



Comanche International
Public Company Limited

ANNUAL REPORT

2016

A hand holding a glowing orb containing a city skyline, with a dreamcatcher and airplane in the background.

HOTEL SEAMLESS INTEGRATED SOLUTION

Message from Chairman of the Board

Mr. Chanitr Charnchainarong

Last year is the first year that COMAN went public and our company went through a rigorous vetting process. This was a key milestone for our company. The Board of Directors and the management team are committed to make our business grow rapidly by going from hotel-management software developer to become a leading software developer for the tourism industry. The acquisition of MSL will be of great benefits for us in the management and analysis of information.

The company also used the capital we got from the IPO to invest in companies who work in developing tourism-related software so that the company's service will become more comprehensive, covering every aspect of the tourism industry. COMAN will use part of the capital to improve our software so that we will truly become the leader in using the most advanced and sophisticated technology.

Apart from our continuous development, COMAN is also expanding our client base across the world. We expand abroad through both direct sales and our representatives to ensure that COMAN can become a global player who is a leader in developing comprehensive tourism software.



Mr. Chanitr Charnchainarong

Chairman of the Board



Message from Chief Executive Officer

Mr. Somboon Sukheviriya

Dear Shareholders

Comanche International Public Company Limited (“COMAN”) is dedicated to develop our business and Thailand’s tourism industry to become most competitive in ASEAN and the world. COMAN believes that software development has the potential to help hotel industry, as well as others, to operate more systematically, precisely, and comprehensively without flaws in operational system and its personnel. COMAN also emphasizes the development of human resources, both in our own organization and in the education system. We believes that the key base for a successful business is the human resource. Indeed, people are the primary focus of COMAN. That is why we create a project to all 13 leading Universities in Thailand to use our software to teach students, as well as to create a strong and sustainable foundation for the hotel software industry.

Another important mission of COMAN is to become a leader in the tourism industry. COMAN’s policy is to expand our business to cover the tourism industry, such as software for restaurants, golf courses, spas, and other businesses. We believe that this will help COMAN become a leader in the industry and realize the company’s slogan: “Transforming to be The Leader of Tourism Technology”.



Mr. Somboon Sukheviriya
Chief Executive Officer



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**Management and
Corporate Governance**

Board of Directors
Management Team



1. Mr. Chanitr Charnchainarong
2. Mr. Somboon Sukheviriya
3. Mr. Chim Tantiyaswasdikul, PhD.
4. Mrs. Dolrudee Pornpipat
5. Mr. Kris Panijpan, PhD.
6. Mr. Gancanapol Geert Marcel Cyriel Van Compennolle
7. Mr. Apichai Sakulsureeyadej

Mr. Chanitr Charnchainarong

Chairman of the Board / Independent Director



Age (Years)

53 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

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

Training

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

Work Experience in the Past 5 Years

2015 - Present
Independent Director/Chairman of the Board,
Comanche International Public Company Limited

Other listed companies

2015 - Present
Independent Director/Audit Committee
GMM GRAMMY PLC

Other companies and organizations

- 2016 - Present
Independent Director,
Strategic Property Investor Co., Ltd.
- 2016 - Present
Senior Executive Vice President/Business Development/
Central Group Co., Ltd.
- 2015 - Present
Independent Director/Chairman of the Audit Committee
United Overseas Bank PLC
- 2014 - 2015
Deputy Managing Director,
Stock Exchange of Thailand
- 2006 - 2015
President,
Market for Alternative Investment (MAI)

Mr. Somboon Sukheviriya

**Authorized Director/Risk Management Committee
Chairman of the Executive Committee/Chief Executive Officer**



Age (Years)

55 Years

Family Relationship with other executives

None

Ownership of Company (%)

30.45%

Educational Background

- Bachelor's degree Business
management, Ramkhamhaeng University

Training

- Director Accreditation Program (DAP)
Class 121/2015 Thai Institute of Directors (IOD)

Work Experience in the Past 5 Years

2003 - Present
Director (Authorized director)/Risk Management
Committee/Chairman of the Executive Committee/
Chief Executive Officer,
Comanche International Public Company
Limited

2015 - Present
Director (Authorized director),
MSL Software (Thailand) Co., Ltd.

Other companies and organizations

2015
Director (Authorized director),
PT. COMANCHE INTERNATIONAL INDONESIA

2011 - 2015
Director (Authorized director),
COMANCHE INTERNATIONAL MALAYSIA
SDN BHD

2013 - 2015
Director (Authorized director),
COMANCHE INTERNATIONAL VIETNAM
CO., LTD.

2015
Director,
Iyara VC Co., Ltd.

Mr. Apichai Sakulsureeyadej

**Authorized Director/Risk Management Committee
/Executive Director**



Age (Years)

39 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

29.25 %

Educational Background

- Bachelor of Science Information Systems, University of Melbourne, Australia

Training

- Director Accreditation Program (DAP) Class
121/2015 Thai Institute of Directors (IOD)

Work Experience in the Past 5 Years

2015 - Present

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

2007 - Present

Director (Authorized director)/
Chief Executive Officer,
MSL Software (Thailand) Co., Ltd.

Other companies and organizations

2015 - 2015

Director,
Iyara VC Co., Ltd.

2013 - 2015

Director,
Software Park Thailand

2012 - 2015

Director (Authorized director),
PEEPLEPASS PTE. LTD., Singapore

2007 - Present

Chairman and Founder,
Tourism Technology Association

Mr. Gancanapol Geert Marcel Cyriel Van Compernelle

Director/Risk Management Committee



Age (Years)

35 Years

Family Relationship with other executives

-None-

Ownership of 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
115/2015 Thai Institute of Directors (IOD)

Work Experience in the Past 5 Years

2015 - Present

Director/Risk Management Committee,
Comanche International Public Company Limited

2015 - 2015

Business Analysis,
MSL Software (Thailand) Co., Ltd.

Other listed companies

2012 - 2013

Independent Director,
L.V. Technology PLC

2013 - 2016

Audit Committee,
L.V. Technology PLC

Other companies and organizations

2015 - Present

Managing Partner,
Ross & Van Compernelle

2007 - 2014

Director,
Voxtron International, Belgium

2012 - 2014

Vice President,
SCB Securities Co., Ltd.

2010 - 2012

Vice President,
Merchant Partners Asset Management Limited

Mr. Chim Tantiyaswasdikul, PhD.



Independent Director/Chairman of the Audit Committee

Age (Years)

64 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- PhD., Statistics, University of Michigan, USA
- Master's degree, Computer, Information and Control Engineering, University of Michigan, USA
- Bachelor's degree, Computer and Communication Science, University of Michigan, USA

Training

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

Work Experience in the Past 5 Years

2015 - Present

Independent Director/Chairman of the Audit Committee, Comanche International Public Company Limited

Other companies and organizations

2015 - Present

Chairman of the Board/Independent Director/
Member of subcommittee,
Bangkok Commercial Asset Management Co., Ltd.
Office of Insurance Commission

2014 - Present

Member of Subcommittee for Data Center development,
Office of The National Broadcasting and Telecommunications Commission

2014 - Present

Independent Director Audit Committee,
National ITMX

2013 - Present

Member of Subcommittee,
Deposit Protection Agency

2011 - 2012

Advisor to Governor for Information Technology Group, Bank of Thailand

2005 - 2011

Assistant Governor for Information Technology Group, Bank of Thailand

2007 - 2013

Chair of Subcommittee on electronic transaction oversight,
Ministry of Information and Communication

2007 - 2009

Member of Subcommittee on research and development of electronic transaction,
Ministry of Information and Communication

2006 - 2013

Member of Committee on electronic transaction,
Ministry of Information and Communication

Mrs. Dolrudee Pornpipat

Independent Director/Audit Committee
Chairman of the Risk Management Committee



Age (Years)

71 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Bachelor's degree (2nd class honor)
Accounting, Chulalongkorn University

Training

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

Work Experience in the Past 5 Years

2015 - Present

Independent Director/Audit Committee
Chairman of the Risk Management Committee,
Comanche International Public Company Limited

Other companies and organizations

2016 - Present

Working group on operation and expenditure
efficiency,

Office of The National Broadcasting and
Telecommunications Commission

2011 - Present

Deputy Head of Internal Audit,
Thai Royal Project Foundation

2007 - 2010

Management Oversight Committee,
Broadcasting and Telecommunications
Research and Development Fund

2006 - 2010

Advisor to Audit Committee,
TOT Public Company Limited

2005 - 2006

Deputy director / managing director of
Internal Audit,
TOT Public Company Limited.

Mr. Kris Panijpan, PhD.

Independent Director/Audit Committee



Age (Years)

38 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Ph.D. in Law, The London School of Economics and Political Science, UK
- Master's degree (LL.M), The London School of Economics and Political Science, UK
- Bachelor's degree (LL.B.), Chulalongkorn University
- Chartered Financial Analyst (CFA)

Training

- Director Certification Program (DCP) Class 136/2010 Thai Institute of Directors (IOD)

Work Experience in the Past 5 Years

2015 - Present

Independent Director/Audit Committee,
Comanche International Public Company Limited

Other companies and organizations

2015 - Present

Head of International Investment Banking,
Capital Nomura Securities PLC

2006 - Present

Director,
Akerai Co., Ltd.

2014 - 2014

Head of Investment Banking,
Daiwa Securities Co., Ltd. Bangkok Office

2011 - 2014

Senior Vice President and Head of M&A,
Siam Commercial Bank PLC

Ms. Darunee Sae-tung

Risk Management Committee/Chief Financial Officer



Age (Years)

46 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Bachelor's degree, Accounting (Auditing),
University of the Thai Chamber of Commerce

Training

- Director Accreditation Program (DAP) Class
110/2014 Thai Institute of Directors (IOD)
- Company Reporting Program (CRP) Class
57/2014 Thai Institute of Directors (IOD)
- Effective Minutes Taking (EMT) Class 29/2014

Work Experience in the Past 5 Years

2016 - Present

Risk Management Committee/
Chief Financial Officer,
Comanche International Public
Company Limited

Other companies and organizations

2013 - 2015

Director/Company Secretary / Head of
Accounting and Finance,
LDC Dental PLC

1994 - 2013

Audit Senior Manager,
Deloitte Touche Tohmatsu Jaiyos
Audit Co.,Ltd.

Mr. Veerapong Kruwang

Risk Management Committee/Chief Operating Officer



Age (Years)

43 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Master's degree, Commerce and Accounting (Information Technology), Chulalongkorn University
- Bachelor's degree Information Technology, St. John's University

Work Experience in the Past 5 Years

2013 - Present

Risk Management Committee/

Chief Operating Officer,

Comanche International Public Company Limited

Other companies and organizations

2013 - Present

Director,

Windegy Co., Ltd.

2008 - 2013

Assistant Vice President,

TCC Hotel Group Co., Ltd.

Mr. Pirom Methaveerapong

Acting Chief Development Officer/Head of Business

Development Thailand & CLMV



Age (Years)

48 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Bachelor's degree, Communication Arts
Siam University.

Work Experience in the Past 5 Years

2003 - Present

Acting Chief Development Officer/

Head of Business Development Thailand & CLMV,

Comanche International Public

Company Limited

Ms. Parichart Sontorn

**Company Secretary / Acting Chief Administrative Officer /
Head of General Administration Division**



Age (Years)

43 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Bachelor's degree, Business management
(International business),
Dhurakij Pundit University

Training

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

Work Experience in the Past 5 Years

2003 - Present

Company Secretary / Acting Chief Administrative
Officer / Head of General Administration Division,
Comanche International Public
Company Limited

Ms. Supattra Hirunyanon

Accounting & Finance Manager



Age (Years)

27 Years

Family Relationship with other executives

-None-

Ownership of Company (%)

-None-

Educational Background

- Master's degree, Business management,
Ramkhamhaeng University

- Bachelor's degree, Business
management, Information Technology
and Accounting,
Rajamangala Institute of Technology
Chakrapongpuwanat Camp

Work Experience in the Past 5 Years

2015 - Present

Accounting & Finance Manager,
Comanche International Public Company Limited

Other companies and organizations

2014 - 2015

Head of Accounting,
Geothermic Co., Ltd.

2007 - 2013

Accounting officer,
Car Boutique Co., Ltd.



Section 1
Business Operations

Policies and Overview of Business Operations

Overview of Business Operations

Comanche International (Public) Company Limited (“the Company”, or “COMAN”) operates a main business as a software developer and solution provider for software programs which are the intellectual property of the Company, a copyright of the Comanche Hotel Software and Data Base Program having been registered with the Department of Intellectual Property. In this connection, the Company installs said software program at the customer’s place of business, provides training for users and provides after-sales service through consultancy, maintenance and related services.

Presently, the Company focuses on the development of software solutions for the tourism industry, namely software solutions for hotels and service apartments. Moreover, the Company has a policy to invest in companies operating similar business or business that supports the Company’s core business in order to expand its software services. At present, the Company has investments in one other company which is a subsidiary of the Company, with the Company holding 99.99% of the registered and paid-up share capital, namely MSL Software (Thailand) Limited (“the subsidiary company” or “MSL”), which operates the business of consulting, planning, designing and developing Enterprise Data Management Solutions according to customer requirements, as well as providing yearly maintenance service or according to the period stipulated in the contract, focusing on large enterprises of various sectors, such as banking and airlines.

In this connection on 1st September 2015 the Company offered 58,266 additional ordinary shares (with a par value of Baht 100) for a capital increase at Baht 102.31 per share, share value calculated by the latest book value of the financial statement of the Company as at 31st December 2014, adjusted by an interim dividend payment as authorized by the Company’s Board of Directors’ Meeting No.1/2015 held on 3rd August 2015, fully subscribed by MSL shareholders. The Company thereby used total proceeds of the capital increase to buy the ordinary shares of MSL, totaling 54,610 shares (with a par value of Baht 100), or in the proportion of 99.99% of registered and paid-up share capital at Baht 109.16, calculated according to the latest book value of the financial statement of MSL as at 31st December 2014, adjusted by an interim dividend payment, authorized by the MSL Board of Directors’ Meeting No.1/2015 held on 3rd August 2015, causing MSL to become a subsidiary of the Company. After purchase and sale of said shares, both companies target a joint business operations to expand business opportunities which will create future synergy for the Company and to create a structure for the Company Group as preparation for registration in the Market for Alternative Investment.

After restructuring of the Company Group, the type of business and operational details of each Company are as follows:

Type of Business	COMAN
1. Software Installation Service	- Planning and Installation of Comanche Hotel Software - Training program for users of Comanche Hotel Software
2. Maintenance Services	- 24-hour daily maintenance and after sales consultations in Thai and English according to yearly service Maintenance Contract. - Bug Fix - Version Upgrade
3. Other Services	- On-Call Service - Program Re-Installation - Other related services, such as technical assistance for other software programs not belonging to the Company.

Type of Business	MSL
1. Software Solutions & Implementation	- Internal and external data analysis on data that may affect management or business decisions of organization. - Plan and Design Programs for data analysis or data processing for customer's organization to obtain desired result. - Software Solutions and implementation for customer's data (1) Content Management (2) Document and Records Management : DRM (3) Analytics Tool - Cloud Hosting Management Services (1) Planning and advice on selection of Cloud Hosting Platform suitable for customer's data base (2) Management of data on Cloud Hosting Platform, i.e. Data Access, Data Transfer, Data Back Up.
2. Maintenance Service	- Consultancy and Maintenance Service according to yearly Service Maintenance Contract, or according to period stipulated in the agreement with customer. - Bug Fix arising from user's application. - Co-ordination with systems provider in fixing program or for Version Upgrade
3. Distributor of Micro Focus	- Distributor for Micro Focus Pte. Ltd. ("Micro Focus"), a product used for testing of software program or software application.

Vision, Mission and Business Goals

Vision:

To become a leader in developing and providing Software Solutions for the tourism industry by creating business innovations to deliver maximum benefits to all concerned and increasing revenue by exporting Thailand Tourism IT Software Solutions, under the principles of good governance.

Mission:

(1) Develop and enhance products and services for Integrated Software Solutions and become a leading Software Solutions provider in the travel industry.

(2) Expand business opportunities by creating alliances with a network of software service providers related to the field of tourism, both domestic and overseas.

(3) Strengthen customer relationships into partnership in business, in order to truly meet customers' requirements.

Business Goals and Strategies:

The Company aims to continuously expand both domestic and foreign customer base in order to maintain its leadership as developer and software solutions provider in the travel industry, focusing on the development and/or becoming the owner of an effective program, capable of continuously meeting customers' application.

The Company has set three-year key strategies (within the year 2019) to expand its customer and revenue base, as follows:

- The Software Development Section of the Company to develop a system to promote the use of Comanche Hotel Software on a continuous basis.
- To make joint research and development with its subsidiary company, an expert in management and data storage for large enterprises, to jointly develop a data management system, Hotel Business Intelligence System solutions to link data with Big Data, leading to an output of data used for making business decisions, targeting customers of the Company in the hotel industry.
- To make a study on a joint research and development with its subsidiary company, a developer and owner of the systems critical tasks associated with the tourism industry, expected to be connected to the present system of the Company to add value to the work program of the Company. The systems critical task includes a restaurant management system, golf course and members management system and a reservation system for travel in both business to business (B2B) and business to customer (B2C), etc.

Major Changes and Development

Mr. Somboon Sukheviriya, founder of the Company, has over 30 years' experience in the hotel systems management program. He was Manager of the Computer Department of the Hilton International Hotel and the Oriental Hotel during the years 1984 - 1989 prior

to joining Fidelio Software (Thailand) Limited as its Managing Director during the years 1990 – 1995. At the time, Mr. Somboon Sukheviriya was both shareholder and executive. The Fidelio Software Group from Germany was a producer and developer of software solutions program for the hotel industry, which could be used on personal computers, and is a program chosen by international Chain Hotels for use at the time. Thus, it could be said that Mr. Somboon Sukheviriya has experience and is an expert in the business of producing and developing software solutions for hotel management, from both user end and developer's.

Thereafter in the year 1996, after ending his role in Fidelio Software (Thailand) Limited by selling all of his shares to a third party, Mr. Somboon Sukheviriya set up the Comanche Communications Company Limited to develop and install software programs for hotel management, focusing on development on the DOS system (Disk Operating System)¹ and on market expansion, which at the time was limited only to Thailand. Until the tendency for development of the IT system expanded into the Windows system on computer (Windows)² which became widely popular among users and with an idea to expand the Thai Tourism IT Software Solutions to overseas markets, he ceased operations of said company (present status: inoperable company)³ and set up a new company in January 2003 in order to change into a more international name, namely, Comanche International Company Limited (“the Company” or “COMAN”), with an initial registered capital of Baht 1,000,000, divided into 10,000 ordinary shares at a par value of Baht 100 to operate the business of producer and developer of software programs for hotel and service apartment management, under the copyright name “Comanche Hotel Software and Data Base Program”.

The highlight of the Company's program is that it is a Thai Nationality Program that is flexible in its usage, as it is a program that could be used on a server for both Linux⁴ and Windows systems. Moreover, the Company has developed the qualities of said program to suit the requirements of customers and to suit the hotel business as much as possible, such as online room reservation system, Food and Beverage billing system, and a management solutions system, targeting both local and overseas customers in the 3-star hotels and service apartments category upwards. As at 31st December 2016 the Company had over 710 customers who are room service-providers, dividing into 583 local clients and 127 overseas clients, totaling about 106,936 rooms within and outside the country. The Company had 43 groups of customers in the hotel-chain business group, who used Comanche Hotel Software, such as the Centara Hotel Group, the Imperial Hotel Group, the Eastin Hotel Group, the Cantary Hotel Group and the Oakwood Hotel Group. With regard to overseas business expansion, the Company had two marketing strategies, namely, direct sale, targeting customers in neighboring countries, using a Thai direct-sale force from the Company; the other being appointment of Dealers as representative in distributing the Company's

1 Disk Operating System (DOS) is an early operational system widely used on Personal Computers using a line-by-line command method.

2 Windows is another type of operational system on computers, arising from difficulties in use of DOS, Microsoft developed a software called Windows, with characteristics of Graphic-User-Interface as replacement.

3 On 7th June 2016 the shareholders of Comanche Communications Limited resolved to cease operation and to execute settlement of the Company's accounts

4 an operating system similar to the Disk Operating System, but is a Free Ware operating system, i.e. used at no cost.

programs, and as at 31st December 2016, the Company had a total of 7 dealers in 7 countries, namely China, the Philippines, Malaysia, Indonesia, Vietnam, Laos and India. In the past the Company used to be a major shareholder in the companies of 3 dealers in 3 countries, namely, Comanche International Malaysia Sdn.Bhd, PT.Comanche International Indonesia Co., Ltd. and Comanche International Vietnam Co., Ltd., which were companies located in Malaysia, Indonesia and Vietnam, respectively.

In the year 2015 the Company re-structured its business as it was of the opinion that distribution of Company programs via Dealers would be of benefit to the Company and would reduce investment and service risks of the Company as compared to overseas distribution and service of programs through Representative Offices. The Company therefore sold all of its shareholdings in the three overseas Representative Offices to a group of employees who used to work in these Representative Offices, said persons not being persons involved with or had any connection with the Board of Directors, executives and major shareholders of the Company or the Representative Office in any way. The Company then appointed these three companies as Company Dealers. In this connection, as at 31st December 2016 the Company had overseas customers in over 17 countries, such as China, the Philippines, Malaysia, Indonesia, Vietnam, Laos, India, Myanmar, Japan and Singapore.

In the year 2015 Mr. Somboon Sukheviriya as major shareholder of the Company and Mr. Apichai Sakulsureeyadej as major shareholder of MSL Software (Thailand Limited ("MSL")) had the intention of doing business together, for the benefit of business expansion opportunities and to set up a structure of the business group in order to prepare for listing on MAI. In this connection, the Company offered 58,266 ordinary shares for sale for capital increase (at a par value Baht 100 per share) at a price of Baht 102.31, calculated according to the latest book value of the latest financial statement of the Company ending 31st December 2014, adjusted with interim dividend payment, to the MSL shareholding group, who purchased all of said shares for the capital increase. The Company used the whole proceeds from this capital increase to buy 54,610 ordinary shares from MSL shareholders, (with a par value of Baht 100 per share) or in the proportion of 99.99% of registered and paid-up share capital at Baht 109.16 per share, calculated according to the latest book value of the latest financial statement of MSL ending 31st December 2014, adjusted with interim dividend payment, with the result that MSL became a subsidiary of the Company.

In this connection, MSL was established in the year 2007 by Mr. Apichai Sakulsureeyadej. As at 31st December 2016 MSL had a registered and paid-up share capital of Baht 23,461,300, divided into 234,613 ordinary shares at a par value of Baht 100 per share. It operated the business of consultancy, planning, design and development of IT data in the form of digital solutions for use as an Enterprise Data Management Solutions on a Project Base basis. Its main customers were organizations in the government sector, state enterprises and public organizations with a desire to bring IT systems for use in managing, processing and data

analyzing for decision making purposes. MSL's major work: in the year 2008 it developed and installed the Electronic Document and Records Management System: EDRMS) of the Bank of Thailand; in the year 2010, it developed the Image Archive System: IAS) of the Bank of Thailand; and in the year 2013 it developed the Web Content Management System: CMS) of Thai Airways International Public Company Limited. Moreover, MSL also undertook maintenance service for each project according to agreement with the customer. In the past, MSL's maintenance service were performed under an annual Maintenance Agreement Service or according to the period specified in the agreement with customers.

· Summary of Significant Events of Comanche International Public Company Limited

Year	Details
2003	- On 10 th January 2003 Comanche International Public Company Limited was incorporated with an initial registered capital of Baht 1,000,000, divided into 10,000 shares at a par value of Baht 100 per share, with Head Office situated at 252/118 Muang Thai - Phatra 2 Office Building, 23 rd Floor, Rooms E-F, Ratchadapisek Road, Kwaeng Huay Kwang, Khet Huay Kwang, Bangkok 10310, undertaking the business of developer for sale and installation of Hotel Solutions Software for hotels and service apartments under the name "Comanche Hotel Software and Data Base".
2005	- On 14 th September 2005, increase in registered capital from Baht 1,000,000 to Baht 2,000,000 by offering 10,000 ordinary shares for capital increase for sale to existing shareholders at a par value of Baht 100 per share.
2006	- The Company won the Thailand ICT Awards 2006 in the Tourism and Hospitality branch, and in the same year was a representative in competing in the Asia Pacific ICT Awards (APICTA) which was an event for competing of software products of countries in the Asia Pacific Region, with 16 member countries competing, and won the Tourism and Hospitality branch, which was an important step for launching Thai software into the international market.
2008	- On 4 th December 2008 the Company received an investment promotion from the Board of Investment in the Enterprise Software and Digital Content business category, receiving exemption from juristic income tax for net profit for business operations under investment promotion for a period of 8 years, commencing from the date that the Company earned revenue from its business operations.
2009	- On 13 th May 2009 the Department of Intellectual Property, Ministry of Commerce, issued a Certificate for Notification of copyright registration of the "Comanche Hotel Software and Data Base" program for the Company.

Year	Details
2015	- On 27th May 2015 the Company received the CMMI Level 3 Capability Maturity Model Integration from the Software Engineering Institute, Carnegie Mellon University, USA - On 3rd August 2015 at the Company Board of Directors' Meeting No. 1/2015, it was resolved to sell all shares of the three Representative Offices, namely Comanche Inter inational Malaysia Sdn Bhd, Pt. Comanche International Indonesia Co., Ltd. and Comanche International Vietnam Co., Ltd., which were companies located in Malaysia, Indonesia and Vietnam respectively, to employees who used to work in these Representative Offices; these employees were not concerned with or related to the Board of Directors, executives and major shareholders of the Company or of the Representative Offices in any way, and appointed said 3 companies as overseas Dealers. - On 25th August 2015 the Extraordinary General Meeting of Shareholders No. 1/2015 of the Company resolved to increase the Company's registered capital from Baht 2,000,000 to Baht 8,651,100, an increase in capital of Baht 6,651,100 by an issue of 66,511 ordinary shares at a par value of Baht 100 per share to existingshareholders. - The Company expanded its business of Large Scale Data Management Solution and on 1st September 2015 the Extraordinary General Meeting of Shareholders No.2/2015 of the Company resolved to increase its registered capital from Baht 8,651,100 to Baht 14,477,700, or an increase in capital of Baht 5,826,600 by an issue of 58,266 ordinary shares for the capital increase at a par value of Baht 100 per share, offered for sale at Baht 102.31 per share (which is the value calculated according to book value ending 31st December 2014, adjusted by an interim dividend payment) to MSL shareholders and used the whole proceeds of the additional capital increase to buy 54,610 shares from MSL with a par value of Baht 100 in the proportion of 99.99% of registered capital at a price of Baht 109.16 per share (which is the value calculated according to book value ending 31st December 2014, adjusted by interim dividend payment), with the result that MSL became a subsidiary of the Company.
2016	- On 14th March 2016 the Annual General Meeting of Shareholders No. 1/2016 authorized a dividend payment from the Company's business operations for the year 2015 in the amount of Baht 2,453,434. - On 13th May 2016 the Board of Directors' Meeting No. 2/2016 authorized an interim dividend payment in the amount of Baht 9,000,000. - On 31st May 2016 the Extraordinary General Meeting of Shareholders No.1/2016 resolved on the following important issues: (1) Resolved to increase the registered capital by an additional Baht 35,522,300, from Baht 14,477,700 to Baht 50,000,000 by issuance of 355,223 ordinary shares for the capital increase at a par value of Baht 100 per share and proposed an allocation of said additional shares to be offered to existing shareholders in proportion to the number of shares held by them, in order to re-structure the Company's capital. (2) Resolved to register a transformation of the Company from Company Limited, to Public Company Limited and change the Company's name to Comanche International Public Company Limited. (3) Resolved to change the par value of shares from Baht 100 per share to Baht 0.50 per share. (4) Resolved an additional increase of registered share capital by Baht 17,000,000, from the existing registered capital of Baht 50,000,000, to Baht 67,000,000 by issuance of an additional 34,000,000 shares at a par value of Baht 0.50 per share and proposed an allocation of shares by Initial Public Offering: IPO not exceeding 34,000,000 shares at a par value of Baht 0.50 per share.

Year	Details
2016	(5) Resolved to launch the ordinary shares of the Company for listing on the Market for Alternative Investment. - On 8th August 2016 the Board of Directors' Meeting No.4/2016 authorized an interim dividend payment of Baht 14,800,000. - On 19th October 2016 the Company received approval from the Securities Exchange Commission to launch an IPO for the newly issued shares of the Company. - On 25th October 2016 the Company was authorized by the Stock Exchange of Thailand to launch an IPO under the name of COMAN. - On 7th November 2016 the Company launched an IPO on the Market for Alternative Investment.

· Summary of Significant Events of MSL Software (Thailand) Company Limited

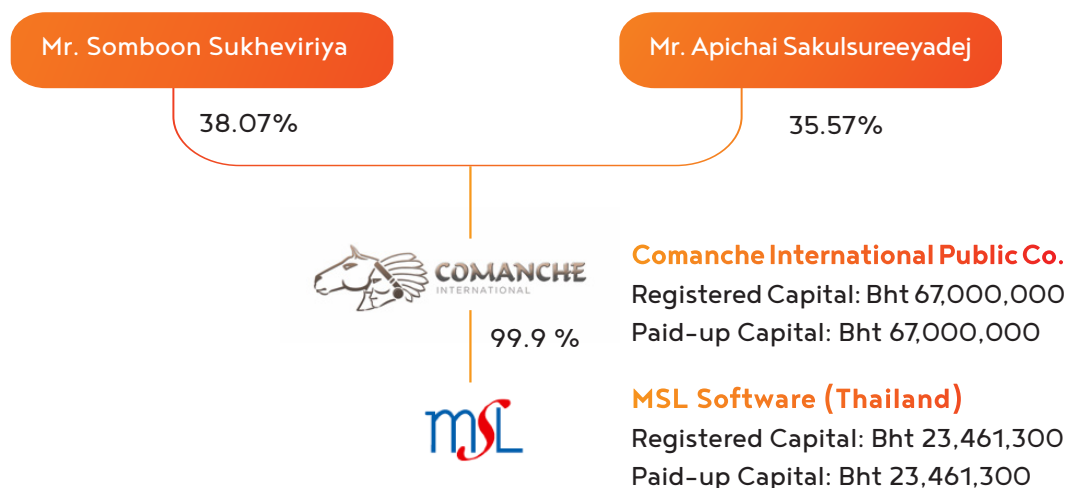
Year	Details
2007	- On 14th February 2007 MSL Software (Thailand) Company Limited was incorporated with an initial registered capital of Baht 1,000,000 divided into 10,000 ordinary shares at a par value of Baht 100, with Head Office situated at 38 Soi Sukhumvit 22, Sukhumvit Road, Kwaeng Klong Toey, Khet Klong Toey, Bangkok 10110, operating the business of planning, developing and installation of software program for Large Scale Data Management Solutions - On 23rd July 2007 MSL received a BOI Investment Promotion Card under business category: Enterprise Software and Digital Content and MSL was exempted from juristic income tax for net profit of business operations under promotion for a period of 8 years from the date it earned revenue from its business operations. - On 11th October 2007 MSL increased its registered capital from Baht 1,000,000 to Baht 5,000,000 by offering an additional 40,000 ordinary shares at a par value of Baht 100 per share for sale to existing shareholders. - MSL received a "1st Place Thailand ICT Award in the Industrial Application Category" - MSL received a Merit Award at the Asia Pacific ICT Awards (APICTA), which was an event for competing of software products of countries in the Asia Pacific Region.
2008	- MSL was selected to develop the Project for installation of software solutions for the Electronic Document and Records Management System: EDRMS of the Bank of Thailand, and in the year 2010 MSL was selected to develop the Image Archive System: IAS, which is one of the projects for development of the Image Cheque Clearing and Archive System: ICAS of the Bank of Thailand.
2012	- MSL received an Excellence Award for Best Tourism Marketing in the Website Development for Marketing Branch from the ASEAN-Tourism Association.
2013	- MSL received the Best Performance Reseller 2013 Award from Hewlett Packard (HP) Thailand, an award presented for Best Business Partner of the Year. - MSL was selected as developer for data management of the Thai Airways International Public Company Limited website, which was a major transformation of the website in both speedy access to data and Web Content Management System. In this connection in the year 2014, Thai Airways International Public Company Limited received the 7th Annual TravelMole APAC WEB Award 2014: Best APAC Airline Website.

Year	Details
2015	- On 15th July 2015 the Board of Investment approved a new investment promotion for MSL in the business category: Enterprise Software and Digital Content, resulting in juristic income tax exemption for MSL for net profit earned for business operations under promotion for a period of 7 years, commencing from the date it earned revenue from its business operations. - On 31st August 2015 MSL increased its registered capital from Baht 5,000,000 to Baht 5,461,300 by offering an additional 4,631 ordinary shares at a par value of Baht 100 for the capital increase for sale to existing shareholders. - On 1st September 2015, MSL Shareholder. Mr. Apichai Sakulsureeyadej, and other Shareholders sold 99.99% of total shares held by MSL to the Company to create a structure for the Company Group in preparation for listing on the Market for Alternative Investment. - On 20th October 2015 the Department of Intellectual Property issued a Certificate for Notification of Copyright Registration of a program under the name of "MSL Big Data Platform" to MSL.
2016	- In February 2016 MSL relocated its Head Office to Unit 1610, 16th Floor, 689 Pirat Tower @ M. Quartier, Sukhumvit Road, Kwaeng Klongton Nua, Khet Wattana, Bangkok 10110. - On 20th May 2016 the Board of Directors' Meeting No. 7/2016 of MSL approved an interim dividend payment in the amount of Baht 15,000,000. - On 7th June 2016 MSL increased its registered capital from Baht 5,461,300 to Baht 23,461,300 by offering 180,000 ordinary shares at a par value of Baht 100 for the capital increase for sale to existing shareholders, being issued and registered paid-up share capital of Baht 23,461,300. - On 5th August 2016 the Board of Directors' Meeting No. 8/2016 of MSL approved an interim dividend payment in the amount of Baht 2,000,000.

Shareholding Structure of the Company

In 2015 the Company made a Shareholding and Business Group Restructure to increase its future business potentials and to prepare for being listed in the Market for Alternative Investment by selling all of its shares in the three Representative Offices, namely Comanche International Malaysia Sdn Bhd, Pt. Comanche International Indonesia and Comanche International Vietnam Co., Ltd., and in the same year the Company offered a sale of ordinary shares for capital increase to MSL existing shareholders and used the whole proceed from said capital increase to buy ordinary shares from existing shareholders of MSL, with the Company holding a proportion of 99.99% of total MSL shares.

Latest Shareholding Structure (after Adjustment of Shareholding Structure)
as at 31st December 2016



Details of subsidiaries

MSL Software (Thailand) Company Limited

Date of Establishment	14 th February 2007
Location of Head Office	Unit 1610, 16th Floor, 689 Pirat Tower @M.Quartier, Sukhumvit Road, Kwaeng Klongton Nua, Khet Wattana, Bangkok 10110
Type of Business	Consulting, planning, designing and developing Enterprise Data Management Solutions
Registered Capital	Baht 23,461,300 divided into 234,613 ordinary shares at 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 signs jointly with Mr. Apichai Sakulsureeyadej with the Company Seal affixed

Name of Shareholders	Names	No. of Shares	Proportion (%)
	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

Relationship to Major Shareholding Group

- None -

Nature of Business

The group, which currently consists of Comanche International Public Company Limited (“Company” or “COMAN”) and MSL Software (Thailand) Company Limited (“Subsidiary” or “MSL”), has the revenue from sales and provision of services for 2014 – 2016

Sources of revenue from sales and services

Unit: Million Baht

Sources of Revenue	Earnings						
	2014		2015		2016		Growth
	Revenue	Percent	Revenue	Percent	Revenue	Percent	
Revenue from company's sales of software and related services							
Sales of software and installation services	39.13	61.24	41.76	41.29	51.62	38.79	23.61%
Maintenance and repairs	22.77	35.63	29.14	28.81	36.30	27.27	24.57%
Other services ¹	1.95	3.05	2.38	2.35	4.71	3.54	97.90%
Sales of hardware ²	0.05	0.08	-	-	-	-	
Total	63.90	100.00	73.28	72.45	92.63	69.60	26.41%
Revenue from sales and development services, system management, and related maintenance by MSL	-	-	27.86	27.55	40.46	30.40	N/A ³
Total revenue from sales and services	63.90	100.00	101.14	100.00	133.09	100.00	31.59%

Note: ¹ related services include installing new software, and occasional operation services, etc.

² Company does not sell hardware since 2015 and currently has no policy to sell hardware in the future.

³ Unable to calculate as Company acquired MSL since 1 September 2015.

Businesses of the Company and the Subsidiary

Comanche International Public Company Limited

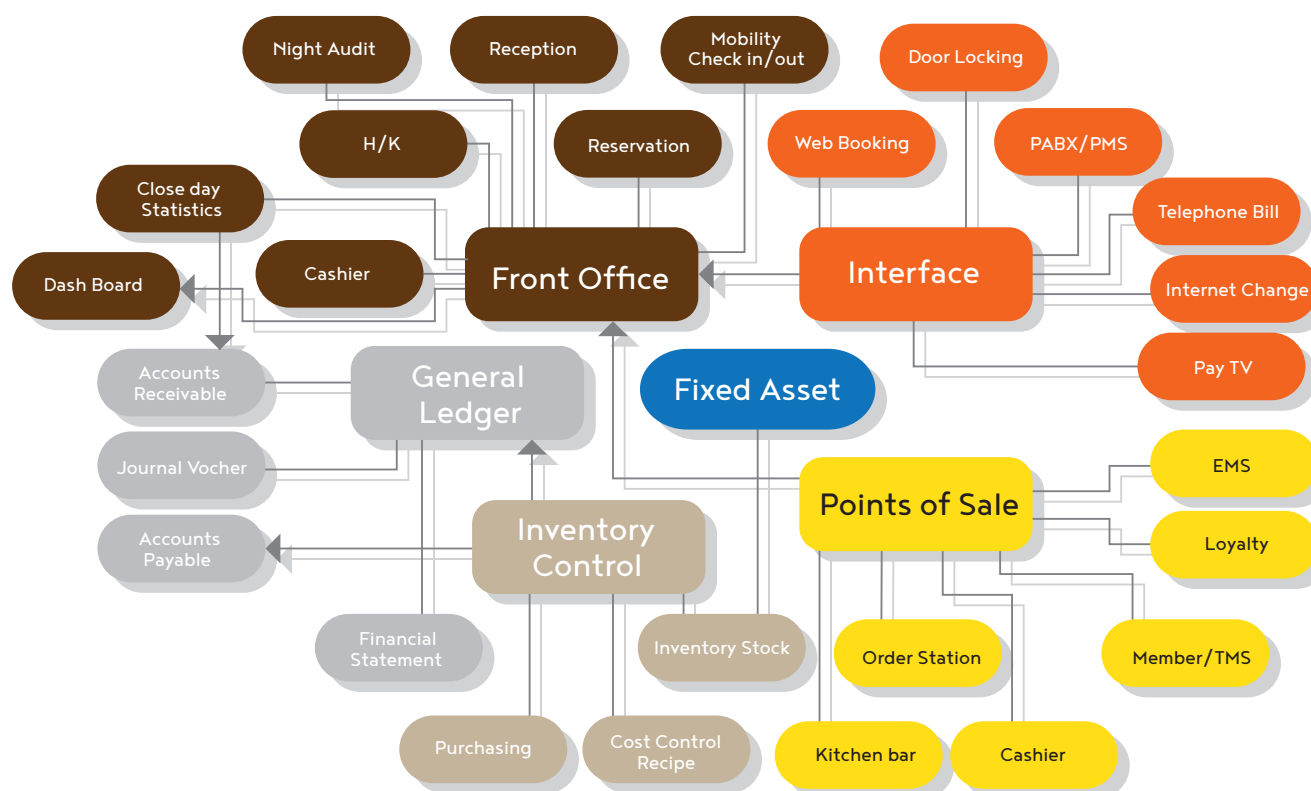
1. Nature of Products and Services

Since it was founded in 2003, the Company has developed software for the hotel industry and has obtained a patent for the Comanche Hotel Software and Data Base from the Department of Intellectual Property, Ministry of Commerce on 13th of May 2009. The Company has a team, which continually develops the software to be able to respond better to its customers' needs. Consequently, the Company's operation is clearly continuous and sustainable given that the Company's product is patented.

At present, the Company's core businesses include 1) developing software for sales and installation in customers' establishments, as well as training users on how to utilize the software, 2) providing maintenance and resolving problems related to the software in a form of annual service contract, and 3) providing other related services, such as installing new software, and occasionally resolving operational issues. The main body of the Company's customers includes hotels and service apartments.

Apart from the core businesses mentioned above, the Company has a policy to invest in other companies that has business objectives similar to that of the Company's, or in businesses with similar structure to the Company's or those which support the Company's core businesses. This will enhance the Company's revenue or profits. Moreover, the Company also has a policy to invest in businesses which can provide synergy to the Company, which will support operation of the company to be more completed or enhance the Company's competitiveness. At present, the Company is investing in 1 company, which is a subsidiary of the Company, namely MSL.

Main Core Integration Modules of Comanche Hotel Software



The details about the most recently developed system modules and their features are as follows.

System Module	Feature
1. Comanche Front Office System 1.1 Management Dashboard System 1.2 Mobility Check-in/Out by Tablet	System is used to manage the reception and reservation of hotels and service apartments, as well as system for check-in/check-out via desktop, iPad, and Tablet.
2. Comanche Point of Sales System 2.1 Cashier Station 2.2 Order Station 2.3 Tablet Station 2.4 Member 2.5 Loyalty 2.6 Table Management System	System for management of restaurants within hotels and services apartments, covering making reservation, ordering, paying the bills, and member system
3. Comanche Back Office System 3.1 Account Receivable 3.2 Account Payable 3.3 General Ledger	Relevant accounting system, covering systems for debtors, creditors, and systems for individual accounts
4. Comanche Inventory System 4.1 Purchasing System 4.2 Inventory Store 4.3 Cost Control Recipe System	System for inventory management, covering purchasing, inventory management, cost control recipe system
5. Comanche Fixed Asset System	System for management of fixed asset
6. Comanche Event Management System	System for event and seminar management
7. Comanche Interface Module 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	System which provides interface with devices or other electronic system used by hotels, such as door locking system, internet billing, smart TV in rooms, passport scanning, call accounting (in case phone is used in guest's room), etc.

In an operation of hotel business, the first 3 systems, namely Front Office System, Point of Sales System, and Back Office System, are the main systems chosen by its clients. Moreover, the clients can choose to buy the software with all systems, or only with selected systems. In the latter case, the Company can offer a service to install the software to integrate with client's existing system (creating interface). The Company's experienced installation team is an excellent option to best serve its clients' needs.

• Product Development

The design and development of Comanche Hotel Software is the core of the Company's business. The Company has its own development team, with working target of developing and improving the capacity of Comanche Hotel Software to meet the need of its clients and to provide solution to hotels that wish to best find a way to serve the demand of hotel guests that continuously changes with technology. This capacity of the Company is reflected by its having received the Capability Maturity Model® Integration or CMMI® for Development, Version 1.3 Level 3 (out of 5) and CMMI® for Services, Version 1.3 Level 3 from Software Engineering Institute, Carnegie Mellon University, USA.

CMMI® (Capability Maturity Model Integration), which is a simulation that helps improve operation system, consists of 3 simulations as follows:

1. CMMI for Acquisition is a simulation for improving products and services acquired from other companies.
2. CMMI for Development is a simulation for product and service development
3. CMMI for Services is a simulation for improving job acquisition or delivery.

The Company is certified by CMMI for Development and CMMI for Services (2. and 3.). This shows that the Company continues to develop its software and provide organized services for establishments, with effective product and product development.

In developing Comanche Hotel Software, the Company will comprehensively collect and analyze relevant data by means of survey of the Company's clients and their employees, from their business development department, management, public relations, to their services department. The changes in technology and business environment are taken into account so that the Company can truly understand the need of its clients and assess the economic feasibility of software development prior to starting to work on improving the Comanche Hotel Software. Moreover, before the software is sold to its clients, the Company will conduct a quality control of the software to ensure that it meets the Company's standard to ensure that there are as little as possible mistakes or changes that effect users. The process of software design and development can be summarized as follows.

(1) Collecting and analyzing data that can have an impact on software development from sources such as hotels' business development department who has listened to their clients about their needs and the area that needs to be improved, as well as the changes in technology and other relevant factors.

(2) Relevant personnel presents their findings to the working group, which consists of business development, operation department and its teams such as project management, client relations, and services, to find ways to improve the operation of the Comanche Hotel Software. The impact on user's operation, client's satisfaction, and economic returns are taken into account.

(3) The system development department is then tasked with software coding.

(4) The Quality Assurance and CMMI departments will then test the software for bugs and send it back to the system development department to correct the flaws.

(5) Once quality of product is assured, the business department then can sell the software to clients.

As of 31st December 2016, the Company employs 11 people in its system development department to develop the software, its modules, and other innovation.

CMMI® for Development, Version 1.3 Level 3 and CMMI® for Services, Version 1.3 Level 3



• Software installation and User training

Installation and user training are one of the key processes that support effective utilization of Comanche Hotel Software, tailored for the nature and volume of business of the clients to ensure smooth operation. With such service, the client's computer network is able to link with the database and able to work with other devices such as mobile phones, electronic door lock system, Wi-Fi Service and tablets. Moreover, effective user training helps users save learning time. The Company designs the training program for the software to emphasize the necessary basic skills needed for the software. The training conducted by the Company's experts enables users to use what they learn effectively, which will improve their organization's efficiency in the end. The process of installation and training is as follows.

(1) Business development department and/or dealer operating internationally meet with clients to present Comanche Hotel Software. Once the client's needs are known, the Company's team will plan individualized services and give advice for their purchase of the software.

(2) Once the client agrees to purchase the software, the Project management department will begin planning installation and make appointment with clients to install the software.

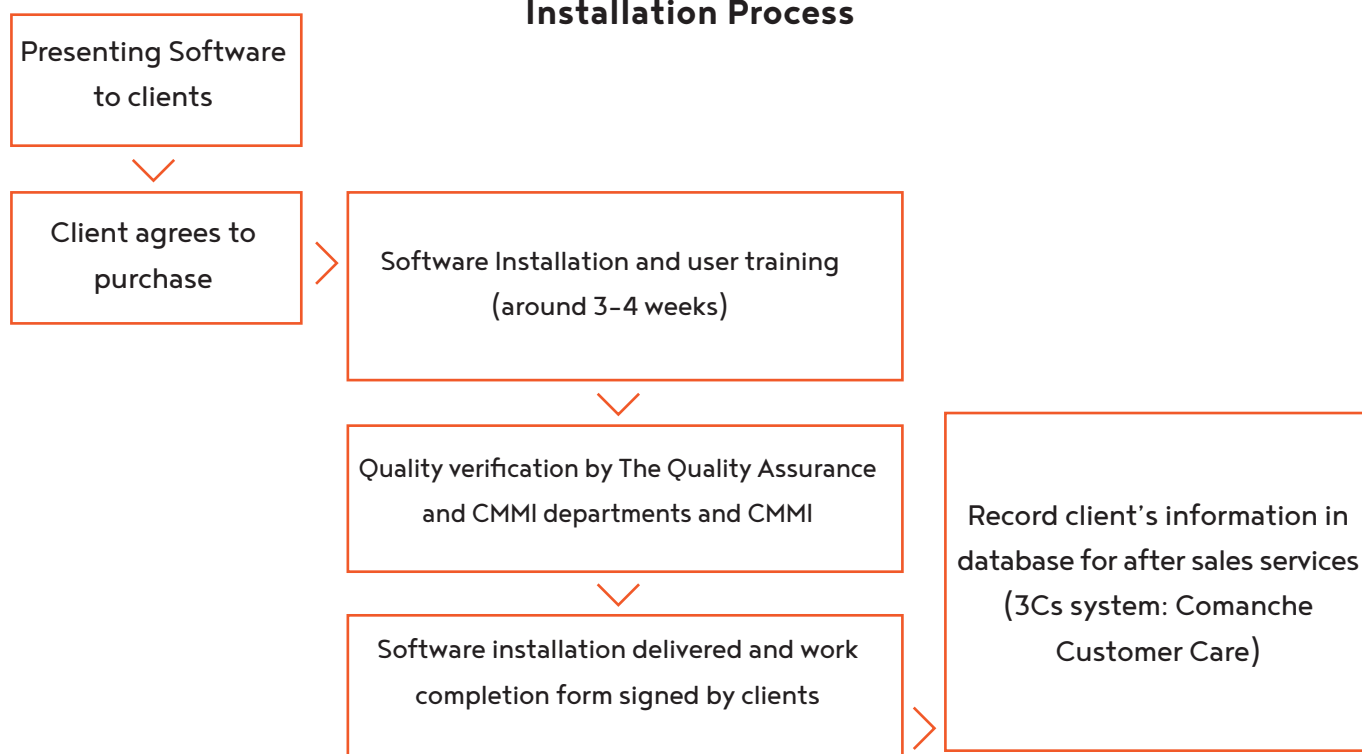
(3) Project management department install the software and train software users at the client's establishment. The Company's team will remain with the clients to assist users with using the software for a period of time. The Installation and user training process usually takes around 3-4 weeks from the installation date. Moreover, the period may vary, depending on the functions and modules purchased by the client.

(4) The Company's Quality assurance department will check the installed software to ensure that it is installed properly per the Company's standard, and that the installation meets the agreed purchase plan.

(5) The Company delivers the software installation work and present work completion form for client to sign.

In a case of sales through international dealers, the dealers are responsible for installing the program and training users. As of 31st December 2016, the Company has 14 members in the Project management department, whose responsibility is to install the software and train users.

Installation Process



• After sales services, maintenance, and other services

After sales services is very important to the Company. Therefore, the Company has developed after sales service system to assure its clients that after installing the program, namely the 3Cs system (Comanche Customer Care). The Company provides 24 hours 7 days after sales service to assist its clients both domestic and abroad. When a problem occurs, the Company's support team from the Customer service department can provide assistance via an online system, email, or phone. If such assistance does not resolve the problem, the Company will dispatch a team to provide its clients on-site as soon as possible. This is to assure clients that the Comanche Hotel Software has a team to help them solve a problem as soon as one occurs and that their operation will not come to a halt. The process of after sales service is as follows.

(1) Client contacts the Company to ask for advice or to notify software-related problem.

(2) Client's information is checked in the 3Cs system.

(3) For clients with a valid annual Software Maintenance Agreement, the Company's team will provide assistance immediately via online system, email, or phone, or dispatch a team to provide on-site assistance. If the Software Maintenance Agreement has expired, the Company will issue a quotation for on-call service for the client's consideration first. Once the quotation is approved, the Company's team will provide assistance.

(4) The Company's team records the assistance provided in the 3Cs system.

(5) Head of department or supervisor verifies the work in its 3Cs system to make sure that the assistance the team provided meets the Company's standard. The supervisor can only conclude the job client has been asked if the services were satisfactory.

(6) If a Software Maintenance Agreement is near its expiration date, the Company will ask the client if they wish to continue the Agreement. Apart from providing an annual Agreement and on-call service, the Company also provides other services to support utilization of Comanche Hotel Software, such as reinstallation of Comanche Hotel Software if there is a problem with the client's server or hardware.

Regarding after sales service for the sales made by an international dealer, the dealer is responsible for the after sales services. In the case where the dealer is unable to resolve the client's problem and requests for the Company's assistance (Second level of support), the Company will issue a quotation for each service. Once the dealer approves the quotation, the team will provide the assistance requested. As of 31st December 2016, the Company's Customer service department that provides after sales service has 21 members.

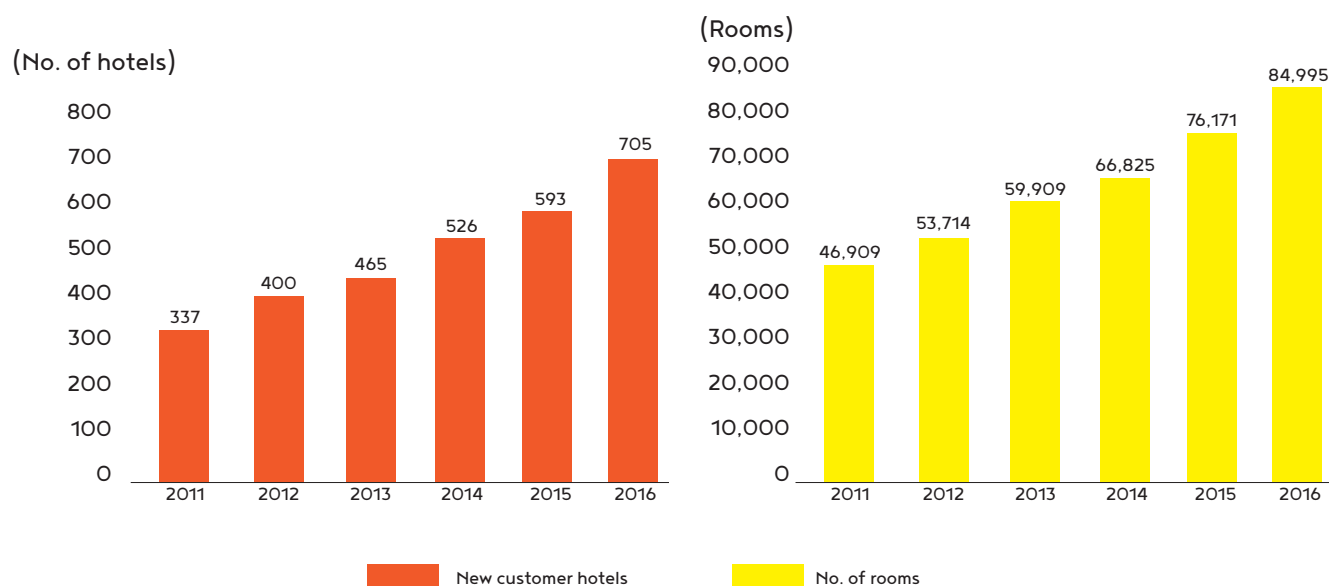
2. Clients and Target Group

The Company's target group for potential clients is 3-star-and-above hotels and service apartments, both domestic and abroad. The sales is made through the Company's Business development department, as well as international dealers. As of 31st December 2016, the Company is providing services for over 710 clients, consisting of around 583 domestic clients and around 127 international clients, with a total of around 106,936 rooms.

Among the clients that the Company sold and installed the software per annual in 2016, there are businesses, hotel groups, and academic institutions (for academic institutions, only the fees for installation and user training is charged). As of 31st December 2016, the 3 groups represent 64.7 percent, 32.9 percent, and 2.4 percent of the Company's clients respectively.

For 2011 – 2016, the Company sold and installed the software for entrepreneurs, with the total number of establishments and guest rooms, both domestic and international, as follows.

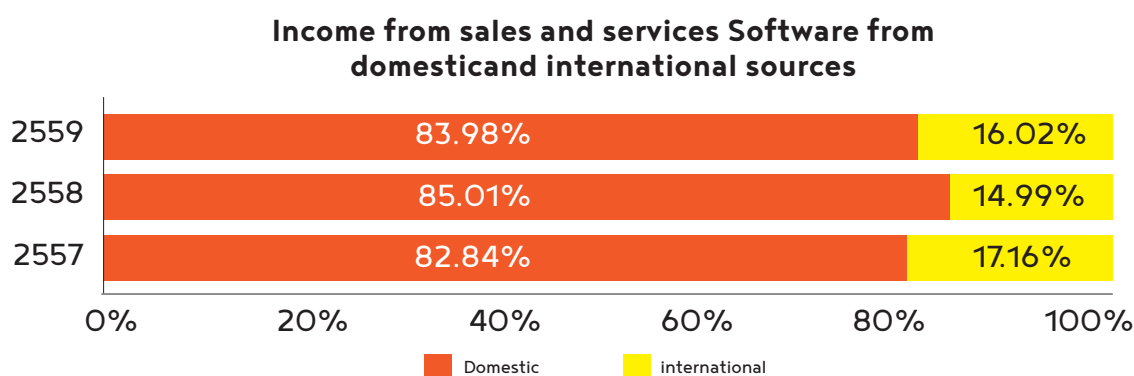
New customer hotels and Number of rooms



As of 31st December 2016, the Company had 43 hotel groups as its client, such as the Centara group, the Imperial group, the Eastin group, the Kantary group, and the Oakwood group. These hotels are the Company's primary business partners. When these groups expand their business in the country or abroad, they will choose to use Comanche Hotel Software as their choice of software for the management of new hotels.

Together with the Comanche Hotel Software, the Company will offer the Software Maintenance Agreement as a package. Moreover, clients can also choose to use the Company's on-call service. As of 31st December 2016, around 49 percent of the clients choose to sign the Software Maintenance Agreement with the Company. This gives the Company a steady stream of income from these clients.

As of 31st December 2016, the Company has clients using the Comanche Hotel Software in over 17 countries, such as China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, Myanmar, Japan, and Singapore, etc. For 2014 – 2016, the Company's income from sales and services of the Comanche Hotel Software from domestic and international sources is as follows.



3. Sales channels

The Company's sales of Comanche Hotel Software and related services is done through 2 main channels, namely 1) direct sales by the Company's Business development department, and 2) sales through dealers abroad. As of 31st December, the Company has 7 appointed dealers in 7 countries.

Number	Country	Appointed Date (Month/Year)	Companies named as Representative
1.	Philippines	1/2016-12/2017	AUDACITY SYSTEMS, INC.
2.	China	1/2016-12/2017	GUANGZHOU AUTOMATED SYSTEMS LIMITED
3.	Malaysia*	11/2015-10/2017	COMANCHE INTERNATIONAL MALAYSIA SDN. BHD.
4.	Indonesia*	11/2015-10/2017	PT. COMANCHE INTERNATIONAL INDONESIA
5.	Vietnam*	11/2015-10/2017	COMANCHE INTERNATIONAL VIETNAM CO., LTD.
6.	Lao PDR	5/2015-4/2017	LAOS ASEAN TRADING CO., LTD.
7.	India	5/2015-4/2017	COMANCHE HOTEL SYSTEMS INDIA PRIVATE LIMITED

Note: * The Company used to be a major shareholder in these 3 companies before selling all of its share in 2015 and appointed these 3 companies as its representative in their respective countries

Domestic market: the Company sells Comanche Hotel Software and provides related services to domestic clients directly. The Business development department handles sales and the CLMV team handles marketing.

International market: the Company sells Comanche Hotel Software and related services to other countries through 2 channels, namely direct sales and sales through dealers. Contacting clients and marketing abroad is done by the International business development department, which handle and execute the Company's business plan for expanding abroad to have income from international sources.

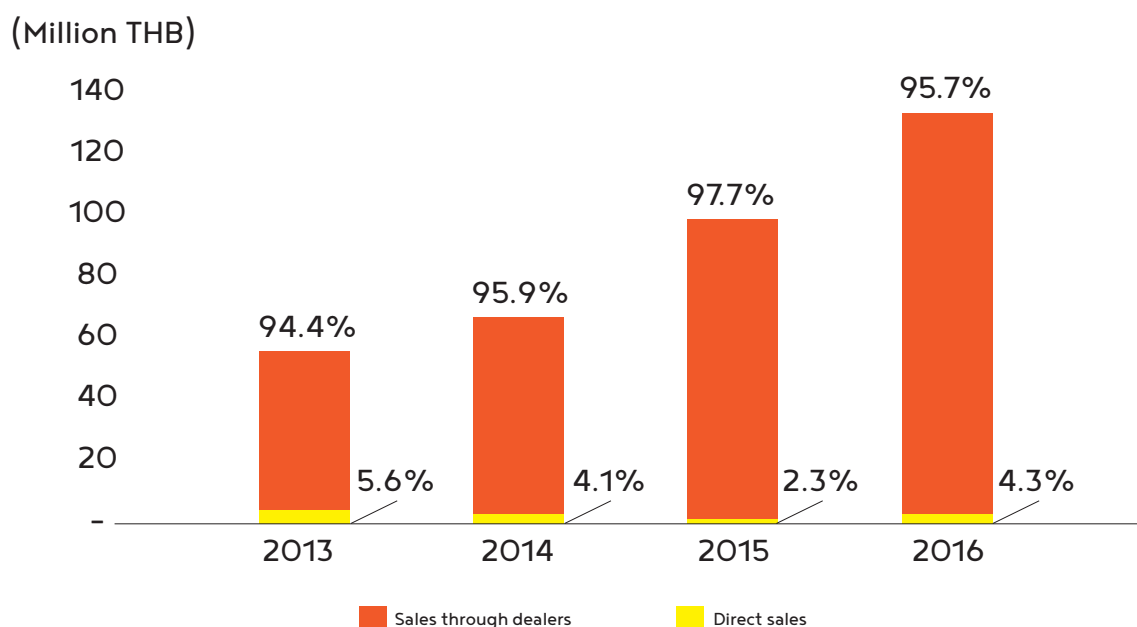
- Direct Sales

The Company has a Business development department and the CLMV team, which have expertise in hotel business and understand hotel operation, both domestic and in CLMV countries. There is also the International business development department who handles marketing, with focus on markets with growing tourism industry (not including CLMV markets) in the countries where the Company has yet to find a dealer with suitable capacity to deal with marketing, and to handle the expansion in new countries of the Company's existing clients. Nonetheless, the International business development department is still able to work on marketing in the countries where the Company has a representative in the case where the Company is directly contacted by the new clients.

- Sales through dealers

The Company has a plan for expanding abroad by appointing dealers that have the knowledge, expertise, and the understanding of its client's needs in each country. This will allow the Company to expand its client base to those countries more quickly than doing the marketing by ourselves. The international dealers representing the Company abroad had to go through an appointment process, which primarily takes into account the marketing ability, expertise in that country's hotel business, ability to install the software and provide services after sales. The International business development department is responsible for selecting, communicating, as well as supporting the operation of the Company's international dealers.

In the past 4 years (2013 – 2016), the Company had income from direct sales and sales through dealers as follows.



Source: the Company

4. Marketing

The Company emphasizes credibility of its product, from the quality of services, information safety of the system, value for money for the clients who choose the Company's services. This in itself is a marketing of the Company's product. Moreover, the Company has a website and uses advertisement via various channels, such as the Hotel & Resort magazine, to build image of the Company, as well as to create brand recognition and brand awareness to the target group for clients.

5. Pricing policy

- Direct sales

The Company sets its price against the market's benchmark. For the first time service for a client, the Company will include the 1-year maintenance agreement, which accounts for around 12-15 percent of the value of the client's order. Very few clients purchase from the Company only the software license without the installation and maintenance services.

- Sales through international dealers

The Company will charge the dealers a fraction of the value which the dealers sold the Company's software to clients. The rate will be specified in the contract appointing a dealer as representative

MSL Software (Thailand) Company Limited

1. Nature of Business

MSL's business involves giving advice, planning, designing, and developing IT system for clients with diverse needs. The services MSL provides are project-base in nature. MSL is a comprehensive IT system developer (Prime Contractor). Its current business partners include 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 develop products and basic IT services which MSL utilizes in developing IT systems for its clients.

MSL focuses on developing digital solution IT system for enterprise data management solutions and for in-depth analytics. MSL also gives advice, plans, and designs data organization system in the form of servers or cloud system, or both, in order to serve the needs of the organization's IT system. It tailors its services to meet the client's needs so that the data management is most efficient and of good standard. The main target group for its clients includes public agencies, state-owned enterprises, private companies with large database which is significant for decision making. (Large scale data management solution)

After having developed solutions for its clients, MSL also provides maintenance for its projects in the form of an annual maintenance services agreement, or for a period agreed with its clients. This is to assure its clients that the solutions it developed can operate on a continuous and efficient manner.

Nature of product

MSL has experience in developing IT system for projects with large volume of data, with significant variety and velocity. Development of such system requires sound understanding of the client's business so that effective solution can be designed to meet the needs of the client. At present, MSL's services are in 3 categories.

1. Providing advice, planning, designing, developing IT system for data management
2. Sales Representative of products used in software testing
3. Providing maintenance on annual basis or as specified in contract

1. Providing advice, planning, designing, developing IT system for data management

MSL gives advice, plan, design, and develop project-based IT system for organization's data management. With a seasoned management and team, MSL has an excellent experience and expertise on IT system. Its work begins with analyzing and categorizing relevant data to find a relationship and its operational pattern. The data is then evaluated and its management system is designed. MSL uses the analytic tool application or basic software from leading vendors (in some projects, MSL is the system developer and these vendors also serve as co-contractor) to apply to the system under development. MSL then installs the software or the developed system onto client's server or cloud system as instructed.

The past works of MSL in developing organization's IT system for data management include the following.

- Electronic Document and Records Management System (EDRMS)

In 2008, MSL was chosen to be the developer of Electronic Document and Records Management System (EDRMS) for the Bank of Thailand. The objective of this project was to develop IT infrastructure to efficiently store and manage organization's data, such as data categorization, data recording, searching, referencing, and granting access to data

- Image Archive System (IAS) development project

In 2010, MSL was chosen to develop Image Archive System (IAS), which is a part of Image Cheque Clearing and Archive System (ICAS) of the Bank of Thailand. MSL planned, designed, and developed the IAS to connect with the Bank of Thailand's ICAS and the electronic cheque clearing of every branch of every bank in Thailand.

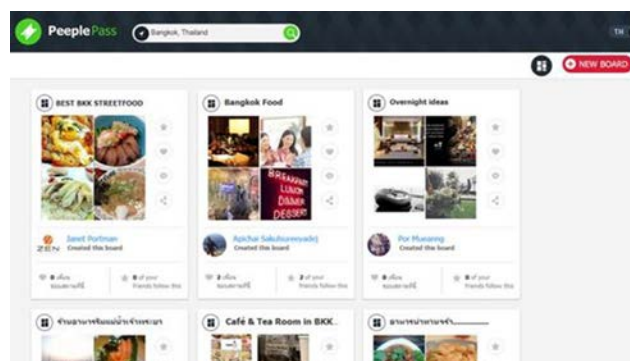
- Web Content Management System (CMS) development project

In 2013, MSL was chosen by Thai Airways International Public Company Limited (THAI) to develop a data management system on its website. MSL planned, designed, and developed the data management system on the website to connect it efficiently with THAI's data management system and other existing systems, such as reservation system, THAI's websites abroad, its subsidiaries' websites, and other related application. The system developed by MSL can connect with the processing system, which manage and present output on a variety of devices, such as computer, mobile phone, and tablet. Moreover, MSL also designed and developed THAI's data management system on the Cloud Hosting system to handle the large database. If a problem occurs with a server, another server will be able to handle its function instantaneously. This helps improve the efficiency of online transaction of THAI's website.

Moreover, MSL is the developer of data management software on PeeplePass Pte. Ltd's website to provide database as a source of information open to the public. Based in Singapore, PeeplePass Pte. Ltd's website, www.peeplepass.com, is an online social media aiming at people who love to travel. Through an operation system, the website can interact with its user. Each user can also interact with each other on the website, and can share information on things such as people who like to eat and travel, the recommended restaurants, accommodation, and attractions to share with the online community.



Source: Thai Airways website



source: www.peoplepass.com

MSL's process of providing advice, planning, designing data management system is as follows.

- 1) MSL's team consults with users or client's system administrator to get a clear sense about the client's need.
- 2) The team then uses the information given for analysis by categorizing data, finding relationship, operational pattern of data, processing methods, and determining the direction for data management
- 3) Finding the analytics tool application or basic software to apply to the work at hand appropriately.
- 4) Presenting a prototype for client's consideration, then adjust it per client's suggestions and present it to client again
- 5) Once the prototype is approved by clients, software development team will start planning and coding of software according to the plan
- 6) Quality assurance team will then test the software to find flaws in operation. If found, the development team will fix them accordingly.
- 7) Once quality is assured, manual for using the software will be prepared. Such manual will cover how to use and install the software, as well as how the software was developed.

8) The team will set out plan for management and organization of data on server or on cloud, and present it for client's consideration.

9) The team will then contact Cloud server provider (if available) to rent out a space on Cloud appropriate for the client's needs for database or software to be stored on Cloud

10) Software installation

11) Delivering work to client and concluding the job

2. Sales Representative of products used in software testing

MSL is a sales representative of the product used in testing the software or application of Micro Focus Pte Ltd. ("Micro Focus"), which is an internationally recognized software developed to help users find errors such as calculation errors, efficiency errors, and errors from system overload. This software helps developers or administrators of organization's system to solve problems efficiently.

Domestic clients who buy the Micro Focus software, which MSL provides annual maintenance services include CPF IT Center Co.,Ltd. and Stock Exchange of Thailand.

Product	Product Description
Micro Focus Enterprise	Software which can handle applications operating on older system, allowing these applications to operate on the newer systems, such as .net, J2EE, or SOA and other new technology systems
CORBA	Software that connects IT systems that operate on different operation system.
Micro Focus COBOL	Software which allows applications coded with COBOL to run on newer operation systems.
Micro Focus Niche	Software which verifies and tests the function of IT system
Software Delivery and Test	Software which check and duplicate applications that was developed to tests its effectiveness on multiple platforms and devices.

3. Maintenance service on annual basis or as contracted

MSL provides maintenance services for projects per contract made with clients. there is a team of experts who will give advice, consultation, and help solves problems arising from client's operation. in the past, the maintenance services of MSL is contracted in the form of Maintenance Agreement Service which lasts for 1 year or for a period agreed with client who hires MSL to develop a solution. The terms of reference for maintenance service contract covers the following key areas.

1) Check, solve problems, and update software

2) Communicate with clients in case software-related problems arise, and provide service on date and time specified by clients

3) Provide maintenance for 1 year or for a period agreed with client in the contract

4) Prepare a report on the process of checking, problem solving, and updating the software

2. Clients and Target Group

MSL's preferred clients are public and private organizations with large database who has the needs to develop an IT system to increase the efficiency of their operation, such as financial service providers and banks, government agencies, state-owned enterprise, and large private companies. The operations of these organizations generally involve large amount of transaction with diversified database that changes continuously. The database is also expected to grow larger. Thus, such organizations have the needs to store huge amount of data, encompassing financial transaction, personnel information, as well as online database that will requires an IT system to manage and organize the database efficiently, so that it is accessible, complete, and well protected against theft or other technical problems. These organizations may also need to process the stored data promptly and effectively to assist with business decision.

It is MSL's policy to maintain its existing client base by keeping a good relationship with the clients, both through the quality of its product and after sales services, as well as seeking to expand the services provided. MSL also has a strategy to expand its client base by finding new clients. MSL anticipates that there will be an increasing need for operational system development projects for management and in-depth analysis of mass data (Big Data Solutions) for public and private organization clients. MSL has positive experience from working with large organization. Moreover, MSL has made a teaming agreement with a data scientist to prepare for developing Big Data Solutions system for organizations expected to need such system.

As most of MSL's work is solution development projects tailored to its clients' needs, when MSL is selected or able to bid a high-value project, MSL's earnings will increase significantly for the duration of such project. Moreover, the client is also likely to become a major client until the work is completed, which may have an effect on the volatility of MSL's earnings during different phases of the project.

In the past 3 years, MSL's major clients include the Bank of Thailand, Thai Airways International Public Company Limited, TISCO Bank Public Company Limited, and Peeplepass Pte Ltd. who is based in Singapore. These companies are also currently employing MSL as developers of additional software for their systems after having used its services previously. Thus, MSL continues to provide services and maintenance for these companies. Moreover, MSL's Micro Focus software is wanted by a number of organizations. Therefore, MSL's earnings growth during 2014 - 2016 continues to grow at an average of 15 - 20 percent per annum.

3. Sales and sales channels

As MSL's products are projects tailored to its clients' needs, and the administrators or supervisors of the organization's system have a sound understanding of their business and IT system, this makes MSL a Prime contractor who develops comprehensive IT system and uses direct contact with clients as its marketing channel. MSL's team will design a project and present it to clients via an open bidding process or direct procurement.

As MSL may be chosen to be a project developer for government organizations or state-owned enterprises, performance guarantee of 5 percent of project value will need to be provided to assure clients that the requirements and conditions stated in the contract will be fulfilled. Generally, the employee will receive the collateral back from its employer or client when the work is delivered as required by the conditions of the contract, most of which generally take up to 1 year to be completed.

4. Products and services

Development of solutions for each project undertaken by MSL will be tailored to the needs and the nature of the client's IT system. Therefore, MSL will acquire products and technological services from its business partners (in some cases, these partners serve as co-contractors) to apply them to the work whose design has been presented to clients prior to getting the contract. MSL's international business partners who provide products and technological services include HPE, HPI, Adobe, Micro Focus, and AWS.

Human resource is one of the most important assets to MSL's business. Thus, experienced personnel with specific expertise are essential. MSL has a management style of lean management system, but has a policy let our full-time staff to work on key parts of projects, such as IT architecture and project management, and outsources some of the tasks. MSL will verify the quality of outsourced work before using it in the project before delivering a completed work to the client. MSL has a registry of sub-contractors which it regularly assesses their work quality.

Moreover, since 2015, MSL has made a teaming agreement with a data scientist to be project consultant. The scientist is an expert on IT system, which will be essential for more complex projects, who will work with MSL on designing IT system, solution development, and system testing. The project consultant and sub-contractors are outsiders and have no conflict of interest with MSL.

In the past, MSL uses 3-12 months to complete a project, depending on project's nature. In a case where MSL is unable to deliver the work within the timeframe agreed in the contract, there will be a daily fine which is around 0.1 - 0.2 percent of the project value. Up until now, MSL has never been fined for delay.

After delivering the work to clients, MSL will monitor the system after installation for a period stated in the Maintenance Agreement Service, which covers a period of 1 year or as agreed with client. The important condition for such agreement is the ability to provide service promptly. If service provision is delayed, there will be a daily fine which is around 0.1 - 0.2 percent of the service agreement value. Up until now, MSL has never been fined for delay in providing services.

- **Key business partners**

MSL is in the IT industry, which requires sophisticated technology for developing solutions tailored for each project. Therefore, MSL establishes business partnership with companies who develop products and primary technological services that can support MSL's work in developing solution software to its clients. Moreover, such partnership enhances MSL's competitiveness, and provides support for its business. The key business partners of MSL currently include the following companies.

Companies	Nature of Business
Hewlett Packard Enterprise (HPE)/Hewlett Packard Inc. (HPI)	IT technology products and services
Amazon Web Services Inc.	Cloud Server provider
Adobe Systems Inc.	IT products developer and services provider
Micro Focus Pte Ltd.	Developer of application testing tools

5. Pricing policy

MSL sets the price for its services by estimating the cost of project development and add a profit (Cost plus), which is set at a level deemed competitive in the market. Each project MSL undertakes is priced individually.

Marketing and competition of the Company and the subsidiary

Business strategy of the Company

At present, software companies, including 1) ready-to-use software, 2) software designed to meet client's needs, and 3) software services, are the key tools for management that can help increase an organization's effectiveness and efficiency. They also help increase the value of their clients' businesses. Application of their products is used in a wide range of businesses, including tourism and hotel, financial and banking, logistics, construction, as well as security services.

Up until now, the Company focuses on product development and software services for hotel business management, covering the full system and serving as a one-stop service. The aim is to facilitate the needs of its major clients in the hotel industry, whose needs continuously change with the market condition of the business. The Company's strategy for maintaining a long-term competitiveness and enhancing its leading status as software developer and service developer for domestic and international tourism and hotel business are as follows.

1. Strategy on developing quality product and functions tailored for the needs of hotel business

The Company prioritizes continuous product development. Apart from branding the product to make it more memorable, developing product to meet international standards and clients' needs are primary objectives of the Company's software development. At present, the Company is one of the few Thai entrepreneurs who develop ready-to-use software for full system management of hotel business with own patent.

The Comanche Hotel Software has functions and modules which support operation of hotel business, encompassing front office system, back office system, and interface system. Moreover, the Company has a one-stop service, starting from consultation on the uses of Comanche Hotel Software, installation of the software for client's establishment, training software users, and providing after sales services by providing advice and maintenance. This comprehensive package covers all of the client's needs.

Moreover, in 2015, the Company's development process and service provision was recognized when the Company received the Capability Maturity Model® Integration or CMMI® for Development, Version 1.3 Level 3 (out of 5) and CMMI® for Services, Version 1.3 Level 3 from Software Engineering Institute, Carnegie Mellon University, USA. This shows that the Company's development and services meets international standards.

The Company uses surveys to find out its clients' needs. The suggestions and feedback from clients about its services are used to improve new functions and modules so that the software is able to respond to the needs of clients. The company has a system development team who is responsible for software development. In 2016, the Company began to develop application for mobile devices which are become increasingly popular. For instance, an add-on application for catering services function of the software (POS) was developed for Android operation system to allow the staff in restaurant to receive orders, check orders, and call for bills instantly. There was also an application developed for checking-in and checking-out of guest rooms on IOS so that hotel staff can provide check-in and check-out service to clients through mobile devices. Moreover, the Company has a quality control procedure to ensure that software development and services meet its standard. Such QC process encompasses software development, sales, installation, user training, as well as product delivery to clients in order to assure clients about the software.

2. Marketing and Publicity strategy

The Company emphasizes its marketing and publicity strategy by promoting awareness of the brand “COMANCHE” and the trademark “COMANCHE INTERNATIONAL” Description: O2_Logo_comanche_FINAL_horizontal through various channels and activities, including the following.

- Distributing Company’s brochure in presentations, journals, and travelling magazines, such as Thai Hotels and Travel and Thailand Hotel Director
- Publicity through setting booths in domestic and international events, such as
 - Domestic events, e.g. Software Expo Asia 2015 and Food & Hotel Exhibition
 - International events related to tourism and hotels
- Encouraging the Company’s executives to be a panelist in IT events on regular basis

SIPA Friday Event “Going Abroad”



Source: SIPA

“Enhancing SMEs’ Productivity with Software” Event



Source: SIPA

3. Sales channel management strategy

The Company uses 2 primary sales channels, namely domestic and international software sales. For domestic market and those in CLMV, the Company’s Business development department will sell the product directly. For international market, the Company has an additional sales channel through its dealers who have expertise in respective markets as so to enhance its access to market. As of 31st December 2015, the Company has 7 dealers in 7 countries, namely China, Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, and India.

The Company is well aware of the volatility associated with doing business in the hotel and tourism industry which involves many unforeseeable factors or events that can affect the business, such as political instability, natural disasters, and other outbreaks. Therefore, the Company puts a strategy in place to limit the fluctuation of its earnings if such events occur by seeking to expand its revenue base from abroad, which also serves as a mean to expand its revenue sources. The Company thus created an international business department to expand its client base through appointing more dealers abroad. The department also engages in marketing in countries with business potential, but still has no appointed dealer.



Source: Sukhothai Thammathirat University

4. After sales and client satisfaction strategy

The Company emphasizes providing after sales services and ensuring client satisfaction. The Company provides after sales service in a form of 1-year Software Maintenance Agreement, or on-demand assistance and services. The Company formed a 3Cs team (Comanche Customer Care) under the Customer care department to provide services, receive complaints, provide consultation on using software, and solve software-related problems for clients 24 hours 7 days. The objective is to guarantee client satisfaction. The Company surveys client satisfaction by using questionnaire, phone interviews, as well as listening to its employee's opinion so that the views from outside and within are both taken into account and used to improve the effectiveness of the after sales services.

5. Investment strategy and value creation for stakeholders

To realize the company's vision to become a leader in developing and providing comprehensive software solution services in tourism industry, the Company has an investment strategy that involve joint investment with other companies that have compatible businesses to that of the Company's. This will provide support for the core business of the Company's and will lead to an increase in earnings or profits. The Company will also invest in businesses that provide synergy for the Company and will make its core business more comprehensive. This will help enhance the Company's competitiveness. Moreover, there is a policy to invest in high potential projects where co-investors have existing business in the area compatible with the Company's core business, such as tourism, commercial shops, and hotels. The goal is to expand the scope of the Company's business, such as big data analytics for hotel business, so as to increase function that can help with decision-making, strategy formation, client's marketing plan. All of this reflects the dedication of the Company in prioritizing the value creation for stakeholders, including clients, business partners, and co-investors.

For the Company's subsidiary, MSL's services are project-based in nature. In each project, the client will have different software needs. In accepting a project, MSL will have to get through the process of presenting project concept and design, and showing that it has the necessary experience for the job so that MSL's client can be confident that MSL can deliver the work. MSL's key business strategy includes the following.

1. Maintaining quality of its work and timely delivery, which allows MSL to provide clear references for next project presentation
2. Having credible client base which can guarantee that MSL in development of high standard product and timely delivery to clients. MSL's current client base include HPE, HPI, Adobe, AWS and Micro Focus
3. Prioritizing human resource development so that its personnel have the most recent IT-related knowledge and skills. Where specialized experts are needed, MSL makes contract with experts to jointly study or develop a system.

State of the industry and competition

Software industry

The software industry continues to expand with the growing number of clients and their needs, which includes the general public, government organizations and state-owned enterprise, and the private sector, ranging from small enterprises to medium and large entities. The IT systems needed to support their operation must be current and able to keep up with the changes, and can be adapted to handle a diversified database. This is to increase the operational efficiency and to handle future growth. At present, the software industry is an integrated part of many industries, including financial and banking, telecommunication, tourism and hotel, retails trade, logistics, and transportation.

Organization-level users is the main target with the most growth potential, both domestic and international markets. As information technology and communication between organization changes rapidly, there is a growing demand for development of solutions and services. Moreover, it is the trend of the software industry in the digital economy era that users demand new and innovative services. This leads entrepreneurs in the software industry to develop a more diversified range of software products, such as multiplatform application, e-commerce systems, applications for high mobility devices, as well as applications used for cloud computing, whose key principle is the sharing of IT resources to safe cost. These factors drive organization towards development and upgrading of their IT system in order to utilize these innovations under a variety of scenarios.

Value of software development and related services

Product	2013		2014		2015		Growth compared with 2013 - 2015		2016 (projected)		Growth compared with 2013 - 2016		2017 (projected)	
	Value (Mil Baht)	Share (%)	Value (Mil Baht)	Share (%)	Value (Mil Baht)	Share (%)			Value (Mil Baht)	Share (%)			Value (Mil Baht)	Share (%)
Software	12,389	26.3	14,050	27.0	14,068	26.8	13.6%		14,940.0	27.2	20.6%		15,738.0	27.5
- Domestic	12,037	25.5	13,530	26.0	13,496	25.7								
- International	352	0.7	520	1.0	572	1.1								
Software-related services	34,743	73.7	37,902	73.0	38,493	73.2	10.8%		39,953.0	72.8	15.0%		41,519.0	72.5
- Domestic	31,308	66.4	35,103	67.6	35,735	68.0								
- International	3,435	7.3	2,799	5.4	2,758	5.2								
Total	47,132	100.0	51,952	100.0	52,561	100.0	1.2%		54,893.0		16.5%		57,257.0	

Source: Software Industry Promotion Agency (Public Organization)

From the survey of the software industry conducted by Software Industry Promotion Agency Public Organization (SIPA) and Thailand Development Research Institute (TDRI), it was found that the value of software industry judging from the value of software produced for domestic and international market grow continuously. Such value falls under 2 categories: 1) value of software, consisting of software installed in users' computers and software used online installed in developer's network (Software as a service: SaaS); and 2) value of software related services, consisting of Custom Software, SI Services (only software related part), Software Maintenance Services, Software Services Outsourcing, Service and Application Hosting, and Software Related Training and Education, etc.

In 2015, Thailand's software production was worth 14,068 million baht, representing a growth of 13.55 percent compared with 2013. This was partly owed to the growth in the value of software which Thailand exported abroad, such as hotel and resort management software, retails sale software, and human resource management software. As for software-related services, its value was 38,493 million baht, or a 10.79-percent growth compared to 2013. This was also because Thai entrepreneurs expand more of their businesses abroad. The primary target is ASEAN; with key industries include banking, transportation, hotel and tourism, and retails trade.

Share of Software and Related services

Clients	2013			2014		
	Private Sector	Gov't & SOEs	General Public	Private Sector	Gov't & SOEs	General Public
Software	66.5%	32.8%	0.7%	77.2%	22.7%	0.1%
Software-related services	64.3%	35.3%	0.4%	76.6%	23.1%	0.3%

Source: Software Industry Promotion Agency (Public Organization)

Considering the markets for software and related services in 2014 by segment, the primary users of both markets were private sector, followed by government agencies and State-owned enterprises and general public. The government segment slowed down owing to the political uncertainty. Meanwhile private sector was the most important segment, especially medium-size enterprises and those in ASEAN market. The software market for private sector was worth 11,604 million baht, representing 77.2 percent of the entire software market, followed by government segment (worth 3,412 million baht, or 22.7 percent of software market) and general public (worth 15 million baht, or 0.1 percent of the software market). Meanwhile, the software-related service market for private sector was worth 30,601 million baht, representing 76.6 percent of the entire software market, followed by government segment (worth 9,228 million baht, or 23.1 percent of software market) and general public (worth 120 million baht, or 0.3 percent of the software market), respectively.

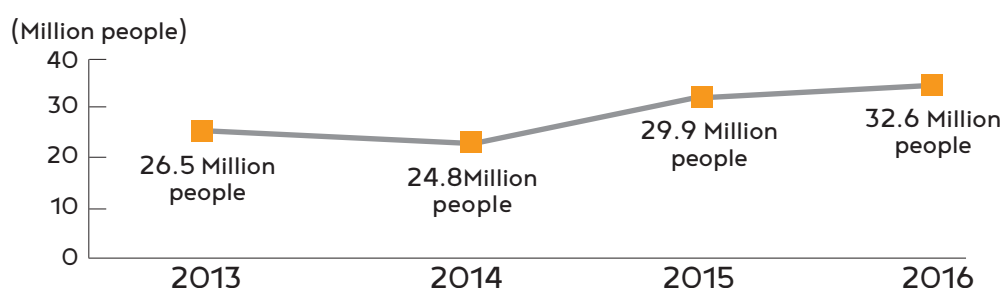
Moreover, the survey showed that the software and related services in 2015 was worth 100,408 million baht, consisting of domestically produced software and services worth 49,231 million baht, or 49.03 percent, and imported software and services worth 3,330 million baht, or 3.32 percent, respectively.

Hotel and tourism industry

Tourism industry is an important part for the tourism and hotel service sector, especially for the ASEAN economies, such as Cambodia, Lao PDR, Malaysia, the Philippines, and Thailand. The tourism industry generated income for these countries and Thailand over 10.0 percent of GDPs.

The Department of Tourism reported that there were 32.6 million people inbound tourists visiting Thailand in 2016, compared with 26.5 million people in 2013, representing 23.02 percent growth. A survey conducted by Mastercard Global Destinations Cities Index placed Bangkok as the most visited city in the world. Moreover, there are 4 other cities in Asia which are ranked as most visited cities in the world as well, such as Singapore, Kuala Lumpur, Tokyo, and Seoul. There are 7 other cities in Asia which are listed as cities with the fastest growing number of visitors, namely Osaka, Chengdu, Colombo, Tokyo, Taipei, Xi'an and Xiamen.

Inbound tourists visiting Thailand, 2013 - 2016

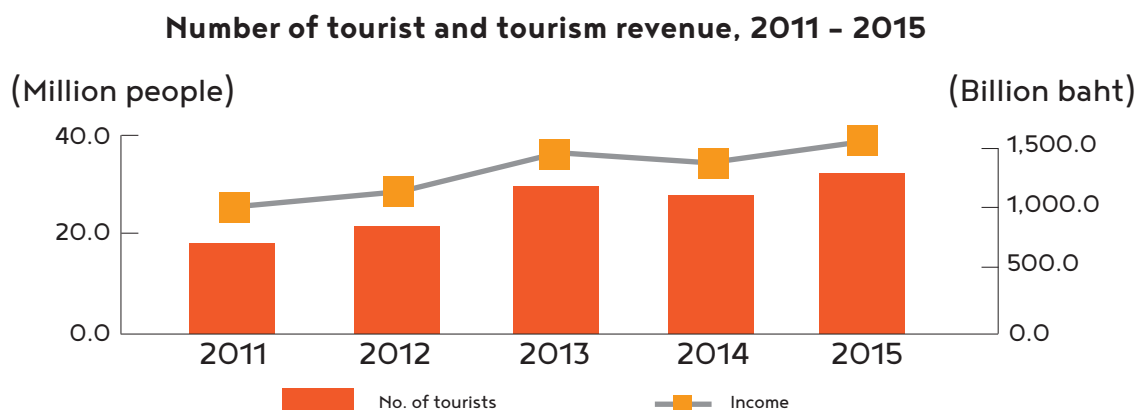


Source: Department of Tourism

The number of inbound tourists visiting ASEAN grows continuously, from 81.2 million people in 2011 to 104.6 million people in 2015, or a 6.5 percent growth per year. Most of the visitors visited Thailand, followed by Malaysia, Singapore, Indonesia, and Vietnam. Thailand's inbound tourists represent 82.2 percent of tourists visiting ASEAN. Meanwhile those visited Myanmar, Lao PDR, and the Philippines continued to grow in 2015. The share of visitors coming to ASEAN grew compared to the previous year. The primary reason for tourists, both within and outside ASEAN, came for leisure, accounting for 53.0 percent of all visitors coming to ASEAN. The other reasons for coming to ASEAN include visiting families, accounting for 27.0 percent of visitors, and business trips, accounting for 14.0 percent of visitors, respectively.

For Thailand, tourism industry is very important to the Thai economy, as it is a significant source of income for the country and generates considerable employment. According to the report Travel & Tourism Economic Impact prepared by World Travel & Tourism Council (WTTC) in 2014, tourism industry generated direct and indirect income for the country 2,345.1 billion baht, representing 19.3 percent of the GDP, and created jobs, both directly and indirectly, 5.4 million positions, or 14.1 percent of all employment.

In 2015, the revenue from tourism industry grew by 19.2 percent compared with the previous year. It generated direct and indirect income for the country 2,795.1 billion baht, or 20.8 percent of the GDP. There were 5.9 million people directly and indirectly employed in the tourism industry, or a growth of 9.3 percent compared to previous year, representing 15.4 percent of Thailand's employment.



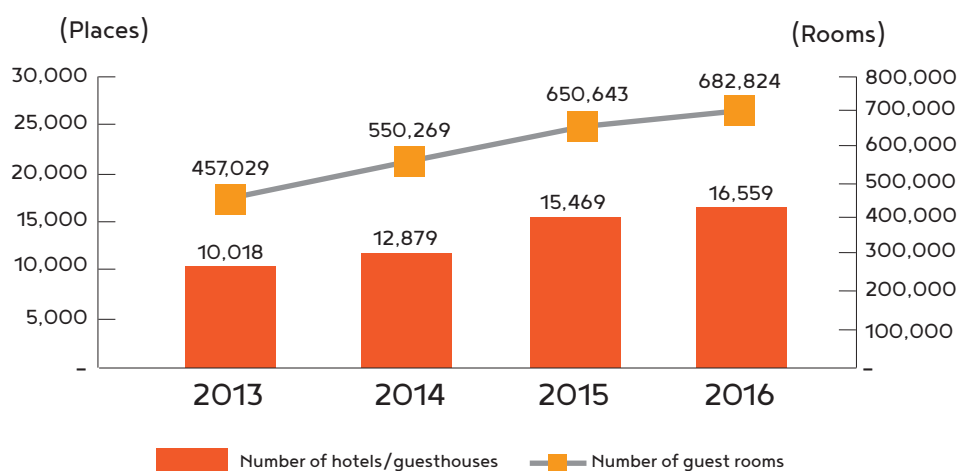
In the past 5 years, Thailand's tourism industry grew both in terms of number of tourists and revenue from tourism. According to the data of Department of Tourism, the number of inbound tourists visiting Thailand grew from 19.2 million people in 2011 to 29.9 million people in 2015, representing an average growth of 11.7 per annum. The revenue from tourism also grew along with the number of tourists. In 2011, the revenue from inbound tourism was 776.2 billion baht, which increased to 1,447.5 billion baht in 2015, or an average annual growth of 16.9 percent. Moreover, it is expected that the revenue from inbound tourism will continue to grow as an average tourist spending is rising, from 4,187.1 baht/person in 2011 to 5,404.4 baht/person in 2015.

In the second quarter of 2016, the Macroeconomic Strategy and Policy Office under the Office of National Economic and Social Development Board reported that the GDP for the hotel and restaurant sector grew by 12.7 percent, compared with 15.8 percent growth in the previous quarter. This encompassed an increase in almost all regions, with the number of inbound tourists of 7.6 million people, or an increase of 8.2 percent. This reflected the increase in confidence of tourists in most regions of Thailand. The top-five groups of tourists visiting Thailand in this quarter were from China, Malaysia, India, Lao PDR, and Japan, respectively. The revenue from inbound tourists was 387.6 billion baht, or an increase of 14.7 percent from the same period last year.

Thailand's tourism in the fourth quarter of 2016 had a decline of inbound tourists of 1.06 percent, while there was an increase in revenue by 2.03 percent compared with the same period last year. Meanwhile, domestic tourism increased by 8.79 percent, making the revenue from domestic tourism grew by 8.89 percent compared with the same period last year. Consequently, in 2016, the number of inbound tourists grew by 8.86 percent, and number of domestic tourists grew by 6.49 percent from previous year, leading to revenue from tourism of 2.51 trillion baht, which was 2.4 trillion baht higher than the original target.

Regarding the situation of ASEAN and CLMV tourists in the fourth quarter 2016, the ASEAN tourists continued to grow at a rate of 4.04 percent, generating a growth of 6.39 percent in revenue for Thailand compared with last year. Similarly, the number of CLMV tourists visiting Thailand grew by 9.32 percent, generating a growth in revenue by 11.55 percent from last year. In 2016, the tourists from CLMV visiting Thailand grew by 18.68 percent, creating a growth in revenue of 21.19 percent compared with last year.

Number of hotels/guesthouses and number of guest rooms

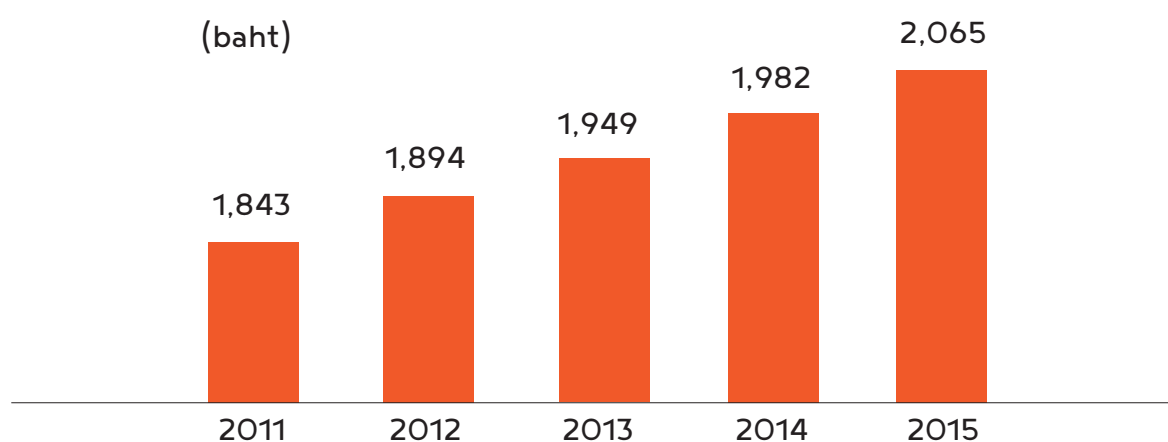


Source: National Statistics Office

Regarding the number of hotels/guesthouses and the number of guest rooms, the report of the National Statistics Office on the survey of hotels and guesthouses nationwide, which is conducted every 2 years, found that the number of hotels and guesthouses increased with the growth of the country's economy and the number of inbound tourists. The number of hotels and guesthouses increased from 5,420 places in 2009 to 10,018 places in 2013, or an average annual growth of 16.6 percent. As for the number of guest rooms, there was also an increase in number of rooms, with a growth in number from 303,154 rooms in 2009 to 457,029 rooms in 2013, or an average annual growth of 10.81 percent.

In 2009, there were 10,018 hotels and guesthouses in Thailand, with a total of 457,029 guest rooms. By region, the South of Thailand had 3,713 hotels and guesthouses, representing 37.1 percent of Thailand's hotels and guesthouses. The Central region had 2,532 hotels and guesthouses, or a share of 25.3 percent, and the North had 1,854 places, or 18.5 percent. In term of guest rooms, the South had 155,741 rooms, (or the highest share of 34.1 percent of all guest rooms in the country. The Central region had 112,757 rooms (a share of 24.7 percent), whereas Bangkok had 87,626 rooms equal to 19.2 percent.

National average price of guest room 2011 - 2015



Source: Bank of Thailand

During 2011 - 2015, the price of guest rooms grew on average by 2.9 percent per year, increasing from 1,843 baht/night in 2011 to 2,065 baht/night in 2015. This factor induces new entrepreneurs to invest in hotel business. Moreover, if consider the demand for guest rooms, it is found that the occupancy rate during 2011 to 2013 increased steadily. However, there was as declined in 2014 to 55.6 percent, reflecting the fall in number of inbound tourists visiting Thailand. This was a result of both domestic and international factors, such as domestic political uncertainty, natural disaster, and condition of the global economy. Nonetheless, the occupancy rate in the second quarter of 2016 recovered to 58.3 percent, albeit slightly lower than the rate of 58.4 percent in the same period the year before.

Software industry for data management

Nowadays, solutions development for data management has a crucial role in the age of digital economy. Those who has efficient data management system can have a more effective and real-time decision-making process, leading to effective operation. This is particularly so for medium to large organizations, both private and public ones, as their operations involve a large amount of transaction on a daily basis. These organizations commonly use software for data management. Moreover, the technological progress has

made equipment such as computers and mobile devices, such as mobile phones and tablets, cheaper. This provides an easy access to the internet, which leads to the development of applications for devices with high mobility. Moreover, users also utilize the information available on the internet, such as from social media and other public websites, together with the data usually used in their operations, which are as diversified as the users themselves. Therefore, the conventional data management technology may prove to be inadequate for handling the increased volume of data. Thus, the system of big data analytics is developed to handle the real-time changes of data in order to handle the needs of users on a continuous and timely basis.

Activity at Technology Usage with Cloud Computing System (Cloud Computing) divided by Region

Unit : Exabyte

Region	2013	2014	2015	Average Annual Growth (%)
Asia Pacific	505	736	1,042	43.6
Central and Eastern Europe	101	140	191	37.5
Latin America	117	159	203	31.7
Middle East	31	51	77	57.6
North America	691	933	1,211	32.4
Western Europe	311	400	501	26.9
Total	1,756	2,419	3,225	35.5

Source: Cisco

Development of solutions to be used with Cloud Computing to share IT resources to cut cost is a growing trend. In order to store a huge quantity of data in the past, users have to invest substantially to create data storage system and network infrastructure. In the future, users will be able to store their data on the Cloud system, which means that users will not have to invest in their own system and network. Moreover, users can rent additional space in the Cloud if they require more space for storage. Moreover, users can access their data via the internet, under a system of shared services. According to Cisco's report, the activities in the Cloud system will increase from 1,756 Exabyte in 2013 to 3,225 Exabyte in 2015, which is an average annual growth of 35.5 percent. The Middle East had the fastest growth rate of 57.6 percent, followed by Asia Pacific (43.6 percent growth). In 2015, the North America had the most Cloud usage of 1,211 Exabyte, accounting for 37.6 percent of all Cloud usage, followed by Asia Pacific (1,042 Exabyte of Cloud usage, or 32.3 percent share).

Competition among the entrepreneurs of software for hotel management

At present, information technology has a critical role in business operation across the world. It allows users to be more productive, to cut cost, and to increase efficiency of their operations. Consequently, the software development industry grew rapidly in the past few years. Meanwhile, software development is a business which does not require much investment. This allows many new entrepreneurs to enter the software industry. Nevertheless, for a software developer to grow well in the long-term, there has to be an experienced management and team to support the creation of intellectual property from development of quality software.

Hotel industry is one of the enterprises which widely utilize information technology in the business operation. IT is used from reception to reservation, check-in system, catering management system, accounting and finance, as well as checking-out. Thus, a good software for hotel management is critical to the success of a hotel business.

The Company is the developer of Comanche Hotel Software, which is a comprehensive hotel management software that covers all systems (full system). In other words, the software has functions and modules for all operational aspects of a hotel, encompassing the front office system, catering management, stock management, fixed asset management, seminar/conference hosting system, as well as the interface that allows other devices or computers control over, such as door lock system, internet billing system, Smart TV system to work with the central network. The Company is the sole developer of the Comanche Hotel Software, which is a strength of the Company, allowing it to tailor the software to the needs of its clients, as well as providing installation and user training services for, and after sales services. Such comprehensive service gives confidence to the clients in choosing the Company's software and related services.

As for Thailand's market of software used in hotel management, there are a number of developers and service providers. Each software has different properties, functions, and operational modules. The software comparable to the Company's are created by developers as follows.

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

Source: compiled by the Company

The Company assesses the expected level of competition and found that each company has different target group of clients, where international companies have foreign hotels network as target. Moreover, even though software developed by these companies are comparable, a successful development of hotel-management software requires management and team experienced in the hotel business. Software must have all the necessary functions and modules, covering all operations comprehensively. There must also be good after sales services and continuous care for clients so that clients can be confident that their business will operate smoothly. Moreover, to avoid the cost associated with changing software (switching cost), which involves cost of new software, retraining of staff. Therefore, clients in the hotel industry are unlikely to change software unless the replacement software is clearly more cost competitive and superior to the current one. Moreover, when clients expand their hotel business, they mostly choose the software their other hotels are already using.

As of 31st December 2016, the Company has clients with a total of 710 establishments, both domestic and abroad, and 106,936 guest rooms. Its client base encompasses 43 hotel groups that use Comanche Hotel Software, including the Centara group, the Imperial group, the Eastin group, the Kantary group, and the Oakwood group. Consequently, the Company will be able to grow its business owing to the growth of its existing client base, as well as from the prospective clients.

Competition among the entrepreneurs of software for data management

An efficient data management system is a key strategy of every organization, especially the medium to large ones which undertake a large amount of transaction, encompassing financial transaction, personnel information, as well as online database. Therefore, there is a growing need for solutions for organization's data management.

As the clients who use data management software are large organizations, such as government agencies, state-owned enterprises, private companies, and financial institutions. This gives the clients with high bargaining power. Nevertheless, these clients give priority to the quality of product, which gives advantage to software entrepreneurs who have experience in developing software that manage large and complex data in a form of software solutions tailored to client's need.

In Thailand, there is a limited number of entrepreneurs in this industry who give advice, plan, design, and develop software or solutions for large organizations. Most of the companies are international companies with subsidiary in Thailand, such as IBM (Thailand) Co., Ltd., Oracle (Thailand) Co., Ltd., and IMC Corporation. These companies have expertise in many fields, and mostly use software developed by their own group to develop solutions for clients. They also only focus on high-value projects.

On the other hand, MSL's operation differs from these companies. MSL chooses software from its business partners (vendors), as well as other developers to create solutions tailored to the client's operation. Primary focus is on operational efficiency of the software, which has to be suitable to the job, and on having a team to provide maintenance after installation. This is to assure clients and maintain good relations with continuous services. Moreover, MSL can also take on small projects while being profitable. Meanwhile, international companies have higher break-even threshold, and may not be willing to take on small-sized projects. Therefore, this market segment is a potential market that MSL can tab.

MSL's existing client base is mostly large organizations, such as government agencies, state-owned enterprises, and financial institutions, who have high bargaining power. Nevertheless, these clients give priority to the quality of product, which gives advantage to MSL who has experience in developing software that manage large and complex data in a form of software solutions. It can deliver the work it promises on time. MSL also has business partnership with other software developers and international Cloud service providers. For these reasons, the Company is certain that it can inspire client's confidence and that it has a long-term competitive advantage in the software development for data management.

The current progress of information technology and the favorable government policy on digital economy are anticipated to support the development of the market for data management software for the foreseeable future. Every organization needs to develop an IT system which are adequately modern to handle the increasingly diversified database. This will lead to growth opportunity for software business in data management. Meanwhile, there will be more entry of software development into this market. Nonetheless, MSL has government agencies, state-owned enterprises, and large private organizations as its primary client base. It also has an experienced team from the past projects it developed for large organizations. MSL is also a business partner with software developers and international Cloud service providers, such as HPE, HPI, Adobe, AWS, and Micro Focus. These factors will give clients confidence that MSL will be able to grow with the increasing business opportunity in this industry.

Risk Factors

Investment in the Company's ordinary shares is a risk and investors should carefully consider risk factors which may affect the Company's business operations or the price of its ordinary shares. In this connection, risk factors stated in this document are risks calculated according to present conditions and information, and there may be other presently insignificant risks which could turn into risk factors which may affect the Company in the future.

Moreover, wordings in the nature of future forecasts that appear in this document, such as "believe", "expected", "of the opinion", "may", or "maybe", or other words or wordings of similar nature, or forecasts of business plans, result of business operations, changes in laws relating to the Company's business undertakings, government policies and others, are forecasts of future events, and there may be significant differences between actual results and forecasts or expectancies.

Business Risks

Risk from dependency on experts

A large portion of the Company's revenue came from the Company's main business undertaking, namely, the development for 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 for use as data for development of new products. This includes the Software Installation and After Sales Service Department, who must be able to gather information on the defects of the software program from actual customer use, in order to present them to Management for decision on developing new features of the program. The Research and Development Department is dependent on information from these teams in order 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 well aware of risks involving loss or lack of personnel with knowledge and capability as mentioned above, and in the year 2015 the Company made suitable changes in the Company Organization Chart to accommodate long-term business expansion; it also 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 NSL, a subsidiary of the Company that undertakes the business of consultation, planning, design and development of 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, recognizing 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 develop systems or systems solution. Moreover, MSL focuses on continuous development of human resources by promoting teamwork in order that staff can exchange knowledge and can substitute for one another, as well as setting employees' remunerations at a competitive level in order to motivate staff to remain with the organization for a long period of time.

Moreover, since MSL's undertakes work as a project, and has management guidelines based on a Lean Management System, outsourcing some of the jobs, with company staff working on the important aspects of the project and acting as Project Manager in all the projects. MSL controls job quality to be in accord with systems design, thereafter assembles each part in order to deliver the fully integrated product to clients. In this connection, MSL is aware of risks involved in outsourcing to experts, with regard to quality of work, delivery period and readiness to accept work and has therefore prepared a Supplier Approval List. Besides, to comply with good internal control system, MSL prepares an annual Quality Assessment Form for suppliers. Apart from this, MSL has a policy to maintain good relationships with various Vendors, such as software program and solutions service providers, HPI HPE ADOBE OPENTEXT or AWS, as well as Data Scientists, and in the year 2015 MSL entered into a Teaming Agreement with one expert in order to increase its competitive edge and minimize risks whenever clients require a working system which relies on the knowledge and capability of this type of expert.

Risk from dependency on the thailand tourism Industry

As a provider and developer of integrated software solutions for use in hotel management, with main customers being 3-star hotels upwards, during the past three years, the Company's revenue from clients in the hotel business within the country was approximately 85 - 95% of revenue from sales and services, with a growth rate in revenue for the years 2014 - 2016 at an average rate of 11.27%, which is in the same direction with the hotel and tourism industry (please study additional information under and Competition).

Anyway, 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 an Overseas Business Development 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 MSL Software (Thailand) Limited ('MSL') in 2015 enables the Company to spread its revenue to other customer base besides the present hotel clientele, in order to minimize risk 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 in that it focuses on selecting 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 subsidiary company 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 that of 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 and has a portfolio in software management solutions for large scale and complex data, could deliver work on schedule and has 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 associated company

MSL'S revenue from sales and services for the years 2015 – 2016 totaled Baht 35.13 million and Baht 40.46 million respectively, with revenue from services rendered to Thai Airways International, Bank of Thailand, PeeplePass Pte Ltd. and TISCO Bank, in proportion to the Company's total revenue as follows:

Units: Percent			
Name of Client	Year 2014	Year 2015	Year 2016
Thai Airways International	18.71	71.00	28.64
Bank of Thailand	19.44	15.92	21.95
PeeplePass Pte.Ltd.	-	8.98	24.86
TISCO Bank	-	-	20.46

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 providing service. Therefore, if MSL loses the above clients and could not find other clients to replace them, it would affect MSL's revenue.

Upon considering revenue from the abovementioned four main clients of MSL in proportion to revenue from the Company's consolidated financial statements, it could be found that for the year 2015 the proportion is equal to 24.66%, 5.53%, 3.12% and 0.00% respectively, and for the year 2016 the proportion is equal to 8.70%, 6.67%, 7.56% and 6.22% respectively (calculated from revenue earned from the biggest client of MSL in each year). It could therefore be stated that for revenue from business operations of the company group, no earning from any one client exceeded 30%,

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.

At the same time MSL has developed the MSL Big Data Platform and received a certified copyright notification in October of 2015, thereby supporting MSL to build a platform for new customer groups requiring an operational system for big data management including data analysis, to enable clients to use this analysis to make business decisions. Moreover, business re-structure with the Company would help increase MSL'S competitive potentials with regard to products and services which may be linked up with present customer groups of its parent company, namely Comanche. Moreover, MSL would receive more cash flow support for its operations from the Company after the Company is registered in MAI, with the result that MSL would be able to accept more jobs and larger-scale projects.

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 did so 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 without purchasing the Crack Software license key from the Company as follows:

- (1) 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.
- (2) 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 software system distributed by the Company is an enterprise software, which is not a target for distribution as illegal software like desktop application for normal end users, i.e. programs used on personal computers, such as typing programs, music programs, or photo editor programs.

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 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 in order 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 every week, as well as the procurement of a standby power system 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 or associated companies in which the Company has investments. Thus, if said subsidiary or associated 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 involved in investing in said other companies and places great importance in selecting companies in which to invest, with the Executive Committee having the responsibility of considering the investments for presentation to the Company's Board of Directors, investing within the scope of authorized powers. The approval of said transaction would have to comply with the Securities and Exchange laws and the rules, notifications, order or stipulations of related government agencies. In this connection, the Company has established an investment policy for investments in subsidiary and associated companies with business relating to information technology, which is the type of business in which the company's management has experience and expertise.

Risk Arising from the company 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 reserve fund of not less than 5% of the annual net profit less accrued net loss brought forward, until the reserve fund 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 for 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 who is founder and major shareholder and holds the position of Chief Executive Officer and Executive Chairman 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 Director and Executive Director in the Company. Should the Company and subsidiary company lose any or both directors, it may affect the business operations and operating results of the Company and subsidiary company.

Anyhow, after the shareholders of both companies made adjustments in the business structure of the Company through buying and selling of shares, making it the same company group, both then jointly specified business targets as well as long-term business strategies, with a new organizational structure to support future business expansions, which include a plan to recruit and select more experts in various fields to work with the Company group in order 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 distribution of power, 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, the Executive Committee and 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 Financial Report No. 3(revised 2015) Re. 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 statement showed a Goodwill value from the business merger of Baht 64.26 million, and customers relationship value of Baht 31.34 million. The Company has to test the depreciation of the goodwill arising from business merger every year or more often if there are indications of any impairment while customers relationship is amortized according to the period of time it is 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 statement for year ending 31st December 2015 and 2016, goodwill arising from the business merger and customers relationship as appeared in the financial statement are as follows:

Unit : Baht

Item	Consolidated Financial Statement	
	31 st December 2015	31 st December 2016
Goodwill	64,260,047	64,260,047
Provision for Impairment	-	-
Balance	64,260,047	64,260,047

Unit : Baht

Item	Consolidated Financial Statement	
	31 st December 2015	31 st December 2016
Customers Relationship	31,341,387	31,341,387
Accrued Amortization	(10,538,311)	(15,792,157)
Balance	20,803,076	15,549,230

Therefore, in the event indicating impairment in value of the subsidiary company 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 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, it will have no effect on the cash flow of the Company in any way).

Research and Development

The Company promotes continuous research and development to increase both quality and efficiency of products to add product value as well as to improve the working process within the Company to increase work efficiency, which is an important factor in increasing its potentiality as the leading integrated software developer for hotels in the country. In this connection, the Company and its subsidiaries have some major research and development projects which were completed during the years 2013 – 2015 and some still under the process of research and development, with project details and expenditure in research and development for each project as follows:

1. CMMI Certification Project

The Company joined the CMMI Certification Project, which is a project set up by the government agency that supervises the IT industry of Thailand, such as the National Electronics and Computer Technology Center : NECTEC, Software Park Thailand and the Software Industry Promotion Agency, in order that software companies in Thailand would have knowledge and understanding on the software development process of world-class standards, the Company management having realized the benefits to be acquired from achieving such standards, which gives a more systematic approach for work units within the organization, with a data information system, data reference system for ease in checking, as well as working process for checking work efficiency for continuous development and adjustments.

In this connection, having this world-class working standard will help promote the Company to be continually accepted by both local and international clients.

Research and Development Expenditure (Baht)	1 st Jan 2014 – 1 st May 2015
Budget supported by government sector	800,000
Company budget (in monetary term)	1,400,000
Expenditure on salary of staff participating in the project	1,080,000
Estimated other expenditure	328,000
Total	3,608,000

2. Project for Development of Software Program for Mobile Device

A great number of the Company's clients uses hotel management system on personal computers. At present, however, mobile devices, such as Smart Mobile and Tablets, are widely in used by said clients. The Company therefore realizes the opportunity to

develop additional software program for use on such mobile devices, which would enable the Company to have an assortment of merchandise for satisfying the needs of clients, resulting in increased future revenue. The research and development for the following additional software programs have therefore been integrated by the Company.

- 2.1 Check-in / Check-out System for Apple iPad
- 2.2 Executive Dashboard System for Apple iPhone
- 2.3 Mobile Point of Sale System for Android
- 2.4 House Keeper System for Android

The Company made research and development of said software program during the year 2013 – 2015, and distributed them to clients in the year 2016, using a budget for research and development totaling Baht 3,695,780, details of which are as follows:

Research & Development Expenditure (Baht)	Year 2013	Year 2014	Year 2015
Expenditure for staff	1,154,400	1,154,400	1,014,000
Equipment cost	23,000	-	14,000
Estimated other expenditure	117,740	115,440	102,800
Total per annum	1,295,140	1,269,840	1,130,800
Grand Total			3,695,780

Apart from the result of acquiring products which could be distributed, the Company gained knowledge for development of software program for use on mobile devices, which could be integrated with other future merchandise and services of the Company.

Research and Development Projects under Operating Process

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 signal, facilitating the work of systems operators of both customer IT unit and the Company's Customer Care Department.

Although web-based technology has gained popularity for quite some time, the IT data base of target clients of the Company is still unprepared to accept immediate change in technology, for example, several hotels are situated in tourism area with unstable internet signals. Anyhow, at present internet service has covered more grounds and signals are serviced on channels which increase the capability of web-based applications. The Company is therefore of the opinion that this is the time to offer products to clients for efficient working operations, and therefore launched a project to develop the Comanche Hotel Software Program, Web-based Version, at a budget of Baht 4,884,669, under the following operational plan:

Research and Development Expenditure (Baht)	Budget	Total Amount Spent		
		Year 2015	Year 2016	Total
Staff expenditure	4,336,800	86,632	1,214,024	1,300,656
Software expenditure for program development	103,808	103,808	-	103,808
Estimated other expenditure	444,061	-	-	-
Total	4,884,669	190,440	1,214,024	1,404,464

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

Modules	Progress as at 31st December 2016	Estimated Testing Period with Specific Groups of Client	Estimated Period for Sale to General Clients
Account Receivable	100%	1 st October 2016	1 st January 2017
Front Office	100%	1 st October 2016	1 st January 2017
General Ledger	5%	2 nd Quarter/2017	2 nd Quarter/2017
Point of Sale	5%	3 rd Quarter/2017	3 rd Quarter/2017
Recipe	0%	4 th Quarter/2017	4 th Quarter/2017
Account Payable	0%	4 th Quarter/2017	4 th Quarter/2017
Inventory	0%	4 th Quarter/2017	4 th Quarter/2017
Purchasing	0%	4 th Quarter/2017	4 th Quarter/2017

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

By taking statistics of hotel occupants from the Front Office System / Property Management System to be presented in data management form to hotel management for use as collaborating information in order to make strategic decisions.

The Company will start research and develop into a product which will earn future revenue for the Company by starting development of the Hotel Business Intelligence System in the third quarter of 2016, expected completion date within 2017 at a budget of Baht 3,437,211 with estimates for research and development expenditure as follows:

Research and Development Expenditure (Baht)	Budget	Total Amount Spent		
		Year 2015	Year 2016	Total
Expenditure for staff	507,000	-	39,864	39,864
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	-	-	-
Total	3,000,411	214,200	1,839,864	2,054,064

As at 31st December 2016 the Company gathered requirements from a sample group of clients and completed making a prototype for internal system testing with a plan for development into a software program for testing with customers within 2017.

Apart from the above-mentioned research and development project, the subsidiary company has a major research and development project which has been completed in 2016, details of the research and development being as follows:

1. MSL BIG Data Platform Development Project

MSL has developed a software program under the name “MSL Big Data Platform” and registered a copyright claim with the Department of Intellectual Property on 19th October 2015. This program is used to analyze statistical data from publicly accessible sources, such as Facebook, Twitter, Instagram, Foursquare, Tumblir, Website and Web board, including various posts whereby the software program will use publicly acquired data from various database to process, digest, analyze and present the result of data analysis in report form and Dashboard, said statistical data being of benefit for business operators to monitor the movement or acceptance of client groups in real time. It would also be instrumental for analysis in order to increase business undertakings by using technology to assist business operators to study effects and marketing trends according to the requirement of various groups of clients. The strength of MSL Big Data Platform is that the software program is capable of showing results in various forms, such as

- 1.1 Sentiment and Mood Analysis
- 1.2 Analysis of purpose and type of collected data, e.g. questions, requests or expressing opinions
- 1.3 Relationship of contents of posting in the Social Media in Near Real Time
- 1.4 Trend Analysis, such as subject ,contents, or goods/services talked about in the Social Media
- 1.5 Showing results in various graph formats for ease in understanding
- 1.6 Report form or Dashboard could be adjusted to user’s requirements
- 1.7 Result could be shown as Geo/Location Based Insight on map

MSL started the development of this project in the year 2014, and completed the development as at 30th September 2016 and has been commercially used with clients. Expenditure for research and development of said program totaled Baht 26,351,223. details of which are as follows:

Expenditure for Research and Development (Baht)	2013 - 2016
Salary for employees participating in the project	10,300,852
Expenditure for service outsourcing	10,303,581
Expenditure for rental of space for Cloud Hosting	5,746,790
Total Expenditure	26,351,223

Assets Used in Business Operation

Investment

As of 31st December 2016, the Company has capital invested in one subsidiary. as follows :

Company	Nature of Business	Ownership (%)	Registered capital (Baht)	Registered capital (Baht)
MSL Software (Thailand) Co.,Ltd.	Software services	99.99	23,461,300	23,461,300

Fixed asset used in business operation of the Company and the Subsidiary

As of 31st December 2015 and 2016, the fixed assets used by the Company and the Subsidiary for business operation consist of computers and office equipment, and intangible assets, whose net book value after depreciation and amortization of 46.27 and 47.65 million baht, respectively. The details of the computers and office equipment, and intangible assets are as follows.

Assets	Book value (consolidated financial statement) (Million Baht)		Ownership	Obligation
	As of 31 st Dec 2015	As of 31 st Dec 2016		
Computers and office equipment	2.86	4.55	Outright	None
Intangible assets	43.41	43.10	Outright	None
Total net value	46.27	47.65		

Intangible assets

The intangible assets that the Company and the Subsidiary use in their business operation include computer software, software under development, and relationship with clients. As of 31st December 2015 and 2016, these assets are worth 43.41 and 43.10 million baht, respectively.

Assets	Book value (consolidated financial statement) (Million Baht)	
	As of 31 st Dec 2015	As of 31 st Dec 2016
Computer software	1.13	25.98
Relationship with clients *	20.80	15.55
Software under development **	21.48	1.57
Total net value	43.41	43.10

Note : * Relationship with clients is considered as intangible asset assessed for fair value arising from the Company's acquisition of the Subsidiary on 1 September 2015 (99.99 percent) as stated in the 3rd financial report (revised in 2014) under Acquisition.

** The development of MSL Big Data Platform software by MSL was completed and ready for use. The software was made available to clients of MSL since 30 September 2016. Amortization was terminated in the financial statement on the same day.

Copyright

The Company and the Subsidiary received copyright certifications of literary work from the Department of Intellectual Property, Ministry of Commerce with details as follows.

Work	Company	Type of work	Registration	Date of Issue
Comanche Hotel	COMAN	Literary work/Computer Software	Vor1. 3070	13 th May 2009
Software and Data Base				
MSL Big Data Platform	MSL	Literary work/Computer Software	Vor1. 5590	20 th Oct 2015

Investment promotion certificate

The Company and the Subsidiary benefit from investment incentives from the Thai Board of Investment (BOI).

Type	Company	Rights and Benefits	Certificate No.	Date of Issue	Expiration date
Type 5.8: Software enterprise under Enterprise Software and Digital Content category	COMAN	Corporate Income Tax break for 8 years from the date the Company started earning income (3 rd September 2009)	1156(7)/2552	20 th February 2009	2 nd September 2017
Type 5.7.2: Enterprise Software development and/or Digital Content category	MSL	Corporate Income Tax break for 7 years from the date the Company started earning income (30 th September 2015)	58-2032-1-01-2-0	14 th August 2015	29 th September 2022

Important contracts related to business operation

Office lease and service contract

As of 31st December 2016, the Company and the Subsidiary do not own any properties. The building the Company operates from is under an Operating Lease from a person not involved with the Company

Building	Tenant	Property Owner	Rent stated in contract	Term of lease
1) Mueng Thai - Patara Complex Building 23 rd 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 meter	COMAN	Muang Thai Life Assurance PCL	Lease 224 Baht/square meter/month (Total of 107,856 Baht/month) Service Contract 336 Baht/square meter/month (Total of 161,784 Baht)	15 th May 2016 - 14 th May 2018
2) Bhiraaj Tower @ EmQuartie, No. BTE-TWR.16.1610, 16 th Floor, with total space of 133 square meter	MSL	Bhiraaj Buri Co., Ltd.	Lease 376 Baht/square meter/month (Total of 50,008 Baht/month)	1 st January 2016 - 31 st December 2018

Building	Tenant	Property Owner	Rent stated in contract	Term of lease
3) Bhiraj Tower @ EmQuartie, No. BTE-TWR.16.1610, 16 th Floor, with total space of 133 square meter	MSL	Penta 591 Co., Ltd.	Service Contract 564 Baht/square meter/ month (Total of 75,012 Baht)	1 st January 2016 – 31 st December 2018
4) Bhiraj Tower @ EmQuartie, No. BTE-TWR.16.1608, BTE-TWR.16.1609, 16 th Floor, with total space	MSL	Bhiraj Buri Co., Ltd.	Lease 376 Baht/square meter/ month (Total of 90,616 Baht/ month)	1 st September 2016 – 31 st August 2019
5) Bhiraj Tower @ EmQuartie, No. BTE-TWR.16.1608, BTE-TWR.16.1609, 16 th Floor, with total space of 241 square meter	MSL	Penta 591 Co., Ltd.	Service Contract 564 Baht/square meter/ month (Total of 135,924 Baht/ month)	1 st September 2016 – 31 st August 2019

Insurance contract.

Type of Policy	Insurance policy for small business	
Insurer	MSIG Insurance (Thailand) PCL	
Insured party	Comanche International Public Company Limited	
Coverage	16th June 2016 – 16th June 2017	
Sum insured	3,000,000 Baht	
	Protection	Sum insured
	Category 1: Fire, lightening, and additional protections, such as loss or damage from storm, from water (not including flood), collision with air transports, earthquake or volcano eruption, undercurrent or tsunami, and explosion Properties protected include furniture, fixed decoration, and other properties inside the building, computers, printers, photocopiers, meeting rooms, desks, and chairs.	Not exceeding 3,000,000 Baht
	Category 2: claim for loss of income occurred due to events protected under Category 1	Not exceeding 10% of the sum insured

Protection	Protection	Sum insured
	Category 3: Theft, burglary, and breaking-in with clearsigns • Protection for loss or damages to insured properties • Protection for damages to the building holding the insured properties	Not exceeding 100,000 Baht/incident/year
	Category 4: compensation for the loss of life of the insured and/or family members due to accidents within the insured properties arising from the events protected under Category 1 and 3.	Not exceeding 100,000 Baht/incident/year
	Category 5: insurance for the cash within the insured properties against theft and robbery during office hour	Not exceeding 50,000 Baht/incident/year
	Category 6: windows	Not exceeding 50,000 Baht/incident/year
	Category 7: responsibility for outside individuals while within the insured properties	Not exceeding 50,000 Baht/incident, And Not exceeding 1,500,000 Baht/year
Location or place which insured properties are	252/118 Mueng Thai – Patara Complex Building B, 23 rd Floor, Unit E – F, Ratchadaphisek Road, Huai Khwang, Huai Khwang	

Contracts appointing sales representative abroad

Contracts appointing sales representative in Indonesia

Parties to this agreement	(1) Comanche International PLC (“the Company”) (2) PT. Comanche International Indonesia Co., Ltd. (“Sales representative”)*
Date of contract	2 nd November 2016
Key terms in the agreement	• Sales representative can sell and market the Company’s software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative may use the trademark and symbol of the Company in the documents prepared by the sales representative, and may subcontract the task of selling and marketing within the country stated in the agreement. • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment.

Key terms in the agreement	• Sales representative may not sell the software for hotel management developed by other companies for a period of 2 years after this agreement become effective. • Sales representative must not teach or provide information about the Company's software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company's rate is 20 percent of the value ordered by clients. • Second Level of Support fee The Company's rate is 20 percent of the value ordered by clients.
Term of contract	• 2 years from November 2016 to October 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice).
Termination	• A party is required to notify the other party of termination at least 90 days in advance

Note : * The Company used to own 90 percent of the share prior to selling all of its holding to the employees of PT. Comanche International Indonesia Co., Ltd. and Comanche International Malaysia Sdn. Bhd. on 30 September 2015. These persons are not involved with or connected to the Executives, Directors, and major shareholders of the Company or the Subsidiary in anyway. On the same date, this company was appointed as Sales representative abroad of the Company

Contracts appointing sales representative in Vietnam

Parties to this agreement	(1) Comanche International PLC ("the Company") (2) Comanche International Vietnam Co., Ltd. ("Sales representative")*
Date of contract	2 nd November 2016
	• Sales representative can sell and market the Company's software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs.

Date of contract	• Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment. • Sales representative may not sell the software for hotel management developed by other companies for a period of 2 years after this agreement become effective. • Sales representative must not teach or provide information about the Company's software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company's rate is 20 percent of the value ordered by clients. • Second Level of Support The Company's rate is 20 percent of the value ordered by clients.
Term of contract	2 years from November 2016 to October 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice).
Termination	A party is required to notify the other party of termination at least 90 days in advance

Note : * The Company used to own 100 percent of the share prior to selling all of its holding to the employees of PT. Comanche International Vietnam Co., Ltd. and Comanche International Malaysia Sdn. Bhd. on 30 September 2015. These persons are not involved with or connected to the Executives, Directors, and major shareholders of the Company or the Subsidiary in anyway. On the same date, this company was appointed as Sales representative abroad of the Company

Contracts appointing sales representative in Malaysia

Parties to this agreement	(1) Comanche International PLC (“the Company”) (2) Comanche International Malaysia Sdn. Bhd. (“Sales representative”)*
Date of contract	2 nd November 2016
	• Sales representative can sell and market the Company’s software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment. • Sales representative may not sell the software for hotel management developed by other companies for a period of 2 years after this agreement become effective. • Sales representative must not teach or provide information about the Company’s software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company’s rate is 20 percent of the value ordered by clients. • Second Level of Support The Company’s rate is 20 percent of the value ordered by clients.
Term of contract	2 years from November 2016 to October 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice).
Termination	A party is required to notify the other party of termination at least 90 days in advance

Note : * The Company used to own 99.85 percent of the share prior to selling all of its holding to the employees of Comanche International Malaysia Sdn. Bhd. on 30 September 2015. These persons are not involved with or connected to the Executives, Directors, and major shareholders of the Company or the Subsidiary in anyway. On the same date, this company was appointed as Sales representative abroad of the Company

Contracts appointing sales representative in the Philippines

Parties to this agreement	(1) Comanche International PLC (“the Company”) (2) Audacity Systems, INC. (“Sales representative”)
Date of contract	1 st January 2017
Date of contract	• Sales representative can sell and market the Company’s software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative may use the trademark and symbol of the Company in the documents prepared by the sales representative • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment. • Sales representative may not sell the software for hotel management developed by other companies for a period of 2 years after this agreement become effective. • Sales representative must not teach or provide information about the Company’s software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company set the selling price for the Sales representative per the agreed pricing table. • Second Level of Support The Company’s rate is 50 percent of the value ordered by clients.
Term of contract	2 years from January 2017 to December 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice). Termination
Termination	A party is required to notify the other party of termination at least 90 days in advance

Contracts appointing sales representative in China

Parties to this agreement	(1) Comanche International PLC (“the Company”) (2) Guangzhou Automated Systems Limited (“Sales representative”)
Date of contract	1 st January 2017
	• Sales representative can sell and market the Company’s software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative may use the trademark and symbol of the Company in the documents prepared by the sales representative. • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment. • Sales representative must not teach or provide information about the Company’s software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company set the selling price for the Sales representative per the agreed pricing table. • Second Level of Support The Company’s rate is 50 percent of the value ordered by clients.
Term of contract	2 years from January 2017 to December 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice).
Termination	A party is required to notify the other party of termination at least 90 days in advance

Contracts appointing sales representative in Lao PDR

Parties to this agreement	(1) Comanche International PLC (“the Company”) (2) Laos Asean Trading Co., Ltd. (“Sales representative”)
Date of contract	1 st May 2016
Date of contract	Sales representative can sell and market the Company’s software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative may use the trademark and symbol of the Company in the documents prepared by the sales representative. • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment. • Sales representative may not sell the software for hotel management developed by other companies for a period of 2 years after this agreement become effective. • Sales representative must not teach or provide information about the Company’s software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company set the selling price for the Sales representative per the agreed pricing table. • Second Level of Support The Company’s rate is 50 percent of the value ordered by clients.
Term of contract	2 years from May 2016 to April 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice).
Termination	A party is required to notify the other party of termination at least 90 days in advance

Contracts appointing sales representative in India

Parties to this agreement	(1) Comanche International PLC (“the Company”) (2) Comanche Hotel Systems India Private Limited (“Sales representative”)
Date of contract	1 st May 2016
	• Sales representative can sell and market the Company’s software in the country stated in the agreement. The sales representative does not have an exclusive right for sales and such right cannot be transferred to another party. • Sales representative is responsible for marketing, such as by advertising and exhibiting. The Sales representative is responsible for marketing costs. • Sales representative may use the trademark and symbol of the Company in the documents prepared by the sales representative. • Sales representative is responsible for providing clients with first level of support, which consists of assisting clients on their premises, assisting clients via phone, and assisting clients per appointment. • Sales representative may not sell the software for hotel management developed by other companies for a period of 2 years after this agreement become effective. • Sales representative must not teach or provide information about the Company’s software to its competition or outside individuals, except to clients or with expressed permission from the Company. • The Company will assist the Sales representative, such as by assisting with modems or high-speed internet, or assisting via email or web service everyday through 24 hours. • The Company will provide new software to replace the existing one for the Sales representative to resolve any problems arise from the existing software without expenses. • The Company will acquire necessary upgraded software and new versions for the Sales representative without expenses to ensure that the software can operate optimally. Nevertheless, the Company will notify the Sales representative if there is any expenses, and if there is an upgrade or a new version of the software.
Compensation	• Software License Fee The Company’s rate is 20 percent of the value ordered by clients. • Second Level of Support The Company’s rate is 20 percent of the value ordered by clients.
Term of contract	2 years from May 2016 to April 2018, and the agreement will be automatically extended in the following years, unless a party wishes to terminate the contract (requires 90-day written notice).
Termination	A party is required to notify the other party of termination at least 90 days in advance

From these 7 contracts appointing sales representatives currently effective in 7 countries, there are 2 rates of compensation that the Company set: 1) specific selling price set for Sales representatives, and 2) specific share of the value of client's order which the Sales representative receives. In the future, once the terms of contract is expired, the ones with the compensation set by the first method will be changed to the second one. The second type of compensation rate will also be applied to future Sales representatives so that there will be flexibility in price setting for each Sales representative to reflect their respective market conditions.

Moreover, the Company's policy regarding the name of the Sales representative is that if the Sales representative wishes to use the name "Comanche" as part of its company's name, the Sales representative shall notify the Company and must receive permission beforehand. The Company reserves the right to terminate the contract if the Sales representative fails to follow the agreement. This is to preserve the Company's reputation, and it shall be stated so clearly in the agreement.

Sales representative Agreement

Parties to this agreement	(1) MSL Software (Thailand) Company Limited ("Sales representative") (2) Micro Focus Pte Ltd. ("Micro Focus")
Date of contract	1 st May 2016
Key conditions of the contrac	• Sales representative may sell and market the software in the country stated in the agreement. • Sales representative must prepare a business plan, a marketing plan for Micro Focus's consideration, 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 to clients and providing technical support.
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 Software Delivery and Test
Term 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).
Termination	A party is required to notify the other party of termination in writing at least 30 days in advance.

Teaming Agreement

Parties to this agreement	(1) MSL Software (Thailand) Company Limited (“Sales representative”) (2) Dr.Thanachart Ritbumroong (“Data Scientist”)
Date of contract	22 nd June 2015
Date of contract	• The parties makes a mutually exclusive agreement, 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, 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 with each other in a form of subcontract. • The parties will indicate in the contract how the responsibility of providing services to clients is divided among them.
Term of contract	The contract is effective since 1st July 2015, and will terminate if one of the following conditions happens, whatever happens first. • MSL and Data scientist make a subcontract agreement. • Client cancels the contract. • An amendment is made to the contract with client, resulting in cancellation of services or purchase of product • The parties to the agreement terminate the contract. • One or both of the parties are unable to agree to the subcontract
Termination	• After a period of 2 years has passed, starting from 1st July 2015 Both parties agree in writing to terminate the contract.

Loan agreement with commercial bank

As of 31st December 2016, the Subsidiary 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 contract	16 th December 2013 (amended on 2 nd November 2015)
Borrower	MSL Software (Thailand) Company Limited (“MSL”)
Loan	1.70 million baht
Outstanding debt	- None - (as of 31 st December 2016)
Loan period	7 years from the date the loan is first taken out
Interest	Savings rate +2% per annum
Collateral	(1) Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director, serves as loan guarantor. (2) A savings account of Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director
Key conditions	Borrower confirms and guarantees that throughout the loan period which the borrower has obligation to the lender per this loan agreement, the borrow will not • Sell, pay, transfer, lease, pawn, mortgage, or create an obligation, or 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. • 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, ownership, or changes its Memorandum of Association, regulations, and/or its objective unless there is a prior expressed permission from the lender in writing

Long-term loan agreement

Date of contract	16 th December 2013 (amended on 2 nd November 2015)
Borrower	MSL Software (Thailand) Company Limited (“MSL”)
Loan	0.056 million baht
Outstanding debt	- None - (as of 31 st December 2016)
Loan period	5 years from the date the loan is first taken out
Interest	Savings rate +2% per annum
Collateral	1. Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director, serves as loan guarantor. 2. A savings account of Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director
Key conditions	Borrower confirms and guarantees that throughout the loan period which the borrower has obligation to the lender per this loan agreement, the borrow will not • Sell, pay, transfer, lease, pawn, mortgage, or create an obligation, or 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. • 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, ownership, or changes its Memorandum of Association, regulations, and/or its objective unless there is a prior expressed permission from the lender in writing

Overdraft agreement

Date of contract	25 th September 2013 (amended on 31 st December 2016)
Borrower	MSL Software (Thailand) Company Limited (“MSL”)
Loan	5.6 million baht
Outstanding debt	- None - (as of 31 st December 2016)
Interest	MRR+1 per annum
Collateral	(1) Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director, serves as loan guarantor. (2) A savings account of Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director MSL changes the collateral from (1) and (2) to a bank account under the name of MSL Software (Thailand) Company Limited, and has cancelled the overdraft agreement.

Letters of Guarantee

As of 31st December 2016, the Subsidiary has letters of guarantee issued by 2 commercial banks in Thailand under the name of the Subsidiary to use as performance guarantee with clients.

Letter of Guarantee issued by the first commercial bank

Guarantor	The first commercial bank (amended on 31 st December 2016)
Collateral provider	MSL Software (Thailand) Company Limited (“MSL”)
Objective	Software development and maintenance projects
Value of Collateral	3.12 Million baht
Outstanding Value of Collateral	3.12 Million baht
Collateral	(1) Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director, serves as loan guarantor. (2) A savings account of Mr. Apichai Sakulsureeyadej, who is a major shareholder and a MSL Director As of 11th November 2016, the collateral (1) and (2) are revoked and the following collateral submitted in their places. (1) Bank account under the name of MSL Software (Thailand) Company Limited
Nature of Contract	Letter of guarantee to provide assurance that work will be fulfilled as promised to employee.

Letter of Guarantee issued by the second commercial bank

Guarantor	The second commercial bank (amended on 31 st December 2016)
Collateral provider	MSL Software (Thailand) Company Limited (“MSL”)
Objective	Software development and maintenance projects
Value of Collateral	0.18 Million baht
Outstanding Value of Collateral	0.18 Million baht
Collateral	(1) Bank account under the name of MSL Software (Thailand) Company
Nature of Contract	Limited Letter of guarantee to provide assurance that work will be fulfilled as promised to employee.

Non-Compete Agreement

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

Non-Compete Agreement

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

Parties to Agreement	(1) Comanche International PLC (“the Company”) (2) Mr. Somboon Sukheviriya (“Mr. Sukheviriya”)
Date of contract	14 th July 2016 (amended on 9 th September 2016)
Key conditions of the contract	(1) Mr. Sukheviriya agrees not to and will not allow individuals connected to Mr. Sukheviriya in a manner specified in the Section 258 of the Securities and Exchange Act B.E. 2535 to undertake any business transaction that can be considered as competing, and/or causing a conflict of interests with the Company’s business, either by operating the business themselves or participating in an investment with a business partner, including purchasing and owning stocks or becoming a limited partner of any company whose business can be considered as competing, and/or causing a conflict of interests with the Company’s business. (2) Mr. Sukheviriya agrees not to and will not allow individuals connected to Mr. Sukheviriya in a manner specified in the Section 258 of the Securities and Exchange Act B.E. 2535 to operate any software business that are similar to the Company’s either by operating the business themselves or participating in an investment with a business partner whose business can be considered as competing, and/or causing a conflict of interests with the Company’s business, but not including business and properties that Mr. Sukheviriya owns but have no potential to be developed into commercial project with significant returns, or properties that are related to the Company’s business but are not significant. (3) Mr. Sukheviriya agrees not to and will not allow individuals connected to Mr. Sukheviriya in a manner specified in the Section 258 of the Securities and Exchange Act B.E. 2535 to invest in a company or any business that is similar to that of the Company that can be considered as competing or causing a conflict of interests with the Company’s business, as well as constituting a violation of the notifications of the Capital Market Supervisory Board and those of The Stock Exchange of Thailand.
Effective date of contract	The contract is effective since the signing date till it is terminated under a provision in the agreement
Cause for termination	(1) a period of 3 years has passed after having relinquished the positions of major shareholder, Executive, and position with controlling power over the Company; or (2) a period of 3 years has passed after having to follow the requirements and regulations related to conflict of interests that was set by the Capital Market Supervisory Board and The Stock Exchange of Thailand.

Non-Compete Agreement between the Company and Mr.Apichai Sakulsureeyadej

Parties to Agreement	(1) Comanche International PLC (“the Company”) (2) Mr.Apichai Sakulsureeyadej (“Mr.Sakulsureeyadej”)
Date of contract	14 th July 2016 (amended on 9 th September 2016)
Key conditions of the contract	(1) Mr.Sakulsureeyadej agrees not to and will not allow individuals connected to Mr.Sakulsureeyadej in a manner specified in the Section 258 of the Securities and Exchange Act B.E. 2535 to undertake any business transaction that can be considered as competing, and/or causing a conflict of interests with the Company’s business, either by operating the business themselves or participating in an investment with a business partner, including purchasing and owning stocks or becoming a limited partner of any company whose business can be considered as competing, and/or causing a conflict of interests with the Company’s business. (2) Mr.Sakulsureeyadej agrees not to and will not allow individuals connected to Mr.Sakulsureeyadej in a manner specified in the Section 258 of the Securities and Exchange Act B.E. 2535 to operate any software business that are similar to the Company’s either by operating the business themselves or participating in an investment with a business partner whose business can be considered as competing, and/or causing a conflict of interests with the Company’s business, but not including business and properties that Mr.Sakulsureeyadej owns but have no potential to be developed into commercial project with significant returns, or properties that are related to the Company’s business but are not significant. (3) Mr.Sakulsureeyadej agrees not to and will not allow individuals connected to Mr.Sakulsureeyadej in a manner specified in the Section 258 of the Securities and Exchange Act B.E. 2535 to invest in a company or any business that is similar to that of the Company that can be considered as competing or causing a conflict of interests with the Company’s business, as well as constituting a violation of the notifications of the Capital Market Supervisory Board and those of The Stock Exchange of Thailand.
Effective date of contract	The contract is effective since the signing date till it is terminated under a provision in the agreement
Cause for termination	(1) a period of 3 years has passed after having relinquished the positions of major shareholder, Executive, and position with controlling power over the Company; or (2) a period of 3 years has passed after having to follow the requirements and regulations related to conflict of interests that was set by the Capital Market Supervisory Board and The Stock Exchange of Thailand.

Policy on investing in subsidiaries and affiliates

The Company's policy on investing in subsidiaries and affiliates is as follows.

1) The Company will invest in companies that have similar business objectives to that of the Company's core business or similar business nature, or can provide support to the Company's business and generate additional revenue or profits. The Company will also invest in companies that can create synergy for the Company, which will provide support for the Company's business to become more comprehensive and competitive.

2) Control and management of subsidiaries and/or affiliates

2.1) The Company will send qualified and experienced personnel, or those who are suitable to the business operation to hold a position of Director or Executive in a proportion that reflects its ownership of the subsidiaries and/or affiliates so that they can be the Company's representatives in the management of the subsidiaries and/or affiliates.

2.2) The Directors or Executives who represent the Company shall

2.2.1) Participate in creating key policies related to business operation of the subsidiaries and/or affiliates to ensure that they are in line with the Company's objective;

2.2.2) Supervise the subsidiaries and/or affiliates to manage and operate their businesses in a manner that meets the Company's objective;

2.2.3) Exercise judgment to reflect the will of the Company's Board of Directors and/or shareholders that have been expressed regarding the businesses of the subsidiaries and/or affiliates;

2.2.4) Report to the Company about the affairs of the subsidiaries and/or affiliates as deemed appropriate to ensure the Company's best interests and its long-term sustainable growth.

Future Projects

During the years 2017 - 2018 the Company plans to expand its scope of business from a leader in developing and providing fully integrated software solutions for hotel management at international level to a leader in developing and providing fully integrated software solutions for the tourism industry at international level, which is an important foundation for motivating the Company to step up as a future leader in the region.

To achieve the said goals the Company aims to study the opportunity for a joint venture with another company who is a developer and owner of another significant systems program associated with the tourism industry within the year 2018, namely a restaurant management system, golf course and members management system, and a reservation system for travel, in both business to business (B2B) and business to customer (B2C), said systems program to be connected with the Company's hotel management system in order to add value to the Company's work program and promote its long-term competitive ability.

In this connection, the Company has established the following important guidelines and investment framework for joint venture companies:

1. Being a developer and owner of a restaurant management system with fully integrated modules, such as Order Station, Billing, Cost Control Recipe as well as Data Storage of services provided to customers.
2. Being a developer and owner of a golf course and members management system with fully integrated modules, such as Reservation, Billing, Accounting and Management as well as Data Storage of services provided to customers.
3. Being a developer and owner of a reservation system for travel, in both business to business (B2B) and business to customer (B2C) with fully integrated modules for integration with hotels, restaurants, golf courses, airports and car-rental services to accommodate reservations and facilitate one-stop service to tourists.

Legal Disputes

The Company and Subsidiary Company have no legal dispute, have not entered into any legal suit and have taken no legal action that have a significantly negative impact on the assets of the Company or Subsidiary Company in an amount greater than 5% of Shareholders' equity according to the Company's Consolidated Financial Statements as at 31st December 2016.

General Information and Other Important Information

General Information

Name in Thai	บริษัท โคแมนชี อินเตอร์เนชั่นแนล จำกัด (มหาชน)
Name in English	Comanche International Public Company Limited
Type of Business	Developer for Distribution, Installation and Service of Business Solutions Software for Hotels and Investment in Other Companies
Head Office	252/118 Rooms E-F, 23 rd Floor, Muang Thai-Phatra 2 Office Building, Ratchadapisek Road, Kwaeng Huay Kwang, Khet Huay Kwang, Bangkok 10310.
Telephone	0-2693-3569
Fax	0-2693-3577
Website	www.comancheinternational.com
Registered Capital	Baht 67,000,000
Issued and Paid-up Capital	Baht 67,000,000
Value per share	Baht 0.50

• **Information concerning Juristic Persons wherein the Company holds shares over 10% of total issued shares**

Name in Thai	บริษัท เอ็มเอสแอล ซอฟต์แวร์ (ไทยแลนด์) จำกัด
Name in English	MSL Software (Thailand) Company Limited
Type of Business	Consultancy Service, Plan, Design and Development of Enterprise Data Management Solutions
Head Office	Office Unit 1610, 16 th Floor, 689 Pirat Tower @ M.Quartier, Sukhumvit Road, Kwaeng Klongtan Nua, Khet Wattana, Bangkok 10110.
Telephone/Fax.	0-2042-8300, 0-2042-8301
Website	www.mslsoftware.com
Registered Capital	Baht 23,461,300
Issued and Paid-Up Capital	Baht 23,461,300

• **Information concerning other related persons**

Auditor	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited 23 rd -27 th Floors, AIS Tower, 11/1 South Sathorn Road, Kwaeng Yannawa, Khet Sathorn, Bangkok 10120 Telephone: 0-2034-0000 Fax: 0-2034-0100
Internal Auditor	P&L Internal Audit Company Limited 92/294 Moo 5, Nanthana Garden Estate, Soi Tah-it, Rattanatibet Road, Tambol Bangrak Noi, Amphur Muang Nonthaburi, Nonthaburi Province. Telephone 0-2526-6100, 0-2526-7811
Financial Adviser	Trinity Securities Company Limited, 25 th -26 th Floors, Bangkok City Tower Building, 179 Kwaeng Thung Mahamek, Khet Sathorn, Bangkok 10120 Telephone: 0-2343-9511 Fax: 0-2343-9683

Securities Registrar
For Ordinary Shares

Thailand Securities Depository Company Limited,
93 Ratchadipisek Road, Kwaeng Dindaeng,
Khet 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

```
        mirror_mod = modifier_ob.mirror_mod
        # Set mirror object to mirror_mod
        mirror_mod.mirror_object = mirror_ob

        if operation == "MIRROR_X":
            mirror_mod.use_x = True
            mirror_mod.use_y = False
            mirror_mod.use_z = False
        elif operation == "MIRROR_Y":
            mirror_mod.use_x = False
            mirror_mod.use_y = True
            mirror_mod.use_z = False
        elif operation == "MIRROR_Z":
            mirror_mod.use_x = False
            mirror_mod.use_y = False
            mirror_mod.use_z = True

        #selection at the end -add
        mirror_ob.select= 1
        modifier_ob.select=1
        bpy.context.scene.objects.active = mirror_ob
        bpy.ops.object.select_all(action='DESELECT')
        bpy.ops.object.select_by_name(name="Selected" + str(modifier_ob.name))
        mirror_ob.select = 0
        one = bpy.context.selected_objects[0]
        one.data.objects[one.name].select = 1

        print("please select exactly one object")
```

--- OPERATOR CLASSES ---

```
class MirrorX(bpy.types.Operator):
    """Mirror X mirror to the selected object.mirror_mirror_x"""
    bl_idname = "mirror_x"
    bl_label = "Mirror X"

    @classmethod
    def poll(cls, context):
        if context.active_object is not None:
```



Section 2

Management and Corporate Governance

Securities and Shareholders Information

Shareholders

Names and shareholding structure of shareholders as at 7th November 2016

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.	Miss Saminee Tharaksa	5,100,200	3.81
5.	Mr. Manjeet Singh	4,900,600	3.66
6.	Mrs. Rupinder Kaur	4,900,600	3.66

Dividend Payment Policy

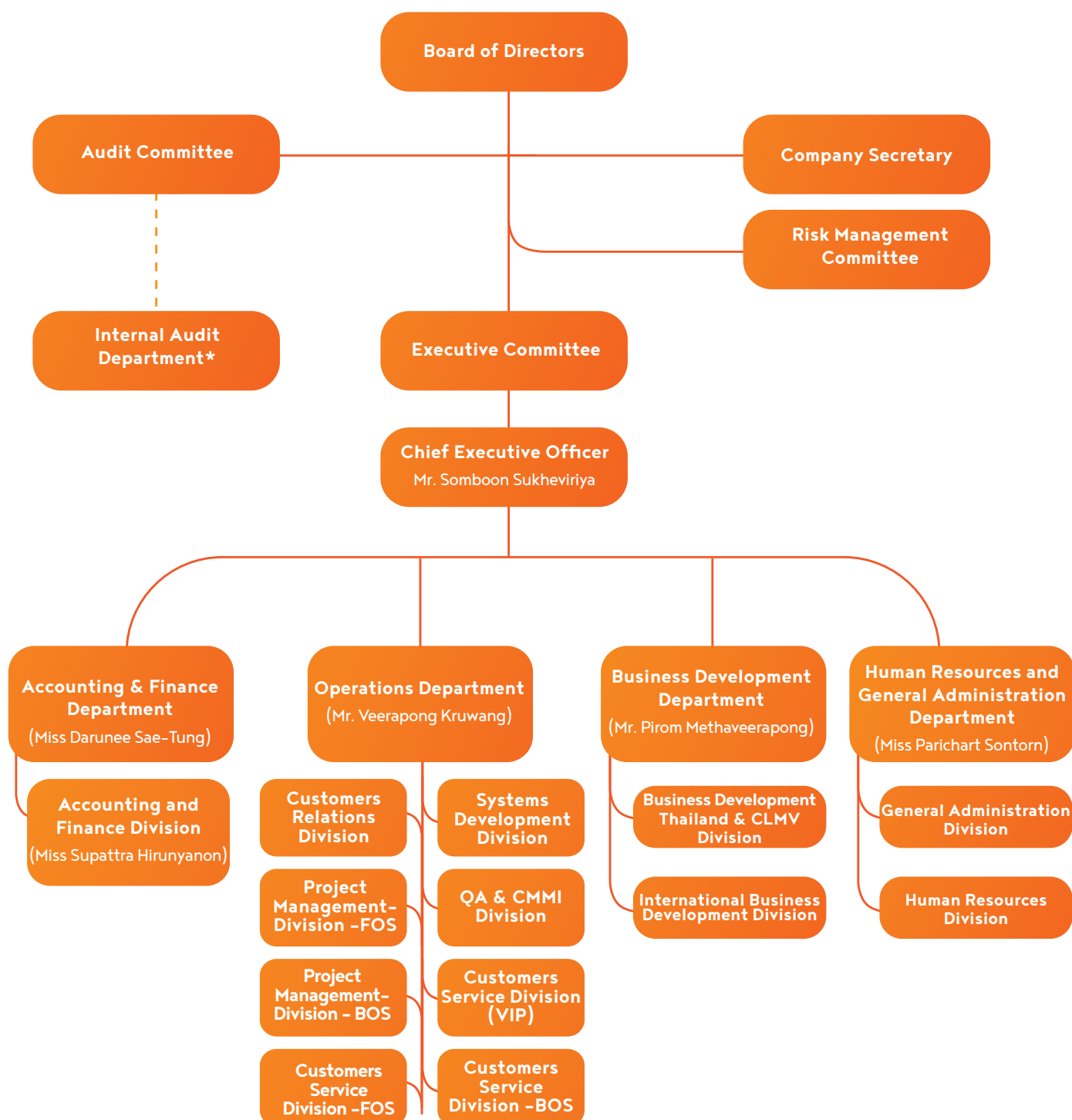
At the Company's Board of Directors Meeting No.2/2016 held on 13th May 2016, it was resolved to pay dividends for the Company and Subsidiary Company at the rate of not less than 40% of net profit after deduction of juristic income tax as reported in the interim financial statements and after deduction of all statutory reserves.

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

Management Structure

Organization Structure

The Company's Organization Structure as at 31st December 2016 is as follows:



Remarks: *The Audit Committee at Meeting No. 1/2015 on 16th October 2015 approved the recruitment of an office for internal audit control (outsouce), namely P&L Internal Audit Co. Limited, as the Company's Internal Auditor.

Management Structure

The Company is governed by 4 groups of committee, namely, the Board of Directors, the Audit Committee, the Risk Management Committee and the Executive Committee, details of each group are as shown below:

The Board of Directors as at 31st December 2016 comprises the following 7 Directors:

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

With Miss Parichart Sontorn, appointed by the Board of Directors' Meeting No. 2/2016 on 13th May 2016.

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

Limitations to Directors' Powers

- None -

Board of Directors' Meetings, Years 2015 - 2016

No.	Names	Number of Attendance*	
		Year 2015	Year 2016
1.	Mr. Chanitr Charnchainarong ^{/2}	2/2	5/6
2.	Mr. Somboon Suykheviriya	5/5	6/6
3.	Mr. Apichai Sakulsureeyadej ^{/1}	3/3	5/6
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle ^{/2}	2/2	6/6
5.	Mr. Chim Tantiyaswasdikul ^{/2} , PhD.	2/2	6/6
6.	Mrs. Dolrudee Pornpipat ^{/2}	2/2	6/6
7.	Mr. Kris Panichapan ^{/2} , PhD.	2/2	5/6
8.	Mrs. Watcharee Sukheviriya ^{/1}	2/2	-

Remarks: * The number of attendance at the Board of Directors' Meeting is dependent on the number of attendance in accordance with the period in which each director acted as the Board member.
^{/1} Mrs. Watcharee Sukheviriya resigned from directorship and Mr. Apichai Sakulsureeyadej was appointed director in replacement in accordance with the resolution of Extraordinary General Meeting No. 2/2015 held on 1st September 2015.
^{/2} 1) Mr. Chanitr Charnchainarong 2) Mr. Gancanapol Geert Marcel Cyriel Van Compernelle 3) Mr. Chim Tantiyaswasdikul, PhD. 4) Mr. Kris Panijpan, PhD. and 5) Mrs. Dolrudee Pornpipat were appointed as Directors of the Company in accordance with the resolution of Extraordinary General Meeting No. 3/2015 held on 28th September 2015.

The Audit Committee as at 31st December 2016 comprises 3 directors, as follows:

No.	Name	Position
1.	Mr. Chim Tantiyaswasdikul, PhD.	Chairman of the Audit Committee and Independent Director
2.	Mrs. Dolrudee Pornpipat	Member of Audit Committee and Independent Director
3.	Mr. Kris Panijpan, PhD.	Member of Audit Committee and Independent Director

The member of the audit committee who has sufficient knowledge and experience in finance and accountancy work to review the creditability of the financial statements is Mrs. Dolrudee Pornpipat, a graduate of the Faculty of Accounting and Commerce, Chulalongkorn University, majoring in Accountancy.

With Miss Parichart Sontorn as Secretary of the Audit Committee, as appointed by the Audit Committee's Meeting No.4/2016 on 13th May 2016.

Term of Audit Committee's Members

The Audit Committee members have a term of 3 years, or equivalent to their term of directorship in the Company. In this connection, after completion of a term of appointment they may be reappointed by the Board of Directors as deemed appropriate.

Audit Committee's Meetings Years 2014 – 2016

At the Extraordinary General Meeting No.3/2015 held on 28th September 2015 an Audit Committee was appointed.

The attendance record of each member is as shown below:

No.	Names	Number of Attendance	
		Year 2015	Year 2016
1.	Mr. Chim Tantiyaswasdikul, PhD.	1/1	10/10
2.	Mrs. Dolrudee Pornpipat	1/1	10/10
3.	Mr. Kris Panijpan, PhD.	1/1	8/10

The Risk Management Committee's as at 31st December 2016 comprises the following six members:

No.	Names	Positions
1.	Mrs. Dolrudee Pornpipat	Chairman of the Risk Management Committee
2.	Mr. Somboon Sukheviriya	Member of Risk Management Committee
3.	Mr. Apichai Sakulsureeyadej	Member of Risk Management Committee
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	Member of Risk Management Committee
5.	Miss Darunee Sae-Tung	Member of Risk Management Committee
6.	Mr. Veerapong Kruwang	Member of Risk Management Committee

With Miss Parichart Sontornacting as Secretary of the Risk Management Committee as appointed by the Risk Management Committee's Meeting No. 1/2016 held on 15th June 2016.

Term of Risk Management Committee's Members

The Risk Management Committee's member has a term of 3 years. Upon completion of said term, a member may be re-appointed by the Board of Directors as deemed appropriate.

Risk Management Committee's meetings, years 2014 - 2016

The Risk Management Committee's was appointed by the Board of Directors' Meeting No.2/2016 held on 13th May 2016. The attendance record of each committee member is as follows:

No.	Names	Number of Attendance		
		Year 2014	Year 2015	Year 2016
1.	Mrs. Dolrudee Pornpipat	-	-	2/2
2.	Mr. Somboon Sukheviriya	-	-	2/2
3.	Mr. Apichai Sakulsureeyadej	-	-	0/2
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	-	-	2/2
5.	Miss Darunee Sae-Tung	-	-	2/2
6.	Mr. Veerapong Kruwang	-	-	2/2

The Executive Committee's as at 31st December 2016 comprises 2 members, as follows:

No.	Name	Position
1.	Mr. Somboon Sukheviriya	Chairman of the Executive Committee
2.	Mr. Apichai Sakulsureeyadej	Executive Director

With Miss Parichart Sontorn acting as Secretary of the Executive Committee as appointed by the Executive Committee at Meeting No.4/2016 held on 26th April 2016.

Executive Committee's Meetings for the Year 2015 - 2016

The Executive Committee was appointed by the Board of Directors Meeting No. 3/2015 held on 8th September 2015. The attendance record of each member is as follows:

No.	Names	Number of Attendance	
		Year 2015	Year 2016
1.	Mr. Somboon Sukheviriya	3/3	11/11
2.	Mr. Apichai Sakulsureeyadej	3/3	5/11

Company Secretary

The scope of work, duties and responsibility of the Company Secretary are as set out in Sections 89/15 and 89/16 of the Securities and Exchange Act (including revisions) with the Board of Directors' Meeting No 2/2016 held on 13th May 2016 appointing Miss Parichart Sontorn as Company Secretary, with the following duties and responsibilities:

- 1) To prepare and safeguard the following documents:
 - (1) Directors' Registration
 - (2) Notices, Minutes of the Board of Directors' Meetings and the Company's Annual Reports
 - (3) Notices and Minutes of the Shareholders' Meetings
- 2) To safeguard reports of personal benefits as reported by Directors or Executives
- 3) To deliver a copy of the report on personal benefits in accordance with Section 89/14 of the Stock Exchange Act B.E. 2535 to the Chairman of the Board of Directors and Chairman of the Audit Committee within 7 working days from date of receipt by the Company of said report, and the Company shall set up a system for safeguarding of such documents or evidence regarding data revelation and shall ensure that the documents are properly and completely safeguarded, available for inspection for a period of not less than 5 years from the date of preparation of such report or document.
- 4) Other undertakings as stipulated by the Capital Market Commission.

Moreover, the Company Secretary has other duties as assigned by the Company as follows:

- 1) To make preparations for holding the Company's Board of Directors and Shareholders' Meetings.
- 2) To coordinate with work units within the company.
- 3) To coordinate with supervisory authorities such as the Office of the Securities Exchange and Commission and the Stock Exchange of Thailand, and to ensure that all necessary information and IT data are correctly and completely disclosed to the supervisory authorities and the general public in accordance with the law.
- 4) To provide orientation and advice to newly-appointed directors.
- 5) Other duties as assigned by the Company's Board of Directors.

In the case where the Company Secretary has left the post or could not perform her duties, the Board of Directors shall appoint a new Company Secretary within 90 days from the date the Company Secretary has left her post, or could not perform her duties. In this connection, the Board of Directors can assign any director to act as Company Secretary during said period. Miss Parichart Sontorn has attended a course for Company Secretary (Group 71) from the Thailand Listed Companies Association and her Background is presented as Attachment 1.

The Management Team as at 31st December 2016 comprises the following 6 persons:

No.	Name	Position
1.	Mr. Somboon Sukheviriya	Chief Executive Officer
2.	Mr. Veerapong Kruwang	Risk Management Committee / Chief Operating Officer
3.	Miss Darunee Sae-Tung	Risk Management Committee / Chief Financial Officer
4.	Mr. Pirom Methaweerapong	Acting Chief Development Officer / Head of Business Development Thailand & CLMV
5.	Miss Parichart Sontorn	Company Secretary / Acting Chief Administrative Officer / Head of General Administration Division
6.	Miss Supattra Hirunyanon	Accounting & Finance Manager

Director and Executive's Remuneration

Director Remuneration

a. Directors' Fees

At the Extraordinary General Meeting of Shareholders No.1/2016 held on 31st May 2016, remuneration for Company Directors, Audit Committee Members and Risk Management Committee Members were determined, as follows:

Position	Fee for Attendance/Meeting
Chairman of the Board of Directors	Baht 40,000
Directors	Baht 25,000
Chairman of the Audit Committee	Baht 30,000
Audit Committee Member (with ability to review the credibility of the financial statement)	Baht 30,000
Audit Committee Member	Baht 25,000
Risk Management Committee Member (only non - executive or non - employee member)	Baht 25,000

b. Directors' Bonus

- None -

During period of 2015 and period of 2016, Directors' meeting allowance have been paid as follows:

No.	Name of Director	Year 2015 (Baht)			Year 2016 (Baht)			
		Board of Directors	Audit Committee	Total	Board of Directors	Audit Committee	Risk Management Committee	Total
1.	Mr. Chanitr Charnchainarong	80,000	-	80,000	200,000	-	-	200,000
2.	Mr. Somboon Sukheviriya	50,000	-	50,000	150,000	-	-	150,000
3.	Mr. Apichai Sakulsureeyadej	50,000	-	50,000	125,000	-	-	125,000
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	50,000	-	50,000	150,000	-	50,000	200,000
5.	Mr. Chim Tantiyaswasdikul, PhD.	50,000	30,000	80,000	150,000	300,000	-	450,000
6.	Miss Dolrudee Pornpipat	50,000	30,000	80,000	150,000	300,000	50,000	500,000
7.	Mr. Kris Panijpan, PhD.	50,000	25,000	75,000	125,000	200,000	-	325,000
Total		380,000	85,000	465,000	1,050,000	800,000	100,000	1,950,000

Remarks: No directors' meeting allowance were paid for the first three Board of Directors' Meeting of Year 2015. The first meeting allowance were paid at Board of Directors' Meeting No.4/2015 held on 16th October 2015 and at the Audit Committee's Meeting No.1/2015 held on 16th October 2015.

Executive Remuneration

As at 31st December 2016 six persons at executive level have been paid remuneration in various categories as follows:

Executive Remuneration	Year 2015	Year 2016
	Baht	Baht
Executive (person)	5	6
Salary, Allowance and other Remunerations	5,879,270	9,042,404.92
Contributions to Staff Provident Fund	197,326	322,263.00
Total	6,076,596	9,364,667.92

Remarks: The Company set up a Staff Provident Fund on 1st October 2013

Executive remuneration was in accordance with the principle and policy determined by the Board of Directors. As the Company does not have a Nomination and Remuneration Committee, the Board of Directors is empowered to appoint and determine remuneration for the Executive Committee, Chief Executive Officer (CEO) and other Committees as deemed appropriate.

The management level next to CEO below, the CEO is empowered to appoint and determine suitable remuneration for any other levels of staffs.

Staff

As at the end of years 2015 and 2016 the Company and subsidiary companies have a total of 56 and 63 employees respectively, details set out according to departments as follows:

Department/Section	2015	2016
	persons	persons
Executives	5	6
Human Resources and General Administration Department	3	5
Human Resources Section	1	2
General Administration Section	2	3
Accounting and Finance Department	1	3
Accounting and Finance Section	1	3
Operations Department	43	54
QA & CMMI Section	3	4
Customer Service Section – BOS	7	10
Customer Service Section – FOS	9	10
V.I.P. Customer Service Section	2	2
Project Management Section – BOS	5	5
Project Management Section – FOS	7	9
Systems Development Section	8	11
Customers Relations Section	2	3
Business Development Department	0	3
Local Business Development Section and CLMV Group	0	3
International Business Development Section	0	0
Company Secretary	1	0¹
Total Company Employees	53	71
Employees of Subsidiary Company	10	16
Total Employees of Company Group	63	87

Remarks: The Company Secretary, Miss Parichart Sontorn, is Chief of the General Administration Section and Acting Chief of the Human Resources and General Administration Department and is therefore placed under the Executive Category.

Staff Remuneration

In the years 2015 and 2016 the Company paid staff remuneration approximately Baht 24,448,140 and Baht 36,048,604 respectively as staff remuneration, said remuneration comprising: salary, overtime, commission, bonus, allowance, social security contribution, provident fund contribution and other benefits.

Major Labor Disputes during the past three years

- None -

Personnel Development Policy

The Company Group has a policy to continuously promote and develop personnel at each level to attain a higher degree of knowledge, expertise and ability to perform, using both external and in-house training according to an annual training schedule in order to maximize work level efficiency for the benefit of the Company according to set goals. Training and development have been set at various levels as follows:

1. At Executive Level: The Company places emphasis in the development of management skills, leadership at executive level and vision as leader of the organization to enable executives to achieve the desired target.
2. At Head of Workforce Level: The Company places emphasis in the development of elementary management, skills for head of workforce, teamwork building and promotion of cooperation, communications skills, both within and outside the organization as well as promoting development of specialized knowledge.
3. At Staff Level: The Company places emphasis in acquiring knowledge, experience and expertise in work under one's own responsibility, promoting motivation in continuously striving to improve oneself and having a good attitude towards executives and the Company.

Corporate Governance

Policy for Good Corporate Governance

The Company conducts its business based on the Principles of Good Corporate Governance of the Securities Exchange of Thailand (“SET”). Thus, the Company formulates a policy to control its business undertakings to ensure that they are based on transparency, accountability and would increase the confidence of investors. The Company shall regularly disclose information to the general public and shareholders. Moreover, the Company places great importance in internal control and audit. With regard to risk management, the Company closely controls and monitors risk management, taking into consideration integrity in business undertakings, maintaining fair practice in dealing with trade partners, shareholders and stakeholders of all groups, under the following five main sections:

Section 1: Rights of Shareholders

The Board of Directors attaches great importance in the equitable rights of shareholders, and shall not enter into any undertaking that will violate or lessen the rights of shareholders. It facilitates shareholders in using their rights, and has laid down the following operational guidelines to ensure that the basic rights of shareholders are protected:

- (1) The Company shall regularly inform shareholders of progress in its business undertakings either directly or through SET.
- (2) The Company shall select and prepare a venue that is easily accessible for holding general meetings of shareholders as well as choosing a suitable time and date.
- (3) The Company shall deliver Notices of Shareholders’ Meetings, stating date, time, venue and agenda of the meeting including adequate information on each agenda, not less than 7 days prior to the date of the meeting in accordance with the Company’s Articles of Association and/or as required by law, as well as ensuring that Directors’ opinions are given in collaboration with any shareholders’ resolution for every agenda item, including opinion of the Audit Committee for significant agenda items, or as required by law.
- (4) The Company shall allow shareholders to submit questions prior to the meeting, stipulating clear guidelines and informing them to the shareholders.
- (5) The Company shall allow shareholders to use a proxy and shall send said information along with the proxy which shall be attached to the Notice of the Shareholders’ Meeting.

(6) Prior to the Shareholders' Meeting the Company shall inform the shareholders of their rights in accordance with the Company's Articles of Association, conduct of the meeting, voting methods and rights to express an opinion as well as posing any questions to the meeting according to the agenda of the Meeting. The Chairman of the Meeting, the Board of Directors and directors who specialize in certain matter shall participate in the meeting in order to provide information and answer any questions. In this connection, the Chairman of the Board of Directors or the Chairman of the Meeting shall allocate adequate time for shareholders to have the opportunity to fully pose questions or express their opinion and suggestions.

(7) The Minutes of the Shareholders' Meeting shall record questions and answers and result of the vote for each agenda item, stating concurrences, objections and refrain from voting as well as recording names of directors who are present or absent from the meeting.

(8) At the end of Shareholders' Meeting, the Company shall inform SET of the shareholders' resolutions in accordance with stipulated regulations and shall accurately and completely disclose them on the company's website, including details of directors present at the meeting, result of vote for each agenda item and important questions and opinions.

Section 2: Equitable Treatment of Shareholders

The Company places importance in the equitable treatment of shareholders by laying down the following guidelines:

(1) In the case where a shareholder proposes to the Company any additional agenda for the shareholders' meeting not less than 7 days prior to the date of the meeting and after the Board has considered and concluded that said agenda would be of benefit to the Company and shareholders, the Company has a policy of facilitating presentation of said agenda to the shareholders' meeting by informing shareholders of the additional agenda through SET.

(2) In the case where a shareholder nominates a new director through the Company by submitting in full qualifications and letter of consent from the nominee at least 3 months prior to the date of the shareholders' meeting, the Company has a policy to consider said person to assume directorship in replacement of any director due to retire in each year, and shall propose the matter to shareholders for consideration.

(3) The Company has a guideline to prevent the disclosure of inside information, setting a policy and guidelines for preventing the disclosure of inside information, which has been announced all staff.,which has been announced all staff.

(4) Company Directors and executives shall report each transaction of change in securities holding within 3 days to the Office of Securities and Exchange Commission and the Stock Exchange of Thailand as well as disclosing said information in the Annual Report.

(5) Directors shall report on having a personal stake in any agenda item prior to its consideration and shall record the fact in the Board minutes.

(6) Any director who is a significant stakeholder in such a way that said director may not make an independent contribution to any agenda item shall refrain from participating in consideration of said agenda.

Section 3: Roles of Stakeholders

The Company respects the rights of stakeholders ensuring that stakeholders, no matter whether they are shareholders, employees, executives, customers, suppliers and the general public, shall receive proper treatment from the Company in accordance with their legal rights. Moreover, the Company also promotes cooperation with various groups of stakeholders to enable them to undertake successful and stable business operations, yielding an equitable return for all concerned in order to ensure long-term success; thereby the Company has established the following guidelines:

(1) To deal fairly and equally with employees and to provide remuneration suitable for the knowledge and ability of each employee as well as developing their knowledge and potentials.

(2) Sales and service from trade partners shall be in accordance with commercial terms, including abiding by contracts entered into with trade partners.

(3) Customer care and responsibility to customers. Responsible to customer for quality of products and services.

(4) Abide by the conditions of loan agreement with creditors who have given financial support to the company.

(5) Abide by the rules of fair competition, avoiding dishonest practices to destroy business rivals.

(6) Responsible for public and social environment, which includes providing support to community activities as deemed appropriate.

(7) The Company has a written measure for reporting on any illegal or unethical behavior, stating steps to be taken for making complaints and reports, as stated in the measures to be taken for complaints and violation of human rights.

Section 4: Disclosure and Transparency

Apart from disclosure of financial statements and other information to the general public through various channels in strict compliance to legal requirements with accuracy, completeness and punctuality, the Company also has a disclosure and transparency policy under the following guidelines:

(1) The Company shall set up a monitoring process to ensure that information disclosed to investors is accurate, not misleading and suffice for investment decisions.

(2) The Company shall ensure that the following information shall be disclosed to shareholders and investors.

1. Disclosure of information regarding the performance of duties by the Board of Directors and the Audit Committee, such as, number of meetings and meeting attendance of each director during the past year.

2. Evaluation method and evaluation of performance by the Board of Directors of the Company.

3. Disclosure of remuneration paid to directors and senior executives, including form or type of remuneration.

4. Report of Corporate Governance Policy

5. Annual Registration Statement Form (Form 56-1).

In this connection, apart from disclosure to the general public through the Office of Securities and Exchange Commission ("SEC Office") or through the Stock Exchange of Thailand, the Company shall also disclose the following information through the company's website:

1) Vision and Mission.

2) Nature of Business.

3) Names of Board of Directors and Executives.

4) Corporate Structure of Company Group.

5) Notice of Ordinary and Extraordinary General Meeting.

6) Company's policy on Good Corporate Governance.

7) Directors' charter.

8) Ethical code of conduct for employees and the Board of Directors of the Company.

9) Information for contacting work unit or person responsible for investors' care, such as name of person who could provide information, or Company telephone numbers.

Section 5: The Board's Responsibilities

The Board of Directors consists of qualified professionals who have the knowledge, ability and experience from a variety of professions that would benefit Board operations, capable of making independent decisions for the best interests of the Company and shareholders as a whole. The Company's Board of Directors participates in determining and/or approving the Company's vision, mission, strategy, targets, business plans and budgets while monitoring the performance of management to be efficient and in line with business plans and approved budget, providing the highest return to the Company's business and creating maximum stability for shareholders, at the same time ensuring that there are procedures to evaluate the suitability of internal control, internal audit, risk management, financial reports with regular following up on Company operations.

The Board's Structure

The Company's Board of Directors is suitable in size, comprising persons who are knowledgeable, with sufficient capability and experience to efficiently perform their duties. Moreover, the Company's Board of Directors also consists of independent directors who can freely express their opinion on the performance of management, in numbers as prescribed by SEC.

The Board and Executive's Remuneration

The Company has a policy to clearly and transparently prescribe Directors' remuneration in monetary terms, to be proposed to the Ordinary General Meeting each year under the following guidelines:

- (1) Appropriate and in accord with the duties and responsibility of each director.
- (2) At a level that would motivate and retain directors who have ability and qualifications to work with the Company.
- (3) The composition of the remuneration is clearly defined and easy to comprehend.
- (4) At a rate that could be compared to directors' remuneration within the same or similar industries.

Executives' remuneration shall be in accordance with the principles and policy set out by the Board of Directors. As the Company has no Nomination and Remuneration Committee, the Company's Board of Directors is empowered to appoint and determine the remuneration of the Executive Committee, the Chief Executive Officer and other sub-committees, as deemed appropriate.

For executives below the Chief Executive Officer level, the Chief Executive Officer is empowered to hire, appoint, transfer and dismiss any personnel as deemed appropriate, as well as determining suitable remuneration for staff at various levels.

Board of Directors' Meetings

The Board of Directors shall hold board meetings and shall conduct the meeting in accordance with the Company's Articles of Association, laws relating to public company limited and rules of the Stock Exchange of Thailand and shall hold additional special meetings as deemed necessary. The Chairman of the Board acting as chairman of the meeting shall encourage careful consideration and shall allocate adequate time for Management to propose matters for consideration as well as thoroughly and carefully debate the matter. The Company shall deliver the Notice of the Meeting together with agenda and documentations to the Board of Directors at least 7 days prior to the date of the meeting. Directors have the responsibility to attend all meetings except in the case where there is reasonable excuse. Moreover, the Company shall take accurate and complete minutes of each meeting for inspection by shareholders.

If necessary, the Chairman of the Board of Directors shall invite senior executives to attend Board Meetings to provide additional information, since they are directly involved with the problem.

Board of Directors' Report

The Board of Directors is responsible for overseeing the preparation of financial reports, which include Financial Statements of the Company, Consolidated Financial Statements of the Company and subsidiary companies and financial information as appeared in the Annual Report. In this connection, the said financial statements have been prepared in conformity with Financial Reporting Standard. The said financial statements have been carefully prepared and monitored so that relevant information is disclosed sufficiently in the Notes to Financial Statements.

Board of Directors' Self-Evaluation

To increase the efficiency in Board operations, the Company has asked the Directors to evaluate their own performance by evaluating the operational performance of the Board of Directors as a whole in order that Board members could together consider performances and problems arising therefrom, and thereafter analyze and conclude so that measures could be set up to improve the efficiency of Directors' performance.

Training and Development for Directors and Senior Executives

The Company shall encourage the Board of Directors and senior executives to attend seminars that would benefit their performances, including holding regular meetings between the Board of Directors and senior executives of other organizations for exchanges of opinion so that the knowledge and experience gained would help further the development of the Company.

Sub-Committees and Scope of and Responsibility

The structure of the Board of Directors of the Company and three other sub-committees, comprises the Audit Committee, the Risk Management Committee and the Executive Committee. It also includes the Management Team as stated in the Organization Structure Management Structure.

In this connection, the Board of Directors' Meeting No. 2/2016 held on 13th May 2016 and Extraordinary General Meeting No. 1/2016 held on 31st May 2016, resolved to outline the scope of responsibility of the various committees including executives, details as follows:

Scope of Duty and Responsibility of the Board of Directors

- (1) To consistently perform its duties in accordance with the laws and the Memorandum and Articles of Association of the Company, including resolutions of the General Meeting of Shareholders with honesty and carefulness in order to protect the Company's interests and to monitor the operations of the Company and subsidiary companies to ensure conformity with various laws regulating the operations of the Company and subsidiary companies, including the law on bribery or corruption.
- (2) To approve business policies, objectives, business plans, business strategies and the annual budget as well as monitoring and supervision of Management's execution and management to be efficient and in conformity with the policy, plan and approved budget.
- (3) To oversee preparation of the Company's Annual Report and to be responsible for the preparation and disclosure of the Company's financial statements to show the financial status and operating results of the past year to be presented for approval at the shareholders' meeting.

- (4) To set up a written policy on corporate governance of the Company and subsidiary companies under the principles of good governance and to adopt said policy for efficient practice to ensure that all groups of persons concerned are dealt with fairly by the Company and subsidiary companies.
- (5) To approve the appointment of directors from qualified persons, not prohibited by the Public Company Act B.E. 2535 and the Securities and Exchange Law and/or regulations with regard to directorship in the case where a directorship is left vacant from reasons besides directors' retirement.
- (6) To consider appointment of independent directors and members of the Audit Committee, taking into consideration qualifications and prohibitions of independent directors and Audit Committee members in line with the Securities and Exchange Law as well as announcements, rules and/or regulations relating to the Stock Exchange and to submit the proposal to the shareholders' meeting for their appointment as independent directors and members of the Audit Committee of the Company.
- (7) To determine corporate structure, management structure, with power to appoint and determine the remuneration of the Executive Committee, the Chief Executive Officer and other sub-committees as deemed appropriate, including defining scope of responsibilities of the Executive Committee, the Chief Executive Officer and other sub-committees appointed. In this connection, the said empowerment shall preclude any authorization or delegation of power which enables the Executive Committee, the Chief Executive Officer and said sub-committees to consider and approve any undertaking of a conflicting nature, or matters of personal gain or conflict of interests with the Company or subsidiary companies, except for approval of transactions in line with the policy and guidelines already approved by the shareholders or the Company's Board of Directors.
- (8) To consider appointment, substitution of directors or executives or suitable personnel to be appointed as directors' representative in subsidiary companies and/or associated companies in which the Company has investments or a joint venture.
- (9) To consider appointment of the Company Secretary including defining the scope of duties and responsibilities of the Company Secretary.
- (10) To consider selection and approval of the Auditors of the Company and subsidiary companies, and to determine a suitable fee as proposed by the Audit Committee prior to presentation to the shareholders for consideration and approval at the Ordinary General Meeting.

- (11) To consider appointment and amendment to names of authorized directors.
- (12) To appoint any other person to undertake the operations of the Company's business under the supervision of the Board of Directors, and/or to empower said person within a period deemed appropriate by the Board of Directors whereby the Board of Directors may cancel, revoke, alter or amend said powers. In this connection, said empowerment shall not be in a manner that said person may consider and approve any transaction with the Company or subsidiary companies in which he or another party with a conflict of interest are stakeholders or may have conflicting interest in any other way (as defined by Notification of the Securities Exchange Commission and/or the Stock Exchange of Thailand and/or any other notifications made by relevant authorities), with the exception of approval of transactions in accordance with the policy and guidelines already approved by the Shareholders' Meeting or by the Board of Directors.
- (13) To take proceedings to ensure that the Company and subsidiary companies have a suitable and efficient accounting system, an accountable financial statement and an adequate and suitable internal audit control and monitoring system.
- (14) To consider approval of a Risk Management Policy encompassing the whole organization and to supervise a suitable process of risk management system to lessen any adverse effect on the Company and subsidiary companies.
- (15) To consider approval of transactions on acquisition or disposal of assets, with the exception of transactions which require the approval of the shareholders' meeting. In this connection, said approval shall be in accordance with the announcement, rules and/or regulations relating to the Stock Exchange.
- (16) To consider and approve related transactions, with the exception of transactions which require the approval of the shareholders' meeting. In this connection, said approval shall be in accordance with the announcement, rules and/or regulations relating to the Stock Exchange.
- (17) To consider and approve payment of interim dividends to shareholders if the Company has accumulated sufficient profit therefor, and to report said dividend payment to the shareholders at its next meeting.
- (18) To undertake to publicize suitable information and disclose information to stakeholders, those with conflict of interests and all concerned accurately, thoroughly, suitably and on time.

In this connection, said empowerment shall not be in such a manner that the Board of Directors of the Company or the Attorney of the Board of Directors may consider and approve any transaction in which he/she or another party of conflicting interest, have a stake therein (as defined by Notification of the Securities Exchange Commission) or have a conflict of interest with the Company or subsidiary companies. defined by Notification of the Securities Exchange Commission) or have a conflict of interest with The Company or subsidiary Companies

Scope of Duty and Responsibility of the Audit Committee

(1) To review financial statements to ensure of the accuracy and credibility including disclosing adequate information through coordination with outside auditors and executives responsible for preparation of the quarterly and annual financial statements.

(2) To review the internal control system of the Company and subsidiary companies to ensure of the suitability and efficiency, and to propose review or audit of any transaction considered necessary and essential as well as proposing necessary and important improvements in the internal audit control system to the Board of Directors through joint reviews with outside auditors and Manager of the Internal Audit Section.

(3) To review the Company's compliance with the law on securities and exchange, or terms of SET, including policies, rules and regulations and other laws relevant to the Company.

(4) To consider, select and nominate an independent person as the Company's auditor, and to propose auditor's fees to the Company's Board of Directors, as well as attending a meeting, unattended by Management, with the auditor at least once a year.

(5) To review the Company's internal audit plan according to generally accepted principles and standards.

(6) To consider disclosure of the Company's information in the case of transactions which may be related or transactions which may have conflicts of interests completely and accurately, in compliance with the law and regulations of the stock exchange to ensure that said transaction is justifiable and of the highest benefit to the Company.

(7) To report the work of the Audit Committee to the Company's Board of Directors at least once every quarter.

(8) To participate in the appointment, removal and performance evaluation of internal audit personnel.

(9) In the course of work according to its scope of responsibility, the Audit Committee is empowered to invite Management, executives or any company personnel involved to express their views, attend a meeting, or send related or necessary documentations.

(10) To have the power to hire outside consultants in accordance with Company regulations for their opinion or for consultation as necessary.

(11) To prepare an Audit Committee's Report, to be disclosed in the Company's Annual Report, wherein said report shall be signed by the Chairman of the Audit Committee and shall comprise at least the following information:

- a. An opinion on the accuracy, completeness and credibility of the Company's Financial Statement.
- b. An opinion on the adequacy of the Company's internal control system.
- c. An opinion on the compliance with the securities and exchange law, the stock exchange regulations, or laws relating to the Company's business.
- d. An opinion on the suitability of the auditor.
- e. An opinion on transactions that may lead to conflicts of interests.
- f. The number of Audit Committee meetings and the attendance record of such meetings by each committee member.
- g. An opinion or an overview comment received by the Audit Committee for its performance under the Charter.
- h. Other transactions which should be revealed to shareholders or investors within the scope of responsibility assigned by the Company's Board of Directors.

(12) To revise and amend the charter of the Audit Committee.

(13) To perform any other duties as assigned by the Company's Board of Directors within the scope of responsibility of the Audit Committee.

Scope of Duty and Responsibility of the Risk Management Committee

(1) To review and propose policies and framework of risk management to the Company's Board of Directors for approval.

(2) To review and approve of any risk appetite and present the matter to the Board of Directors for acknowledgement.

- (3) To supervise the development and operations to continuously be in accord with the policy and framework of risk management so that the company group has an efficient risk management system throughout the entire organization which are continuously being put into practice.
- (4) To review risk management reports, to follow up on significant risks, and take action to ensure that the organization has adequate and suitable risk management.
- (5) To coordinate with the Audit Committee with regard to significant risks, with the internal audit unit making reviews to ensure that the Company has an internal audit system that issuitable for risk management, as well as adapting the risk management system for appropriate use throughout the organization.
- (6) To regularly report to the Board of Directors on risks and management of significant risks.
- (7) To revise and amend the charter of the Risk Management Committee.
- (8) To undertake any other risk management operations as assigned by the Board of Directors.

In this connection, management and/or the Risk Management Sub-Committee and / or work units and/or committees concerned with risk management and/or the internal auditor and/or the auditor shall report or present relevant information and documents to the Risk Management Committee in order to support the operations of the Risk Management Committee as assigned.

Scope of Duty and Responsibility of the Executive Committee

- (1) To supervise the management of the Company to be in accordance with the policy determined by the Board of Directors and to report the operational performance to the Board of Directors.
- (2) To determine appropriate powers and levels of authorization and to take measures for separation of duties to minimize the risk of fraud as well as to determine appropriate procedures and methods for transactions with major shareholders, directors, executives or those associated with said persons, in order to prevent any conflict of interests, to be presented to the Board of Directors for approval in principle as well as supervising that the authorized principles and requirements are observed.
- (3) To consider the annual budget and stages for disbursement of the budget for presentation to the Company's the Board of Directors and to supervise disbursement of the budget as approved by the Board of Directors.

- (4) To consider adjustments in the Company's business operational plan as well as suitable strategy for business undertakings for the benefit of the Company.
- (5) To consider investment authorization and to determine investment budget in accordance with the powers contained in the Power of Authorization Table.
- (6) To consider entering into agreement which would bind the Company in accordance with the powers contained in the Power of Authorization Manual.
- (7) To be responsible for provision of adequate important information of the Company to collaborate decisions to be made by the Board and the shareholders, including preparation of credible financial reports in line with good and transparent accounting standards.
- (8) The Executive Committee has the power to request information from various work units of the Company and subsidiary companies for additional consideration in various matters.
- (9) To consider the Company's profit and loss result, and to propose annual dividend payment to the Board of Directors.
- (10) To consider the Company's risk management policy for presentation to the Risk Management Committee.
- (11) To consider new business undertakings, business terminations, or business investments or joint ventures for submission to the Board of Directors.
- (12) To supervise procedures for operators to timely report abnormal events or undertakings, or illegal practices to the Executive Committee and in the case where such events have significant effects, to report to the Company's Board of Directors to make rectifications within a reasonable amount of time.
- (13) To enter into any undertakings as deemed appropriate by the Company's Board of Directors or as authorized by the Company's Board of Directors.
- (14) To hold a regular meeting of the Executive Committee at least once a month to follow the progress of matters relating to the Company and subsidiary companies.
- (15) The Executive Committee is responsible for regularly reporting operational results to the Board of Directors and to report any significant resolution or business undertakings under the scope of power of the Executive Committee to the Board of Directors at the next Board of Directors' Meeting.

In this connection the Executive Committee's power of authorization shall not include approval of any transaction in which the Executive Committee or those empowered by the Executive Committee can consider and approve any transaction which may cause a conflict of interest with the Company or subsidiary companies.

Scope of Duty and Responsibility of the Chief Executive Officer

- (1) To manage the business operations of the Company in accordance with the vision and mission determined by the Company's Board of Directors.
- (2) To coordinate with the Audit Committee and the Risk Management Committee in order that the Company's business undertakings, including risk management, comply with the Memorandum and Articles of Association of the Company as well as the resolution of the Board of Directors and/or the shareholders' meeting.
- (3) To supervise business undertakings, lay down strategic plans of operation and manage the daily operations of the Company.
- (4) To make important business decisions of the Company and to define a mission in accordance with the objectives, guidelines and policies of the Company, including supervision of business administration in various work units.
- (5) To have the authority to command, communicate, order, as well as signing legal transactions, notifications, notices as stated in the Power of Authorization Table.
- (6) To have the authority to employ, appoint, transfer personnel as deemed appropriate as well as determining appropriate scope of authority and remunerations, with the power to dismiss, terminate the employment of various levels of staff as stated in Power of Authorization Table, as deemed appropriate.
- (7) To monitor, check and control the Company's business undertakings to achieve the desired targets, including seeking improvements and development for a better performance turnover.
- (8) To have the authority to determine commercial terms for the benefit of the Company.
- (9) To consider investment in new businesses, or business liquidation, or enter into investment or joint venture, for submission to the Executive Committee and/or for submission to the Company's Board of Directors.
- (10) To take any action as assigned by the Executive Committee and/or the Company's Board of Directors.

In this connection the Chief Executive Officer may not approve any transaction in which he/she or any person of conflicting interest is a stakeholder, or may have conflicts of interest in some other manner with the Company or subsidiary companies. The above shall also apply to the Chief Executive Officer of all subsidiary companies in the Company Group.

Power of Authorization for credit limit approval

The Company has determined the power of authorization for important undertakings as follows:

	Board of Directors	Executive Committee	Chief Executive Officer	Department Head	Section Chief
(1) Cash Advances per Withdrawal	-	-	Not exceeding Baht 100,000	Not Exceeding Baht 10,000	-
(2) Interim Additional Investment Budget	Exceeding 10% of total budget	Not exceeding 10% of total budget	Not exceeding Baht 500,000/ project	-	-
(3) Procurement/Lease of Fixed Assets Category: Real Estate	Exceeding Baht 5,000,000	Not exceeding Baht 5,000,000	Not Exceeding Baht 1,000,000	-	-
(4) Fix/Alter Trade Discount Rate	-	Exceeding 50 %	Not exceeding 50%	Not exceeding 20%ing	Not exceeding 10%

Selection and Appointment of Directors, Committee Members and Senior Executives

Selection of directors must be authorized by the Shareholders' Meeting, with the Board of Directors nominating the names of persons whose qualifications are in compliance with legal requirements, who have the experience, ability and a good grasp of the Company's business who have adequate time to work for the Company. However, at present the Company does not have a Nomination and Remuneration Committee for proposing names for consideration by the Board of Directors before presenting them to the Shareholders' Meeting for approval.

Structure of the Board of Directors and Appointment of the Board of Directors

- (1) The Company shall have at least 5 members of the Board of Directors, and not less than half the number of directors shall be a resident of the Kingdom and possess qualifications in compliance with legal requirements.
- (2) The structure of the Board of Directors shall comprise at least one-third independent director out of the total number of directors, totaling not less than 3 persons. The independent director shall be free from control by Management, major shareholders and shall not have any connection with or shall not be a stakeholder in the financial affairs or management of the Company. Moreover, the independent director shall

possess all qualifications as contained in the Notification of the Capital Market Supervisory Board, Ref. TorJor.28/2551 Subject: Permission for offering of newly issued securities ("Notification TorJor.28/2551").

(3) The Company's Board of Directors shall comprise at least 3 Audit Committee members, possessing full qualifications stipulated in Notification TorJor.28/2551 with the scope of duties and responsibilities as defined by the Notification of SET.

(4) The Shareholders' Meeting shall select Board members according to the following guidelines and method:

- a. Each shareholder shall have one vote per share
- b. Each shareholder may cast all of his/her votes to elect a person or persons as Directors, but may not split votes to any one person.
- c. The persons obtaining the highest number of votes in descending order shall be elected as Directors according to the number of Directors electable in that election. In the event the persons obtaining equal votes in descending order outnumber Directors electable, the Chairman of the Meeting shall cast an additional vote.

(5) At the Annual General Meeting, one-third (1/3) of the directors must retire from directorship. If the number of retiring directors could not be divided by three, then the closest number to one-third (1/3) shall be the retiring number. Retired directors may be re-elected as directors if the Meeting so elected. Directors due for retirement in the first and second years after Company registration shall draw lots to see who should retire; thereafter the longest remaining director shall retire.

(6) Any Director wishing to resign from directorship shall submit a resignation letter to the Company, to be effective when the letter reaches the Company.

(7) In the case where there is a vacancy in directorship apart from being due for retirement, the Board of Directors shall select a qualified person whose characteristics are not prohibited by law as director in replacement at the next Board of Directors meeting. In the case where the remaining directorship period is less than two months, then the replacement director shall be in directorship for a period equaling to the remaining period of the director being replaced. The resolution of the Board of Directors for appointment of directors in replacement shall comprise of votes not less than from three-fourths of the number of remaining directors.

(8) The Shareholders Meeting, with a vote of not less than three-fourths of the number of shareholders attending with voting rights, with shares totaling not less than half of the shares held by shareholders attending with voting rights, may resolve to replace any director prior to his/her retirement date.

(9) A director may or may not be a shareholder of the Company.

(10) The Board of Directors shall elect one director as Chairman of the Board. In the case where it is deemed appropriate, the Board may elect one or more directors as Vice Chairman of the Board, whose duties shall be in accordance with the Articles of Association in undertakings assigned by the Chairman.

Term of Office

The Board of Directors shall remain in directorship for 3 years at a time. Any director retiring in accordance with this clause may be re-elected.

Apart from retiring upon completion of term of office, directors shall be released from office upon

- (1) Death
- (2) Resignation
- (3) Disqualification or is prohibited by the Public Company Act
- (4) Dismissal by the Shareholders' Meeting
- (5) Court Order

Composition and Appointment of the Audit Committee

(1) The Audit Committee comprises at least three independent directors appointed by the Company's Board of Directors.

(2) Audit Committee members must have the skills and experience suitable for the undertaking assigned to him/her. At least one audit committee member must have an understanding or experience in accounting or finance.

(3) The Board of Directors or the Audit Committee shall select and appoint one Audit Committee member as Chairman of the Audit Committee.

(4) The Audit Committee shall appoint a Secretary to assist the committee with regard to sending notice of meetings, preparation of agenda, meeting documents and minutes of the meeting.

Qualifications of the Audit Committee

1. General Qualifications

(1) Holds shares not exceeding 1% of total shares with voting rights in the Company, parent company, subsidiary company and associated company, major shareholders or a controlling person, also taking into account shares of related persons.

(2) Has not or ever been a director who participated in management, an employee, staff, a consultant with regular salary, or a controlling person, unless he/she no longer possesses said characteristics for at least two years before becoming an audit committee member.

- (3) Does not or ever have a business relationship with the company, parent company, subsidiary company, associated company, major shareholder, or a controlling person in a manner that might interfere with making an independent judgment. At the same time, not being or has ever been a significant shareholder or a controlling person over any person who has business relationships with the Company, parent company, subsidiary company, associated company, major shareholder or a controlling person, unless he/she no longer possesses said characteristics for not less than two years prior to appointment to the audit committee, as well as not being a stakeholder either directly or indirectly in the financial or business operations of the company.
- (4) Has no relationship by blood to, or legal registration of relationship as a parent, spouse, sibling and offspring, which includes spouse or offspring of other directors, executives, major shareholder of the Company, a controlling person, or a person who has been nominated as director, executive or a controlling person of the Company and subsidiary company.
- (5) Not being a director appointed as representative to safeguard the interests of the Company's directors, major shareholders or shareholders who have relationship with major shareholders. Moreover, he must be able to make an independent judgment or report on undertaking assigned regardless of any interests which may force him not to express such an opinion.
- (6) Has not or ever been an auditor of the Company, parent company, subsidiary company, associated company, major shareholder, a controlling person, or juristic entity who may have conflicts of interest, and not being a significant shareholder, a controlling person or partner in an audit firm in which the auditor of the Company, parent company, subsidiary company, associated company, or a controlling person is under the employ of, unless he/she no longer possesses such characteristics for not less than two years prior to appointment as director of the audit committee.
- (7) Not being or has ever been of any professional service which includes giving legal advice or financial advice to, receiving annual fees of more than Baht 2 million from the Company, parent company, subsidiary company, associated company, or a controlling person of the Company, and shall not be a significant shareholder, a controlling person or a partner of those who have given such professional service unless he/she no longer possesses such characteristics for not less than two years prior to appointment as director of the audit committee.
- (8) Not operating the same type of business as and in significant competition with the Company, subsidiary company, affiliate company, or not being a significant partner in a partnership, or a director who takes part in administration, an employee, a staff, a consultant receiving regular salary, or holding more than one per cent of the total number of shares with voting rights in another company which operates the same type of business and in competition with the Company, subsidiary company, or affiliate company

(9) Possesses no other characteristics which prevent him/her from expressing an independent opinion on the Company's operations.

(10) The Audit Committee shall be independent directors of the Company in accordance with the characteristics defined by the Securities Commission Office and the Stock Exchange.

2. Special Characteristics

(1) Not being a director assigned by the Company's Board of Directors to make decisions on the operations of the Company, parent company, subsidiary company or affiliate company or subsidiary company of the same level, a major shareholder or a controlling authority of the Company.

(2) Not being a director of the parent company, subsidiary company or affiliate company of the same level which are listed companies.

(3) Has the same type of duties as stipulated in the Notification of the Securities Exchange of Thailand regarding Characteristics and Scope of Operations of the Audit Committee.

(4) At least one audit committee member shall have sufficient knowledge and experience to review the credibility of the financial statements.

(5) Is able to devote sufficient time to undertake the responsibility of audit committee member.

Term of Office

The Audit Committee shall have a term of office of 3 years, the term of office of which being in accordance with the term of office of the Company's Board of Directors, and an audit committee member who has retired may be re-appointed as deemed suitable by the Company's Board of Directors. Apart from retiring as above, an audit committee member may be released from office upon

- (1) Death
- (2) Resignation
- (3) Lacking qualification of an audit committee member according to the charter of the Audit Committee or according to the rules of the Stock Exchange of Thailand
- (4) Retired from the Company's Board of Directors.

Any audit committee member who wishes to resign may submit a written resignation to the Chairman of the Company at least one month in advance giving reasons, with the Board of Directors approving the resignation. The Company shall inform the Securities Exchange of Thailand of the resignation, attaching the letter of resignation. In the case where the entire Audit Committee retires, the retired committee members shall act as audit committee members until a replacement Audit Committee assumes duty.

In the case where a vacancy occurs in the audit committee due to reasons other than retirement, the Company's Board of Directors shall appoint a person possessing full qualifications as a replacement audit committee member within 90 days in order that the Audit Committee shall have full membership as stipulated by the Company's Board of Directors. The replacement audit committee member shall hold office for the remaining time of the member being replaced.

Components and Appointment of Risk Management Committee

The Risk Management Committee has been appointed by the Company's Board of Directors and comprises at least 3 directors and executives, with at least 1 independent director. In this connection, the Company's Board of Directors may select a director or executive of a subsidiary company to act as a member of the Risk Management Committee.

Term of Office

The Risk Management Committee shall have a term of 3 years. A Risk Management Committee member who has retired may be re-appointed by the Company's Board of Directors as deemed appropriate.

Apart from retiring as above, a Risk Management Committee member may retire due to

- (1) Resignation
- (2) The Company's Board of Directors resolution for his retirement

Composition and Appointment of the Executive Committee

The Company's Board of Directors appoints the Executive Committee, selecting from management and senior executives including management of subsidiary companies or from qualified persons as deemed appropriate by the Board of Directors, totaling not less than 2 persons to act as Executive Committee.

Composition and Appointment of the Chief Executive Officer

The Company's Board of Directors appoints the Chief Executive Officer to manage the business of the Company.

Policy for Investment in Subsidiary Company/Associate Company

The Company will invest in a company with the same or similar objectives in operating a business as the Company, or in a business which supports the Company's business resulting in increased turnover or increased profits for the Company, or the Company will invest in a business which gives synergy to the Company and will help support the Company's core business to make it more complete and increase the Company's competitiveness.

To Appoint a Person as Directors in Subsidiary Company or Associate Company

The Executive Committee shall nominate a qualified person to the Company's Board of Directors for appointment as director in a subsidiary company or an associate company. In the case of a vacancy occurring from reasons other than retirement, the Executive Committee shall nominate a qualified person for appointment as director in the subsidiary company or associate company, and the replacement director shall hold office for the remaining period of the director who has been replaced.

Governance of Subsidiary Company or Associate Company

- (1) The Company shall send a qualified and experienced person or a person suitable to operate business to act as director or executive, at least proportionate to shares held in said subsidiary company and/or associate company as its representative in the management of said subsidiary company or associate company.
- (2) The director or executive representing the Company shall participate in formulating important policies for the business operations of the subsidiary company and/or associate company, in line with the framework designated by the Company.
- (3) Supervise the subsidiary company and/or associate company to manage or operate in line with the framework designated by the Company, in accordance with the Company's board resolution and/or approval of the Shareholders' Meeting of the Company with regard to matters of significance of the subsidiary company and/or associate company.
- (4) Report operational results to the Company as deemed appropriate in order to provide the most benefit to the Company and for sustainable growth of the Company

Supervision on Internal Information

The Company and subsidiary companies understand and realize the importance of Good Corporate Governance including the check and balance of power to strengthen the confidence of shareholders, investors, and all concerned in the continual operation of the business, bearing in mind long-term increase in the Company's net worth. Moreover, the Company's Board of Directors realizes the significance of using inside information of the Company for personal gains, and the Board and Management of the Company agreed on establishing procedures for supervision on inside information of the Company so that the Company's operations would be open to public scrutiny and in accordance with the principles of good governance, details of which are as follows:

- (1) The Company shall keep secret unrevealed important information, limiting said information as much as possible to only top executive level, and shall disclose them to the Company's employees only in parts that are deemed necessary.
- (2) In the case the Company has to disclose internal information to Company employees in a wide circle, the Company shall inform the employees of its secret nature and the limitations of its use.
- (3) Directors, management and employees shall maintain the secrecy of the internal information of the Company and subsidiary companies and shall not divulge said information or seek personal gains or gains for other persons either directly or indirectly, whether or not any form of compensation has been paid.

(4) The Company shall educate directors and executives of the Company with regard to their duty in reporting holding of securities in the Company, belonging to themselves, spouse and minor child, in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 and amendments (“Securities Act”) and in accordance with Notification of SEC. Ref. SorJor.12/2552 Re. Preparation and Disclosure of Report on Shares held by directors, executives and auditors and Penalty Clause in accordance with Section 275 of the Securities Act.

(5) The Company shall determine that directors and executives report any change in holding of securities in the Company to the Office of the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act and Notification of SEC. Ref. SorJor.12/2552 Re. Preparation and Disclosure of Report on Securities held by directors, executives and auditors and shall submit this report to the Company on the same day as submitting it to the Office of the Securities Exchange Commission.

(6) The Company and subsidiary companies forbid its directors, executives or operational staff who have access to inside information to disclose said information to outsiders or those not involved and forbids the abovementioned persons to enter into any “buying and selling” of Company securities for one month prior to the Company’s disclosure of its financial statements or disclosing other relevant information to the public.

(7) Directors, executives and employees of the Company and subsidiary company shall not buy, sell, offer to buy, offer to sell, or invite other persons to buy or sell, or invite other persons to offer to buy or offer to sell or receive transfer of Company securities using inside information of the Company or subsidiary company and /or enter into any legal transactions using inside information of the company or subsidiary companies which may cause damage to the Company either directly or indirectly. This stipulation shall also apply to spouse and minor child of directors, executives and employees of the Company and subsidiary companies. Any person who violates said regulations shall be regarded as committing a serious offense and the Company has prescribed penalty measures for those seeking benefits by insider trading or disclosure of information which cause damage to the Company’s reputation or other losses to the Company, and the Company shall coordinate with other regulating units concerned to take legal action in due course.

Auditor’s Remuneration

The Company and subsidiary companies paid Auditor’s remuneration in the amount totaling Baht 1,900,000 for an Annual Audit and review of an Interim Audit to Deloitte Touche Tohmatsu Jaiyos Audit Co. Ltd., the Auditors of the Company and subsidiary companies for year 2016 ended 31st December 2016, and an additional amount of Baht 800,000 to said audit firm as remuneration for providing suggestions to Management of the Company and subsidiary companies in regard to preparation of financial statements in accordance with the standard of financial statements of entities with public stakeholders.

Good Corporate Governance in Other Matters

- None -

Corporate Social Responsibility

CSR in Process

The Company and Subsidiary Companies (“The Comanche Company Group”) have guidelines to show corporate social responsibility, namely, good corporate governance, fairness in business undertakings, respect of human rights and fair treatment of employees, responsibility to consumers, community and social development, and preparation of report on society and environment, details as follows:

1. Good Corporate Governance

The Comanche Company Group has an efficient, transparent and accountable management system which aims to build up the confidence and assurance of shareholders, investors, stakeholders and all concerned, paving the way for sustainable growth in its business.

2. Fairness in Business Undertakings

The Comanche Company Group is aware of honest and fair business undertakings, within law and regulations, and believes that conducting business operations in an honest and fair manner will increase the confidence of all concerned, which in the long-run will benefit the business of the Comanche Company Group. Therefore, the Comanche Company Group will never seek gains which may arise from unethical business operations, and encourages its employees to realize the importance of abiding by the law and fair competition.

3. Respect of Human Rights and Fair Treatment of Employees

Human resources is an important factor of the business, creating added value and increasing productivity. The Comanche Company Group will improve environmental working conditions for better quality of life for employees, and shall have a human resource management system based on fairness, at the same time encouraging employees to show their potentials through training opportunities and improvement of working skills.

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.

4. Community and Social Development

A strong community and society, with sustainable development, helps support business operations. The Comanche Company Group shall therefore hold social events and shall participate in promoting strength to community and society, whether through promotion of education and development of human resources, hiring of workforce and setting up community development programs.

5. Environmental Care

The Comanche Company Group 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.

6. Educational Development and Personnel

The Comanche Company Group 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 Comanche Company Group will cooperate with educational institutions, 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.

Business Operations and Reports

Corporate and social responsibility according to the policy and guidelines stated is a part of the Company's business operations that has been continuously put into practice, from fair dealings with trade partners, production of quality goods and services, clearly-stated pricing for customers, fair evaluation of employees' performance, to participating in educational and human resources development. Besides continuous business operations in accordance with its policies and guidelines, the Company also regularly reports on activities on community service through the Company's website <http://www.comancheinternational.com>

Business Undertakings Affecting Social Responsibility

- None -

CSR After Process

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, by participating in activities conducted by both government and private sectors as well as providing continuous support for learning and teaching in educational institutions.



On 7th May – 6th June 2014 the Company was invited as guest speaker on a Digital Start-up Training Course to Prepare Software Operators for Entering into the Southern Tourism Industry 2014, hosted by the National Software Industry Promotion Agency (Public Organization)



On 3rd February 2015 the Company's Management was invited as guest speaker on the Hotel Business Planning and Development Course and Information Technology for Hotels Course held at the Ubon Ratchathani University.



On 5th August 2015 the Company's Management was invited as guest speaker on Increasing Potentials for Teachers in the Hotel Management Program hosted by the Office of the Vocational Education Commission throughout the country and the Thai Hotels Association.

Anti-Corruption

The Comanche Company Group is focused on operating its business honestly, transparently and in accordance with the principles of good 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 Comanche Company Group 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 Chapter

- The Comanche Company Group has communicated to its personnel, both at executive and staff level, that employees at all levels of the Comanche Company Group 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 Comanche Company Group 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 Comanche Company Group 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 Comanche Company Group.

- 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 Comanche Company Group. Moreover, he/she might be subject to legal punishment if said doings are unlawful.

- The Comanche Company Group realizes the importance of publicizing and providing knowledge and understanding to persons who have to deal with the Comanche Company Group, or matters which may affect the Company with regard to actions taken in accordance with the anti-corruption policy.

Guidelines

1. Political Contributions

The Comanche Company Group has a policy of remaining neutral in the conduct of its business, having no political aspirations or sympathies with politicians of any party. The Comanche Company Group 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 group.

2. Donations for Charity

The Comanche Company Group 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 Comanche Company Group at the event, or being broadcasted for public relations purposes.

3. Grants

The Comanche Company Group 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 Comanche Company Group realizes that building good relationships with business alliances is an important factor in bringing continuous success to the Comanche Company Group. 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 Comanche Company Group, not in the name of any employee.
- Not being a gift in the nature 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 Comanche Company Group, 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.
- Given comfortably and no disclosed information.

Report of Audit Committee

Pursuant to the resolution of the Board of Directors' Meeting No.3/2015 of Comanche International Public Company Limited from its meeting on 8th September 2015, the Audit Committee consists of

- Mr.Chim Tantiyaswasdikul, PhD.
- Mrs.Dolrudee Pornpipat
- Mr.Kris Panijpan, PhD.

The Audit Committee has performed the task assigned and approved by the Board of Directors of Comanche International Public Company Limited. The task's scope and responsibilities are as follows.

1. To audit the quarterly financial statements and that of 2016, with the participation of Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd., to ensure that the financial statement of Comanche International Public Company Limited was properly prepared and complete in its content and credibility, and that Information is shared on a basis that is satisfactory for the generally accepted accounting standard.

2. To verify the compliance with the laws related to the business of Comanche International Public Company Limited. The Committee is also to give advice and monitor the business operation in the important aspects on a continuous basis. The objective is to ensure that the operation of Comanche International Public Company Limited is effective, and compliant with the relevant laws and regulations.

3. To monitor and ensure that Comanche International Public Company Limited operates per the corporate governance laid down by the Securities and Exchange Commission of Thailand, as well as the international standard. A Comanche International's manual on corporate governance is prepared to serve as guidelines for open operation, as well as disclosure of any conflict of interests.

4. To audit the risk management and risk control of Comanche International PLC, as well as to give advice on the management of key risks to ensure successful business operation of Comanche International PLC.

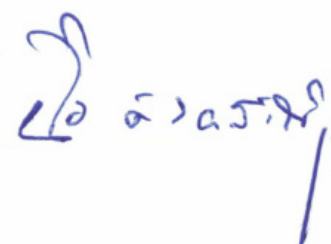
5. To verify that Comanche International PLC has effective internal audit system, evaluated for adequateness of internal audit and risk management under the standard of internal audit standard set by the Securities and Exchange Commission of Thailand.

6. To oversee the work of internal audit, and to approve the long-term audit plan and the audit plan for 2016 to ensure efficient and effective internal audit, as well as to verify the work and to take into consideration the advice of internal audit. The Audit Committee shall also comment, give advice, and monitor the work and revision of key aspects on a continuous basis.

7. Audit Committee has evaluated its own work in 2016, which was found to be satisfactory. A report has been presented to the Board of Directors of Comanche International PLC

8. Proposing Deloitte Touche Tohmatsu Jaiyos Advisory Co.,Ltd. as the auditor of 2016 financial statement pursuant to the Accounting Act

The Audit Committee's view is that the 2016 financial statement of Comanche International PLC contains adequate information, risk management, and internal audit. The compliance with laws and regulations relevant to its current business operation. This led the Committee to be confident that Comanche International PLC has good corporate governance, with continuous improvement of the quality of its work.



(Mr.Chim Tantiyaswasdikul, PhD.)
Chairman of the Audit Committee

Related Party Transactions

Potential Conflicting Parties

Potential Conflicting Parties	Nature of Relationship
Mr. Somboon Sukheviriya	· Company Director and Authorized Director of the Company and Subsidiary Company · Chief Executive Officer of the Company · Joint shareholders with spouse, holding shares at 34.26% of registered and paid-up share capital of the Company
Mr. Apichai Sakulsureeyadej	· Company Director and Authorized Director of the Company and Subsidiary Company · Member of the Executive Committee of the Company · Chief Executive Officer of Subsidiary Company · Shareholder, holding shares at 29.25% of registered and paid-up share capital of the Company

Nature of Related Party Transactions and Necessity and Rationale for Related Party Transactions

Related party Transactions between the Company, Subsidiary Company and Conflicting Parties for 2016 and 2015, as follows:

Related Party transaction in the year of 2016 and 2015 between the Company and Mr. Somboon Sukheviya

Nature of Transaction		Transaction Value (Baht Million) Year 2015	Transaction Value (Baht Million) Year 2016	Necessity and Rationale/ Opinion of the Audit Committee																								
1. The Company sold 4 of its used cars together with registration numbers to Mr. Somboon Sukheviriya on 31 st August 2015.		13.20	-	The Company sold 4 of its used cars together with registration numbers to Mr. Somboon Sukheviriya, being cars used by Mr. Somboon Sukheviriya for Company business and for personal use, these cars being in excess of Company business use. The sale price of the four cars was based on market value estimated by a secondhand used-car dealer who has no relationship with the Company or the buyer. Total value of sale was at Baht 13.20 million as compared to book value of the cars at Baht 11.69 million and book value of registration numbers at Baht 0.31 million, totaling altogether Baht 12.00 million, resulting in sale of cars being higher than book value, making a profit of approximately Baht 0.40 million for the Company, details of the sale were as follows: <table><tr><th>Brand/Model Brand/Make of Vehicle</th><th>BV of Vehicle as at 31st August 2015</th><th>Average Estimated Price**</th><th>Average Sale Price (Baht million) (including VAT)</th></tr><tr><td>1. Mazda MX 5</td><td>0.06</td><td>0.93</td><td>1.00</td></tr><tr><td>2. Lexus RX 270</td><td>1.80</td><td>1.53</td><td>1.70</td></tr><tr><td>3. Benz SLK 200</td><td>3.00</td><td>2.25</td><td>2.40</td></tr><tr><td>4. Porsche 911</td><td>7.14</td><td>7.67</td><td>8.10</td></tr><tr><td>Total</td><td>12.00</td><td>12.38</td><td>13.20</td></tr></table> Remarks: * BV included car registration numbers ** calculated from quotations submitted by secondhand used-car dealers, being an average price of three dealers (not including VAT) For sale of cars Nos. 1-3 The Company was paid in cash in full; sale price for car No.4 was Baht 8.10 million and the Company received cash payment of Baht 5.81 million and transferred the remaining debt obligation of Baht 2.29 million owed to a car leasing company to Mr. Somboon Sukheviriya.	Brand/Model Brand/Make of Vehicle	BV of Vehicle as at 31 st August 2015	Average Estimated Price**	Average Sale Price (Baht million) (including VAT)	1. Mazda MX 5	0.06	0.93	1.00	2. Lexus RX 270	1.80	1.53	1.70	3. Benz SLK 200	3.00	2.25	2.40	4. Porsche 911	7.14	7.67	8.10	Total	12.00	12.38	13.20
Brand/Model Brand/Make of Vehicle	BV of Vehicle as at 31 st August 2015	Average Estimated Price**	Average Sale Price (Baht million) (including VAT)																									
1. Mazda MX 5	0.06	0.93	1.00																									
2. Lexus RX 270	1.80	1.53	1.70																									
3. Benz SLK 200	3.00	2.25	2.40																									
4. Porsche 911	7.14	7.67	8.10																									
Total	12.00	12.38	13.20																									

Nature of Transaction		Transaction Value (Baht Million) Year 2015		Year 2016		Opinion of the Audit Committee
2. The Company paid an advance and gave a loan to Mr.Somboon Sukheviriya	B/F	0.00	B/F	8.31		During the year 2015 the Company paid advances, made a loan to Mr. Somboon 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 at end of 2015. Moreover, at Board of Directors' Meeting No.1/2015 held on 3rd August 2015 approval was made for payment of an interim dividend to shareholders and at the end of 2015 which 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 31st December 2015, details of which were as follows:
	Increase	12.14	Increase	0.00		
	Decrease	(3.83)	Decrease	(8.31)		
	C/F	8.31	C/F	0.00		
3. Mr. SomboonSukheviriya paid an advance to the Company.	B/F	0.64				(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 (3.01) Net Advances from the Company 8.31 In the first quarter of 2016, Mr. Somboon Sukheviriya has fully paid outstanding liabilities to the Company totaling Baht 8.31 million.
	Increase	0.18				
	Decrease	(0.82)				
	C/F	0.00				
4. The Company has outstanding dividend payment to Mr. Somboon Sukheviriya	B/F	0.00				
	Increase	3.01				
	Decrease	(3.01)				
	C/F	0.00				

Nature of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee	
	Year 2015	Year 2016		
5. Accrued Interest Receivables from Mr. Somboon Sukheviya	B/F Decrease (0.00) C/F	2.02 Increase 2.02 Decrease (2.13) C/F	Opinion of the Audit Committee The Audit Committee is of the opinion that the three transactions mentioned above were transactions that had occurred in the past between the Company and Mr. Somboon Sukheviya as Director and Shareholder of the Company. In this connection, the Audit Committee has checked the transactions and expresses the following opinion on the said transactions: The Audit Committee enquired about guidelines to prevent payment of advances not yet in use for business operations or unrelated to business transactions. Management informed the Audit Committee that the Company and Subsidiary Company had established a good internal audit control system to be observed by all departments concerned, 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 announcement of said policy to the present, the Company has not paid advances of such a nature again.	
			In the past until the end of 2014, the Company has made several loan transactions from Mr. Somboon Sukheviya to Mr. Somboon Sukheviya, 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. Moreover, from sale of investments made by 3 subsidiary companies in the year 2015, two subsidiaries, namely Comanche International Malaysia, and Comanche International Vietnam 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 5.25% p.a. and with Mr. Somboon Sukheviya, who is the director of both companies, being responsible for interest payment on behalf of said two companies. During the first quarter of 2016 Mr. Somboon Sukheviya repaid all interest payables totaling Baht 2.02 million to the Company.	

Type of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee
	Year 2015	Year 2016	
			During the year 2016 the Company had a transaction of accrued interest receivables from Mr. Somboon Sukheviriya, amounting to Baht 109,132, being accrued interest receivables from advances made to Mr. Somboon outstanding as at 31st December 2015 of Baht 8.31 million, with the Company charging interest at the rate of 5.25% p.a. on advances paid by Mr. Somboon in the first quarter of 2016. In this connection, the Company received payment of said accrued interest receivables in full in July 2016. Opinion of Audit Committee 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.

• Transaction between Subsidiary Company and Mr. Apichai Sakulsureeyadej

Type of Transaction		Transaction Value (Baht Million) Year 2015	Year 2016	Necessity and Rationale/ Opinion of the Audit Committee											
1. Subsidiary Company sold one used car with registration number to Mr. Apichai Sakulsureeyadej on 28 th August 2015.	3.15	-	The Subsidiary Company sold one used car with registration number to Mr. Apichai Sakulsureeyadej. This car was used by Mr. Apichai Sakulsureeyadej for business contacts and for personal use. The sale price was based on an estimated market price of second-hand used car dealers and from checking on the internet so it had no relationship with the Company, the subsidiary company or the buyer in any way. Total sale value of Baht 3.15 million compared to the book value of the car at Baht 1.75 million, the sale price of the car was greater than book value and the subsidiary company made a profit of approximately Baht 1.19 million, details of which are as follows: <table><tr><th>Brand/Model Brand/Make of Vehicle</th><th>BV of Vehicle as at 28th August 2015</th><th>Average Estimated Price**</th><th>Average Sale Price (Baht million) (including VAT)</th></tr><tr><td>1. Benz CLS 250</td><td>1.75</td><td>3.02</td><td>3.15</td></tr><tr><td>Total</td><td>1.75</td><td>3.02</td><td>3.15</td></tr></table> Remarks: * BV price including car license plate ** calculated from quotation and average price via internet from 2 sources (not including VAT) The subsidiary company received payment of car valued at Baht 3.15 million by offsetting with the liability that the subsidiary company had with Mr. Apichai Sakulsureeyadej. The subsidiary company included this transaction in the MOU on Payment of Debt with Mr. Apichai Sakulsureeyadej dated 31st December 2015.	Brand/Model Brand/Make of Vehicle	BV of Vehicle as at 28 th August 2015	Average Estimated Price**	Average Sale Price (Baht million) (including VAT)	1. Benz CLS 250	1.75	3.02	3.15	Total	1.75	3.02	3.15
Brand/Model Brand/Make of Vehicle	BV of Vehicle as at 28 th August 2015	Average Estimated Price**	Average Sale Price (Baht million) (including VAT)												
1. Benz CLS 250	1.75	3.02	3.15												
Total	1.75	3.02	3.15												
Opinion of the Audit Committee The Audit Committee is of the opinion that said transaction was appropriate as it was a sale of surplus asset in excess of requirement for business operations. Moreover, it is in line with the present policy of the Company of not purchasing cars for executives, while the price was appropriate as compared to the price of cars being bought and sold on the market, based on the average price offered for purchase of said car from one bidder and one internet offer.															

Necessity and Rationale/ Opinion of the Audit Committee		
Type of Transaction	Transaction Value (Baht Million) Year 2015	Year 2016
2. Subsidiary company provided a loan to Mr. Apichai Sakulsureeyadej, at no interest on loan in 2015.	B/F 18.92 Increase 10.21 Decrease (29.13) C/F 0.00	
3. Subsidiary Company entered into a Loan Agreement dated 3rd August 2015 with Mr. Apichai Sakulsureeyadej in an amount not exceeding Baht 17 million at an interest rate of 0%, loan principal repayable within 31 st March 2016.	B/F 0.00 Increase 43.22 Decrease (29.13) C/F 14.09	B/F 14.09 Increase 2.13 Decrease (16.22) C/F 0.00

In the year 2015 the subsidiary company received partial repayment of a loan from Mr. Apichai Sakulsureeyadej from outstanding balance carried forward of Baht 18.92 million (including accrued interest receivables of Mr. Apichai calculated at the at the rate of 1% p.a. to the end of 2014). During the year 2015, the subsidiary company had liquidity problems, mainly due to payment of service fees paid in installments of a major customer being delayed for a longer period that anticipated, due to internal approval process of said customer. As a result, the subsidiary company had to borrow money from its Director, namely Mr. Apichaik Sakulsureeyadej.

Thus, in the year 2015 total amount received from Mr. Apichai Sakulsureeyadej by the subsidiary company for the purpose of liquidity management totaled Baht 43.22 million, while advances and loan to Mr. Apichai Sakulsureeyadej totaled Baht 10.21 million.

On 31st December 2015, the subsidiary company and Mr. Apichai Sakulsureeyadej made an MOU to confirm the balance of outstanding liabilities to each other, details of which were as follows:

Transaction	Baht Million
B/F Subsidiary Company provided a loan to Mr. Apichai	18.92
Add Subsidiary Company provided additional loan to Mr. Apichai in year 2015	10.21
Less Subsidiary Company borrowed from and received loan repayment from Mr. Apichai in year 2015	(43.22)
Total borrowings of Subsidiary from Mr. Apichai as at 31 st December 2015	(14.09)

Type of Transaction	Transaction Value (Baht Million) Year 2015 Year 2016	Necessity and Rationale/ Opinion of the Audit Committee
		In this connection in January 2016 Mr. Apichai Sakulsureeyadej lent an additional amount of Baht 2.13 million to the subsidiary company for use as working capital. Anyhow, after the subsidiary company received payment from its debtor in March 2016, the subsidiary company repaid the whole loan amount of Baht 16.22 million to Mr. Apichai Sakulsureeyadej. Opinion of the Audit Committee The Audit Committee is of the opinion that the said agreement was necessary to solve the subsidiary company's liquidity problem and the subsidiary company benefited from the term of 0% interest. The Audit Committee also made the following comments with regard to said transactions: (1) Said transaction occurred in the past between Mr. Apichai Sakulsureeyadej, as director and shareholder, and subsidiary company, which occurred partly from the fact that the subsidiary company paid advances that were not related to business undertakings to Mr. Apichai. (2) The Audit Committee enquired about guidelines to prevent the subsidiary company from making advance payments unrelated to business operations of the subsidiary company. Management informed the Audit Committee that the Company and subsidiary company started enforcing an internal control system on 1st March 2016, to be strictly abided by all concerned. (3) The subsidiary company shall realize the effect of late payment. Management informed the Audit Committee that it 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 the subsidiary company will have a more steady cash flow for business operations. (4) In the future if the subsidiary company needs funds for its short-term liquidity, it should first turn to the Company, as the parent company.

Type of Transaction	Transaction Value (Baht Million)		Necessity and Rationale/ Opinion of the Audit Committee
	Year 2015	Year 2016	
4. The subsidiary Company used an area in a Service Apartment which belonged to the family business of Mr. Apichai Sakulsureeyadej as place of business, at no cost.	-	-	In the past until end of 2015, the subsidiary company used an area in the service apartment in Soi Sukhumvit 22 which belonged to the family business of Mr. Apichai Sakulsureeyadej as an office at no cost. Anyhow, the subsidiary company moved its office to Apirat Tower @M.Quartier to accommodate business expansion, and on 5th January 2016 the subsidiary company made an agreement for lease of office space with the Lessee, who is not a party of conflicting interests, at a rate and on terms in line with normal business practice. Opinion of Audit Committee The Audit Committee is of the opinion that said transaction was necessary for use as place of business, while the subsidiary company benefited from use at no cost. Anyhow, in order not to have any more dependency in the future, it is reasonable that the subsidiary company should lease office space from a third party at market price.
5. Subsidiary Company sold obsolete office equipment to Mr. Apichai Sakulsureeyadej	0.06	-	Following the subsidiary company's check on its assets to prepare for its move to a new office, some office equipment, such as personal computers, mobile phones and office equipment in use for a long period of time, have become obsolete and/or could not be found upon comparison with the Assets Registration Control Book. Besides, these were assets used by Mr. Apichai Sakulsureeyadej and Mr. Apichai therefore proposed to buy said equipment totaling 9 items, at a cost of Baht 60,887 (including VAT or about Baht 56,904 after deducting VAT), said assets having a book value of Baht 48,338 as at 26th October 2015. As the status of these equipment were used assets in use for a long period of time, and value per item of which was not very high, the subsidiary company was unable to find a market value of the same or similar assets to suitably compare with each of the assets sold. In this connection, from 9 items, the subsidiary company fixed a reference sale price from the book value of 8 items as it was unable to find a market price for comparison. For the item where a market price could be found for comparison, namely Computer-Copperwired - Speck Book Air 13 at a book value of Baht 424, upon referring to market price, the subsidiary company sold this asset at a price of Baht 8,990.

Type of Transaction	Transaction Value (Baht Million) Year 2015	Year 2016	Necessity and Rationale/ Opinion of the Audit Committee
			Opinion of the Audit Committee The Audit Committee is of the opinion that said transactions were suitable as they were obsolete assets and unusable, fixing a sale price at book value in transactions where market prices were unavailable; the subsidiary company was able to obtain a cash sale which had no effect on the financial statements, while one other transaction could be compared to market price.

• Guarantee between Subsidiary Company and Mr. Apichai Sakulsureeyadej

Credit Facilities	Receiver of Credit Facilities	Loan Amount (Baht Million)	Value (Baht million)		Details of Surety Agreement		Type of Transaction
			Year 2015	Year 2016			
Overdraft	Subsidiary Company	5.60	3.19	B/F Change (3.19) C/F	3.19	1. Commercial Bank Savings Account in the name of Mr. Apichai Sakulsureeyadej. 2. Personal Guarantee by Mr. Apichai Sakulsureeyadej.	The subsidiary company received revolving credit facilities in the form of overdraft for use as working capital for its business operations at an interest rate of MRR + 1 p.a.
Long-term loan from a commercial bank	Subsidiary Company	1.70	B/F Increase 0.00 Decrease (0.21) C/F 1.30	B/F Increase 0.00 Decrease (1.30) C/F	1.30		The subsidiary company received a long-term loan for a period of 7 years for business use at an interest rate equal to the interest rate of the account used to guarantee the loan + 2% p.a.
Long-term loan from a commercial bank	Subsidiary Company	0.56	B/F Increase 0.00 Decrease (0.01) C/F 0.04	B/F Increase 0.00 Decrease (0.04) C/F	0.04		The subsidiary company received a long-term loan for a period of 5 years for business use at an interest rate equal to the interest rate of the account used to guarantee the loan + 2% p.a.
Letter of Guarantee from a commercial bank	Subsidiary Company		2.69	-			Letter of Guarantee issued by a commercial bank
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 the subsidiary company and is in line with general terms of financial institutions. Mr. Apichai Sakulsureeyadej made no charge for guaranteeing the loan, which is of benefit to the subsidiary company. Therefore, said transactions are appropriate and of benefit for the business operations of the subsidiary company.

Measures and Procedures for Related Party Transactions

In the case of related party transactions between the Company or subsidiary company 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 Management 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 transactions where the related party transactions 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 transactions 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.

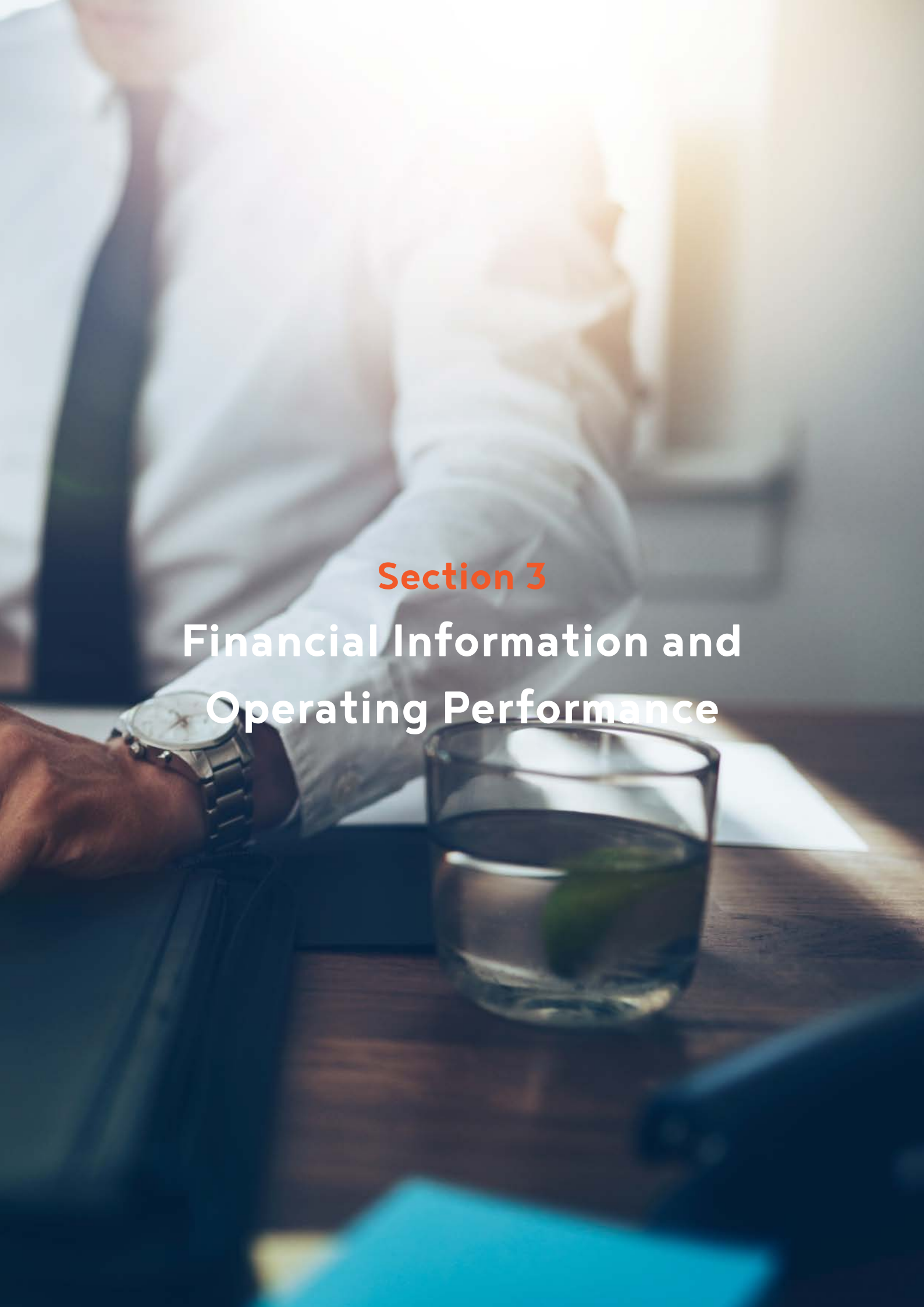
Policy or Trends for Related Party Transactions in the Future

From the nature of its present business operations, the Company and Subsidiary Company have no tendency for related party transactions, with the exception of guarantees still under pending status, where a director of a subsidiary company used personal assets to guarantee financial transactions of the subsidiary company at no cost. Upon receiving the status of a listed company, the Company has a policy to make the subsidiary company revoke said guarantee from the director or executive. Loan transactions between the Company and subsidiary company and directors are transactions that occurred in the past in the year 2015 and the first quarter of 2016. The Company and subsidiary company have no tendency to make this type of related party transactions in the future. The Company has a policy of not allowing the Company and subsidiary company to make loan transactions to persons of conflicting interests.

Anyhow, in the future, if the Company and/or subsidiary company have to make related party transactions with a person with conflicting interests with the Company, the Company shall prescribed conditions under normal commercial practice and at market price which could be referred to and compared with the conditions and price of the same type of business transaction that the Company make with outsiders. In this connection, the Company shall request the Audit Committee's opinion with regard to price, rate of compensation, as well as the necessity and appropriateness of the said related party transaction. In the case where the Audit Committee is not qualified to consider said related party transaction, the Company shall ask an independent appraiser, an independent expert or the Company's auditors to give an opinion on the said related party transaction as collaboration for the Audit Committee to give its opinion to the Company's Board of Directors or shareholders as the case may be. 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. 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 the Laws and Regulations of the Securities and Exchange Commission.

For any future related party transactions, directors shall follow various regulations stipulated and directors shall not approve any transaction in which said directors or person of conflicting interest in any manner with the Company are parties thereto, and shall disclose of said transaction to the Company's Board of Directors for consideration. The Board of Directors' of the Company shall proceed in accordance with the Securities and Exchange laws, regulations, announcements, or stipulations of the Securities Exchange of Thailand including strictly acting in compliance with the requirements on the Disclosure of Information with regard to related party transactions and acquisition or disposal of the assets of the Company or subsidiary company, and according to the Financial Reporting Standard.





Section 3

Financial Information and Operating Performance

Financial Highlights

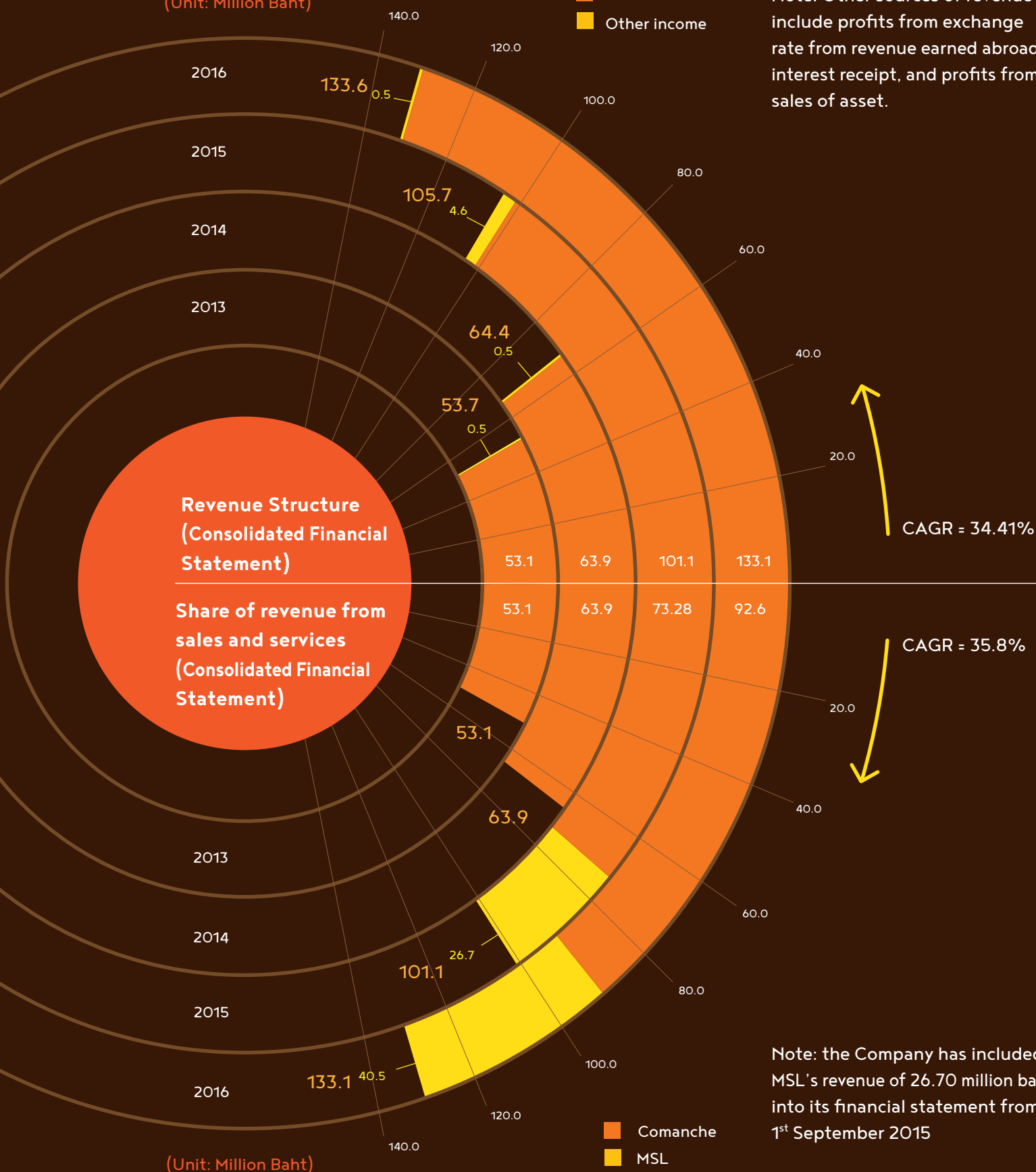


Revenue Structure

(Unit: Million Baht)

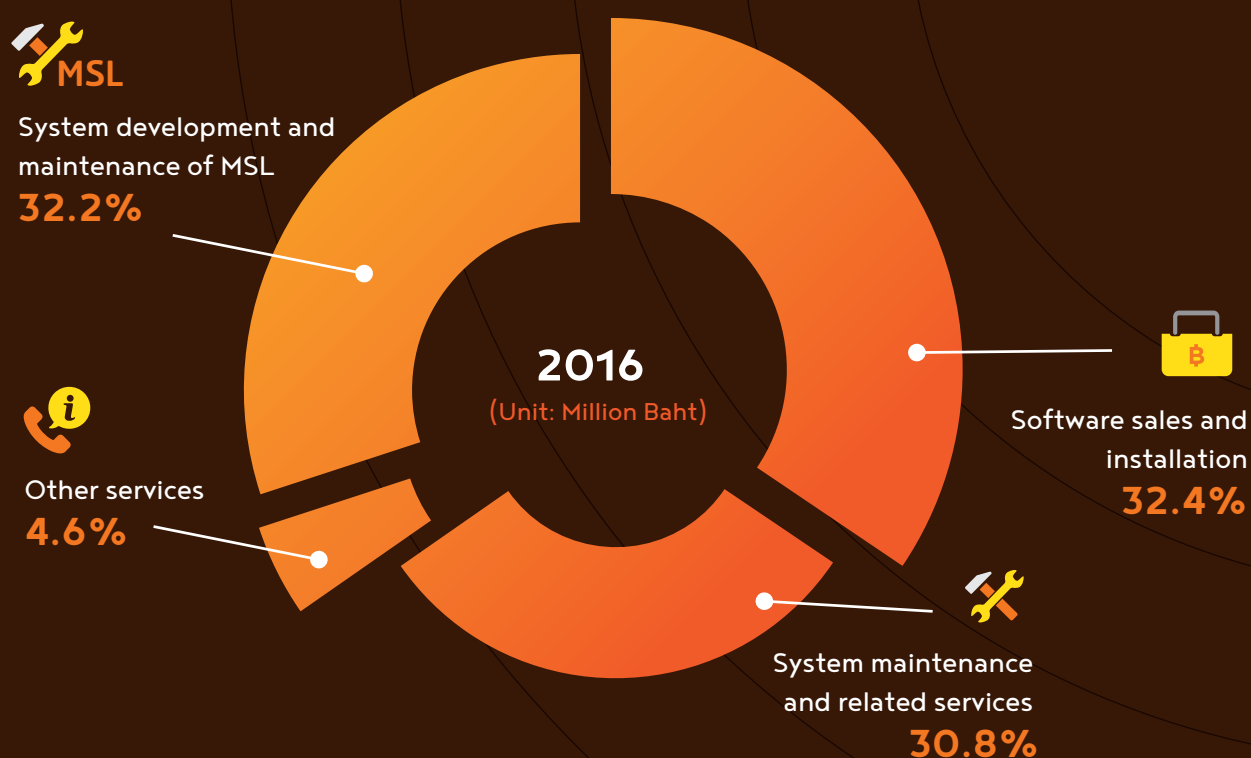
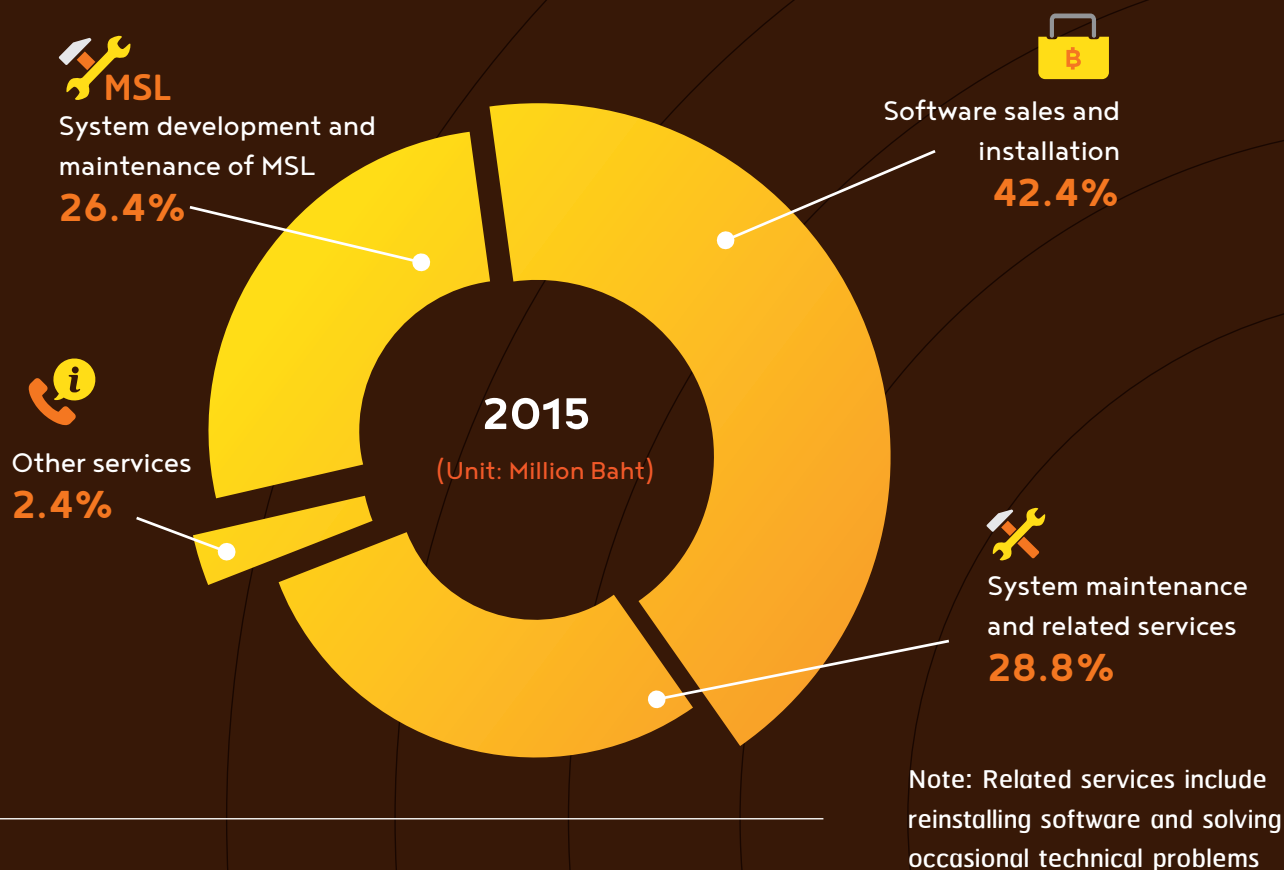
Revenue from sales
Other income

Note: Other sources of revenue include profits from exchange rate from revenue earned abroad, interest receipt, and profits from sales of asset.

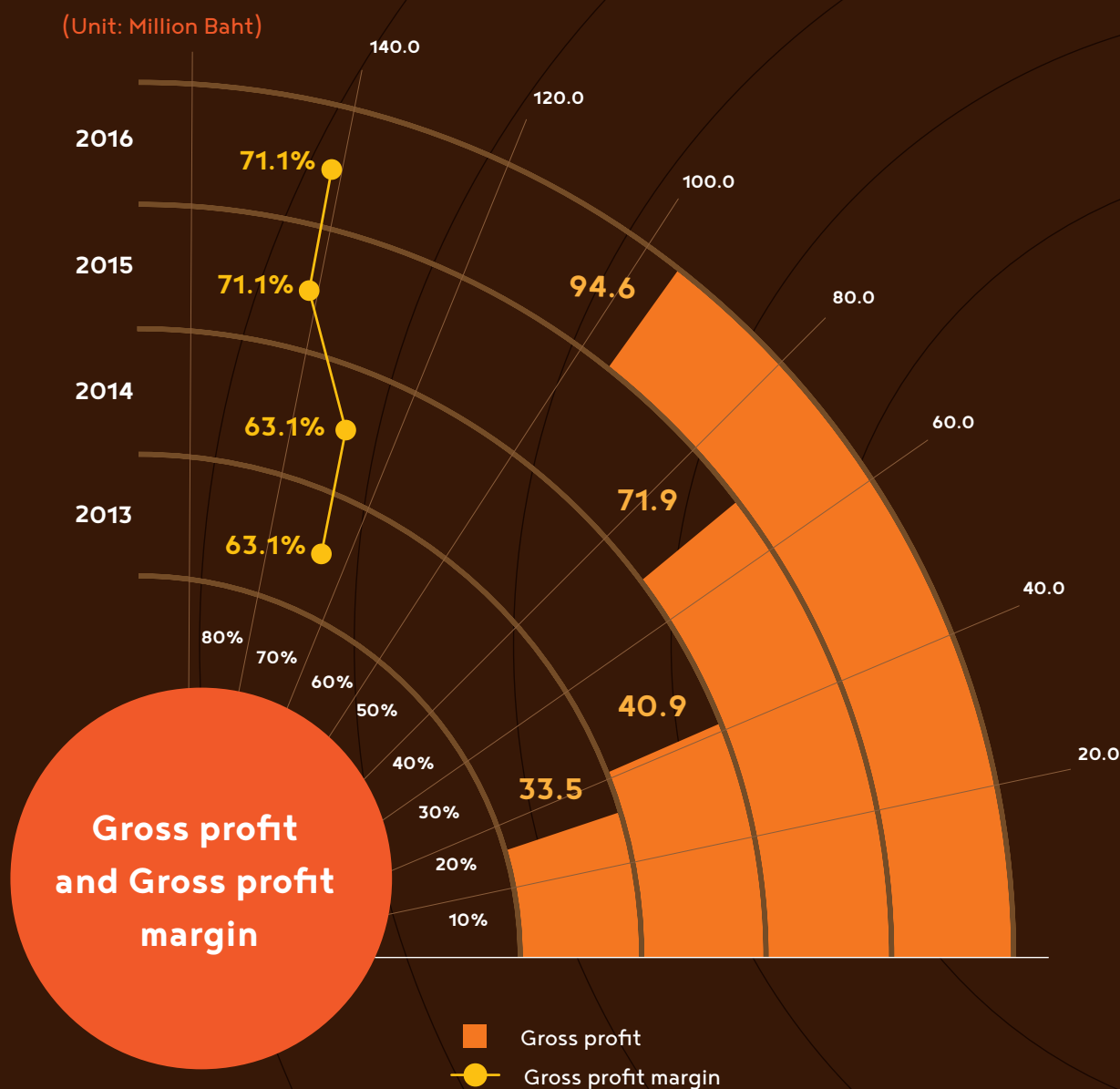


Revenue from Sales and Services

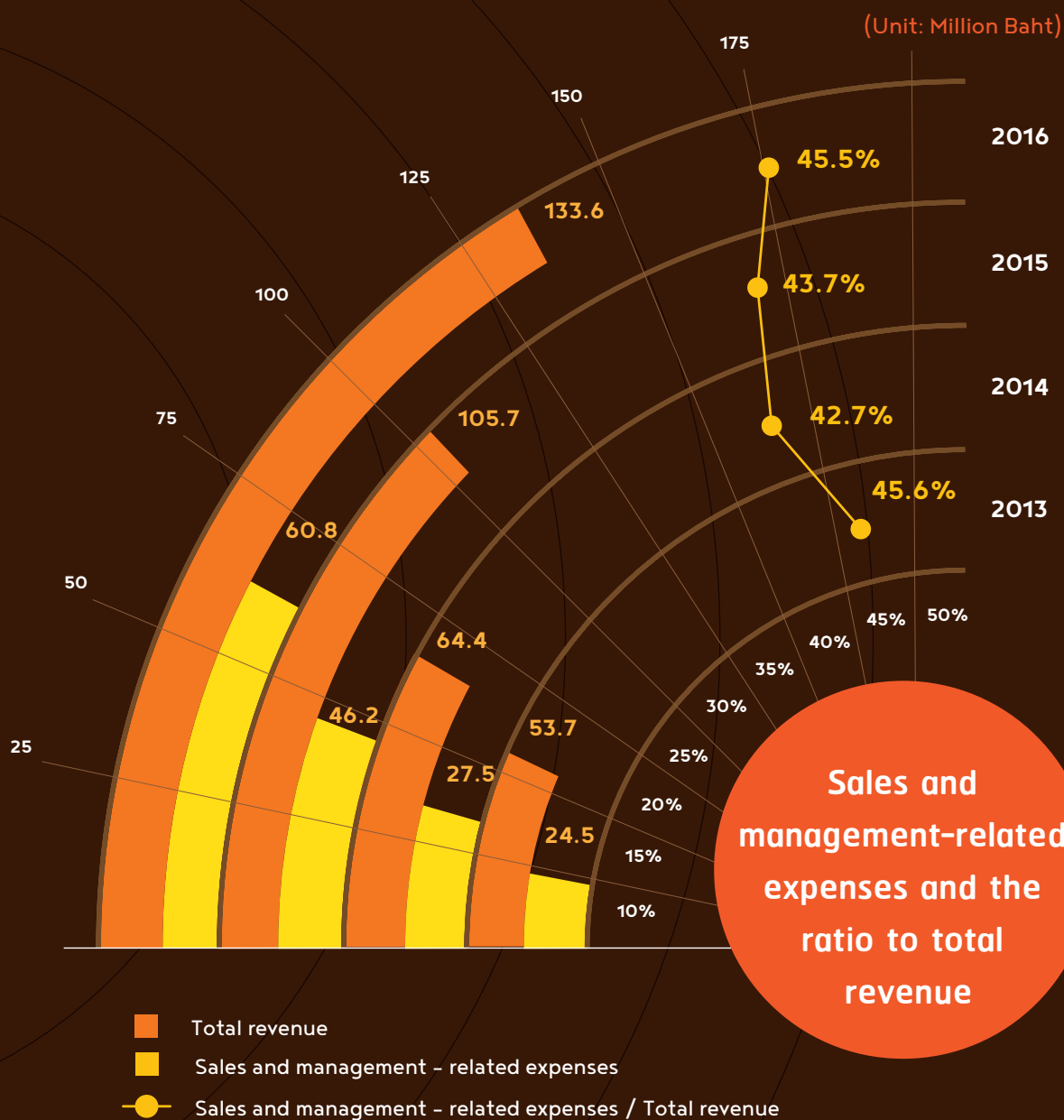
(Consolidated Financial Statement)



Profitability (1)

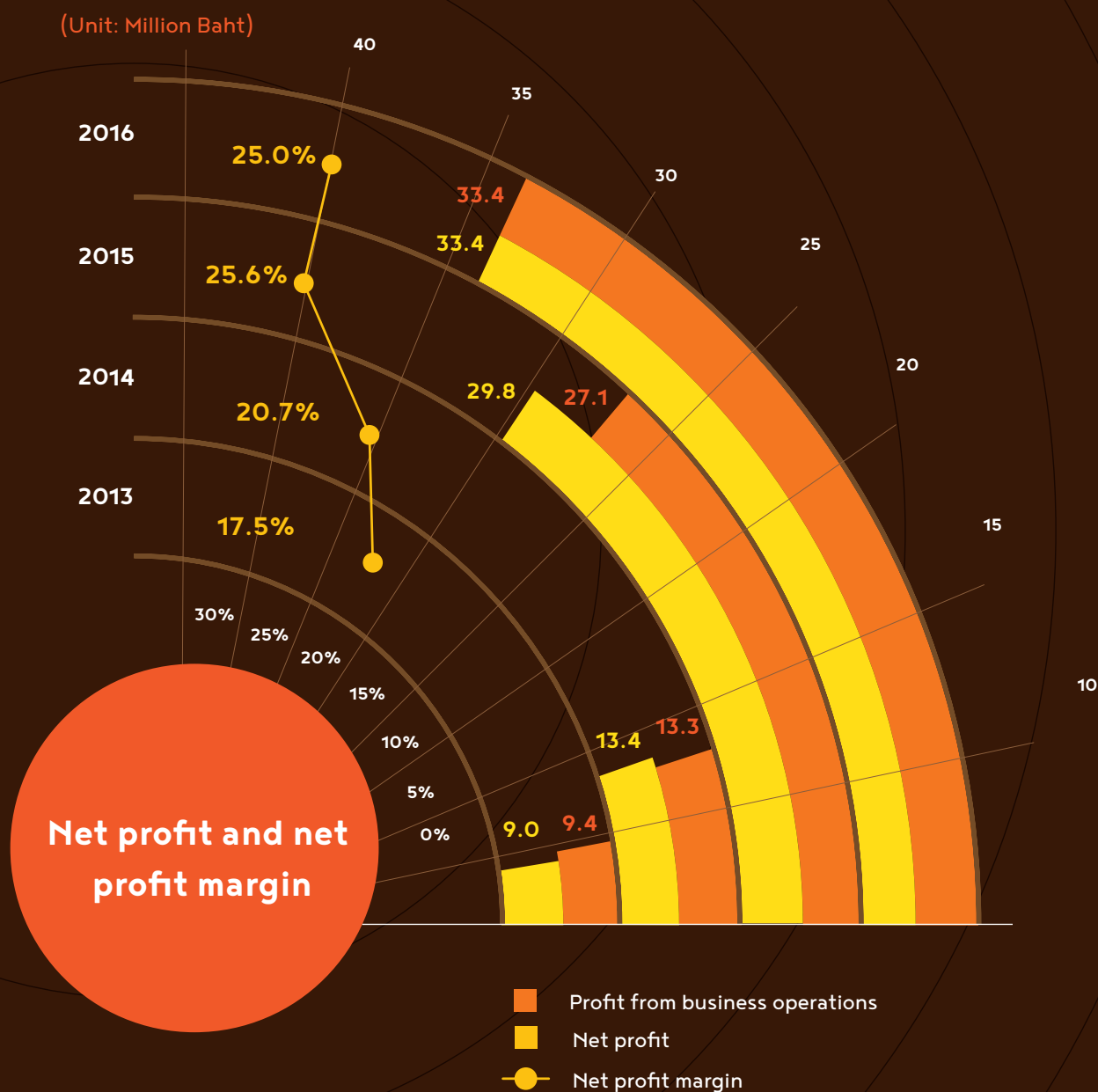


Note: MSL's revenue has been included in the Company's financial statement since 1st September 2015



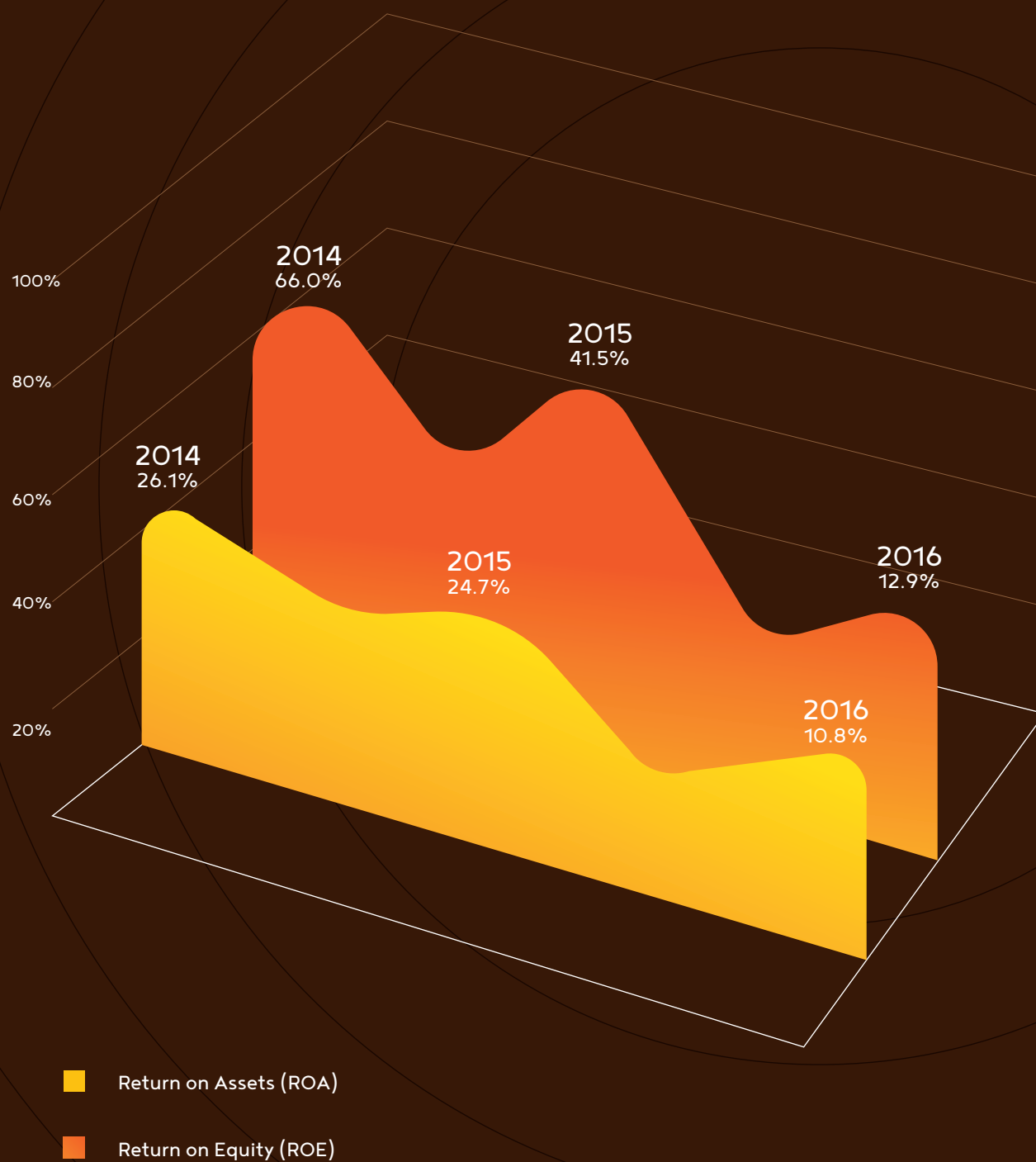
Note: MSL's revenue has been included in the Company's financial statement since 1st September 2015

Profitability (2)



Note: MSL's revenue has been included in the Company's financial statement since 1st September 2015

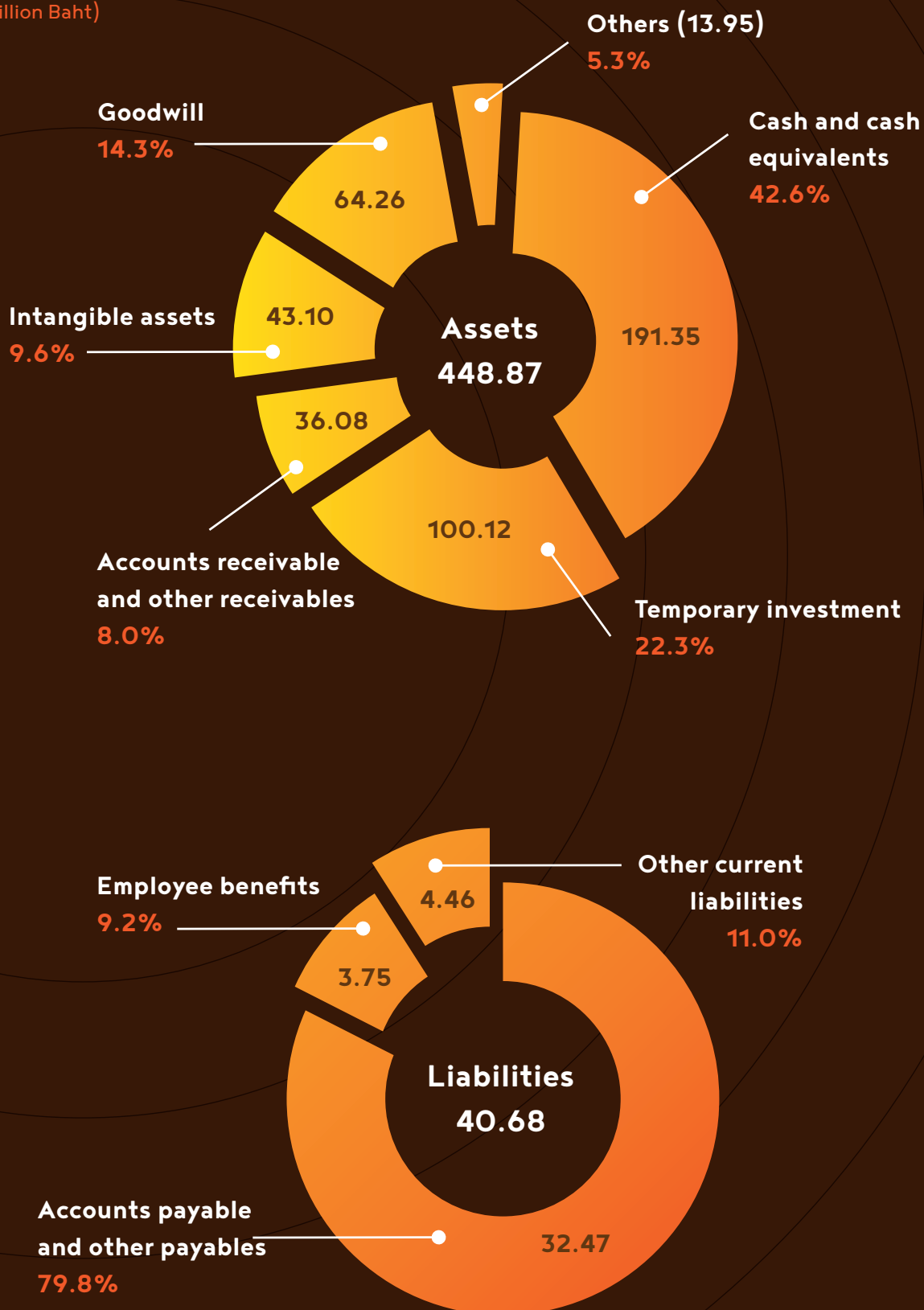
Return on Assets & Return on Equity



Financial stability

Total Assets and Liabilities

(Unit: Million Baht)



Analysis and Explanatory Note from Management

Overall Performance of the Company and the Subsidiary

The business of Comanche International Public Company Limited (“Company” or “COMAN”) is in developing software and program for sales, installation of such software on the systems of its clients, providing user trainings, and giving after sales services through consultation, maintenance services, as well as other related services. On 1st September 2015, the Company invested in one subsidiary, namely MSL Software (Thailand) Company Limited (“Subsidiary” or “MSL”), by holding 99.99 percent of the authorized and paid up capital. MSL’s business is in providing consultation on system designs and developing software in the form of solution tailored to the needs of clients, as well as in managing the system it designed for its clients.

The consolidated ended as of 31st December 2015 and 2016, which includes the operations of the Company’s subsidiaries, as follows :

Name of Company	Type of Business	Country founded in	Ownership (%) As of 31 st Dec.			Note
			2014	2015	2016	
Comanche International Vietnam Co., Ltd. (“CIV”)	Providing software-related services	Vietnam	100.00	-	-	Sold whole shares on 30 th September 2015
Comanche International Malaysia SDN. BHD. (“CIM”)	Providing IT-related services	Malaysia	99.85	-	-	Sold whole shares on 30 th September 2015
PT. Comanche International Indonesia (“CII”)	Providing software related services	Indonesia	90.00	-	-	Sold whole shares on 30 th September 2015
MSL Software (Thailand) Company Limited	Providing software-related services	Thailand	-	99.99	99.99	Bought shares on 1 st September 2015

On 30th September 2015, the Company sold all of its investment in 3 subsidiaries, namely CIV, CIM, and CII, to the general public who has no relationship with each other. The companies then were appointed as the sales representatives of the Company in their respective countries, namely Malaysia, Vietnam, and Indonesia.

During 2015 - 2016, the consolidated financial statement of the Company recorded a combined income from sales and services of 101.14 and 133.09 million baht, respectively.

In 2016, the Company and the Subsidiary had an increase in revenue from sales and services by 31.96 million baht, or a 31.60 percent rise, mainly owing to the revenue from software sales and installation services, and maintenance which increased by 19.35 million baht. Most of the increase came from the expansion of client base in the hotel groups. There was also an increase in MSL's revenue of 13.75 million baht. The majority of MSL's income in 2016 came from its work in the database development and management services, as well as the maintenance work provided under the contracts it has with private organizations, government agencies, and state-owned enterprises.

During 2015 - 2016, the Company's consolidated financial statement recorded a net profit of 27.08 and 33.37 million baht respectively, representing a net profit margin of 25.62 and 24.98 percent respectively.

The net profit in 2016 increased from 2015 by 6.29 million baht, or a 23.24 percent increase. However, there was a slight declined in the net profit margin, which was primarily owed to the rise in supporting expenses for sales and operation, as well as the costs from preparing and hiring consultant for the Company's IPO in the Stock Exchange of Thailand.

If the expenses of 5.58 million baht associated with preparing for an IPO in the Stock Exchange of Thailand were excluded, the Company's net profit for 2016 would have been 38.95 million baht, or a net profit margin of 29.16 percent.

Considering its financial status, it can be found that the Company has a total asset of 171.52 and 448.87 million baht as at 31st December 2015 and 2016, respectively. As of 31st December 2016, there was an increase in total asset of 277.35 million baht, mainly due to an additional cash and cash equivalents of 188.82 million baht, as well as 100.12 million baht of temporary investment, most of which came from the Company's IPO in late 2016. Meanwhile, there was a decrease of 9.59 million baht in account receivables and other receivables as the Subsidiary's account receivables fell from having received payments for the services it provided during the end of 2015. Moreover, the Company also received an additional 8.31 million baht from the short-term loans and advances it made to its subsidiaries.

As of 31st December 2015 and 2016, the Company had a total liabilities of 60.73 and 40.68 million baht, respectively. By 31st December 2016, there was a decrease of 20.05 million baht in its total liabilities. This was owed to the repayments of long-term loan and the advances the Company received from the relevant parties of 14.09 million baht, and overdraft and long-term loans from financial institutions of 3.19 and 1.34 million baht, respectively. There were also decreases in liabilities under the rental contract by 1.59 million baht, and in outstanding corporate income tax by 2.44 million baht. Nonetheless, there was a rise in account receivable and other receivables by 1.86 million baht.

As of 31st December 2015 and 2016, the Company had shareholders' equity of 110.79 million baht and 408.19 million baht, respectively. On 31st December 2016, there was an increase in shareholders' equity by 297.41 million baht mainly due to the increase of registered and paid-up capital of 52.52 million baht, and a capital surplus increase of 237.68 million baht from the initial public offering (IPO). There was a net profit of 33.46 million baht in 2016, whereas the total dividend payment was 26.25 million baht.

Analysis of Overall Performance

1. Revenue from Sales and Services

Revenue structure from operation of the Company and the Subsidiary is as follows.

Unit: Million

Revenue	Consolidated financial statements					
	2015		2016		Increase / (Decrease)	
	Value	Share (%) of total revenue	Value	Share (%) of total revenue	Value	Percent
Revenue from software sales and related services of the Company						
Software sales and installation	42.92	42.44	51.62	38.79	8.70	20.27
Maintenance	29.14	28.81	36.30	27.27	7.16	24.57
Other services ¹	2.38	2.35	4.71	3.54	2.33	97.90
Revenue from sales and services, system management and related maintenance by MSL	74.44	73.60	92.63	69.60	18.19	24.44
Total revenue from sales and services	101.14	100.00	133.09	100.00	31.95	31.59

Note: ¹ relevant services include reinstalling the software and on-call assistance.

Revenue from Software Sales and Installation, and Related Services and Maintenance

During 2015 – 2016, the Company had revenue from software sales and installation of 42.92 million baht and 51.62 million baht respectively, representing 42.44 and 38.79 percent of the total revenue of 2016, respectively. There was an increase in such revenue of 8.70 million baht in 2016, representing a growth increase of 20.27 percent. This increase was due to the expansion of hotel client base that purchase and use installation services.

During 2015 – 2016, the Company had revenue from related services and maintenance of 29.14 million baht and 36.30 million baht respectively, representing 28.81 and 27.27 percent of the total revenue, respectively. In 2016, such revenue increased by 7.16 million baht, or a 24.57 percent growth, mainly due to the fact that the Company was able to expand its client base. On average, the first-time software sales and installation will include revenue from related services and maintenance of around 12 – 15 percent of the contract value. The Company will gradually realize such revenue proportionately to the services it has provided to the clients. Another source of such revenue is derived from extension of clients' maintenance contracts with the Company after the first year contract that came with the software installation having expired

Revenue from Other Services and Sales of Hardware

Revenue from other services includes revenue from software and computer services provided to clients that are not included in the maintenance contracts, which are charged on case-by-case basis. during 2015 - 2016. The Company had such revenue of 2.38 and 4.71 million baht, representing 2.35 and 3.54 percent of the total revenue in the respective years. This source of revenue may increase or decrease each year, depending on the amount of other services the Company is asked to provide.

Revenue from Sales and Services, System Management and Related Maintenance by MSL

The Company had combined the revenue from MSL's operation in its consolidated financial statement since it was acquired on 1st September 2015. The Company received revenue from sales and services, system management and related maintenance earned by MSL's operation during 2015 - 2016 by 26.70 and 40.46 million baht respectively, representing 26.40 and 30.40 percent of the total revenue respectively. In 2016, such revenue increased by 13.76 million baht, or a 51.54 percent increase compared with the previous year. This was largely because the Company only realized 4-month worth of MSL's revenue between the date of acquisition, 1st September 2015 to the end of 2015. Meanwhile, the Company realized MSL's revenue for the entire 2016. The revenue from MSL's work on the system development, system management, and related maintenance under the contracts it has with private companies, government agencies, and state-owned enterprises, who are existing clients of MSL from previous year, as well as new clients.

2. Other Income

During 2015 - 2016, the Company had other income of 4.56 and 0.48 million baht, respectively. The majority of other revenues consists of profits from exchange rate occurred from the income, interests, and profits from liquidation of assets earned in foreign currencies. In 2015, other income of the Company had other income from realizing the profits of 2.52 million baht from the sales of 3 subsidiaries, 1.00 million baht from the sales of motor vehicles, and additional financial support of 0.80 million baht from Software Industry Promotion Agency (Public Organization) for participating in the CMMI project. The last one is a special item that bears no relation to the Company's normal operation.

3. Costs of Sales and Services

The majority of the sales and service costs consists of salaries and payment made to the staff who are involved in providing services and developing the software, as well as other related costs such as outsourced cost, cost paid to vendors for the software and applications used in developing software solutions a part of MSL's services, etc.

Unit: Million baht

	Consolidated financial statements			
	2015	2016	Increase / (Decrease) Value	Share (%)
Revenue from sales and services	101.14	133.09	31.95	31.59
Costs of sales and services	29.20	38.53	9.33	31.95
Gross profit	71.94	94.56	22.62	31.44
Gross profit margin (%)	71.13	71.05		

During 2015 – 2016, the Company's consolidated financial statements recorded sales and services costs of 29.20 and 38.53 million baht, respectively. In 2016, the Company's sales and services costs increased by 9.33 million baht, or a 31.95 percent rise compared with previous year. This was mainly due to the increase in MSL's management cost by 9.30 million baht. The Company began to include MSL's operation in its financial statement since 1st September 2015. The consolidated financial statement for 2016 included the gross profit of MSL, which had an initial profit margin of 64.41 percent. This is slightly less than the Company's gross profit margin of 73.95 percent according to the financial statement, increasing from 65.59 percent from the previous year.

4. Sales and Management Expenses

Sales Expenses

During 20015 – 2016, the consolidated financial statement recorded expenses associated with sales of 2.06 and 8.27 million baht, respectively. The ratio of sales expenses to business operation revenue was 2.04 and 6.21 percent, respectively. Expenses associated with sales mainly consist of advertisement, commissions, and sales promotions. Such costs mostly arise from the advertisement the Company took out in print media, Company's leaflets, and expenses from participating in events and exhibitions to raise the Company's publicity.

In 2016, sales expenses increased by 6.20 million baht from 2015, which was largely owed to the rise in sales promotions, expenses from participating in events and exhibitions, commissions paid to employees to promote revenue growth and client base.

Management Expenses

During 2015 – 2016, consolidated financial statement recorded expenses associated with management of 44.18 and 52.51 million baht, respectively. The ratio of management expenses to business operation revenue was 43.68 and 39.46 percent, respectively. The management expenses largely consist of salaries, bonuses, employee and executive benefits, office rents, travel costs, depreciation of office equipment and vehicles, and professional service costs.

In 2016, the management expenses increased by 8.33 million baht. The ratio of management expenses to business operation revenue was 39.46 percent, decreased from 43.68 percent in the previous year. This decline was owed to the significant increase of the Company's revenue in 2016, or a 31.59 percent growth. Meanwhile, the increase in management expenses also increased mostly owing to the MSL's management costs of 7.26 million baht, and the increase in employee compensations, such as salaries, as there was an increase in personnel in several departments. The office rents and associated expenses also increased, as there was a need to facilitate the Company's operation, as well as meeting expenses paid to the Board of Executives. Moreover, the Company also had expenses from preparing or an IPO in 2016, which all of the related expenses for going public amounted to 5.58 million baht.

5. Other Expenses

In 2016, consolidated financial statement recorded other expenses of 0.85 million baht (there was none in 2015). These expenses consisted of the loss from sales of fixed and intangible assets, as well as the loss from exchange rate. In 2016, there was an office equipment depreciation of 0.37 million baht.

6. Profit from Business Operation

During 2015 – 2016, profits from business operation were 30.26 and 33.42 million baht respectively, representing operational profit margin of 28.63 and 25.02 percent, respectively.

In 2016, there was an increase in operational profit of 3.16 million baht, while operational profit margin decreased from 28.63 percent in 2015 equal to 25.02 percent this year. This was because the Company had higher sales and management expenses compared to the revenue in 2016, which arose from sales expenses, Company's operation, those associated with IPO preparation, and the sales of intangible assets - relationship with clients.

7. Corporate Income Tax Expense

The Company and MSL received tax benefits granted under the investment incentive certificates of the Board of Investment of Thailand per the Investment Promotion Act B.E. 2520. The Company had an 8-year tax break on its income, starting from the date it started its business on 3rd September 2009, whereas MSL had a 7-year tax break on its income, starting from the date it started its business on 30th September 2015.

During 2015 - 2016, consolidated financial statement showed expenses from corporate income tax of 2.75 and 0.01 million baht, respectively. In 2015, the Company and MSL had corporate income tax of 2.75 million baht due to the sales of motor vehicle, which was not exempted under the tax break previously mentioned.

8. Net Profit

During 2015 - 2016, consolidated financial statement recorded net profit of 27.08 and 33.37 million baht respectively, representing net profit margin of 25.62 and 24.98 percent, respectively.

In 2016, the Company had an increase in net profit of 6.29 million baht, or a 23.23 percent increase from previous year. This is a net profit margin of 24.98 percent, slightly decreased from 2015 that was 25.62 percent, mainly due to the increase in sales-related expenses and business operation, as well as management expenses and the costs associated with IPO preparation.

Financial statement analysis

Unit: Million baht

	Statement of financial position		
	2015	2016	Increase/(Decrease)
Total asset	171.52	448.87	161.7%
Total liability	60.73	40.68	(33.0%)
Shareholders' equity	110.79	408.19	268.4%

Assets

As of 31st December 2016, the Company had assets worth 448.87 million baht in total, increasing by 277.35 million baht compared with 171.52 million baht as of 31st December 2015 for the following reasons.

1. Cash and cash equivalents, and temporary investment

By the end of 2016, there was an increase in cash and cash equivalents by 188.82 million baht primarily because of what the Company received from the IPO in November 2016. Moreover, the Company deposited 100.00 million baht of what it received from the IPO in a saving account, resulting in an increase in temporary investment from the previous year.

2. Account receivable and other receivables

As of the end of 2016, there was a decline of 9.59 million baht in account receivable and other receivables. This was largely owed to the fall in account receivable of the Subsidiary by 8.30 million baht from the account receivable it had from the services it provided during the end of 2015. Moreover, other receivable fell by 1.98 million baht as the Company received interest payment from the loans it made to the relevant parties.

Accrued revenue, which reflects the outstanding payments from the services receivable, but no invoice, is issued to the clients yet. Meanwhile, other receivables mostly consist of unpaid interests from the loans the Company gives to the relevant parties and advance payments.

In 2015, the account receivable turnover was at 3.51 times, with an average collection period of 102.67 days as the Company and the Subsidiary had substantial account receivable and accrued revenue from the services it provided during the last quarter of 2015. Moreover, the Company had a number of account receivable that had yet to make payment in full, and was providing after sales services and received periodic payments. Moreover, there were accounts receivable of State-owned enterprise clients of MSL who were behind on

payment. Payment was gradually made after the accounting period. The Company and MSL give credit of 30 – 45 days after date of invoice issued to clients. Nevertheless, in practice the government agencies and State-owned enterprise have longer procedure of verification and payment compared to private companies. Therefore, they also have a longer payment period as credit.

In 2016, the account receivable turnover was at 3.48 times with an average collection period of 103.46 days, which was close to that in 2015. This was owed to the fact that the revenue in 2016 was proportionately higher than that in 2015. Meanwhile, on average, receivable in 2015 was higher than that in 2016. Account receivable by the end of 2015 was substantially higher than that in 2014 due to the acquisition of MSL and the fact that most revenue of MSL occurred during the last quarter of 2015.

The executives of the Company and the Subsidiary recognize the importance of debt collection. The long-time outstanding receivables are considered individually, with the relevant departments consulted to identify the cause for delay and to follow up the progress in collecting the outstanding receivables.

3. Short-term loan and advances made to relevant parties

Short-term loans and advances made to the parties relevant to the Companies at the end of 2016 fell by 8.31 million baht as the Company received repayment in full during 2016 from the loans and advances it gave out. There was no longer any outstanding item at the end of 2016.

4. Other current assets

By the end of 2016, other current assets increased by 0.83 million baht, largely owing to the increase in withholding tax of 0.97 million baht, and suspense input tax of 0.70 million baht. Meanwhile, other current assets declined by 0.50 million baht.

5. Equipment

By the end of 2016, there was an increase in equipment by 1.68 million baht, owing to the purchase of office furniture and decoration for the Company and MSL's new office worth 1.73 million baht in total. There was a depreciation of office equipment of 0.36 million baht.

6. Intangible asset

Intangible asset at the end of 2016 declined by 0.31 million baht, largely owing to the fact that the additional cost of developing a computer software of 6.44 million baht was recorded. Meanwhile, there are amortizations of computer software of 1.81 million baht and that of relationship with clients of 5.25 million baht in 2016.

7. Goodwill

As of 31 December 2016, goodwill's value was recorded at 64.26 million baht, which is the same value as evaluated on the day of acquisition. Such goodwill arises from the purchase of common stock of 54,610 shares, or 99.99 percent of paid-in capital, on 1st September 2015 (day of acquisition). Such purchase was made at a price higher than the fair value of MSL. Moreover, at the end of 2016, the value of goodwill was still recorded at 64.26 million baht with no depreciation.

8. Other non – current assets

Other non – current assets at the end of 2016 increased by 3.92 million baht, which was mainly owed to the down payment for office rent and office equipment of MSL which increase by 0.46 million baht, and the bank deposit used as guarantee for MSL that went up by 3.85 million baht.

Liabilities

As of 31st December 2016, the Company's liabilities in total was 40.68 million baht, which decreased by 20.05 million from 60.73 million baht as at 31st December 2015. Such decline was owed to the following items.

1. Overdraft from financial institutions

The overdraft from financial institution by the end of 2016 fell by 3.19 million baht, as MSL repaid all of such debt during 2016 with no outstanding debt at the end of 2016.

2. Accounts payable and other payables

As at the end of 2016, there was an increase of accounts payable and other payables by 1.86 million baht, mainly due to the revenue realized in advance of 3.64 million baht, which increased by 3.13 million baht, from the maintenance service contracts the Company made. This was an accumulation of the value of maintenance service contracts that the Company made at initial software installation, as well as the renewed contracts. Moreover, the Company received advance payment for software installation towards the end of 2016, worth 50 percent of the invoiced amount, which it had yet to provide the said services. Moreover, there was also a decline account payable of MSL by 5.54 million baht.

By the end of 2015, account payable turnover was at 5.29 times, or an account payable period of 67.99 days. For the end of 2016, account payable turnover was at 5.32 times, representing an account payable period of 68.61 days, which is a level close to the one

in previous year. Most of the accounts payable are MSL's business partners who provide it with software-related service and system management. MSL negotiated for an extension of payment date with its partners for the projects that MSL has yet to receive payment from clients due to delay in payment process. The credit the Company and MSL were given by their business partners as stated in the invoice is around 30 days.

3. Other current liabilities

Other current Liabilities at the end of 2016 increased by 0.52 million baht, largely owing to the increase in MSL's other current liabilities mostly consisted of suspense sales tax, and withholding tax.

4. Loans and advances from affiliated persons

By the end of 2016, loans and advances from affiliated persons fell by 14.09 million baht in total. Such items at the end of 2015 consisted of loans and advances from MSL's executives used for MSL's operation. During 2016, MSL paid back to loans and advances in full and there was no longer an outstanding item by the end of 2016.

5. Loans from financial institutions

By the end of 2016, loans from financial institutions decreased by 1.34 million baht, which was the long-term loan that MSL borrowed from a domestic financial institution. During 2016, MSL had paid off such loan in full, leaving no outstanding debt at the end of 2016.

Shareholders' Equity

As of 31st December 2016, the Company had Shareholders' equity worth 408.19 million baht, which increased by 297.41 million baht from 110.79 million baht on 31st December 2015. Such increase was mainly due to as follows.

1. Share capital increase

The Company increased its capital by 35.52 million baht in June 2016 by issuing newly ordinary shares of 355,223 shares, with a par value of 100 baht, allocated proportionately for existing shareholders at 100 baht per share. The Company also changed the par value of ordinary shares from 100 baht per share, 500,000 shares to be 0.50 baht per share, 100,000,000 shares by splitting shares from 1 share with par value of 100 baht to 200 shares with par value of 0.50 baht, and approving the amendment of the Company's Memorandum to reflect such changes.

In November 2016, the Company increased capital by another 17 million baht by issuing newly ordinary shares of 34,000,000 shares, with par value of 0.50 baht per share to offer to the public. The Company offered 34,000,000 shares of ordinary shares at a price of 7.80 baht per share with par value of 0.50 baht per share. Consequently, the Company had 237.68 million baht of share value surplus, with the net from operational expenses of public offering of 10.52 million baht.

2. Annual gross profits and dividend payment

The company had a total profit of 33.46 million baht in 2016, with the total dividend payment of 26.25 million during 2016.

Liquidity Analysis

Unit: Million baht

Item	Statement of financial position		
	2015	2016	Increase/(Decrease)
Cash from operating activity	31.41	42.50	35.31%
Cash from (used for) investing activity	(7.63)	(99.38)	(1,202.49%)
Cash from (used for) financing activity	(29.33)	245.70	937.71%
Difference from conversion of financial statement values	(0.20)	-	n.a.
Net change in cash and cash equivalents	(5.75)	188.82	3,383.83%

For 2015, the Company had 31.41 million baht in cash from operating activity, with a pre-tax profit of 29.83 million baht. After accounting for the main non-cash items, such as depreciation and amortization of profits from liquidating the investment in 3 subsidiaries abroad and the profits from fixed assets, the Company had profits from operation prior to adjustment of operating assets and liabilities of 41.02 million baht. There were also changes in the primary items, as an increase of 20.88 million baht in accounts receivable and other receivables, and a decrease of 10.33 million baht in accounts payable and other payables. The Company had net cash of 7.63 million baht for investment, with major items such as the purchases of and investment in office equipment and computers worth 9.23 million baht, cash for payment of short-term loan and advances for relevant activities worth 8.31 million baht, and cash for investment in MSL worth 5.96 million baht. Meanwhile, there was cash inflow of 12.91 million baht from the sales of vehicles. The Company used 29.33 million baht in cash for financing activity, mainly due to the dividend payment of 36.65 million baht. Meanwhile, the Company received cash inflow of 12.61 million baht from share capital increase. Overall, the Company's cash and cash equivalents recorded under the consolidated financial statement decreased by 5.75 million baht.

Moreover, the financial statement reflected the difference from the conversion of 2015 financial statement values worth (0.20) million baht. The Company sold its holdings in foreign firms during 2015, therefore there was no longer such items.

In 2016, the Company and the Subsidiary had net cash inflow of 42.50 million baht from operating activities, with pre-tax profit of 33.38 million baht. After accounting for the main non-cash items, such as depreciation and amortization, the Company had profits from operation prior to adjustment of operating assets and liabilities of 43.61 million baht. There were also changes in the primary items, namely an increase of 3.64 million baht in unearned revenue, a decrease of 7.20 million baht in accounts receivable and other receivables, a decrease of 5.20 million baht in accounts payable and other payables, and a decrease of 0.98 million baht in accrued revenues. The Company had net cash of 99.38 million baht from investment, with major items such as cash of 100.12 million baht for temporary investment, cash inflow from repayment of short-term loan and advances for relevant activities worth 8.31 million baht, and cash of 9.88 million baht for investment in fixed assets and intangible assets. The Company received net cash receiving of 245.70 million baht from financing activity, mainly due to the 300.72 million baht inflow from capital increase. Moreover, there was a repayment of long-term loan and advance received for relevant activities of 14.64 million baht, repayment of overdraft of and long-term loan from financial institutions of 4.53 million baht, cash used for activities related to issuing ordinary shares of 8.52 million baht, as well as dividend payment of 26.25 million baht. Overall, the Company's cash and cash equivalents recorded under the consolidated financial statement increased by 188.82 million baht.

Analysis of Key Financial Ratios

Liquidity ratio

The liquidity ratio, calculated from the consolidated financial statement at end of 2015 and 2016 were 1.45 and 9.13 times, respectively. The liquidity ratio at the end of 2016 increased from end of 2015 primarily due to the increase in cash and cash equivalent, and temporary investment that increased from the offering to the public, as well as the cash flow from operating activities.

Cash cycle

Account receivable turnovers for 2015 and 2016 stood at 3.51 and 3.48 times, with collection periods of 102.67 and 103.46 days, respectively. Meanwhile, account payable turnovers for 2015 and 2016 stood at 5.29 and 4.66 times, with payment periods of 67.99 and 77.18 days, respectively. The Company had cash cycle of 34.68 and 26.28 days in the respectively. Even though in 2015 - 2016, the consolidated financial statement showed a

longer collection periods than the payment periods, the Company had no liquidity issue as can be observed by the positive cash flow of previous operation. Moreover, the Company and MSL received in part advances from the maintenance service contracts. Moreover, MSL had successfully negotiated extensions of maintenance service contracts. Moreover, MSL also negotiated for extension of payment periods with its business partners

Net profit margin

Net profit margin, calculated from the consolidated financial statement, for 2015 and 2016 were 25.62 and 24.98 percent, respectively. The net profit margin in 2016 was slightly less than in 2015 due to the increase in sales-related expenses and the Company's operation, as well as the expenses from preparing for an IPO in the Stock Exchange of Thailand, excluded with the last expenses of 5.58 million baht, the net profit margin would be 29.16 percent

Return on Equity

The Return on Equity for 2015 and 2016 were 41.54 and 12.86 percent, respectively. The decline in 2016 compared with 2015 was due to the increase in shareholders' equity from the share capital increase and the increase in share premium in 2016 that occurred from the public offering at a price above the par value during late 2016.

Return on assets

The return on assets for 2015 and 2016 were 24.70 and 10.76 percent, respectively. The decline in 2016 compared with 2015 was due to the increase in asset occurred from acquisition in 2015 and the increase in share capital in 2016 which were higher than 2015 by 277.35 million baht.

Total asset turnover

Total asset turnover in 2015 and 2016 were 0.92 and 0.43 times, respectively. The decline in 2016 compared with 2015 was due to the increase in total assets, including intangible assets, goodwill, and accounts receivable from MSL acquisition and the share capital increase in 2016.

Debt-to-Equity Ratio

Debt-to-Equity Ratio at the end of 2015 and 2016 were 0.55 and 0.10 times, respectively. The decline in 2016 compared with 2015 was due to the fall of liabilities as long-term debt and advances from affiliated individuals were paid off. There was also a repayment of overdraft and loans from financial institutions, and an increase in shareholders' equity from the share capital increase in June and November 2016.

Deloitte.

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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 subsidiary (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, 2016, 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 subsidiary and of Comanche International Public Company Limited as at December 31, 2016, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). 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 Code of Ethics for Professional Accountants determined by Federation of Accounting Professions under the Royal Patronage of His Majesty the King (the Code of Ethics) in the part of relevance to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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
Recognition of revenue from sales and rendering services Significant operation 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 TFRSs Accounting policy for revenue and details of segment information were disclosed in Note 3.11 and Note 29 to the financial statements, respectively.	Key audit procedures included: • Understanding the revenue recognition process relating to revenue from sales of computer software including software installation and related internal control procedures. • Reviewing the design and implementation of the internal control procedures. • Performing the operating effectiveness testing over the internal control procedures around revenue recognition process relating to revenue from sales of computer software including software installation, and • Performing substantive testing as follows: - Examining the terms and conditions under the contracts and recalculate 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 those 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.

Deloitte Touche Tohmatsu Jaiyos Audit

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Key Audit Matters	Key Audit Procedures
Impairment of investment in subsidiary, goodwill and customer relationships The consideration of impairment in subsidiary, goodwill and customer relationships is depended on the management judgements and assumptions. Therefore, the key audit matter is whether the valuation of investment in subsidiary, goodwill and customer relationships and impairment of investment in subsidiary, goodwill and customer relationships have been recognized in accordance with TFRSs. Accounting policies for investment in subsidiary, goodwill and customer relationships and impairment and details of investment in subsidiary, goodwill and customer relationships were disclosed in Note 3.5, Note 3.7, Note 3.8 Note 10 and Note 12 to the financial statements, respectively.	Key audit procedures included: • Understanding the impairment consideration process and related internal control procedures. • Reviewing the design and implementation of the internal control procedures. • Performing the operating effectiveness testing over the internal control procedures around impairment consideration process, and • Performing substantive testing as follows: - 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 the management used in the estimation of the impairment provision for investment in subsidiary, goodwill and customer relationships.

Other Matter

We previously issued the auditor report dated February 26, 2016 for audit of the financial statements for the year ended December 31, 2015 which expressed an unmodified opinion. Subsequently, on September 2, 2016, the Board of Directors of the Company has approved to restate the financial statements for the year ended December 31, 2015 regarding the changes in accounting policies for the amortization method of intangible assets and the revenue recognition method of sales and installation of software, the correction of errors for the understatements of accrued income tax expenses as described in Notes 2.5 and the additional disclosure of operating segment information in order to submit the financial statements for the year ended December 31, 2015 (restated) to the shareholders and any parties in receipt of the previously issued financial statements. Therefore, other than additional auditing such matter, we have not performed any other audit procedures subsequent to the date of our previous report. According to the additional auditing to the financial statements for the year ended December 31, 2015 (restated), we issued the auditor report dated on September 2, 2016 which expressed an unmodified opinion.

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 auditors' 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 Group.

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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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 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 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.

Deloitte Touche Tohmatsu Jaiyos Audit

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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.



Chavala Tienpasertkij

Certified Public Accountant (Thailand)

Registration No. 4301

BANGKOK

February 22, 2017

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	191,349,207	2,524,465	190,503,540	2,474,194
Temporary investments	6	100,124,557	-	100,000,000	-
Trade and other receivables	7	36,084,793	45,672,877	28,292,773	16,721,263
Short-term loans and advances					
to related parties	8 and 27	-	8,314,783	-	8,314,783
Work in process		228,741	55,372	228,741	55,372
Other current assets	9	2,897,677	2,063,650	346,809	806,411
Total Current Assets		<u>330,684,975</u>	<u>58,631,147</u>	<u>319,371,863</u>	<u>28,372,023</u>
NON-CURRENT ASSETS					
Investment in subsidiaries	10 and 27	-	-	112,299,567	94,299,568
Equipment	11	4,548,234	2,864,334	2,965,011	2,777,852
Intangible assets	12	43,097,883	43,408,168	2,307,102	926,638
Goodwill	4	64,260,047	64,260,047	-	-
Deferred tax assets	13	7,074	6,147	7,074	6,147
Other non-current assets	14	6,272,636	2,348,947	1,436,433	1,391,419
Total Non-Current Assets		<u>118,185,874</u>	<u>112,887,643</u>	<u>119,015,187</u>	<u>99,401,624</u>
TOTAL ASSETS		<u><u>448,870,849</u></u>	<u><u>171,518,790</u></u>	<u><u>438,387,050</u></u>	<u><u>127,773,647</u></u>

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft from financial institution	15	-	3,190,677	-	-
Trade and other payables	16	32,474,050	30,611,339	21,639,880	15,473,769
Current portion of long-term borrowings from financial institution	18	-	344,400	-	-
Current portion of liabilities under finance lease agreement	17	-	609,730	-	-
Current income tax payable		-	2,437,277	-	2,096,280
Other current liabilities		3,748,303	3,231,531	1,216,910	1,672,785
Total Current Liabilities		<u>36,222,353</u>	<u>40,424,954</u>	<u>22,856,790</u>	<u>19,242,834</u>
NON-CURRENT LIABILITIES					
Long-term borrowings from financial institution	18	-	999,938	-	-
Long-term borrowings and advances from related party	19	-	14,089,213	-	-
Liabilities under finance lease agreement	17	-	975,801	-	-
Employee benefit obligations	20	4,455,638	4,243,026	3,952,294	3,939,095
Total Non-current Liabilities		<u>4,455,638</u>	<u>20,307,978</u>	<u>3,952,294</u>	<u>3,939,095</u>
TOTAL LIABILITIES		<u>40,677,991</u>	<u>60,732,932</u>	<u>26,809,084</u>	<u>23,181,929</u>

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2016

UNIT: BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
	22				
Authorized share capital					
134,000,000 ordinary shares of 0.50 Baht each		67,000,000		67,000,000	
144,777 ordinary shares of 100 Baht each			14,477,700		14,477,700
Issued and paid-up share capital					
134,000,000 ordinary shares of 0.50 Baht each, fully paid		67,000,000		67,000,000	
144,777 ordinary shares of 100 Baht each, fully paid			14,477,700		14,477,700
Premium on ordinary shares	4 and 22	326,153,890	88,472,934	326,153,890	88,472,934
RETAINED EARNINGS					
Appropriated					
Legal reserve	24	3,398,470	200,000	3,398,470	200,000
Unappropriated		11,640,498	7,635,224	15,025,606	1,441,084
OTHER COMPONENT OF SHAREHOLDERS' EQUITY					
		-	-	-	-
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT					
		408,192,858	110,785,858	411,577,966	104,591,718
NON-CONTROLLING INTEREST					
		-	-	-	-
TOTAL SHAREHOLDERS' EQUITY					
		408,192,858	110,785,858	411,577,966	104,591,718
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		448,870,849	171,518,790	438,387,050	127,773,647

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2016	2015	2016	2015
Revenue from sales and rendering services	27 and 28	133,092,858	101,137,132	92,635,105	73,280,441
Cost of sales and rendering services	27	38,528,588	29,196,271	24,131,237	25,215,880
Gross profit		94,564,270	71,940,861	68,503,868	48,064,561
Other income					
Dividend income		-	-	16,999,150	-
Interest income	27	333,029	113,239	327,035	23,750
Gain on exchange rate		-	76,598	-	282,925
Gain on sales of fixed assets	11	-	1,007,413	-	981,406
Gain on sales of investments in subsidiaries	10	-	2,518,528	-	-
Other income		148,300	843,277	623,975	843,277
Total other income		481,329	4,559,055	17,950,160	2,131,358
Profit before expenses		95,045,599	76,499,916	86,454,028	50,195,919
Selling expenses		8,266,211	2,061,959	7,213,511	2,362,658
Administrative expenses		52,513,726	44,180,871	35,863,520	26,197,731
Other expenses		845,387	-	364,207	74,392
Finance costs		41,256	430,645	38	278,737
Total Expenses		61,666,580	46,673,475	43,441,276	28,913,518
Profit before income tax expense		33,379,019	29,826,441	43,012,752	21,282,401
Income tax expense	13	11,495	2,751,324	11,495	2,410,327
PROFIT FOR THE YEARS		33,367,524	27,075,117	43,001,257	18,872,074
OTHER COMPREHENSIVE INCOME					
Item that will be reclassified subsequently to profit or loss					
Differences on translation financial statements		-	41,527	-	-
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on defined employee benefit plan		89,653	-	35,168	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		33,457,177	27,116,644	43,036,425	18,872,074
PROFIT ATTRIBUTABLE TO					
Owners of the parent		33,367,524	27,075,117	43,001,257	18,872,074
Non-controlling interests		-	-	-	-
		33,367,524	27,075,117	43,001,257	18,872,074

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2016	2015	2016	2015
COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		33,457,177	27,116,644	43,036,425	18,872,074
Non-controlling interests		-	-	-	-
		<u>33,457,177</u>	<u>27,116,644</u>	<u>43,036,425</u>	<u>18,872,074</u>
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE (BAHT)	23	0.45	2.17	0.58	1.51
WEIGHTED AVERAGE NUMBER OF ORDINARY					
SHARES (SHARES)	23	74,633,874	12,487,035	74,633,874	12,487,035

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHIT									
Notes	Attributions to Owners of the Parent							Non-controlling interests	Total shareholders' equity
	Issued and paid-up share capital	Premium on share capital	Retained Earnings		Other component of shareholders' equity	Total attributions to owners of the parent			
			Appropriated	Unappropriated					
							Legal reserve		
Beginning balances as at January 1, 2015 Changes during the year	2,000,000	-	200,000	17,211,192	162,725	19,573,917	-	19,573,917	
	4 and 22	12,477,700	88,472,934	-	-	-	-	100,950,634	
	25	-	-	-	(36,651,085)	-	(36,651,085)	-	
		-	-	-	27,075,117	41,527	27,116,644	-	
		-	-	-	-	(204,252)	(204,252)	-	
		14,477,700	88,472,934	200,000	7,635,224	-	110,785,858	-	
		14,477,700	88,472,934	200,000	7,635,224	-	110,785,858	-	
	22	52,522,300	237,680,956	-	-	-	290,203,256	-	
		-	-	3,198,470	(3,198,470)	-	-	-	
	25	-	-	-	(26,253,433)	-	(26,253,433)	-	
	-	-	-	33,457,177	-	33,457,177	-		
	67,000,000	326,153,890	3,398,470	11,640,498	-	408,192,858	-	408,192,858	
Notes to the financial statements form an integral part of these statements									

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

UNIT : BAHT

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016

	Notes	Issued and paid-up share capital	Premium on ordinary shares	Retained Earnings		Total shareholders' equity
				Appropriated	Unappropriated	
				Legal reserve		
Beginning balances as at January 1, 2015		2,000,000	-	200,000	19,220,095	21,420,095
Changes during the year						
Increase in capital	4 and 22	12,477,700	88,472,934	-	-	100,950,634
Interim dividend paid	25	-	-	-	(36,651,085)	(36,651,085)
Total comprehensive income for the year		-	-	-	18,872,074	18,872,074
Ending balances as at December 31, 2015		14,477,700	88,472,934	200,000	1,441,084	104,591,718
Beginning balances as at January 1, 2016		14,477,700	88,472,934	200,000	1,441,084	104,591,718
Changes during the year						
Increase in capital	22	52,522,300	237,680,956	-	-	290,203,256
Legal reserve		-	-	3,198,470	(3,198,470)	-
Dividend paid	25	-	-	-	(26,253,433)	(26,253,433)
Total comprehensive income for the year		-	-	-	43,036,425	43,036,425
Ending balances as at December 31, 2016		67,000,000	326,153,890	3,398,470	15,025,606	411,577,966

UNIT : BAHT

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before income tax expenses	33,379,019	29,826,441	43,012,752	21,282,401
Adjustments by				
Depreciation and amortization	8,140,653	13,514,349	1,295,065	2,782,335
Doubtful debt	685,289	-	685,289	-
Bad debt	381,064	-	381,064	-
Loss on impairment of investments	-	-	-	74,392
Gain on sale of fixed assets	-	(1,007,413)	-	(981,406)
Loss on write-off fixed assets and intangible assets	367,132	259,763	349,227	259,763
Gain on sales of investments in subsidiaries	-	(2,518,528)	-	-
Unrealized gain on exchange rate	(42,137)	(122,803)	(32,806)	(82,265)
Employment benefit obligation expenses	987,136	747,945	733,238	696,946
Interest income	(333,029)	(113,239)	(327,036)	(23,750)
Interest expenses	41,256	430,645	38	278,737
Dividend income	-	-	(16,999,150)	-
	43,606,383	41,017,160	29,097,681	24,287,153
(Increase) decrease in trade and other receivables	7,202,410	(20,884,080)	(4,310,486)	(4,985,846)
(Increase) decrease in prepaid expenses	(1,611,608)	1,410,148	(452,964)	(53,997)
(Increase) decrease in accrued income	984,118	(1,200,258)	(734,389)	4,595,886
(Increase) decrease in work in process	(173,369)	(37,099)	(173,369)	74,645
(Increase) decrease in other current assets	(732,925)	(260,557)	560,704	(731,890)
Increase in other non-current assets	(3,923,689)	(1,095,284)	(45,014)	(452,355)
Increase (decrease) in trade and other payables	(5,204,917)	10,334,843	(1,822,172)	3,328,211
Increase (decrease) in unearned revenue	3,641,889	(1,143,391)	3,126,482	(59,510)
Increase in accrued expense	1,244,034	1,264,500	2,670,766	1,464,220
Increase in deposit from customer	191,035	-	191,035	-
Increase (decrease) in other current liabilities	516,772	2,040,413	(455,875)	552,673
Employee benefit obligation paid during the period	(684,860)	-	(684,860)	-
Cash received from operations	45,055,273	31,446,395	26,967,539	28,019,190
Cash paid for income tax	(2,550,811)	(30,999)	(2,209,814)	(30,999)
Net cash provided by operating activities	42,504,462	31,415,396	24,757,725	27,988,191

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2016

UNIT : BAHT

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
CASH FLOWS FROM INVESTING ACTIVITIES				
Cash received from dividend income	-	-	8,000,000	-
Cash received from interest income	2,312,646	650,895	2,218,970	23,750
Cash paid for temporary investment	(100,124,557)	-	(100,000,000)	-
Cash paid for purchase of fixed assets and intangible assets	(9,881,400)	(9,228,270)	(3,211,916)	(2,356,739)
Proceeds from sales of fixed assets	-	12,909,880	-	12,675,278
Cash received from sales of investment in subsidiaries	-	1,422,961	-	1,700,000
Proceeds from short-term loans and advances to related parties	8,314,783	310,208	8,314,783	-
Cash paid for short-term loans and advances to related parties	-	(8,314,783)	-	(8,314,783)
Cash paid for purchase investment in subsidiaries	-	-	(18,000,000)	(6,059,648)
Cash paid for investing in a subsidiary - net	-	(5,381,710)	-	-
Net cash used in investing activities	(99,378,528)	(7,630,819)	(102,678,163)	(2,332,142)
CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(41,256)	(33,699)	(38)	-
Cash received from bank overdraft from financial institution	(3,190,677)	688,250	-	-
Cash paid from long-term borrowings from financial institution	(1,344,338)	(115,401)	-	-
Cash received from short-term borrowings and advances				
from related party	-	184,308	-	184,307
Cash paid for short-term borrowings and advances				
from related party	(14,639,213)	(1,024,461)	-	(822,109)
Cash received from long-term borrowings and advances				
from related party	550,000	2,721,936	-	-
Cash paid for liabilities under financial lease agreements	(1,585,531)	(7,710,438)	-	(6,533,799)
Dividends paid	(26,253,433)	(36,651,085)	(26,253,434)	(36,651,085)
Cash received from capital increase	300,722,300	12,612,294	300,722,300	12,612,294
Cash paid for expenses relating to the issuing ordinary shares	(8,519,044)	-	(8,519,044)	-
Net cash provided by (used in) financing activities	245,698,808	(29,328,296)	265,949,784	(31,210,392)
Difference on translation of financial statements	-	(204,252)	-	-
Net decrease in cash and cash equivalents	188,824,742	(5,747,971)	188,029,346	(5,554,343)
Cash and cash equivalents as at January 1,	2,524,465	8,272,436	2,474,194	8,028,537
Cash and cash equivalents as at December 31,	191,349,207	2,524,465	190,503,540	2,474,194

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

**COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016**

1. THE COMPANY AND ITS SUBSIDIARY OPERATIONS AND GENERAL INFORMATION

Comanche International Public Company Limited (“the Company”) was incorporated as a limited company under the Thai Civil and Commercial Code on January 10, 2003 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-F Room Floor 23, Muangthai-Patara 2, Ratchadaphiseak Road, Kwang Huaykwang, Khet Huaykwang, Bangkok.

On May 31, 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. Somboon Sukheviriya and the group of Mr. Apichai Sakulsureeyadej who hold 38.07% and 35.57% of the Company’s shares, respectively.

As at December 31, 2016 and 2015, the Company has subsidiary, as follows:

No.	Company Name	Date of Incorporation	Principal Business	Registered Office
1	MSL Software (Thailand) Co., Ltd.	February 14, 2007	Service for computer software	Bangkok, Thailand

On September 1, 2015, the Company purchased 54,610 shares, representing 99.99% of total paid-up share capital, of MSL Software (Thailand) 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 ATION OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENT

- 2.1 The Company and its subsidiary 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 subsidiary’s financial statements have been prepared in accordance with the Thai Accounting Standard No. 1 (Revised 2015) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2016 onwards, and the Regulation of The Stock Exchange of Thailand (“SET”) dated January 22, 2001, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2544 and the Notification of the Department of Business Development dated September 28, 2011 regarding “The Brief Particulars in the Financial Statement B.E. 2554”
- 2.3 Basis for preparation of the consolidated financial statements
- (a) The consolidated financial statements for the years ended December 31, 2016 and 2015 includes the financial statements of the Company and its subsidiary in which the Company has control or invested over 50% of their voting rights. These subsidiary are detailed as follows:

Company's name	Major business	Country of incorporation	Number of shares		Percentage of shareholding	
			As at December 31,		As at December 31,	
			2016	2015	2016	2015
Subsidiary						
MSL Software (Thailand) Co., Ltd.	Service for computer software	Thailand	234,610	54,610	99.99	99.99

(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 acquiree 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, and other professional fees and consulting fees are expensed as incurred.

- (c) Significant intercompany transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements. The consolidated financial statements for the year ended December 31, 2016 and 2015 have included the subsidiary's financial statements for the year ended December 31, 2016 and 2015 which were audited.
- (d) On September 30, 2015, the Company entered into the Share Sale and Purchase Agreement with individuals to sell its entire shares of three subsidiaries, which, consist of 1,000,000 shares of Comanche International Vietnam Co., Ltd., 724,486 shares of Comanche International Malaysia SDN. BHD. and 270,000 shares of PT. Comanche International Indonesia. The Company completely transferred the shares on September 30, 2015 (see Note 10).
- (e) On September 1, 2015, the Company purchased 54,610 shares, representing 99.99% of total paid-up share capital, of MSL Software (Thailand) Co., Ltd. (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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the period beginning on or after January 1, 2016 onwards, as follow:

Thai Accounting Standards ("TAS")

TAS 1 (Revised 2015)	Presentation of Financial Statements
TAS 2 (Revised 2015)	Inventories
TAS 7 (Revised 2015)	Statement of Cash Flows
TAS 8 (Revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2015)	Events after the Reporting Period
TAS 11 (Revised 2015)	Construction Contracts
TAS 12 (Revised 2015)	Income Taxes
TAS 16 (Revised 2015)	Property, Plant and Equipment
TAS 17 (Revised 2015)	Leases
TAS 18 (Revised 2015)	Revenue
TAS 19 (Revised 2015)	Employee Benefits
TAS 20 (Revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2015)	Borrowing Costs
TAS 24 (Revised 2015)	Related Party Disclosures
TAS 26 (Revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2015)	Separate Financial Statements
TAS 28 (Revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2015)	Financial Reporting in Hyperinflationary Economies

Thai Accounting Standards (“TAS”) (Continued)

TAS 33 (Revised 2015)	Earnings per Share
TAS 34 (Revised 2015)	Interim Financial Reporting
TAS 36 (Revised 2015)	Impairment of Assets
TAS 37 (Revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2015)	Intangible Assets
TAS 40 (Revised 2015)	Investment Property
TAS 41	Agriculture

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2015)	Share-based Payment
TFRS 3 (Revised 2015)	Business Combinations
TFRS 4 (Revised 2015)	Insurance Contracts
TFRS 5 (Revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2015)	Operating Segments
TFRS 10 (Revised 2015)	Consolidated Financial Statements
TFRS 11 (Revised 2015)	Joint Arrangements
TFRS 12 (Revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2015)	Fair Value Measurement

Thai Accounting Standards Interpretations (“TSIC”)

TSIC 10 (Revised 2015)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2015)	Operating Leases - Incentives
TSIC 25 (Revised 2015)	Income Taxes - Change in the Tax Status of an Entity or its Shareholders
TSIC 27 (Revised 2015)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2015)	Service Concession Arrangements : Disclosures
TSIC 31 (Revised 2015)	Revenue - Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2015)	Intangible Assets - Web Site Costs

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 1 (Revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2015)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2015)	Applying the Restatement Approach under TAS 29 (Revised 2015) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2015)	Service Concession Arrangements
TFRIC 13 (Revised 2015)	Customer Loyalty Programmes
TFRIC 14 (Revised 2015)	TAS 19 (Revised 2015) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2015)	Transfers of Assets from Customers
TFRIC 20 (Revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

Guideline on Accounting

Guideline on Accounting regarding Recognition and Measurement of Bearer Plants

Guideline on Accounting for Insurance Business regarding Designation of Financial Instruments at Fair Value through Profit or Loss

Above TFRSs have no material impact on these financial statements.

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

The Federation of Accounting Professions has issued the Notifications regarding Thai Financial Reporting Standards (TFRSs) which are effective for the financial statements for the periods beginning on or after January 1, 2017 onwards, as follows:

Thai Accounting Standards (“TAS”)

TAS 1 (Revised 2016)	Presentation of Financial Statements
TAS 2 (Revised 2016)	Inventories
TAS 7 (Revised 2016)	Statement of Cash Flows
TAS 8 (Revised 2016)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (Revised 2016)	Events after the Reporting Period
TAS 11 (Revised 2016)	Construction Contracts
TAS 12 (Revised 2016)	Income Taxes
TAS 16 (Revised 2016)	Property, Plant and Equipment
TAS 17 (Revised 2016)	Leases
TAS 18 (Revised 2016)	Revenue
TAS 19 (Revised 2016)	Employee Benefits
TAS 20 (Revised 2016)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2016)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (Revised 2016)	Borrowing Costs
TAS 24 (Revised 2016)	Related Party Disclosures
TAS 26 (Revised 2016)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (Revised 2016)	Separate Financial Statements
TAS 28 (Revised 2016)	Investments in Associates and Joint Ventures
TAS 29 (Revised 2016)	Financial Reporting in Hyperinflationary Economies
TAS 33 (Revised 2016)	Earnings per Share
TAS 34 (Revised 2016)	Interim Financial Reporting
TAS 36 (Revised 2016)	Impairment of Assets
TAS 37 (Revised 2016)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (Revised 2016)	Intangible Assets
TAS 40 (Revised 2016)	Investment Property
TAS 41 (Revised 2016)	Agriculture
TAS 104 (Revised 2016)	Accounting for Troubled Debt Restructuring
TAS 105 (Revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (Revised 2016)	Financial Instruments Disclosure and Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 2 (Revised 2016)	Share-based Payment
TFRS 3 (Revised 2016)	Business Combinations
TFRS 4 (Revised 2016)	Insurance Contracts
TFRS 5 (Revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (Revised 2016)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (Revised 2016)	Operating Segments
TFRS 10 (Revised 2016)	Consolidated Financial Statements
TFRS 11 (Revised 2016)	Joint Arrangements
TFRS 12 (Revised 2016)	Disclosure of Interests in Other Entities
TFRS 13 (Revised 2016)	Fair Value Measurement

Thai Accounting Standard Interpretations (“TSIC”)

TSIC 10 (Revised 2016)	Government Assistance - No Specific Relation to Operating Activities
TSIC 15 (Revised 2016)	Operating Leases - Incentives
TSIC 25 (Revised 2016)	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders
TSIC 27 (Revised 2016)	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29 (Revised 2016)	Service Concession Arrangements : Disclosures
TSIC 31 (Revised 2016)	Revenue-Barter Transactions Involving Advertising Services
TSIC 32 (Revised 2016)	Intangible Assets - Web Site Costs

Thai Financial Reporting interpretations (“TFRIC”)

TFRIC 1 (Revised 2016)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (Revised 2016)	Determining whether an Arrangement contains a Lease
TFRIC 5 (Revised 2016)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (Revised 2016)	Applying the Restatement Approach under TAS 29 (Revised 2016) Financial Reporting in Hyperinflationary Economies
TFRIC 10 (Revised 2016)	Interim Financial Reporting and Impairment
TFRIC 12 (Revised 2016)	Service Concession Arrangements
TFRIC 13 (Revised 2016)	Customer Loyalty Programmes
TFRIC 14 (Revised 2016)	TAS 19 (Revised 2016) - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (Revised 2016)	Agreements for the Construction of Real Estate
TFRIC 17 (Revised 2016)	Distributions of Non-cash Assets to Owners
TFRIC 18 (Revised 2016)	Transfers of Assets from Customers
TFRIC 20 (Revised 2016)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21 (Revised 2016)	Levies

Guideline on Accounting

Guideline on Accounting regarding Derecognition of Financial Assets and Liabilities

The management of the Company and its subsidiary will adopt the above TFRSs relevant to the Company and subsidiary in the preparation of the Company’s financial statements when they become effective.

The management of the Company and its subsidiary is in the process to assess the impact of these TFRSs on the financial statements of the Company and subsidiary in the period of initial application.

- 2.5 On September 2, 2016, the Board of Directors of the Company has approved to restate the financial statement for the year ended December 31, 2015 regarding the change in accounting policies for the amortization method of intangible assets and the revenue recognition method of sales and installation of software, the correction of errors for the understatements of accrued income tax expenses and the additional disclosure of operating segment information. The consolidated and separate statements of financial position as at December 31, 2015, presented herein for comparison, have been derived from the consolidated and separate financial statements (restated) of the Company for the year then ended which had been previously audited.

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 Temporary investment

Time deposits with maturity more than 3 months but not more than 12 months and without obligation are classified as temporary 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 subsidiary estimates the allowance for doubtful accounts based on the age and experience of the management on the debt.

3.4 Work in process

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

3.5 Investments in subsidiary

Investments in subsidiary 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 assets. The estimated useful lives are as follows.

Telephone system	5 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	5 Years and 4 months

3.8 Impairment

The carrying amounts of the Company and its subsidiary's 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.

3.9 Employee benefits obligations

Post-employment benefit upon retirement

Employee benefit obligations are the provision for benefit obligations for employees who are entitled to receive it upon retirement under the Company and its subsidiary's 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 in 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.

3.10 Provisions

Provisions are recognized when the Company and its subsidiary 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 subsidiary 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 subsidiary. 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 those 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 subsidiary 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 subsidiary 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

The preparation of financial statements in conformity with Thai Financial Reporting Standards also requires the management of the Company and its subsidiary 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 September 1, 2015 (acquisition date), the Company purchased 54,610 shares of MSL Software (Thailand) Co., Ltd., representing 99.99% of total paid-up share capital. The Company classified the type of the investment in that company as a subsidiary of the Company. Such company had fair value of the net identifiable assets acquired on the date of acquisition of Baht 30.04 million and total consideration transferred of Baht 94.30 million

For such business acquisition, the Company issued 58,266 new ordinary shares with a par value of Baht 100 each (see Notes 10 and 22) at the fair value in the amount of Baht 88.34 million. Additionally, the Company further paid cash in the amount of Baht 5.96 million, resulting in a total consideration transferred of Baht 94.30 million.

Since the acquisition date until December 31, 2015, MSL Software (Thailand) Co., Ltd. had revenue of Baht 26.70 million and net profit of Baht 17.07 million that were included as a part of operating results in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015.

5. CASH AND CASH EQUIVALENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Cash on hand	130,779	6,682	92,222	1,671
Cash at banks - current accounts	1,528,663	98,782	801,763	98,783
Cash at banks - savings accounts	51,756,771	2,419,001	51,676,561	2,373,740
Bills, short-term deposits	136,925,760	-	136,925,760	-
Cheque in transit	1,007,234	-	1,007,234	-
Total	<u>191,349,207</u>	<u>2,524,465</u>	<u>190,503,540</u>	<u>2,474,194</u>

Cash and cash equivalents of the Company and its subsidiary as at December 31, 2016 and 2015 were denominated entirely in Thai Baht.

As at December 31, 2016 and 2015, cash at banks has the effective interest rate at 0.50% per annum to 1.65% per annum and 0.50% per annum to 1.10% per annum, respectively.

6. TEMPORARY INVESTMENT

Temporary investments as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Time deposits with bank	100,124,557	-	100,000,000	-
	<u>100,124,557</u>	<u>-</u>	<u>100,000,000</u>	<u>-</u>

7. TRADE AND OTHER RECEIVABLES

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables - other companies	22,535,698	30,838,383	14,909,823	11,636,349
Other receivables - other companies	66,728	-	3,467	-
Accrued income	11,036,903	12,021,021	3,587,370	2,852,981
Accrued interest receivables - related party	-	2,109,323	-	2,021,640
Accrued interest receivables - financial institutions	129,706	-	129,706	-
Dividend receivable (see Note 10)	-	-	8,999,150	-
Prepaid expenses	2,315,758	704,150	663,257	210,293
Total	<u>36,084,793</u>	<u>45,672,877</u>	<u>28,292,773</u>	<u>16,721,263</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade receivables				
Current	8,318,026	19,276,656	3,036,934	2,741,946
Overdue less than 3 months	7,112,377	4,620,638	4,767,594	1,953,314
Overdue 3 - 6 months	1,313,492	2,198,629	1,313,492	2,198,629
Overdue 6 - 12 months	3,128,544	2,908,525	3,128,544	2,908,525
Overdue over 12 months	3,348,548	1,833,935	3,348,548	1,833,935
	<u>23,220,987</u>	<u>30,838,383</u>	<u>15,595,112</u>	<u>11,636,349</u>
Less Allowance for doubtful debts	<u>(685,289)</u>	<u>-</u>	<u>(685,289)</u>	<u>-</u>
Trade receivables - net	<u>22,535,698</u>	<u>30,838,383</u>	<u>14,909,823</u>	<u>11,636,349</u>

8. SHORT-TERM LOANS AND ADVANCES TO RELATED PARTIES

As at December 31, 2015, short-term loans and advances to related parties of Baht 8.31 million which carried interest rates of 5.25% per annum, were unsecured and were due on demand (see Note 27). Subsequently, in March 2016, the Company has received all repayment of such short-term loans and advances from related parties (2016 : Nil).

9. OTHER CURRENT ASSETS

Other current assets as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Prepaid corporate income taxes	1,862,387	889,798	101,102	-
Undue input value-added tax	821,698	123,884	32,115	89,405
The Revenue Department receivable	-	332,497	-	-
Others	213,592	717,471	213,592	717,006
Total	<u>2,897,677</u>	<u>2,063,650</u>	<u>346,809</u>	<u>806,411</u>

10. INVESTMENTS IN SUBSIDIARIES

Investments in subsidiary as at December 31, consist of:

Name of subsidiaries	% of shareholding		SEPARATE FINANCIAL STATEMENTS					
			Paid-up capital		Cost method		Dividend income	
	2016 (%)	2015 (%)	2016 Baht	2015 Baht	2016 Baht	2015 Baht	2016 Baht	2015 Baht
MSL Software (Thailand) Co., Ltd.	99.99	99.99	23,461,300	5,461,300	112,299,567	94,299,568	16,999,150	-

For the year ended December 31, 2016, the subsidiary paid such dividend in the amount of Baht 16.99 million. As of December 31, 2016, the Company has dividend receivable in the amount of Baht 8.99 million (see Notes 7 and 27).

On September 1, 2015, the Company invested in MSL Software (Thailand) Co., Ltd. ("MSL") with 54,610 common shares at par value of Baht 109.16 each, totalling Baht 5.96 million (see Note 4), or 99.99% of total paid-up share capital. The purpose on such investments is to reorganize the Company structure in order to prepare for listing in Market for Alternative Investment ("MAI"). The Company issued 58,266 new ordinary shares (see Note 22) and offered 58,266 shares or 40% of total paid-up share capital to the existing shareholders of MSL, for the purpose of entire holding in shares of MSL.

Subsequently, on September 3, 2015, there was a memorandum to transfer 12,672 shares at Baht 102.31 each or 9% of the Company's registered shares between the existing shareholders of the Company and MSL's shareholders to adjust the shareholding proportion, resulting in an increase in shareholding by MSL's shareholders in the Company from 40% to 49% of its registered shares, according to the mutual agreement between shareholders of those two companies.

On September 30, 2015, the Company entered into the Share Sale and Purchase Agreement with individuals to sell its entire shares of three subsidiaries, which, consist of 1,000,000 shares of Comanche International Vietnam Co., Ltd., at cost Baht 500,000, 724,486 shares of Comanche International Malaysia SDN. BHD., at cost Baht 400,000 and 270,000 shares of PT. Comanche International Indonesia., at cost Baht 800,000. The Company completely transferred the shares on September 30, 2015 (see Note 2.3). The Company has no gain or loss on sales of such investments in the separate financial statements for the year ended December 31, 2015. However, the Company recognized the gain on sales of investments in subsidiaries of Baht 2.52 million in the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2015.

On May 16, 2016, the Extraordinary Shareholders' Meeting No.1/2016 passed the resolution to approve the increase of the authorized share capital of MSL Software (Thailand) Co., Ltd., from Baht 5,461,300 to be Baht 23,461,300 by issuing 180,000 new ordinary shares with a par value of Baht 100 each, totalling of Baht 18,000,000 and offer the new ordinary shares to the Company by fully call. The subsidiary has already received cash from the subscriptions of the increased share capital during May 2016 and June 2016 and registered the increase in such paid-up share capital with the Department of Business Development in June 2016.

Additionally, for the years ended December 31, 2015, the Company recorded loss on impairment of investment of Baht 74,392 in the separate statement of profit or loss and other comprehensive income because the Company considered their net realizable values are lower than their carrying values (2016 :Nil).

11. EQUIPMENT

Equipment as at December 31, consist of:

As at December 31, 2016

CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2016 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2016 Baht
Cost:				
Telephone system	66,000	204,600	-	270,600
Office equipment	8,441,882	1,440,751	(4,736,780)	5,145,853
Furniture and fixtures	2,705,382	542,568	(87,162)	3,160,788
Leasehold improvement	-	937,354	-	937,354
Total cost	11,213,264	3,125,273	(4,823,942)	9,514,595
Accumulated depreciation:				
Telephone system	(65,998)	(37,901)	-	(103,899)
Office equipment	(6,199,099)	(748,252)	4,378,840	(2,568,511)
Furniture and fixtures	(2,083,833)	(253,556)	77,970	(2,259,419)
Leasehold improvement	-	(34,532)	-	(34,532)
Total accumulated depreciation	(8,348,930)	(1,074,241)	4,456,810	(4,966,361)
Equipment	2,864,334			4,548,234

As at December 31, 2015**CONSOLIDATED FINANCIAL STATEMENTS**

	Balance as at January 1, 2015 Baht	Additions Baht	Acquisitions through business combinations Baht	Disposals Baht	Balance as at December 31, 2015 Baht
Cost:					
Telephone system	66,000	-	-	-	66,000
Office equipment	7,950,637	774,494	412,524	(695,773)	8,441,882
Vehicles	23,589,103	-	-	(23,589,103)	-
Furniture and fixtures	2,897,884	520,505	-	(713,007)	2,705,382
Total cost	<u>34,503,624</u>	<u>1,294,999</u>	<u>412,524</u>	<u>(24,997,883)</u>	<u>11,213,264</u>
Accumulated depreciation:					
Telephone system	(65,998)	-	-	-	(65,998)
Office equipment	(5,397,170)	(976,555)	(231,205)	405,831	(6,199,099)
Vehicles	(10,158,668)	(1,736,563)	-	11,895,231	-
Furniture and fixtures	(2,205,989)	(97,585)	-	219,741	(2,083,833)
Total accumulated depreciation	<u>(17,827,825)</u>	<u>(2,810,703)</u>	<u>(231,205)</u>	<u>12,520,803</u>	<u>(8,348,930)</u>
Equipment	<u>16,675,799</u>				<u>2,864,334</u>

Depreciation for the years ended December 31,

2016	Baht	<u>1,074,241</u>
2015	Baht	<u>2,810,703</u>

As at December 31, 2016**SEPARATE FINANCIAL STATEMENTS**

	Balance as at January 1, 2016 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2016 Baht
Cost:				
Telephone system	66,000	204,600	-	270,600
Office equipment	8,180,716	1,096,010	(4,713,451)	4,563,275
Furniture and fixtures	2,705,382	91,163	(87,162)	2,709,383
Total cost	<u>10,952,098</u>	<u>1,391,773</u>	<u>(4,800,613)</u>	<u>7,543,258</u>
Accumulated depreciation:				
Telephone system	(65,998)	(37,901)	-	(103,899)
Office equipment	(6,024,415)	(667,339)	4,373,416	(2,318,338)
Furniture and fixtures	(2,083,833)	(150,147)	77,970	(2,156,010)
Total accumulated depreciation	<u>(8,174,246)</u>	<u>(855,387)</u>	<u>4,451,386</u>	<u>(4,578,247)</u>
Equipment	<u>2,777,852</u>			<u>2,965,011</u>

As at December 31, 2015

SEPARATE FINANCIAL STATEMENTS

	Balance as at January 1, 2015 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2015 Baht
Cost:				
Telephone system	66,000	-	-	66,000
Office equipment	7,406,222	774,494	-	8,180,716
Vehicles	23,589,103	-	(23,589,103)	-
Furniture and fixtures	2,184,877	520,505	-	2,705,382
Total cost	33,246,202	1,294,999	(23,589,103)	10,952,098
Accumulated depreciation:				
Telephone system	(65,998)	-	-	(65,998)
Office equipment	(5,195,119)	(829,296)	-	(6,024,415)
Vehicles	(10,158,668)	(1,736,563)	11,895,231	-
Furniture and fixtures	(2,026,528)	(57,305)	-	(2,083,833)
Total accumulated depreciation	(17,446,313)	(2,623,164)	11,895,231	(8,174,246)
Equipment	15,799,889			2,777,852
Depreciation for the years ended December 31,				
2016			Baht	855,387
2015			Baht	2,623,164

As at December 31, 2016 and 2015, costs of equipment which are fully depreciation and still in use by the Company and its subsidiary are Baht 2.72 million and Baht 6.09 million, respectively (Company: Baht 2.58 million and Baht 6.05 million, respectively).

During 2015, the Company and its subsidiary sold entire vehicles under finance lease agreements to directors in the amount of Baht 9.26 million (Company: Baht 9.26 million). Gain on sales of the assets were Baht 1.00 million (Company : Baht 0.98 million).

12. INTANGIBLE ASSETS

Intangible assets as at December 31, consist of:

As at December 31, 2016

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2016	Additions	Disposals	Transfer in (out)	Balance as at December 31, 2016
	Baht	Baht	Baht	Baht	Baht
Cost:					
Computer software	1,342,695	313,540	(30,822)	26,351,224	27,976,637
Customer relationships	31,341,387	-	-	-	31,341,387
Total cost	<u>32,684,082</u>	<u>313,540</u>	<u>(30,822)</u>	<u>26,351,224</u>	<u>59,318,024</u>
Accumulated amortization:					
Computer software	(213,942)	(1,812,566)	30,820	-	(1,995,688)
Customer relationships	(10,538,311)	(5,253,846)	-	-	(15,792,157)
Total accumulated amortization	<u>(10,752,253)</u>	<u>(7,066,412)</u>	<u>30,820</u>	<u>-</u>	<u>(17,787,845)</u>
Software under development	21,476,339	6,442,589	-	(26,351,224)	1,567,704
Intangible assets	<u>43,408,168</u>				<u>43,097,883</u>

As at December 31, 2015

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2015	Additions	Acquisitions through business Combinations	Disposals	Balance as at December 31, 2015
	Baht	Baht	Baht	Baht	Baht
Cost:					
Computer software	438,167	1,270,019	-	(365,491)	1,342,695
Customer relationships	-	-	31,341,387	-	31,341,387
Total cost	<u>438,167</u>	<u>1,270,019</u>	<u>31,341,387</u>	<u>(365,491)</u>	<u>32,684,082</u>
Accumulated amortization:					
Computer software	(154,335)	(165,335)	-	105,728	(213,942)
Customer relationships	-	(10,538,311)	-	-	(10,538,311)
Total accumulated amortization	<u>(154,335)</u>	<u>(10,703,646)</u>	<u>-</u>	<u>105,728</u>	<u>(10,752,253)</u>
Software under development	-	6,663,252	14,813,087	-	21,476,339
Intangible assets	<u>283,832</u>				<u>43,408,168</u>

Amortization for the years ended December 31,

2016	Baht	<u>7,066,412</u>
2015	Baht	<u>10,703,646</u>

As at December 31, 2016

As at December 31, 2016	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2016 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2016 Baht
Cost:				
Computer software	1,134,415	252,440	(30,822)	1,356,033
Total cost	1,134,415	252,440	(30,822)	1,356,033
Accumulated amortization:				
Computer software	(207,777)	(439,678)	30,820	(616,635)
Total accumulated amortization	(207,777)	(439,678)	30,820	(616,635)
Software under development	-	1,567,704	-	1,567,704
Intangible assets	926,638			2,307,102

As at December 31, 2015

As at December 31, 2015	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2015 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2015 Baht
Cost:				
Computer software	438,167	1,061,739	(365,491)	1,134,415
Total cost	438,167	1,061,739	(365,491)	1,134,415
Accumulated amortization:				
Computer software	(154,335)	(159,171)	105,729	(207,777)
Total accumulated amortization	(154,335)	(159,171)	105,729	(207,777)
Intangible assets	283,832			926,638

Amortization for the years ended December, 31

2016	Baht	439,678
2015	Baht	159,171

As at December 31, 2016 and 2015, costs of intangible assets which are fully amortized and still in use by the Company and its subsidiary are Baht 0.005 million and Baht 0.03 million, respectively. (Company: Baht 0.005 million and Baht 0.03 million, respectively).

13. DEFERRED TAX ASSETS

Deferred tax assets as at December 31, consist of the following:

	Unit : Baht	
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
	2016	2015
Deferred tax assets:		
Employee benefit obligation	7,074	6,147
Total deferred tax assets	<u>7,074</u>	<u>6,147</u>

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

As at December 31, 2016

	Unit : Baht			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	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:				
Employee benefit obligation	6,147	937	10	7,074
Total deferred tax assets	<u>6,147</u>	<u>937</u>	<u>10</u>	<u>7,074</u>

As at December 31, 2015

	Unit : Baht			
	CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS			
	Balance as of January 1, 2015	Recognized in profit or loss	Recognized in other comprehensive income	Balance as of December 31, 2015
Deferred tax assets:				
Employee benefit obligation	8,105	(1,958)	-	6,147
Liabilities under finance leases	224,639	(224,639)	-	-
Total deferred tax assets	<u>232,744</u>	<u>(226,597)</u>	<u>-</u>	<u>6,147</u>

According to the Royal Decree No. 577 B.E. 2557 issued under the Revenue Code regarding the corporate income tax rate reduction effective on November 11, 2014, the corporate income tax rates were 20% of net profit for accounting period which begins on or after January 1, 2015 but not later than December 31, 2015.

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 subsidiary used a tax rate of 20% for calculation the corporate income tax and deferred taxes for the years ended December 31, 2016 and 2015 in order to comply with such change.

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Current income tax expense	12,432	2,524,727	12,432	2,183,730
Deferred income tax relating to temporary differences recognized in the current year	(937)	226,597	(937)	226,597
Total income tax expense recognized in the current year	11,495	2,751,324	11,495	2,410,327

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Accounting profit before income tax expenses				
- income tax exemption business	33,348,391	37,574,330	42,982,124	20,500,882
- non-income tax exemption business	30,628	(7,747,889)	30,628	781,519
Total accounting profit before income tax expense	33,379,019	29,826,441	43,012,752	21,282,401
Tax rate	20%	20%	20%	20%
Income tax expense (income) using applicable tax rate	6,126	(1,549,578)	6,126	156,304
Effect of the non-taxable income and non-deductible expense	5,369	4,300,902	5,369	2,254,023
Total income tax expense in current year recognized in profit or loss	11,495	2,751,324	11,495	2,410,327

14. OTHER NON-CURRENT ASSETS

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Deposits	56,373	446,213	5,550	168,730
Deposits for office and equipment rental	1,927,808	1,467,566	873,128	1,092,506
Prepaid corporate income taxes	130,183	130,183	130,183	130,183
Cash at bank use as collateral (see Note 32.1)	4,158,272	304,985	427,572	-
Total	6,272,636	2,348,947	1,436,433	1,391,419

15. BANK OVERDRAFT FROM FINANCIAL INSTITUTION

As at December 31, 2015, the subsidiary has bank overdraft from a local bank, under credit facility of Baht 2.6 million, carry interest rates of MRR+1% per annum and are guaranteed by a director and cash at bank of the director (Company: Nil) (2016: Nil).

16. TRADE AND OTHER PAYABLES

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Trade payables - other companies	5,490,786	11,028,496	-	-
Other payables - related companies	-	-	-	190,000
Other payables - other companies	3,651,468	3,328,005	1,695,833	3,328,005
Deposit from customer	191,035	-	191,035	-
Accrued expenses	8,618,825	5,374,791	6,375,300	1,704,534
Unearned revenue	14,521,936	10,880,047	13,377,712	10,251,230
Total	<u>32,474,050</u>	<u>30,611,339</u>	<u>21,639,880</u>	<u>15,473,769</u>

17. OBLIGATION UNDER FINANCIAL LEASE AGREEMENTS

Obligation under financial lease agreements as at December 31, consist of:

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minimum future lease payments		Present value of minimum lease payments	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	-	677,585	-	609,730
Longer than 1 year but not longer than 5 years	-	1,016,428	-	975,801
	-	1,694,013	-	1,585,531
<u>Less</u> Deferred interest	-	(108,482)	-	-
	<u>-</u>	<u>1,585,531</u>	<u>-</u>	<u>1,585,531</u>

18. LONG-TERM BORROWINGS FROM FINANCIAL INSTITUTION

In December 2013, the subsidiary entered into two long-term borrowing agreements with a local bank of Baht 1,700,000 and Baht 56,599, carrying interest at saving account rate plus 2% per annum with principal repayment within 7 years and 5 years, respectively, from the first date of withdrawing. Such borrowings are guaranteed by the subsidiary's director and cash at bank of the subsidiary's director.

As at December 31, 2016 and 2015, long-term borrowings from financial institution, consist of the following:

	Unit : Baht	
	CONSOLIDATED	
	FINANCIAL STATEMENTS	
	2016	2015
Long-term borrowings from financial institution	-	1,344,338
<u>Less</u> Current portion of long-term borrowings	-	(344,400)
Total	-	999,938

Subsequently, during 2016, the subsidiary had gradually repaid all such long-term borrowings from financial institution.

19. LONG-TERM BORROWINGS AND ADVANCES FROM RELATED PARTY

As at December 31, 2015, the subsidiary has long-term borrowings and advances from a director of subsidiary without interest in the amount of Baht 14.09 million (see Note 27) for support the subsidiary's operations. Such borrowings have no collateral, and repayment at call. In 2015, the subsidiary's director had a confirmation letter to the Company that he will not request for the payment in 2016. Subsequently, during the year ended December 31, 2016, the subsidiary had gradually repaid all such long-term borrowing and advance to a director (2016: Nil).

20. EMPLOYEE BENEFIT OBLIGATIONS

The Company and its subsidiary operate retirement benefit plans under the Labor Protection Act and the Company and its subsidiary retirement benefit plan, which are considered as unfunded 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:

	Unit : Baht			
	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Current service cost	888,876	642,667	645,362	596,766
Interest cost	98,260	105,278	87,876	100,180
	987,136	747,945	733,238	696,946

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Beginning balance of post-employment benefits obligations	4,243,026	3,242,149	3,939,095	3,242,149
Acquisitions through business combinations	-	252,932	-	-
Add Current service cost	888,876	642,667	645,362	596,766
Interest cost	98,260	105,278	87,876	100,180
Actuarial gain (loss) on defined employee benefit plan				
- Arising from experience adjustments	343,653	-	349,144	-
- Arising from financial assumptions	179,725	-	115,352	-
- Arising from demographic assumptions	(613,042)	-	(499,675)	-
Less paid during the year	(684,860)	-	(684,860)	-
Ending balance of post-employment benefits obligations	4,455,638	4,243,026	3,952,294	3,939,095

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2016	2015	2016	2015
Discount rate (p.a.)	2.73% - 3.50%	3.09%	2.73%	3.09%
Expected rate of salary increase (p.a.)	4.0% - 5.0%	4.0%	4.0%	4.0%
Voluntary resignation rate (Depended on employee's age) (p.a.)				
Monthly employees	0% - 25%	0% - 12%	0% - 9%	0% - 12%

The sensitivity analysis of the above actuarial assumptions impacted on increase (decrease) in present value of the employee benefit obligations as at December 31, 2016 are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	Unit : Baht		Unit : Baht	
Discount rate				
Discount rate, decrease of 1 percent		518,081		429,420
Discount rate, increase of 1 percent		(438,139)		(363,556)
Salary increase rate				
Salary increase rate, decrease of 1 percent		(507,802)		(377,440)
Salary increase rate, increase of 1 percent		600,384		437,240
Turnover rate				
Turnover rate, decrease of 1 percent		258,305		180,445
Turnover rate, increase of 1 percent		(543,788)		(394,848)

21. 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, 2016 and 2015, the contributions of the Company and subsidiary recognized as expenses in the consolidated and separate statements of profit or loss and other comprehensive income are Baht 1.58 million and Baht 1.09 million, respectively (Company: Baht 1.34 million and Baht 1.09 million, respectively).

22. SHARE CAPITAL

On August 25, 2015, the Company's Extraordinary Shareholders' Meeting No.1/2015 passed the resolution to approve an increase of the authorized share capital from Baht 2,000,000 to be Baht 8,651,100 by issuing 66,511 new ordinary shares with a par value of Baht 100 each, totalling of Baht 6,651,100 and offered the new shares of 66,511 ordinary shares to existing shareholders and fully called for such capital increase totalling Baht 6,651,100.

The Company received cash from the subscriptions of the increased share capital on August 28, 2015 and registered the increase in such paid-up share capital with the Ministry of Commerce on August 31, 2015.

On September 1, 2015, the Company's Extraordinary Shareholders' Meeting No.2/2015 passed the resolution to approve on increase the authorized share capital from Baht 8,651,100 to be Baht 14,477,700 by issuing 58,266 new ordinary shares with a par value of Baht 100 each, totalling of Baht 5,826,600 and offer the new of 58,266 ordinary shares to the existing shareholders and fully called for such capital increase, including premium on ordinary shares totalling Baht 5.83 million and Baht 0.13 million, respectively. The fair value of the share capital increase was Baht 88.34 million, resulting to the total premium on ordinary shares is Baht 88.47 million (see Note 4).

The Company received cash from the subscriptions of the increased share capital on September 1, 2015 and registered the increase in such paid-up share capital with the Ministry of Commerce on September 1, 2015.

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) To increase its registered share capital from Baht 14,477,700 to Baht 50,000,000 for the purpose of the Company's capital structure by issuing 355,223 new ordinary shares with a par value of Baht 100 each, totalling of 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) To change its par value of the ordinary shares from Baht 100 per share, totalling 500,000 shares, to Baht 0.50 per share, totalling 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 to 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) To increase 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, totalling 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 237.68 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 Baht 100 per share to Baht 0.50 per share 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. Consequently, the weighted average number of ordinary shares for the years ended December 31, 2016 and 2015 was re-adjusted as if the change of par value of ordinary shares was occurred since the beginning of 2015 were as follows:

		CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS	
		For the years ended December 31,	
		2016 Shares	2015 Shares
Number of shares after an effect of change of the par value			
(Number of shares as previously reported 144,777 shares x split share ratio 1 share : 200 shares)		28,955,400	-
(Number of shares as previously reported 20,000 shares x split share ratio 1 share : 200 shares)		-	4,000,000
Weighted average number of shares paid-up during the period			
(Number of increased shares capital of 66,551 x split share ratio 1 share : 200 shares x 126/365 days)		-	4,591,993
(Number of increased shares capital of 58,266 x split share ratio 1 share : 200 shares x 122/365 days)		-	3,895,042
(Number of increased shares capital of 355,223 x split share ratio 1 share : 200 shares x 209/366 days)		40,569,184	-
(Number of increased shares capital of 34,000,000 shares x 55/366 days)		5,109,290	-
Number of weighted ordinary shares outstanding after effect of change of the par value (see Note 23)		<u>74,633,874</u>	<u>12,487,035</u>

Share premium

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

23. EARNING PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2016 and 2015 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, 2016 and 2015 which were calculated including an effect of change of the par value (see Note 22) 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Basic earnings per share				
Profit attributable to ordinary shareholders of the Parent	33,367,524	27,075,117	43,001,257	18,872,074
Number of weighted ordinary shares outstanding (see Note 22)	74,633,874	12,487,035	74,633,874	12,487,035
Basic earnings per share (Baht)	<u>0.45</u>	<u>2.17</u>	<u>0.58</u>	<u>1.51</u>

24. 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.

25. DIVIDEND PAID

On August 3, 2015, the Company's Board of Directors' Meeting approved the distribution of interim dividends from retained earnings for 20,000 ordinary shares at Baht 1,832.55 each, totalling Baht 36.65 million. The dividend of Baht 36.65 million was paid in August 2015.

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 201,204. 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 14.80 million. The meeting also approved the appropriated legal reserve of Baht 900,000.

26. 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 and to comply with the Debt Covenant Ratios.

27. RELATED PARTY 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

Service fee paid	Market Rates
Interest income	2.50% and 5.25% p.a.

27.1 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Accrued interest receivable - related parties				
Major Shareholder	-	2,109,323	-	2,021,640
Total	-	2,109,323	-	2,021,640
Investment in subsidiaries				
MSL Software (Thailand) Co., Ltd.	-	-	112,299,567	94,299,568
Total	-	-	112,299,567	94,299,568
Short-term loan and advance payment to related parties				
Major shareholder	-	8,314,783	-	8,314,783
Total	-	8,314,783	-	8,314,783
Other payables				
MSL Software (Thailand) Co., Ltd.	-	-	-	190,000
Total	-	-	-	190,000
Accrued income				
MSL Software (Thailand) Co., Ltd.	-	-	500,000	-
Total	-	-	500,000	-
Dividend receivables				
MSL Software (Thailand) Co., Ltd.	-	-	8,999,150	-
Total	-	-	8,999,150	-
Long-term borrowings and advance from related parties				
Major shareholder	-	14,089,213	-	-
Total	-	14,089,213	-	-

27.2 Amounts of related party 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Management fee				
MSL Software (Thailand) Co., Ltd.	-	-	500,000	-
Total	-	-	500,000	-
Dividend income				
MSL Software (Thailand) Co., Ltd.	-	-	16,999,150	-
Total	-	-	16,999,150	-
Interest income				
Major shareholder	109,132	-	109,132	-
MSL Software (Thailand) Co., Ltd.	1,028	-	1,028	-
Total	110,160	-	110,160	-
Cost of rendering services				
Comanche International Malaysia SDN.BHD	-	-	-	1,112,200
Total	-	-	-	1,112,200
Selling expenses				
Comanche International Vietnam Co., Ltd.	-	-	-	300,698
Total	-	-	-	300,698

27.3 On January 1, 2016, 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 fees 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
MSL Software (Thailand) Co., Ltd.	January 1 - December 31, 2016	500,000

28. 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 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 October 26, 2007, the subsidiary was granted the privileges according to the Promotional Certificate No. 2086(7)/2550 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 income tax on profits from the operation was for a period of 8 years, from the first date that income from the operation is derived from such business which was on September 5, 2007.

On August 14, 2015, the subsidiary was granted the privileges according to the Promotional Certificate No. 58-2032-1-01-2-0 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 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.

The Company and subsidiary's revenue from rendering service for the years ended December 31, classified under promoted and non-promoted businesses, are as follows:

CONSOLIDATED FINANCIAL STATEMENTS			
2016			
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from rendering services - domestic	111,632,821	135,433	111,768,254
Revenue from rendering services - oversea	21,324,603	-	21,324,603
Total	<u>132,957,424</u>	<u>135,433</u>	<u>133,092,857</u>

CONSOLIDATED FINANCIAL STATEMENTS			
2015			
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from rendering services - domestic	83,800,805	2,180,163	85,980,968
Revenue from rendering services - oversea	13,780,487	1,375,677	15,156,164
Total	<u>97,581,292</u>	<u>3,555,840</u>	<u>101,137,132</u>

SEPARATE FINANCIAL STATEMENTS			
2016			
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from rendering services - domestic	81,232,558	135,433	81,367,991
Revenue from rendering services - oversea	11,267,114	-	11,267,114
Total	<u>92,499,672</u>	<u>135,433</u>	<u>92,635,105</u>

SEPARATE FINANCIAL STATEMENTS			
2015			
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from rendering services - domestic	60,253,512	2,180,163	62,433,675
Revenue from rendering services - oversea	10,624,437	222,329	10,846,766
Total	<u>70,877,949</u>	<u>2,402,492</u>	<u>73,280,441</u>

29. OPERATING SEGMENT INFORMATION

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

Business segment

The 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 year ended December 31, 2016 and 2015 are as follow:

	For the year ended December 31, 2016			For the year ended December 31, 2015		
	Domestic	Overseas	Total	Domestic	Overseas	Total
	Baht	Baht	Baht	Baht	Baht	Baht
Revenue from sales and rendering services	111,768,255	21,324,603	133,092,858	85,980,968	15,156,163	101,137,131
Cost of sales and rendering services	36,434,453	2,094,135	38,528,588	27,741,972	1,454,299	29,196,271
Gross profit	<u>75,333,802</u>	<u>19,230,468</u>	<u>94,564,270</u>	<u>58,238,996</u>	<u>13,701,864</u>	<u>71,940,860</u>

Information about major customers

For the year ended December 31, 2015, the Group had 1 external from which total revenues from sales and rendering services are over 10% of total revenues amounting to Baht 20.70 million (2016 : Nil).

30. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, mainly consist of the following items:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
	2016	2015	2016	2015
	Baht	Baht	Baht	Baht
Rental and office expense	4,102,216	2,774,571	3,078,015	2,533,109
Employee expenses	48,421,930	34,283,167	41,145,438	33,113,104
Vehicle and accommodation	1,245,676	1,159,503	1,087,939	1,098,708
Electricity and water supply	3,297,373	918,656	1,974,194	879,769
Professional fee and fee	8,600,182	9,964,010	5,526,877	6,931,223
Depreciation and amortization	8,140,563	13,514,349	1,295,065	2,782,335
Advertising expenses	6,348,987	2,362,657	5,477,787	2,362,657
Remuneration to outsources	1,356,643	8,505,392	1,356,643	1,663,600
Finance cost	42,284	430,645	38	278,737
Loss on impairment of investment in subsidiaries	-	-	-	74,392
Other expenses	1,598,055	1,928,784	511,454	864,032
Doubtful debt and bad debt	1,066,353	-	1,066,353	-
Remuneration expenses of directors	1,950,000	410,000	1,950,000	410,000

31. FINANCIAL INSTRUMENTS

31.1 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 subsidiary. However, the Company and its subsidiary do not have any damage incurred 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.

31.2 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 subsidiary 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 subsidiary's operation since most of the Company and its subsidiary's borrowings bear the floating interest rates. However, during the year 2016, the Company and its subsidiary do not have any interest rate risk because the Company and its subsidiary do not have any borrowings.

31.3 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 subsidiary 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 subsidiary have no significant foreign currency transactions.

31.4 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 subsidiary in estimating fair value of financial instruments.

Financial assets and financial liabilities not measured at fair value

Cash and cash equivalents, trade and other receivables, accrued income, accrued interest income, short-term loans and advances to related party, restricted bank deposits, bank overdraft, trade and other payables, short-term borrowings and advances from related party, accrued income tax, withholding 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.

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Long-term borrowings from financial institution with the floating interest rate, long-term borrowings and advances from related party and 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.

32. COMMITMENTS

32.1 Letters of guarantee

As at December 31, 2016 and 2015, the subsidiary has letters of guarantee issued by commercial banks of Baht 3.73 million and Baht 2.99 million, respectively, to guarantee the performance of the contract which are secured by the subsidiary's director and the subsidiary's cash at bank (see Note 14).

32.2 Operating leases

As at December 31, 2016 and 2015, the Company and its subsidiary 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	
	2016 Baht	2015 Baht	2016 Baht	2015 Baht
Within 1 year	7,454,400	2,140,028	3,235,680	639,788
Over 1 year but not later than 5 years	7,231,193	3,000,480	1,200,335	-
Total	<u>14,685,593</u>	<u>5,140,508</u>	<u>4,436,015</u>	<u>639,788</u>

The Company paid rental and recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2016 and 2015 of Baht 5.19 million and Baht 1.86 million, respectively (Company: Baht 3.08 million and Baht 1.86 million, respectively).

33. 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 as agreed between the Company and the agents in each country.

34. EVENTS AFTER THE REPORTING PERIOD

On February 22, 2017, the Company's Board of Directors' Meeting No. 1/2017 has passed the resolution to approve the dividend payment for 134,000,000 ordinary shares at Baht 0.051 each, totalling Baht 6,834,000.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of directors on February 22, 2017.



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