	270,000	20,000	-	290,000
Office equipment	4,267,700	1,240,000	(4,710,000)	4,807,700
Furniture and fixtures	2,301,100	91,000	(47,100)	2,345,000
Total	6,838,800	1,551,000	(5,167,100)	7,222,700
Accumulated depreciation				
Triglycine system	(90,000)	27,000	-	(63,000)
Office equipment	(2,044,000)	(440,000)	4,710,000	(2,774,000)
Furniture and fixtures	(2,080,000)	(100,000)	77,000	(2,103,000)
Total accumulated depreciation	(4,114,000)	(513,000)	4,887,000	(3,740,000)
Net book value	2,724,800	1,038,000	(280,100)	3,482,700
Depreciated for the years ended December 31,				
2017	-	-	513,000	513,000
2016	-	-	513,000	513,000

As at December 31, 2017 and 2016, costs of equipment which are fully depreciation and still in use by the Company and its subsidiaries are Baht 4.32 million and Baht 2.72 million, respectively (Company: Baht 2.98 million and Baht 2.58 million, respectively).

12. OTHER INTANGIBLE ASSETS

Other intangible assets as at December 31, consist of:

As at December 31, 2017:

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2017 (R\$)	Additions (R\$)	Acquisitions through business combinations (R\$)	Disposals (R\$)	Balance as at December 31, 2017 (R\$)
Goodwill					
Corporate software	11,806,617	30,000	12,204,248	-	24,040,865
Customer relationships	21,241,287	-	-	-	21,241,287
Total goodwill	33,047,904	30,000	12,204,248	-	45,282,152
Accumulated amortization:					
Corporate software	(1,995,048)	(6,993,641)	2,960,091	-	(5,748,598)
Customer relationships	(12,792,177)	(8,229,648)	-	-	(21,021,825)
Total accumulated amortization	(14,787,225)	(15,223,289)	2,960,091	-	(27,050,423)
Software under development	4,367,744	4,368,249	-	-	8,735,993
Intangible assets	42,628,423	-	-	-	42,628,423

As at December 31, 2016:

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2016 (R\$)	Additions (R\$)	Disposals (R\$)	Transfer in (R\$)	Balance as at December 31, 2016 (R\$)
Goodwill					
Corporate software	9,542,000	9,13,000	(10,022)	26,331,224	35,076,002
Customer relationships	21,241,287	-	-	-	21,241,287
Total goodwill	30,783,287	9,13,000	(10,022)	26,331,224	56,417,591
Accumulated amortization:					
Corporate software	(213,042)	(1,812,866)	36,820	-	(2,089,088)
Customer relationships	(10,234,312)	(8,229,648)	-	-	(18,463,960)
Total accumulated amortization	(10,447,354)	(10,042,514)	36,820	-	(20,527,048)
Software under development	21,436,729	6,412,989	-	(20,189,224)	4,660,494
Intangible assets	41,772,662	-	-	-	41,772,662

Amortization for the years ended December 31:

2017

(R\$)

12,247,490

2016

(R\$)

7,088,412

As at December 31, 2017

	SEPARATE FINANCIAL STATEMENTS			Balance as at December 31, 2017
	Balance as at January 1, 2017	Additions	(Disposals)	
	Rs.	Rs.	Rs.	Rs.
Cost				
Computer software	1,370,031	1,209	-	1,371,240
Total cost	1,370,031	1,209	-	1,371,240
Accumulated amortization:				
Computer software	(816,631)	(442,991)	-	(1,259,622)
Total accumulated amortization	(816,631)	(442,991)	-	(1,259,622)
Software under development	1,507,794	2,337,270	-	3,845,064
Intangible assets	2,061,194	2,337,270	-	4,398,464

As at December 31, 2016

	SEPARATE FINANCIAL STATEMENTS			Balance as at December 31, 2016
	Balance as at January 1, 2016	Additions	(Disposals)	
	Rs.	Rs.	Rs.	Rs.
Cost				
Computer software	1,338,818	772,480	(10,821)	1,399,617
Total cost	1,338,818	772,480	(10,821)	1,399,617
Accumulated amortization:				
Computer software	(107,773)	(434,676)	31,826	(510,623)
Total accumulated amortization	(107,773)	(434,676)	31,826	(510,623)
Software under development	-	1,507,794	-	1,507,794
Intangible assets	121,045	1,507,794	31,826	1,507,129
Amortization for the years ended December 31:				
2017			Rs.	(442,891)
2016			Rs.	(378,878)

As at December 31, 2017 and 2016, costs of intangible assets which are fully amortized and will in use by the Company and its subsidiaries are Rs.02 million and Rs.0.005 million, respectively. (Company) Rs.0.02 million and Rs.0.005 million, respectively).

13. DEFERRED TAX

Deferred tax assets and liabilities as at (December 31), consist of the following:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Deferred tax assets	43,214	7,074	43,214	7,074
Deferred tax liabilities	(1,039,955)	-	-	-
Total	(1,000,741)	7,074	43,214	7,074

The movements of deferred tax assets and liabilities during the years are as follows:

As at December 31, 2017:

	CONSOLIDATED FINANCIAL STATEMENTS			YTD Euro
	Balance as of January 1, 2017	Acquisition through business combination	Recognized in profit or loss	Balance as of December 31, 2017
Deferred tax assets:				
Provisions for employee benefits	7,074	-	36,140	43,214
Total	7,074		36,140	43,214
Deferred tax liabilities:				
Discontinuation of a business's asset (regarding business acquisition)	-	(2,170,079)	236,124	(1,933,955)
Total	-	(2,170,079)	236,124	(1,933,955)
Total deferred tax assets and liabilities	7,074			(1,890,741)

	SEPARATE FINANCIAL STATEMENTS			YTD Euro
	Balance as of January 1, 2017	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of December 31, 2017
Deferred tax assets:				
Provisions for employee benefits	7,074	36,140	-	43,214
Total deferred tax assets	7,074	36,140		43,214

As at December 31, 2016:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			YTD Euro
	Balance as of January 1, 2016	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of December 31, 2016
Deferred tax assets:				
Provisions for employee benefits	6,147	97	(101)	7,074
Total deferred tax assets	6,147	97	(101)	7,074

According to the Revenue Code Amendment Act (No. 42) B.E. 2559 which is effective from March 5, 2016 onwards, the corporate income tax is reduced from 30 % to 20% of net profit for accounting period beginning on or after January 1, 2016 onwards.

Therefore, the Company and its subsidiaries used a tax rate of 20% for calculation the corporate income tax and deferred tax for the years ended December 31, 2017 and 2016.

Income tax expenses recognized in statement of profit or loss and other comprehensive income for the years ended December 31, are as follows:

	COMBINED		Fair / Base	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current income tax expense	1,901,222	(1,411)	1,902,215	(1,411)
Adjustment prior year income tax expense	6,000	-	-	-
Deferred tax recognized in the current year	(206,204)	(977)	(206,100)	(977)
Total income tax expense recognized in the current year	1,701,018	(1,488)	1,696,115	(1,488)

Income tax expenses for the years ended December 31, can be reconciled to the accounting profit as follows:

	COMBINED		Fair / Base	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Accounting profit before income tax expense				
- income tax exemption business	27,142,790	(3,368,341)	1,309,676	41,902,129
- non-income tax exemption business	6,757,413	30,632	1,120,000	30,632
Total accounting profit before income tax expense	33,890,203	27,270,609	2,429,676	41,932,732
Tax rate	20%	20%	20%	20%
Income tax expense using applicable tax rate	6,778,041	5,454	485,935	8,388
Adjustment prior year income tax expense	6,000	-	-	-
The effect of non-deductible items in calculating taxable profit	(111,000)	9,200	60,000	9,200
Effect of unused tax losses	25,000	-	-	-
Deferred tax credits relating to the temporary differences	(206,204)	(977)	(206,100)	(977)
Total income tax expense in current year recognized in profit or loss	1,701,018	(1,488)	1,696,115	(1,488)

14. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 BRL	2016 BRL	2017 BRL	2016 BRL
Deposits	11374	96,173	8,190	8,590
Deposits for office and equipment rental	3,337,949	1,827,368	467,945	423,228
Withholding tax	311,285	138,183	311,285	138,183
Cash at bank and cash equivalents used as collateral (see Note 211)	3,323,969	4,338,272	-	421,272
Total	6,887,277	6,399,996	887,420	1,091,273

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 BRL	2016 BRL	2017 BRL	2016 BRL
Trade payables - other companies	11,102,666	3,490,786	-	-
Other payables - other companies	1,196,235	3,071,668	188,411	1,895,873
Deposits from customers	18,416	181,033	-	181,033
Accrued expenses	6,362,217	9,641,823	3,238,809	4,573,340
Unearned revenue	21,282,238	14,521,956	18,888,614	15,277,752
Total	42,161,562	31,913,266	22,115,834	31,848,998

16. LIABILITIES UNDER FINANCE LEASE AGREEMENT

Liabilities under finance lease agreement as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minimum future lease payments		Present value of minimum lease payments	
	2017 BRL	2016 BRL	2017 BRL	2016 BRL
Within 1 year	120,648	-	127,736	-
Greater than 1 year but not longer than 5 years	622,172	-	182,849	-
	742,820	-	310,585	-
Less: Deferred interest	38,136	-	-	-
	704,684	-	310,585	-

17. PROVISIONS FOR EMPLOYEE BENEFIT

The Company and its subsidiaries operate retirement benefit plans under the Labor Protection Act and the Company and its subsidiaries retirement benefit plan, which are considered as individual defined benefit plans.

Amounts recognized in the statements of profit or loss and other comprehensive income in respect of these defined benefit plans for the years ended December 31, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Current service cost	1,221,243	898,878	798,281	645,262
Interest cost	136,096	96,260	107,808	87,876
	<u>1,357,340</u>	<u>995,138</u>	<u>906,181</u>	<u>733,138</u>

Movements in the present value of the post-employment benefit obligations plans for the years ended December 31, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Beginning balance of post-employment benefit obligations	4,453,818	4,285,028	3,952,294	3,838,695
Acquisitions through business combination	1,209,999	-	-	-
Net Current service cost	1,221,243	898,878	798,281	645,262
Interest cost	136,096	96,260	107,808	87,876
Gain (losses) or reversals of defined benefit plans				
- Arising from experience adjustments	(618,342)	343,833	-	349,184
- Arising from financial assumptions	33,843	179,723	-	111,222
- Arising from demographic assumptions	38,861	(613,642)	-	(499,675)
- Arising from calculation method	(811,889)	-	-	-
Less: paid during the year	-	(688,860)	-	(688,860)
Ending balance of post-employment benefit obligations	<u>4,108,491</u>	<u>4,205,538</u>	<u>4,818,433</u>	<u>4,951,398</u>

The principal actuarial assumptions used to calculate the provision under the retirement benefit plans as at December 31, are as follows:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Discount rate (p.a.)	2.2% - 3.0%	2.2% - 3.0%	2.2%	2.2%
Expected rate of salary increase (p.a.)	4.0% - 5.0%	4.0% - 5.0%	3.0%	4.0%
Voluntary resignation rate				
- Dependent on employee's age (p.a.)				
- Monthly employees	0% - 2%	0% - 2%	0% - 0%	0% - 0%

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the provisions for employee benefits as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		B&B: B&B SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
Discount rate				
Discount rate, decrease of 1 percent	(729,049)	518,081	598,809	429,429
Discount rate, increase of 1 percent	(613,653)	(608,136)	(629,420)	(363,356)
Salary increase rate				
Salary increase rate, decrease of 1 percent	(169,896)	(107,802)	(488,431)	(377,440)
Salary increase rate, increase of 1 percent	781,889	600,384	569,888	417,248
Turnover rate				
Turnover rate, decrease of 1 percent	308,637	238,309	221,071	180,443
Turnover rate, increase of 1 percent	(167,544)	(243,786)	(166,066)	(191,848)

18. PROVIDENT FUNDS AND EMPLOYEE JOINT INVESTMENT PROGRAM

18.1 Provident Funds

The defined contribution plan comprise 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, 2017 and 2016, 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 Bhatt 2.01 million and Bhatt 1.58 million, respectively (Company: Bhatt 1.70 million and Bhatt 1.34 million, respectively).

18.2 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 same amount 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.

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 year ended December 31, 2017, the contribution of the Company recognized as expenses in the consolidated and separate statements of profit or loss and other comprehensive income is Baht 1.24 million.

19. SHARE CAPITAL

On May 31, 2016, the Company's Extraordinary Shareholders' Meeting No. 1/2016 has passed the resolutions for approval on the matters as follows:

- (1) The Company increases its registered share capital from Baht 14,477,700 to Baht 50,000,000 by issuing 355,223 new ordinary shares with a par value of Baht 100 each, totaling Baht 35,522,300 and offer the 355,223 new ordinary shares to the existing shareholders in proportion of shareholding in the amount of Baht 100 each. The Company received cash from the subscriptions of the increased share capital on June 2, 2016 and registered the increase in such paid-up share capital with the Department of Business Development on June 6, 2016.
- (2) The Company changes its par value of the ordinary shares from Baht 100 per share, totaling 500,000 shares, to Baht 0.50 per share, totaling 100,000,000 shares by splitting one ordinary share at a par value of Baht 100 per share into 200 ordinary shares at a par value of Baht 0.50 per share, and approved a change of the Company's Memorandum of Association in accordance with such change in the par value of the Company's share. The Company has registered the change in the par value with the Department of Business Development on June 10, 2016.
- (3) The Company increases its registered share capital from Baht 50,000,000 to Baht 67,000,000 by issuing 34,000,000 new ordinary shares with a par value of Baht 0.50 each, totaling of Baht 17,000,000 for issuing its share capital to the initial public offering. The Company registered the increase in registered share capital with the Department of Business Development on June 10, 2016 and registered the increase in such paid-up share capital with the Department of Business Development on November 7, 2016.

The Company had offered 34,000,000 new ordinary shares at an offering price of Baht 7.80 per share with a par value of Baht 0.50 per share. This resulted in shares premium amounting to Baht 237.65 million, net of costs of issuing new ordinary shares of Baht 10.52 million.

During 2016, the Company had changed the par value of the Company's ordinary shares from Hahit 100 per share to Hahit 0.50 per share by splitting one ordinary share at a par value of Hahit 100 per share into 200 ordinary shares at a par value of Hahit 0.50 per share. Consequently, the weighted average number of ordinary shares for the year ended December 31, 2016 were as follows:

	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS For the year ended December 31, 2016 Shares
Number of shares after an effect of change of the par value	
Change of shares as previously reported (44,777 shares x split share ratio 1 share : 200 shares)	29,953,400
(Number of increased share capital of 353,223 x split share ratio 1 share : 200 shares x 200/100 days)	40,569,189
(Number of increased share capital of 34,000,000 shares x 55/360 days)	1,109,280
Number of weighted ordinary shares outstanding after effect of change of the par value (see Note 20)	<u>71,631,874</u>

Share premium

Section 5) of the Public Limited Companies Act B.E. 2535 requires a company to set aside share subscription monies received in excess amounts of the par value of the shares issued in a reserve account ("share premium"). Share premium is not available for dividend distribution.

For the year ended December 31, 2017, the Company had recognised additional direct expenses relating to the initial public offering shares by netting off with the premium on share capital of Hahit 2.76 million.

20. EARNING PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2017 and 2016 were based on the net profit for the years attributable to ordinary shareholders of the Company and the number of weighted average ordinary shares issued and paid-up during the years. Basic earnings per share for the years ended December 31, 2017 and 2016 which were calculated including an effect of change of the par value (see Note 19) in order to represent a change in earnings per share as a result of such change of the par value, were as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 Bahit	2016 Bahit	2017 Bahit	2016 Bahit
Basic earnings per share				
Profit attributable to ordinary shareholders of the Parent	80,146,319	33,367,534	21,022,557	43,001,287
Number of weighted ordinary shares outstanding (see Note 19)	111,666,940	71,631,874	111,666,940	71,631,874
Basic earnings per share (Bahit)	<u>0.72</u>	<u>0.47</u>	<u>0.19</u>	<u>0.58</u>

11. LEGAL RESERVE

Under the Public Companies Act, the Company is required to set aside as a statutory reserve at least 5% of its net profit after deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. Dividend cannot be paid out of the legal reserve.

Under the provision of the Civil and Commercial Code of Thailand, the subsidiary company is required to set aside as a legal reserve at least 5% of their net profit each time a dividend is declared until the reserve reaches 10% of registered capital. such reserve is not available for dividend distribution.

12. DIVIDEND PAID

On March 14, 2016, the Company's Annual General of Shareholders' Meeting No. 1/2016 has passed the resolution to approve the dividend payment for 144,777 ordinary shares at Baht 16.94 each, totalling Baht 2.45 million. The meeting also approved the appropriated legal reserve of Baht 1,046,566. Such dividend was paid on March 23, 2016.

On May 13, 2016, the Company's Board of Directors' Meeting No. 2/2016 has passed the resolution to approve the interim dividend payment for 144,777 ordinary shares at Baht 62.16 each, totalling Baht 9.00 million. The meeting also approved the appropriated legal reserve of Baht 231,204. Such dividend was paid on May 16, 2016.

On August 8, 2016, the Company's Board of Directors' Meeting No. 4/2016 has passed the resolution to approve the interim dividend payment for 100,000,000 ordinary shares at Baht 0.148 each, totalling Baht 14.89 million. The meeting also approved the appropriated legal reserve of Baht 900,000. Such dividend was paid on September 28, 2016.

On April 23, 2017, the Annual General of Shareholders' Meeting No. 1/2017 has passed the resolutions for approval the dividend payment for 134,000,000 ordinary shares at Baht 0.051 each, totalling Baht 6.82 million. Such dividend was paid on May 26, 2017.

13. CAPITAL MANAGEMENT

The Company's objective in managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The management sets strategies to support the Company's business operations to be more efficiency including setting dividend and capital management policies to maintain the optimal capital structure and cost of capital.

24. RELATED PARTIES TRANSACTION

Related parties are those parties linked to the Company by common shareholders or directors. Transactions with related parties are conducted at prices based on market prices or, where no market price exists, at contractually agreed prices.

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

	Pricing Policies
Services fee paid	Market Rates
Interest income	2.50% p.a.
Directors' and management remuneration (agreed without presence, meeting attendance, salary and bonus)	The amounts are approved by the Company's directors and shareholders

24.1 Outstanding balances at the statements of financial position dates

Balances with related parties as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	RsM	RsM	RsM	RsM
Investment in subsidiaries				
MSI Software (Pvt) Ltd	-	-	112,250,000	112,250,000
Software Technology Pk. Ltd	-	-	12,020,000	-
Total			124,270,000	112,250,000
Other receivables				
MSI Software (Pvt) Ltd	-	-	6,000,000	-
Total			6,000,000	-
Share receivables				
MSI Software (Pvt) Ltd	-	-	9,000,000	-
Total			9,000,000	-
Accrued income				
MSI Software (Pvt) Ltd	-	-	-	500,000
Total				500,000
Dividend receivables				
MSI Software (Pvt) Ltd	-	-	8,800,000	8,800,000
Total			8,800,000	8,800,000
Accrued interest receivables				
MSI Software (Pvt) Ltd	-	-	111,000	-
Total			111,000	-

24.2 Amounts of related parties transactions incurred during the year

Significant transactions with related parties for the years ended December 31, are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	RsM	RsM	RsM	RsM
Management fee				
MSI Software (Pvt) Ltd	-	-	500,000	500,000
Total			500,000	500,000

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Dividend income				
MSI Software (Thailand) Co., Ltd.				20,000,000
Total				20,000,000
Interest income				
Major subsidiary		100,122		100,122
MSI Software (Thailand) Co., Ltd.		122	122,000	122
Total		100,244	122,000	100,244
Directors and key management's remuneration				
Directors Remuneration	11,000,000	11,000,000	11,000,000	11,000,000
Key management Remuneration	220,000	220,000	220,000	220,000
Total	11,220,000	11,220,000	11,220,000	11,220,000

- 34.3 On January 1, 2017, the Company has entered into service agreement with its subsidiary. This contract requires the Company to provide services, including management and other business operation support, to the subsidiary. The Company charged service fee as agreed by both parties based on estimated time spent and cost incurred plus margin as follows:

Company Name	Period of contract	Annual fee Baht
MSI Software (Thailand) Co., Ltd.	January 1 - December 31, 2017	500,000

25. INVESTMENT PROMOTION CERTIFICATE

On February 20, 2009, the Company was granted the privileges according to the Promotional Certificate No. 1156(7)/2552 by the Board of Investment for business type 5.8 of Enterprise Software and 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 8 years, from the first date of that income from the operation is derived from such business which was on September 3, 2009.

On August 14, 2015, the subsidiary was granted the privileges according to the Promotional Certificate No. 58-2012-1-01-2-0 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 for a period of 7 years, from the first date that income from the operation is derived from such business which was on September 30, 2015.

On October 8, 2009, the subsidiary was granted the privileges according to the Promotional Certificate No. 1776(7)/2552 by the Board of Investment for business type 5.8 of Enterprise Software and 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 8 years, from the first date of that income from the operation is derived from such business which was on October 20, 2009.

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

	CONSOLIDATED FINANCIAL STATEMENTS		
	2017		
	Promoted Business Bht	Non-Promoted Business Bht	Total Bht
Revenue from sales and rendering services - domestic	115,388,409	38,847,555	182,236,064
Revenue from sales and rendering services - overseas	11,338,133	1,011,731	12,349,864
Total	126,726,542	39,859,286	174,585,828

	CONSOLIDATED FINANCIAL STATEMENTS		
	2016		
	Promoted Business Bht	Non-Promoted Business Bht	Total Bht
Revenue from sales and rendering services - domestic	111,611,822	118,433	111,730,255
Revenue from sales and rendering services - overseas	21,326,000	-	21,326,000
Total	132,937,822	118,433	133,056,255

	SEPARATE FINANCIAL STATEMENTS		
	2017		
	Promoted Business Bht	Non-Promoted Business Bht	Total Bht
Revenue from sales and rendering services - domestic	87,725,391	18,196,709	81,922,299
Revenue from sales and rendering services - overseas	8,974,678	976,872	9,951,550
Total	96,699,969	19,173,581	91,773,444

	SEPARATE FINANCIAL STATEMENTS		
	2016		
	Promoted Business Bht	Non-Promoted Business Bht	Total Bht
Revenue from sales and rendering services - domestic	81,232,558	118,433	81,367,991
Revenue from sales and rendering services - overseas	11,267,314	-	11,267,314
Total	92,499,872	118,433	92,615,305

26. OPERATING SEGMENT INFORMATION

Operating segment information is reported in a manner consistent in the annual 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 Group operates in only one segment which is in the business of selling 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 statement for the years ended December 31, are as follow:

	For the year ended December 31, 2017			For the year ended December 31, 2016		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	Rmb	Rmb	Rmb	Rmb	Rmb	Rmb
Revenue from sales and rendering services	102,234,864	112,941,864	215,176,728	143,798,233	31,124,669	174,922,902
Cost of sales and rendering services	60,628,296	1,260,948	61,889,244	38,024,052	2,684,292	40,708,344
Gross profit	41,606,568	111,680,916	153,287,484	105,774,181	28,440,377	134,214,558

Information about major customers

For the year ended December 31, 2017, the Group has revenue from sales and rendering services from external customers over 10% of total revenue, totaling 2 customers amounting to Rmb 45.17 million (2016: Nil).

27. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, mainly consist of the following items:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017	2016	2017	2016
	Rmb	Rmb	Rmb	Rmb
Rental and office expense	1,151,891	1,102,216	1,144,096	1,079,819
Employee expenses	68,881,249	68,811,816	68,827,962	61,148,816
Vehicle and accommodations	1,031,419	1,248,676	1,220,019	1,087,939
Electricity and water supply	4,193,248	3,292,272	3,888,219	3,724,496
Professional fee and fee	10,021,340	9,806,182	7,488,928	5,328,877
Depreciation and amortization	16,136,519	9,148,663	1,355,887	1,293,088
Advertising expenses and promotion expenses	4,062,236	4,348,887	3,665,875	4,977,787
Warranty provision	(8,586,489)	14,031,218	798,751	1,556,649
Finance cost	65,881	41,236	-	38
Other expenses	(1,707,344)	1,396,205	891,032	1,311,854
Decrease of derivative assets and liabilities	(298,111)	1,066,551	(298,111)	1,066,551
Business expense of Director	1,121,000	1,810,000	1,300,000	1,810,000

28. FINANCIAL INSTRUMENTS

28.1 Credit risk

Credit risk refers to the risk that trade receivables will default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. However, the Company and its subsidiaries do not have any damage accrued from non-compliance with its contractual obligations of the trade receivables and expect that there is no credit risk.

In the case of recognized financial assets in the statement of financial position, the carrying amount of the assets recorded as net book value in the statement of financial position, represents the maximum exposure to credit risk.

28.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company and its subsidiaries in the current reporting period and in future years. In case the interest rate is higher, it will have an impact to the Company and its subsidiaries' operation since most of the Company and its subsidiaries' borrowings bear the floating interest rates. However, during the year 2017, the Company and its subsidiaries do not have any interest rate risk because the Company and its subsidiaries do not have any borrowings.

28.3 Exchange rate risk

Exchange rate risk arises from the potential for a change in exchange rate to have an adverse effect on the Company and its subsidiaries in the current year and in future years. However, the effect of the change in exchange rate does not have a material impact on the Company and its subsidiaries because there are no significant foreign currency transactions.

28.4 Fair value of financial instruments

For the fair value disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and subsidiaries in estimating fair value of financial instruments:

Financial assets and financial liabilities not measured at fair value

Cash and cash equivalents, trade and other current receivables, accrued income, accrued interest income, short-term loans to related party, restricted bank deposits, trade and other current payables, current income tax payable and other current liabilities have approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Liabilities under finance lease agreement have approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

29. COMMITMENTS**29.1 Letters of guarantee**

As at December 31, 2017 and 2016, the subsidiary has letters of guarantee issued by commercial banks of Baht 3.42 million and Baht 3.73 million, respectively, to guarantee the performance of the contract which are secured by the subsidiary's cash at bank (see Note 14).

29.2 Operating leases

As at December 31, 2017 and 2016, the Company and its subsidiaries have the operating lease agreements for office and service covering the period of 3 years. The future rental payments and service fee are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Within 1 year	1,594,571	7,454,400	1,218,311	5,245,680
Over 1 year but not later than 3 years	711,000	1,231,193	-	1,201,115
Total	4,305,571	14,685,593	1,218,311	6,446,795

The Company and its subsidiaries paid rental and recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2017 and 2016 of Baht 6.83 million and Baht 5.19 million, respectively (Company: Baht 3.34 million and Baht 3.68 million, respectively).

30. SIGNIFICANT AGREEMENTS

The Company has made the distributor agreements for the distribution abroad of the Company's computer software which the main objective is to represent the 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.

31. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2016, to conform to the classification used in current period's financial statements (see Note 2.2). Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

Account	Previous presentation	Current presentation	Amount (Baht - Baht)	
			Consolidated Financial Statements	Separate Financial Statements
Current tax assets (Baht current assets which presented under current assets)		Current tax assets which presented under current assets	106,100	101,100

Moreover, the brief particulars in the financial statements for the years ended December 31, 2017 and 2016 have changed to comply with the Notification of the Department of Business Development dated October 11, 2016 (see Note 2.7). Significant changes in the brief particulars are as follows:

Financial Statements	Previous name of brief particular	Current name of brief particular
Statement of financial position	Employee benefit obligations	Provisions for employee benefits
Statement of profit or loss	Selling expense	Distribution cost

32. EVENTS AFTER THE REPORTING PERIOD

On February 26, 2018, the Company's Board of directors' Meeting No. 2/2018 has passed the resolutions to propose to the Annual General Shareholders' Meeting for consideration and approval as follows:

- (1) To sell 234,610 ordinary shares of MSE Software (Thailand) Company Limited to the former shareholders, totaling Baht 114.42 million.
- (2) Dividend payment for 134,000,000 ordinary shares at Baht 0.063 each, totaling Baht 8.44 million. Such dividend will be paid on May 22, 2017.

33. APPROVAL OF FINANCIAL STATEMENTS

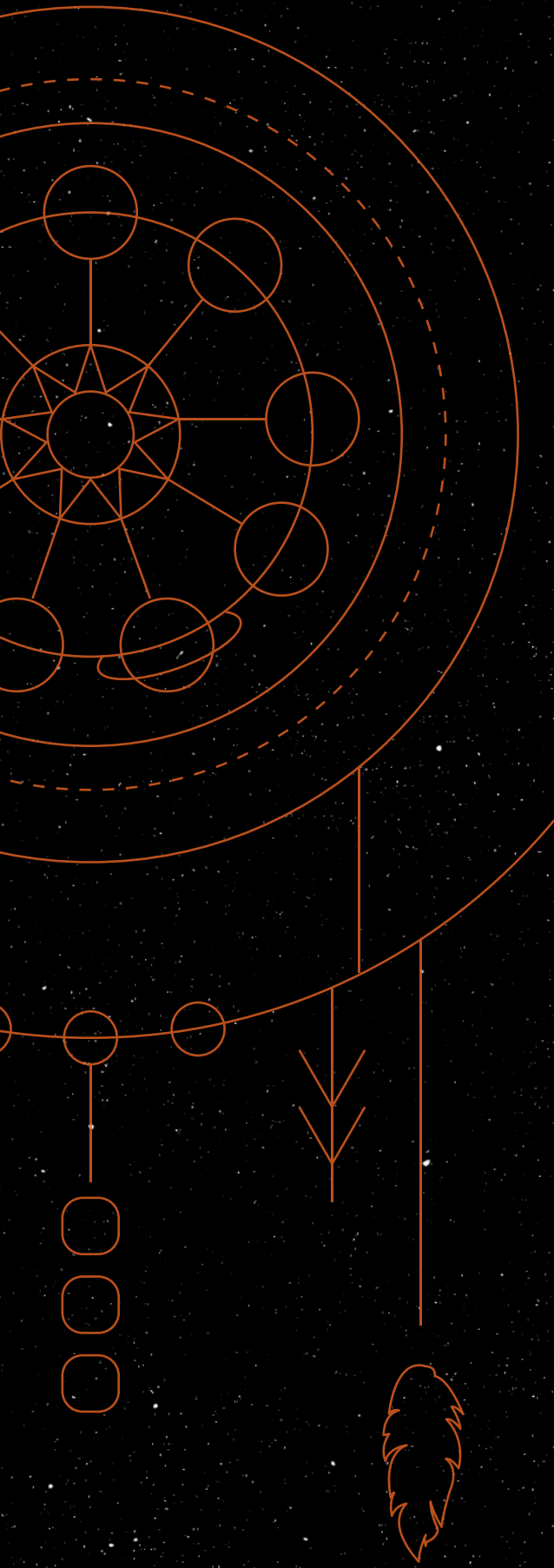
These financial statements have been approved for issuance by the Company's Board of directors on February 26, 2018.



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