



COMANCHE
INTERNATIONAL

ANNUAL REPORT 2018

Comanche



COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED



COMANCHE
INTERNATIONAL

ANNUAL REPORT 2018

Comanche International Public Company Limited

MESSAGE FROM CHAIRMAN OF THE BOARD



Chim Tantiyaswasdikul, Ph. D. Chairman of the Board

Dear shareholders, the Board of Directors are satisfied with the performance of the group of Comanche International Public Company Limited during the preceding year in many ways; both the results of operations under the Thai economy as well as the development of internal operational mechanisms to be effective and efficient under the principles of good corporate governance.

The Company has continuously improved the internal process, especially finance related field. Moreover, even a corruption has never been a problem, but the Company have not been negligent, and set up an internal audit unit instead of outsourcing, resulting in the confidence that the examination can be carried out thoroughly in the company group with standardized work processes. Therefore, when combined with the heedfulness to implement transparent action under the framework of good corporate governance, in terms of risk management, it can reduce errors in work process and in accordance with the laws and regulations.

In addition to the emphasis of software development to be up-to-date with the rapidly evolving technology, the Company also focuses on the CMMI standards in order to obtain high quality products. The Company has a determination to expand the business to cover with the main mission that was initially set up to provide information technology services in the tourism industry by searching and investing in a company that is consistent and enhancing the overall capabilities. In the past year, the Company has expanded to invest in the affiliates namely; Comanche, Synature, Win Star Tech, and AI Soft, It is a step towards becoming the leader of tourism software business in Thailand that serves customers in hotels, restaurants, retail stores, spas, sport clubs, and online reservation system.

In addition to focusing on achieving results, we also instill good consciousness in our personnel to create value for the Company and all related parties, namely, shareholders, clients, as well as fellow employees, based on the principle of good governance and in accordance with principles of operation and courageous decision making which build COMAN to be a sustainable growth company.

A handwritten signature in blue ink, reading "Chim Tantiyaswasdikul, Ph. D." in Thai script.

Chim Tantiyaswasdikul, Ph. D.
Chairman of the Board

MESSAGE FROM CHIEF EXECUTIVE OFFICER



Somboon Sukheviriya Chief Executive Officer

The development of data management solutions has taken a significant role in digital economy era. Users with effective data management system would be able to manage the right, prompt, and be in time which enhances operational efficiency, from small to large enterprise users, government agencies, state enterprises, and private business sectors. As they involve a large scale of transactions, the data management system is widely used within these organizations, together with the current advancement of communication technology.

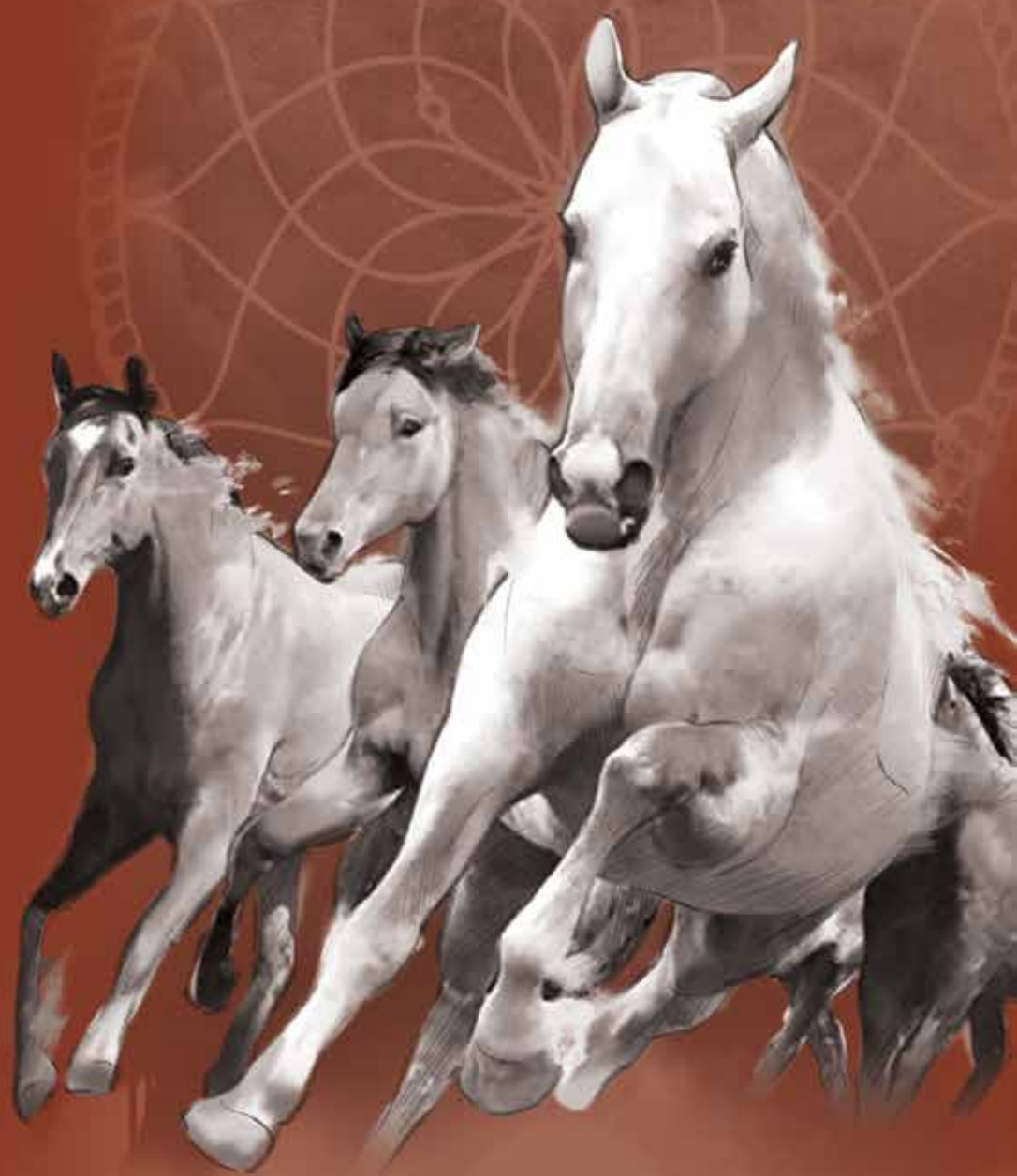
“COMAN” has foreseen the opportunity of using software to completely manage a group of tourism business and to be consistent with the government’s campaign “Thailand 4.0”, assisting tourism businesses to be ready to handle the technological change and responding to consumer behavior that will change in the future according to globalization. Moreover, “COMAN” has prepared a plan to expand investment in B2C business in the near future to add strength and to be ready to step into the competition of tourism software as we are still the leader of this competition from our technology, human resource, and business diversity. “COMAN” businesses are software for hotels from “Comanche”, restaurants, retail stores, spas, and beauty from “Synature” as well as golf course and sports from “Win Star Tech”, and new joiner, “AI Soft”, the developer and installer of online booking management program in tourism, will join us in 2019.

This makes “COMAN” to be the leader of software for tourism business management, and we have placed an emphasis on innovation that comes with creativity. Moreover, “B2C” business is also our focus as well as “COMAN” will not stop developing innovation and technology to continuously drive new businesses.

A stylized blue ink signature of Somboon Sukheviriya.

Somboon Sukheviriya
Chief Executive Officer

COMMANC HE



CONTENT

Directors and Management Team	6
Business Operations	22
Nature of Business	26
Industry Conditions and Competition	41
Risk Management	44
Research and Development	50
Future Projects	53
Legal Disputes	53
General Information and other Important Information	54
Securities and Shareholders Information	58
Management Structure	60
Corporate Governance	74
Corporate Social Responsibility	94
Internal Control and Risk Management	102
Report of the Audit Committee	108
Related Party Transactions	113
Financial Summary	114
Analysis and Explanatory Note from Management	121
The Responsibilities of the Board of Directors for the Financial Statements	131
Financial Statements and Auditor's Report	132



Chim

Tantiyaswasdikul, PhD

Chairman of the Board of Directors / Independent Director

- Age (Years) 66
- Appointment Date of Director 28th September 2015
- Family Ties Between Executives None
- Ownership of the Company (%) None

Educational Background

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

Training

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

Work Experience in the Past 5 Years

Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2018 – Present	Chairman of the Board / Independent Director	Comanche International Public Company Limited	Hotel management software developer and installer
2015 – 2018	Independent Director / Chairman of the Audit Committee / Nomination and Remuneration Committee	Comanche International Public Company Limited	Hotel management software developer and installer

Other Companies or Organizations

2015 – Present	Independent Director / Risk Management Committee / Audit Committee	United Overseas Bank (Thai) Public Company Limited	Banking
2014 – Present	Member of the Data Center Subcommittee	Office of the National Broadcasting and Telecommunications Commission (NBTC)	Government agency
2014 – Present	Independent Director Audit Committee	National ITMX Company Limited	Payment infrastructure



Somboon Sukheviriya

Director / Authorized Director / Risk Management Committee /
Nomination and Remuneration Committee / Chairman of the
Executive Committee / Chief Executive Officer

- Age (Years) 57
- Appointment Date of Director 28th September 2015
- Family Ties Between Executives None
- Ownership of the Company (%) 30.45%

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2003 – Present	Director / Authorized Director / Risk Management Committee / Nomination and Remuneration Committee / Chairman of the Executive Committee / Chief Executive Officer	Comanche International Public Company Limited	Hotel management software developer and installer
2017 – Present	Director	Synature Technology Company Limited	Software developer and installer for restaurants
2018 – Present	Director	Win Star Tech Company Limited	Software developer and installer for golf courses
Other Companies or Organizations			
2018 – Present	Association President	Thai Software Export Promotion Trade Association	Association
2015 – 2015	Director (Authorized Director)	PT. Comanche International Indonesia	
2013 – 2015	Director (Authorized Director)	Comanche International Vietnam Co., Ltd.	Hotel management software and related products distributor
2011 – 2015	Director (Authorized Director)	Comanche International Malaysia SDN BHD	
2015 – 2015	Director	Iyara VC Company Limited	Venture capital firm



Dolrudee Pornpipat

Independent Director / Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee / Nomination and Remuneration Committee

- Age (Years) 72
- Appointment Date of Director 28th September 2015
- Family Ties Between Executives None
- Ownership of the Company (%) None

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2015 – Present	Independent Director / Director / Chairman of the Audit Committee / Chairman of the Risk Management Committee / Nomination and Remuneration Committee	Comanche International Public Company Limited	Hotel management software developer and installer
Other Listed Companies			
2006 – 2010	Advisor to the Audit Committee	TOT Public Company Limited	Telecommunications
2005 – 2006	Senior Executive Vice President	TOT Public Company Limited	Telecommunications
Other Companies or Organizations			
2017 – Present	Head of Internal Audit	The Royal Project Foundation	Royally-initiated development projects
2011 – 2016	Deputy Head of Internal Audit	The Royal Project Foundation	Royally-initiated development projects



Supoj Kaewmanee

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

- Age (Years) 58
- Appointment Date of Director 22nd February 2017
- Family Ties Between Executives None
- Ownership of the Company (%) None

Educational Background

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

Training

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

Work Experience in the Past 5 Years

Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			

2017 – Present	Director / Independent Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	Comanche International Public Company Limited	Hotel management software developer and installer
----------------	---	---	---

Other Listed Companies

2013 – Present	Director/Audit Committee / Chairman of the Nomination and Remuneration Committee	LDC Dental Public Company Limited	Dental clinic
2014 – Present	Director / Audit Committee / Chairman of the Nomination and Remuneration Committee	Salee Printing Public Company Limited	Labels and high-quality prints manufacturer
2018 – Present	Independent Director / Audit Committee / Nomination and Remuneration Committee	M.C.S. Steel Public Company Limited	Production and distribution of steel structures



Gancanapol

Geert Marcel Cyriel Van Compernelle

Director / Risk Management Committee

- Age (Years) 37
- Appointment Date of Director 28th September 2015
- Family Ties Between Executives None
- Ownership of the Company (%) None

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2015 – Present	Director / Risk Management Committee	Comanche International Public Company Limited	Hotel management software developer
Other Listed Companies			
2017 – Present	Independent Director / Audit Committee	L.V. Technology Public Company Limited	Engineering design and other services provider
2012 – 2013 2013 – 2016	Independent Director / Audit Committee	L.V. Technology Public Company Limited	Machinery designer and manufacturer for cement and related industries
Other Companies or Organizations			
2018 – Present	Director	MSL Software (Thailand) Company Limited	Data and content management software developer
2015 – Present	Managing Partner	Ross & Van Compernelle	Investment company
2015 – 2015	Business Analyst	MSL Software (Thailand) Company Limited	Data and content management software developer
2007 – 2014	Director	Voxtron International, Belgium	Telecommunications
2012 – 2014	Vice President	SCB Securities Company Limited	Securities company



Chatchai Tolertmongkol

Director / Risk Management Committee

Chief Executive Officer – SYN

- Age (Years) 49
- Appointment Date of Director 8th November 2018
- Family Ties Between Executives None
- Ownership of the Company (%) None

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2018 – Present	Director / Risk Management Committee	Comanche International Public Company Limited	Hotel management software developer and installer
2006 – Present	Chief Executive Officer	Synature Technology Company Limited	Software developer and installer for restaurants



Chalermopol Tuchinda

Independent Director / Director / Audit Committee

- Age (Years) 57
- Appointment Date of Director 20th December 2018
- Family Ties Between Executives None
- Ownership of the Company (%) None

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2018 – Present	Independent Director / Director / Audit Committee	Comanche International Public Company Limited	Hotel management software developer and installer
Other Companies or Organizations			
2018 – Present	Assistant Director	National Science and Technology Development Agency	Government Agency under the Ministry of Science
2012 – 2018	Director	Software Park Thailand	Government agency under the National Science and Technology Development Agency



Darunee Sae-tung

Risk Management Committee / Executive Committee /
Chairman of the Corporate Governance Committee /
Welfare Committee / Chief Finance Officer

- Age (Years) 48
- Family Ties Between Executives None
- Ownership of the Company (%) 0.0028%

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2016 – Present	Risk Management Committee/ Executive Committee / Corporate Governance Committee / Welfare Committee / Chief Finance Officer	Comanche International Public Company Limited	Hotel management software developer and installer
2017 – Present	Director	Synature Technology Company Limited	Software developer and installer for restaurants
2018 – Present	Director	Win Star Tech Company Limited	Software developer and installer for golf courses
Other Listed Companies			
2013 – 2015	Director / Company Secretary / Chief Finance Officer	LDC Dental Public Company Limited	Dental clinic
Other Companies or Organizations			
1994 – 2013	Audit Senior Manager	Deloitte Touche Tohmatsu Jaiyos Audit Company Limited	Audit firm



Pirom Methaveerapong

Chief Marketing Officer / Welfare Committee

- Age (Years) 49
- Family Ties Between Executives None
- Ownership of the Company (%) 0.0285%

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2018 – Present	Chief Marketing Officer / Welfare Committee	Comanche International Public Company Limited	Hotel management software developer and installer
2017 – Present	Director	Synature Technology Company Limited	Software developer and installer for restaurants
2003 – 2018	Acting Chief Marketing Officer	Comanche International Public Company Limited	Hotel management software developer and installer



Parichart Sontorn

Executive Committee / Corporate Governance Committee /
Welfare Committee / Chief Administrative Officer

- Age (Years) 45
- Family Ties Between Executives None
- Ownership of the Company (%) 0.0285%

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2018 – Present	Executive Committee / Corporate Governance Committee / Welfare Committee / Chief Administrative Officer	Comanche International Public Company Limited	Hotel management software developer and installer
2018 – Present	Director	Win Star Tech Company Limited	Software developer and installer for golf courses
2016 – 2017	Acting Head of Human Resource and Administrative Department / General Administrative Manager / Company Secretary	Comanche International Public Company Limited	Hotel management software developer and installer
2003 – 2015	Executive Assistant Manager	Comanche International Public Company Limited	Hotel management software developer and installer



James Hankewich

Chief Distribution Officer

- Age (Years) 54
- Family Ties Between Executives None
- Ownership of the Company (%) 0.0021%

Educational Background

- Prince George Senior Secondary Graduate

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2017 – Present	Chief Distribution Officer	Comanche International Public Company Limited	Hotel management software developer and installer
Other Listed Companies			
2013 – 2017	Business Development Manager	GETC (Thailand) Company Limited	Furniture, fixtures & equipment sales to hotels



Supattra Hirunyanon

Corporate Account

- Age (Years) 30
- Family Ties Between Executives None
- Ownership of the Company (%) 0.0028%

Educational Background

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

Training

- Enneagram for Leadership Development Course, PeopleMap
- All TFRS 2018 Course Class of 1/2018, (sub-course 402)
- All TFRS 2018 Course Class of 1/2018, (sub-course 502)

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2018 – Present	Corporate Account	Comanche International Public Company Limited	Hotel management software developer and installer
2015 – 2017	Finance and Accounting Division Manager	Comanche International Public Company Limited	Hotel management software developer and installer
Other Listed Companies			
2014 – 2015	Accounting Division Manager	Geothermic Company Limited	Sprayer and steam generator distributor and service provider
2007 – 2013	Accounting Officer	Car Boutique Company Limited	Motor vehicle parts and accessories retailer



Nikul Tangninlasap

Company Secretary / Investor Relations

- Age (Years) 29
- Family Ties Between Executives None
- Ownership of the Company (%) 0.0028%

Educational Background

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

Training

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

Work Experience in the Past 5 Years			
Period	Position	Company Name	Type of Business
Listed Companies and Group Companies			
2017 – Present	Company Secretary / Investor Relations	Comanche International Public Company Limited	Hotel management software developer and installer
2015 – 2017	Senior Managerial Accounting	Comanche International Public Company Limited	Hotel management software developer and installer
Other Listed Companies			
2015 – 2015	Account Officer	LDC Dental Public Company Limited	Dental clinic
Other Companies or Organizations			
2014 – 2015	Audit Assistant	ACSS Company Limited	Audit firm





Business Operations

Overview of Business Operations

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

Mission :

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

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

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

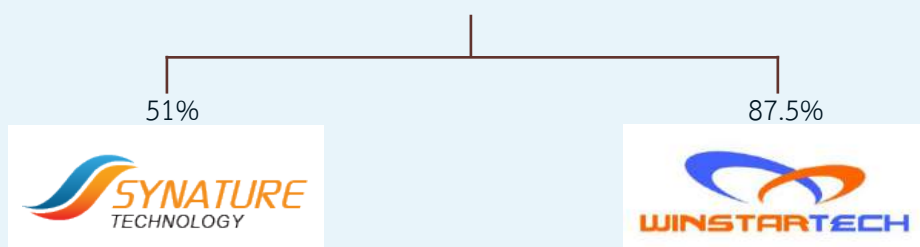
- To develop a system within the System Development Division to continuously support the use of Comanche Hotel Software.
- To joint-invest and develop with the Company's subsidiaries, who are specialists in enterprise management systems to various organizations within the tourism industry, to create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

The Group of Comanche International Public Company Limited Shareholding Structure as at 31st December 2018



Comanche International Public Company Limited ("COMAN")

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



Synature Technology Company Limited ("SYN")

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

Win Star Tech Company Limited ("WST")

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

In 2018, the Annual General Shareholders' Meeting on 25th April 2018 has passed the resolutions to sell entire ordinary shares held in MSL Software (Thailand) Company Limited ("MSL") in the amount of 234,610 shares or 99.998% of the issued and paid-up share capital of MSL to Mr. Apichai Sakulsureeyadej, a major shareholder of the Company, at the bid price of Baht 487.70 per share, totaling of Baht 114,420,000. Such selling of ordinary shares has been accomplished and the remaining share payment was made on 9th October 2018.

• Comanche International Public Company Limited's Major Events

Year	Details
2006	<ul style="list-style-type: none"> – Won Thailand ICT Awards 2006 in the field of Tourism and Hospitality. – Won in the field of Tourism and Hospitality at the Asia Pacific ICT Awards (APICTA), which is a software product competition between 16-member countries in Asia Pacific.
2008	<ul style="list-style-type: none"> – On 4th December 2008, the Company was granted BOI Certificate for Enterprise Software and Digital Content.
2009	<ul style="list-style-type: none"> – On 13th May 2009, the Department of Intellectual Property, Ministry of Commerce issued a certificate of copyright notification for registration of Comanche Hotel Software and Data Base.
2015	<ul style="list-style-type: none"> – On 27th May 2015, the Company was certified for development processes standard of CMMI Level 3 (Capability Maturity Model Integration) from the Software Engineering Institute, Carnegie Mellon University, USA.
2016	<ul style="list-style-type: none"> – On 31st May 2016, the Extraordinary General Meeting No. 1/2016 passed a resolution approving the transformation of the Company's status from company limited to public company limited, changing the Company name to Comanche International Public Company Limited, changing the par value of the Company's shares from Baht 100 per share to Baht 0.50 per share, and increasing the Company's registered capital by Baht 17,000,000 from Baht 50,000,000 to Baht 67,000,000 for the Initial Public Offering (IPO) of 34,000,000 shares with par value of Baht 0.50 per share.
2017	<ul style="list-style-type: none"> – On 20th June 2017, the Company purchased 51,000 common shares of Synature Technology Company Limited at a price of Baht 1,020 per share amounting to Baht 52,020,000 or a proportion of 51% of paid-up capital. – On 30th August 2017, the Company received Best Service Enterprise Award in digital content and software from Prime Minister General Prayuth Chan-ocha at the Prime Minister's Export Award: PM Award 2017 held by the Department of International Trade Promotion, DITP Value Creation Center.
2018	<ul style="list-style-type: none"> – On 17th May 2018, the Company was granted the privileges according to the Promotional Certificate No. 61-0565-1-01-2-0 by the Board of Investment for business type 5.7.2 of Enterprise Software and/or Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 7 years, from the first date of that income from the operation is derived from such business which was on 6th June 2018. – On 1st June 2018, the Company purchased 28,875 common shares of Win Star Tech Company Limited at a price of about Baht 505 per share amounting to Baht 14,580,000 or a proportion of 87.5% of paid-up capital. – On 28th November 2018, the Company announced that its Information Software Development and Customer Service were appraised at CMMI maturity level 3.



[Redacted text block]

[Redacted text block]

[Redacted text block]

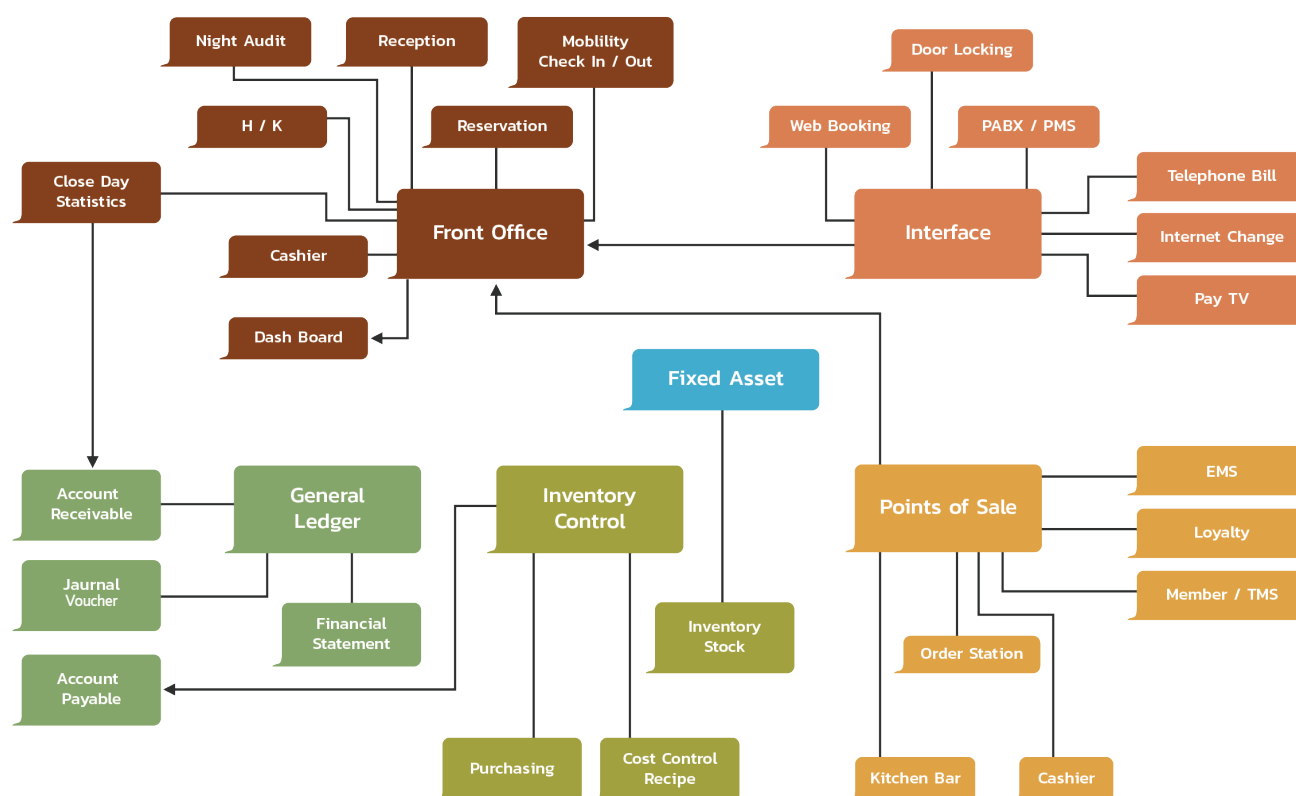
[Redacted text block]

1. Nature of Products and Services

Details on system modules and features presently available

System Modules	Features
1. Comanche Front Office System 1.1. Management Dashboard System 1.2. Mobility Check-in/Out by Tablet	Hotel and serviced apartment management system relating to reception, reservations, and check-in and check-out through desktop, iPad, and tablet devices
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	In-hotel and in-serviced apartment restaurant management system covering the functions of table reservations, ordering, billing, and membership programs
3. Comanche Back Office System 3.1. Account Receivable 3.2. Account Payable 3.3. General Ledger	Relevant accounting system covering account receivables, account payables, and general ledger
4. Comanche Inventory System 4.1. Purchasing System 4.2. Inventory Store 4.3. Cost Control Recipe System	Inventory management system covering purchasing system, inventory management, and cost control (recipe)
5. Comanche Fixed Asset System	Fixed assets management system
6. Comanche Event Management System	Event and seminar rooms 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	Interface with devices or computer systems that the hotel is currently using such as guest room security, internet billing, smart TV, passport scanning, and private automatic branch exchange (in case guests use in-room phones) ,etc.

Comanche Hotel Software's Module Integration



Source: The Company

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

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

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

• Product Development

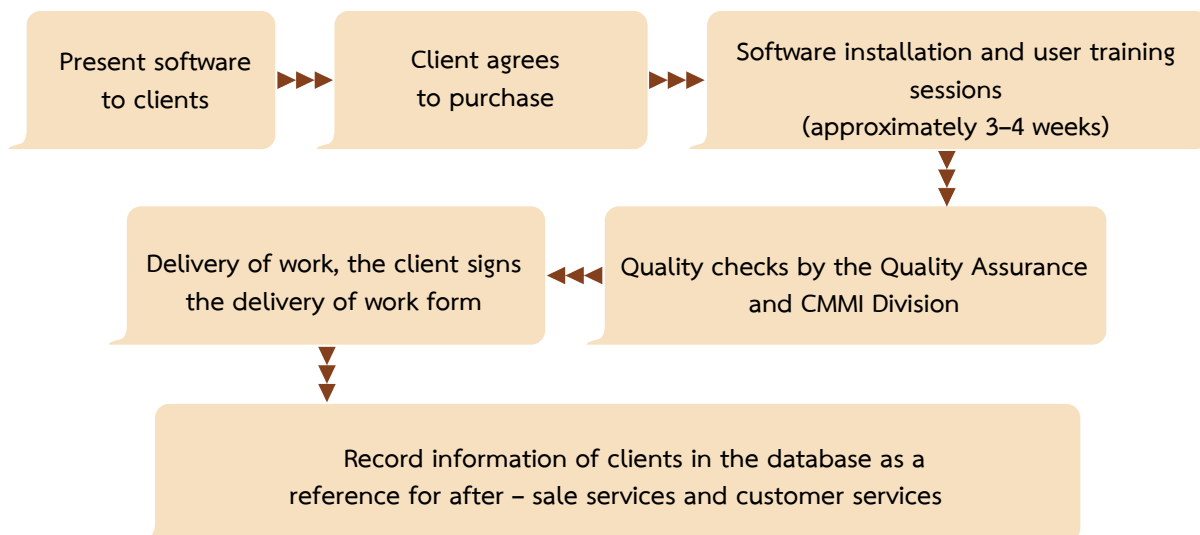
Steps in the development and design of Comanche Hotel Software can be summarized as follows.

- (1) Collect and analyze data from various sources believed to have an impact on the development and improvement of the software such as data from the Business Development Department, who received feedback from clients regarding their needs and opinions on areas of improvement, as well as information on changes in technology and other surrounding factors.
- (2) Relevant personnel presents information to the working team, consisting of the Business Development Department and Operation Department, with the cooperation of different divisions within the Operation Department including Project Management Division, Customer Relations Division, and Customer Support Division in considering the impact to users, client satisfaction, and economic feasibility for the development or improvement of Comanche Hotel Software system.
- (3) Delegate planning and coding to the System Development Division.
- (4) The Quality Assurance and CMMI Division performs checks in search of errors in accordance with the CMMI standards and notifies the System Development Division for correction.
- (5) Once quality assurance is passed, the Business Development Department can propose the product for sale to clients. As of 31st December 2018, the Company has 22 personnel within the System Development Division and the Quality Assurance and CMMI Division, responsible for the development of function, module, and new innovations.

• Software Installation and User Training

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

Software Installation Process Flowchart



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

In case of sale through a foreign dealer, the dealer is responsible for the installation of software and hosting user trainings. As of 31st December 2018, the Company has 20 personnel in the Project Management Division responsible for the installation of software and hosting of user trainings.

• After-Sales Services, Maintenance Services, and Other Services

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

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

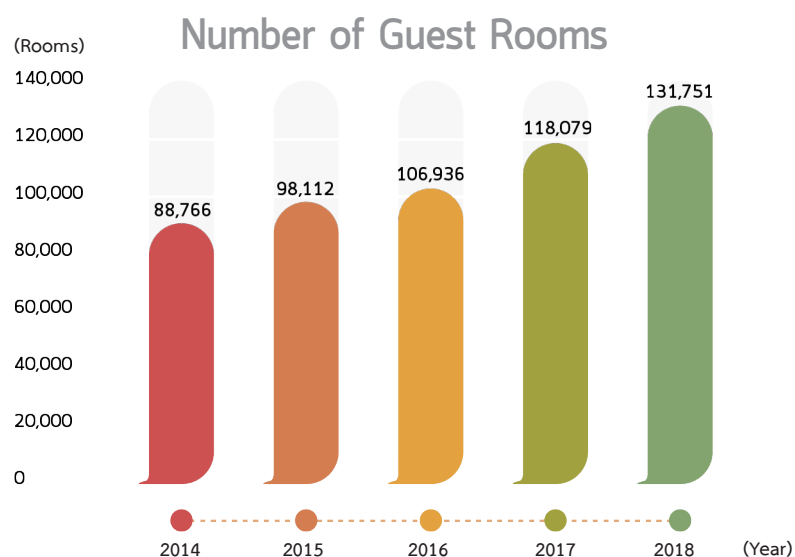
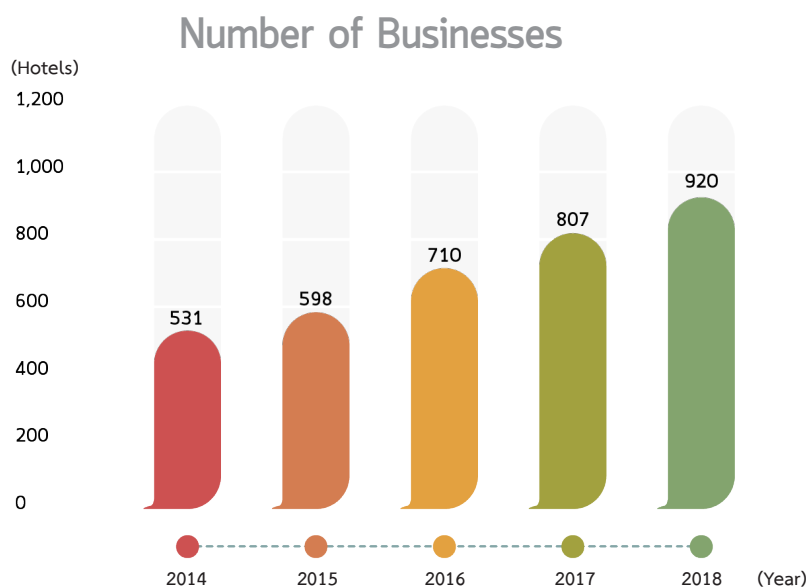
After-sales services for software sold through foreign dealers are the responsibility of the dealers. If dealers are not able to resolve problems themselves, they may seek assistance as a second level of support from the Company. The Company will issue a case-by-case quotation and once agreed upon, the Company's support team will proceed to provide assistance. As of 31st December 2018, the Company has 27 personnel in the Customer Support Division providing after-sales services.

2. Clients and Target Group

The key target customer group of the Company are hotels and serviced apartments rated at least 3 stars both domestically and internationally. Distribution channels are through the Company's Business Development Department and through foreign dealers. As of 31st December 2018, the Company has over 920 clients, categorized into 751 domestic clients and 169 international clients, with a total of approximately 131,751 guest rooms.

In categorizing by client types for which the Company sold and provided installation services in 2018, the Company served general businesses, hotel chains, and educational institutions (the Company charges only an installation fee and user training for educational institutions). As of 31st December 2018, the Company has clients categorized as mentioned above at a portion of 84.57%, 14.02%, and 1.41%, respectively.

For the year 2014 – 2018, the Company sold and installed software to businesses, with details on the number of businesses and number of new guest rooms, domestically and internationally, as follows.



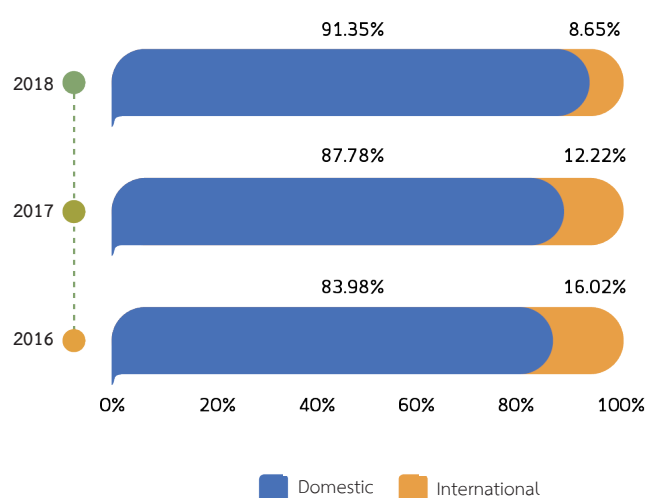
Source: The Company

As of 31st December 2018, the Company has 246 hotels in hotel chains including Centara, Imperial, Eastin, Kantary, and Oakwood. These hotels are key business partners of the Company, and most would continue using Comanche Hotel Software as hotel management software for new hotels when they expand their business domestically or overseas.

In the sale of Comanche Hotel Software, the Company would mostly propose an annual software maintenance agreement in complement. Moreover, clients may request on call service if needed. As of 31st December 2018, approximately 71.84% of all clients utilize the Company's maintenance services, leading to the continuous revenues for the Company.

As of 31st December 2018, international clients who use Comanche Hotel Software cover over 17 countries such as China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, Myanmar, Japan, and Singapore. For the year 2016 – 2018, the Company's revenue breakdown from sales of software and rendering services for Comanche Hotel Software domestically and internationally is as follows.

Revenue Breakdown from Sales and Rendering Services Domestically and Internationally



Source: The Company

3. Distribution Channels

The Company sells its product, Comanche Hotel Software, and other services through 2 main distribution channels
1) Direct sales through the Company's Business Development Division and 2) Sales through foreign dealers. As of 31st December 2018, the Company has 17 foreign dealers in 12 countries with details as follows.

No.	Country	Appointment (Date/Month/Year)	Appointed Dealers
1.	The Philippines	27/09/2017	AUDACITY SYSTEMS, INC.
2.	China	01/01/2015 11/07/2017	GUANGZHOU AUTOMATED SYSTEMS LIMITED SHANGHAI HANFORD BUSINESS CONSULTING CO., LTD.
3.	Malaysia*	19/10/2017 11/01/2018 25/09/2018	COMANCHE INTERNATIONAL MALAYSIA SDN. BHD. UBAC SDN BHD DELTAPRISE SDN. PHD.
4.	Indonesia	10/07/2018 13/09/2018	PT. TT Network Integration Indonesia PT. UBAC Networks Indonesia
5.	Vietnam*	27/09/2017	COMANCHE INTERNATIONAL VIETNAM CO., LTD.
6.	Lao PDR	27/09/2017	LAO ASEAN TRADING CO., LTD.
7.	India	19/12/2017	IT BAHN INDIA PVT. LTD.
8.	Singapore	11/08/2017	UBAC Pte., Ltd.
9.	Cambodia	26/06/2018	Automation Advance Technology (Cambodia)
10.	United Arab Emirates	01/08/2018	TSS Gulf Trading LLC
11.	Russia	28/09/2018	PWV Content Ltd.
12.	Myanmar	27/09/2018	Blue Circle Technology Co., Ltd.

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

Domestic Market:

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

International Market:

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

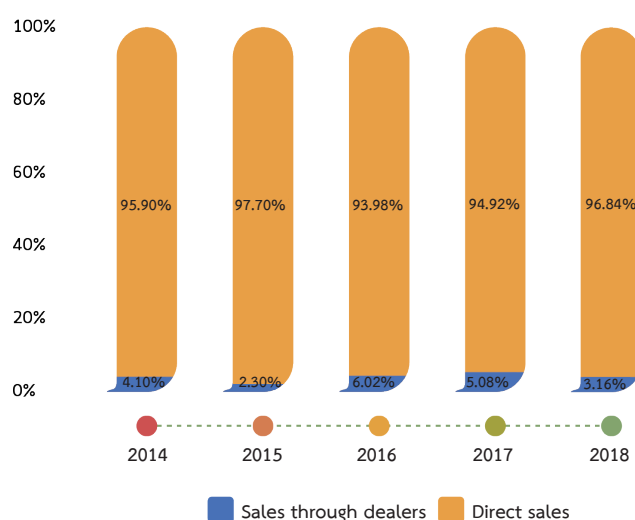
- Direct Sales

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

- Sales Through Foreign Dealers

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

In the past 5 years from 2014 – 2018, the Company has the following revenue breakdown from direct sales and sales from foreign dealers.



Source: The Company

4. Marketing

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

5. Pricing

• Direct Sales

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

- Sales Through Foreign Dealers

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

Marketing and Competition of the Company and its Subsidiaries

The Company's Business Operations Strategy

At present, the software business consists of

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

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

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


The Company sees the importance of constantly developing its products to make its brand memorable, meet international standards, and cater to the needs of clients in terms of usage which are the main goals of the software development of the Company. At present, the Company is one of a few Thai entrepreneurs who is a developer and has its own licensed, full-system, ready-for-use software for hotel management.

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

The Company conducts surveys on client needs and incorporates the suggestions from clients in the improvement of new system modules and functions to continuously better serve clients. The Company's System Development Division is responsible for the product development of the Company. In 2015, the Company started developing applications for use on mobile devices, which has gained popularity in present days, such as restaurant POS functions application on the Android operating system to enable immediate ordering, ordered items checking, and billing on mobile devices by staff in restaurants, and check-in and check-out application on the IOS operating system to facilitate guests within their rooms through the use of mobile devices. Thus, the Company has processes in place to monitor

the development of software and rendering services. The Company has a quality assurance team from the process of first software development, sale, installation, user training, until product delivery to instill confidence for clients.

2. Strategy on Marketing and Promotion

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

- The preparation of brochures displaying products of the Company in presentations, journals, and tourism magazines such as Thai Hotels and Travel Magazine and Thailand Hotel Directory.
- Promotion by setting up booths in different events both domestically and internationally such as

– Arranging booths at domestic events such as MAI Forum 2018 and Food & Hotel Exhibition 2018



MAI Forum 2018



Food & Hotel Exhibition 2018

– Arranging booths at international events related to tourism and hotels

- Company's management constantly participating as speakers in IT panel discussions



*SIPA Friday Event
"Going Abroad"*



*"Enhancing Thai SMEs'
Productivity with Software" Event*



*Source: DEPA Transformation
in Action 2018*

• Educational support in allowing academic institutions and universities to use Comanche Hotel Software as instructional media by charging only installation and training fee which helped to publicize the Company's products and enables the future workforce to be acquainted with the Company's software before entering the hotel and tourism industry. In the past, 8 institutions have expressed interest in using the Company's software as instructional media, such as Ubon Ratchathani University, Vatel's Thailand, International Business School Hotel & Tourism Management in coordination with Silpakorn University International College and Panyapiwat Institute of Management. Moreover, the Company's management, Mr. Somboon Sukheviriya, is one of the authors of a book used as instructional media, Hotel and Restaurant Information Technology System for Sukhothai Thammathirat University.



Source: Sukhothai Thammathirat University

3. Strategy on Distribution Channel Management

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

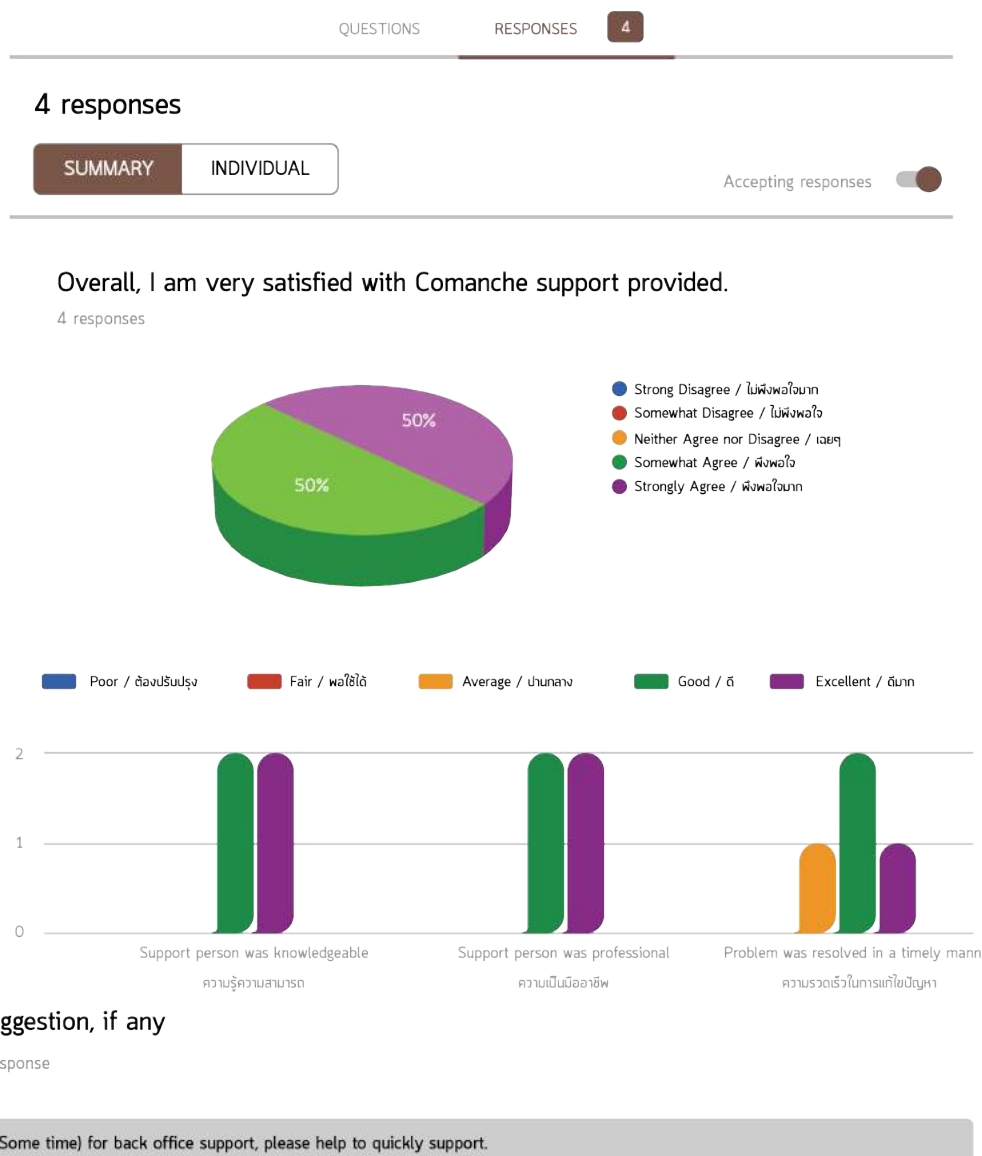
For international markets, the Company has added another channel by appointing foreign dealers specialized in the market of each country to enhance the sales capabilities of the Company's products. As of 31st December 2018, the Company has 17 foreign dealers in 12 countries such as China, the Philippines, Malaysia, Indonesia, Vietnam, Lao PDR, India, Singapore, Cambodia, United Arab Emirates, Russia, and Myanmar.

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

4. Strategy on After-Sales Service and Customer Satisfaction

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

As at 31st December 2018, the customer satisfaction can be summarized as follows;



5. Strategy on Joint Investment to Add Value for Stakeholders

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

Industry Conditions and Competition

Software Industry

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

Enterprise users are expected to have high growth prospect both domestically and internationally as technological advancements and changes in enterprise-level communications create a need to constantly develop new solutions and services. Moreover, the software industry in the digital economy era causes new services to be presented to the market, leading to a more varied set of entrepreneurs in software development such as multiplatform applications development, e-commerce development, applications on mobility devices development, and solutions development on cloud computing systems to share information technology resources and reduce costs. These factors cause organizations to develop and enhance their information technology systems to support the uses in every situation.

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

Hotel and Tourism Industry

Tourism is one of the key sectors which drives the hotel and tourism industry, especially for the economy of ASEAN nations such as Cambodia, Lao PDR, Malaysia, the Philippines, and Thailand, where the tourism industry generated revenues both directly and indirectly.

In Thailand, the tourism industry is a significant sector to the economy for generating revenues and stimulating employment within the country. The Ministry of Tourism and Sports had reported that Thailand had revenue from tourism amounting Baht 2,754 billion or increased by 9.47%, divided into Thai tourists Baht 930 billion or 5.42% increase and foreign tourists Baht 1,824 billion or 11.66% increase with a total number of 35.38 million tourists foreign tourists traveling into the country or 8.77% increase.

By the trend of Thai tourism in 2018, total revenue from tourism industry is expected to reach Baht 3.00 trillion or grow by 9.00%, divided into Thai tourists Baht 1.00 trillion or 8.16% increase and foreign tourists Baht 2.00 trillion or 9.44% increase, and the number of of inbound tourists traveling to Thailand is expected to be 38.25 million tourists or 8.11% increase compared to 2017.

During 2015 - 2017, the number of inbound tourists traveling to Thailand continuously increased, resulting in growth in revenues from foreign tourists. In 2017, revenues from foreign tourists amounted to Baht 1.82 trillion, an 11.66% increase from Baht 1.63 trillion in 2016.

By dividing the number of accommodations in 2016 - 2018 in all regions and provinces, hotels had a percentage of 30.42, resorts had a percentage of 40.77, guesthouses had a percentage of 10.12, bangkalows had a percentage of 6.50, homestays had a percentage of 3.83, and others e.g. motels, serviced apartments, mansions, rafts, national park accommodations had a percentage of 8.36.

Moreover, the number of guest rooms during 2016 - 2018 in all regions and provinces can be divided into 55.20% for hotels, 29.46% for resorts, 4.36% for guesthouse, 3.09% for bangkalows, 0.72% for homestays, and 7.17% for others e.g. motels, serviced apartments, mansions, rafts, national park accommodations.

Looking into the number of hotels/guesthouses and the number of guest rooms, the TAT Intelligence Center of the Tourism Authority of Thailand reported growth in the number of hotels and guesthouses accommodating the increase in the number of tourists. The number of hotels and guesthouses was 18,762 in 2018 increased by 13.13% from 16,584 in 2016. The number of guest rooms also rose in the same manner, increasing from 676,312 rooms in 2016 to 738,652 rooms in 2018, or equivalent to 9.22% growth, as there are continual investments small- to mid-sized hotels to tap into the middle-class tourists from East Asia such as China, Malaysia, Lao PDR, Japan, and South Korea who often travel to key provinces of Thailand.

Competition in the Hotel Management Software Business

At present, information technology has taken a significant role in business operations to support more efficient productions, reduced cost, and effective processes. As a result, growth in software development has been rapid over the past years. A low capital requirement encourages new players to enter the software market, however, in order to grow sustainably in the long run, a company needs experienced management and working teams to create intellectual property from quality software.

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

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

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

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

Source: The Company

The Company has assessed the competitive conditions might have arisen in the future that each company has different customer groups, e.g. multinational companies has main targets as hotel chains from overseas. Moreover, even a software of each company may be comparable, but a successful hotel management software developer requires management and working team members that have the experience in the hotel industry, comprehensive functions and modules, good after-sales services, and the ability to provide assistance to clients at all times to ensure their smooth operations. Moreover, to avoid switching costs, such as the cost of acquiring new software and the cost of training employees for new software, hotel businesses rarely switch to different software if the price and specifications of the alternative are not significantly better, and when the client expands investment to new hotels, hotel management contractors usually choose the software in use.

As of 31st December 2018, the Company's clients operate over 920 accommodations, which can be categorized into 751 within the country and 169 abroad, or equivalent to approximately 131,751 guest rooms in total, 246 hotels in hotel chains use Comanche Hotel Software, such as Centara hotel chain, Imperial hotel Chain, Eastin hotel chain, Kantary hotel chain, and Oakwood hotel chain. Thus, the Company is able to expand its business alongside the growth of existing clients and to new clients in the future.



Risk Management

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

Business Risks

Risk from Dependency on Experts

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

Anyhow, the Company is aware of risks involving loss or lack of personnel with knowledge and capability as mentioned above. The Company has made suitable changes in the Company Organization Chart to accommodate long-term business expansion and set up a Human Resources Department with the responsibility of recruiting and developing employees' skills with emphasis on providing suitable compensation and welfare for staff in the organization, 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.

Risk from Dependency on the Thailand Tourism Industry

The Company realizes the risk of being mainly dependent on the tourism business within the country, which is unstable due to several uncontrollable factors such as political instability, natural disasters, or outbreak of diseases, which affect tourism for foreigners visiting the country, and therefore established a policy to expand more business abroad, setting up a Department with the responsibility of expanding customer base abroad and using the strategy of appointing overseas dealers to increase its overseas sales and services proportion. Moreover, the investments in Synature Company Limited ("SYN") in 2017 and Win Star Tech Company Limited ("WST") in 2018, enable the Company

to spread its revenue to other customer base besides the present hotel clientele, to minimize risks associated with being dependent solely on the domestic tourism business.

Risk from Software Piracy

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

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

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

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

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

Risk from Malfunctioning of the Information Technology System

The Company has developed the software and database of Comanche Customer Care for information storage and for the management of data installation and service provided by clients. Besides, the Company also has a Remote Program for remote control of computers via the Internet system, presently using the Team Viewer for Business software program to access the client's computer monitor to rectify various defects as notified by clients to the Company.

Thus, if there is a malfunctioning in the internet system or if the database system is inoperable, the Company may be at a risk of operational disruption.

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

Operational Risk from Investing in Other Companies

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

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

Moreover, since the Company stated as its objectives in the IPO that part of the fund raised would be allocated as budget for investment in other companies and since the success in investment or acquisition of other businesses is dependent on several factors, such as economic conditions, condition of transactions, negotiations, and the result of due diligence on the Company to be invested, the Company may be at a risk if its plan for investment in other companies is delayed or not successful within the expected period.

Risk Arising from the Company is unable to, or prefers not to, pay Dividends

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

Besides, according to the Public Company Act, the Company may not pay dividends if it has an accrued net loss even if the Company made a net profit during that year. At the same time, if the Company made a net profit in any year, the Company still has the duty according to the Public Company Act and the Company's Articles of Association, to allocate part of its net profit for the year as a legal reserve of not less than 5% of the annual net

profit less accrued net loss brought forward, until the legal reserve is no less than 10% of the Company's registered capital. Therefore, if the Company made insufficient profit, or if deemed appropriate, the Company might not pay dividends in the future.

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

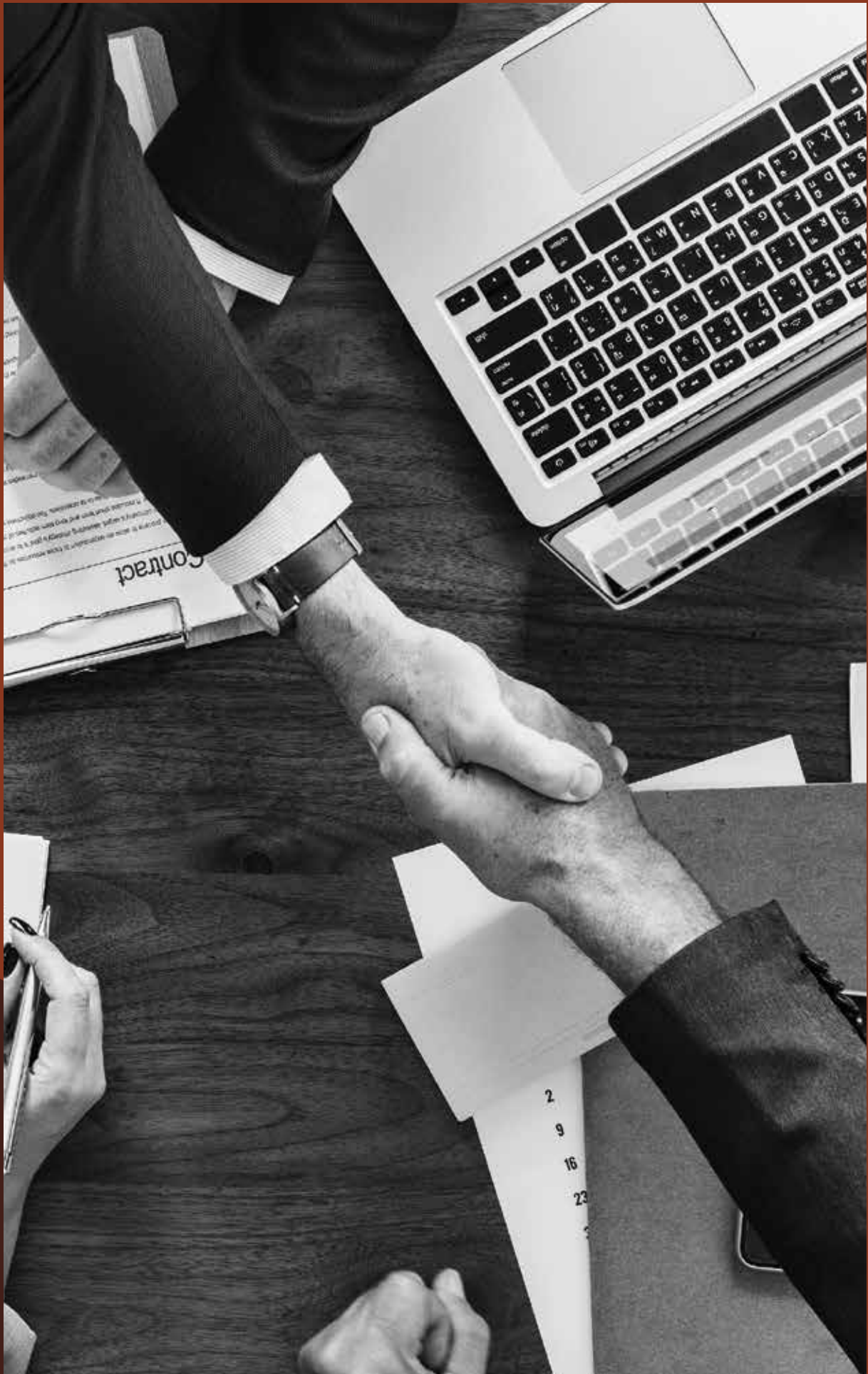
Management Risk

Risk from Dependency on Management

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

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





Research and Development

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

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

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

Unit : Baht

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

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

Modules	Progress as at 31 st December 2018	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
Account Payable	100%	1 st October 2018	1 st January 2019
Inventory	100%	1 st October 2018	1 st January 2019
Recipe	100%	1 st October 2018	1 st January 2019
Purchasing	100%	1 st October 2018	1 st January 2019
General Ledger	100%	1 st October 2018	1 st January 2019
Point of Sale	100%	1 st October 2018	1 st January 2019

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

This project has conducted the statistics of hotel occupants from the Front Office System / Property Management System to be presented in a data management format to the hotel's managements using as collaborating information in order to make strategic decisions. The Company has initiated the research in the 3rd quarter of 2016, expecting that this project would meet customers' requirements and generate more revenue in the future. At present, this project was completed in the 4th quarter of 2018, the details are as follow;

Unit : Baht

Research and Development Cost	Budget	Total Amount Spent				
		2015	2016	2017	2018	Total
Staff cost	943,800	-	39,864	135,782	452,900	628,546
Software cost for program development 1 (Development Tool)	180,937	-	-	-	-	-
Software cost for program development 2 (BI software)	2,000,000	214,200	1,800,000	-	-	2,014,200
Estimated other cost	312,474	-	-	309,100	-	309,100
Grand Total	3,437,211	214,200	1,839,864	444,882	452,900	2,951,846

3. Project PaySec

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

Unit : Baht

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

Future Projects

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

In order to add value and promote long-term competitiveness, the Company has outlined the important criteria and frameworks for companies to invest as follows;

1. Being a developer to install and provides services for a fully-integrated restaurant management system, including the modules of reservation, billing, cost control, and customer data storage.
2. Being a developer to install and provides services for a fully-integrated spa management system, including the modules of treatment, room, and staff reservation, billing, accounting and management services, and customer data storage.
3. Being a developer to install and provides services for a fully-integrated golf course and membership management system, including the modules of reservation, billing, accounting and management and customer data storage.
4. Being a developer to install and provides services for a fully-integrated air ticket and car rental management system, including the modules of air ticket and car reservation and other tourism - related reservations such as ferry reservation, billing, accounting and management and customer data storage.
5. Being a developer to install and provides services for a tourism reservation system for both business to business (B2B) and business to customer (B2C), fully-integrated with hotels, restaurants, spa facilities, golf courses, airlines, and car rental boutiques to accommodate reservation and facilitate tourists as a one-stop service.

Legal Disputes

The Company and subsidiaries did not involve in any legal dispute or legal proceedings which pose a significant negative impact on the assets of the Company or subsidiaries of more than 5% of shareholders' equity according to the consolidated financial statements as of 31st December 2018.



General Information and Other Important Information

General Information

• Information of the Company

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

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

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

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

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

Company Name in Thai	: บริษัท วินสตาร์เทค จำกัด
Company Name in English	: Win Star Tech Company Limited
Nature of Business	: Developer of a program to distribute, install, and provide services of business solutions software for golf courses
Date of Establishment	: 31 st January 2013
Head Office	: 252/117, 23 rd Floor, Units C, Muangthai-Phatra Complex Building 2, Ratchadapisek Road, Huaykwang, Bangkok 10310
Telephone	: 0-2275-1117
Website	: www.winstartech.co.th
Registered Capital	: THB 3,300,000
Paid-up Capital	: THB 3,300,000
Par Value	: THB 100.00
Authorized Directors	: The joint signature of any two directors, namely Mr. Somboom Sukheviriya, Miss Darunee Sae-tung, Miss Parichart Sontorn, and Mr. Suwat Amornrungrroj, and affix the company's seal

Name	No. of Share(s)	Shareholding (%)
1. Comanche International Public Company Limited	28,875	87.50
2. Mr. Somboon Sukheviriya	1	0.01
3. Mr. Suwat Amornrungrroj	4,124	12.49
Total	33,000	100.00

Information of Other Related Parties

- **Auditor** : Deloitte Touche Tohmatsu Jaiyos Audit Company Limited
AIA Sathorn Tower Floors 23-27, 11/1 South Sathorn Road, Yan Nawa, Sathorn, Bangkok 10120
Telephone: 0-2034-0000
Fax: 0-2034-0100
- **Financial Advisor** : Trinity Securities Company Limited
Bangkok City Tower Floors 25-26, 29, 179 South Sathorn Road, Thung Maha Mek, Sathorn, Bangkok 10120
Telephone: 0-2343-9511
Fax: 0-2343-9683
- **Securities Registrar** : The Thailand Securities Depository Company Limited
93 Ratchadaphisek Road, Dindaeng, Bangkok 10400
Telephone: 0-2009-9000
Fax: 0-2009-9991
SET Contact center: 0-2009-9999
Website: <http://www.set.or.th/tsd>
E-mail: SETContactCenter@set.or.th



Securities and Shareholders Information

Shareholders

Names and shareholding structure of shareholders as at 26th February 2019

No.	Major Shareholders		Number of Shares	% of Shares
1.	Mr. Somboon	Sukheviriya	40,798,600	30.447
2.	Mr. Apichai	Sakulsureeyadej	34,855,800	26.012
3.	Mr. Kachen	Benjakul	5,221,100	3.896
4.	Mr. Wasorn	Anurakwongsri	4,100,000	3.060
5.	Mrs. Watcharee	Sukheviriya	2,768,200	2.066
6.	Mr. Charoonkiat	Akkarasilp	2,123,700	1.585
7.	Mr. Sangchai	Wasuntara	1,500,000	1.119
8.	Mr. Natchatpong	Peeradechapan	1,125,000	0.840
9.	Mr. Nithipoom	Durongwattana	849,300	0.634
10.	Mr. Natdanai	Ngammaharat	827,700	0.618
11.	Mr. Jessada	Sookdhis	800,000	0.597
12.	Mr. Somsak	Charaswasinkul	763,000	0.569

Dividend Payment Policy

The Board of Directors' Meeting No.1/2019 held on 11th February 2019 has passed a resolution to approve the annual dividend payment of the Company at the rate not less than 40% of net profit after the deduction of corporate income tax as reported in the separate financial statements and after the deduction of all legal reserves.

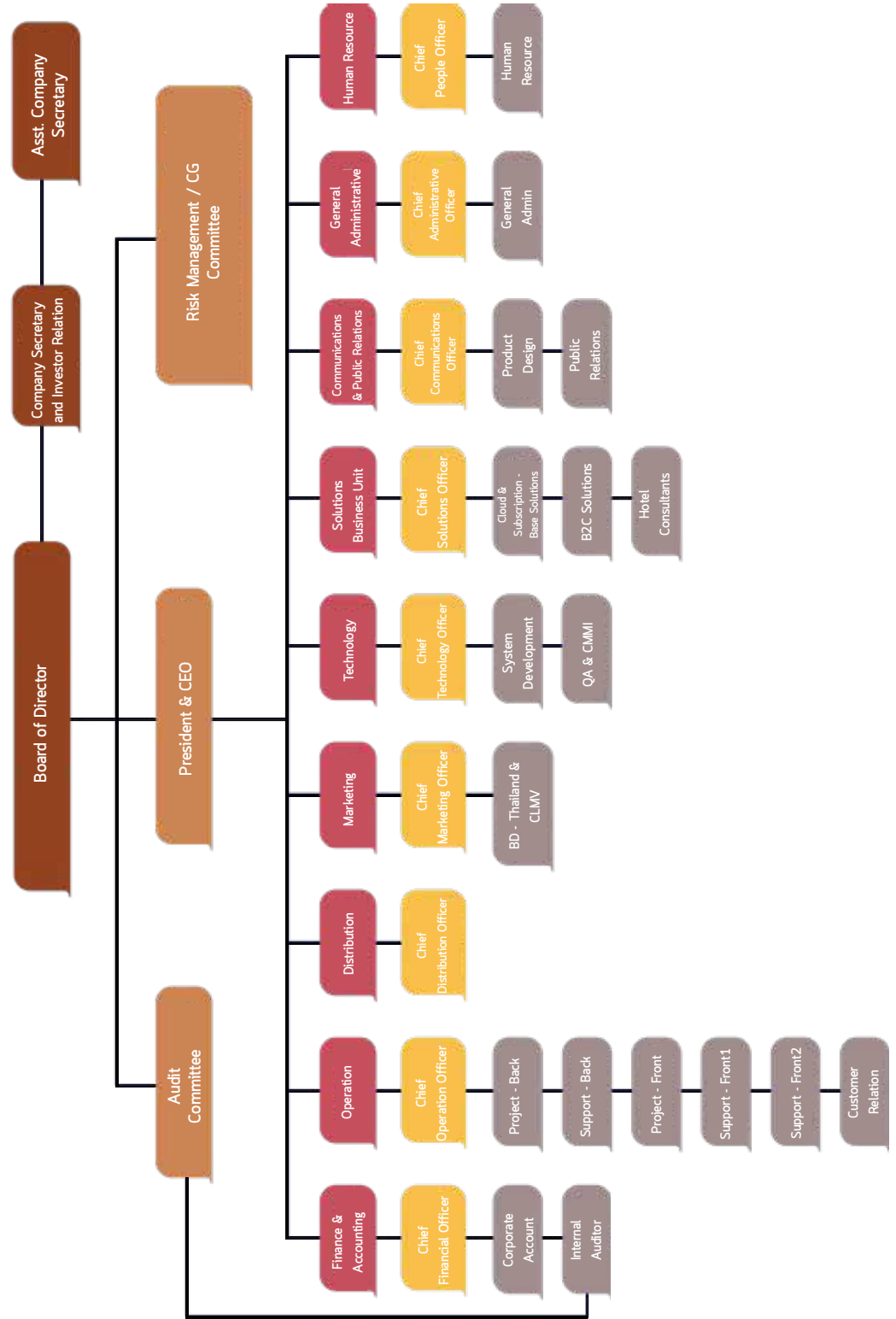
However, annual dividend payments shall depend on the annual operating results as well as the cash flow and future investment plans of the Company and its subsidiary as main consideration factors, including other related legal requirements. In this connection, the resolution of the Board of Directors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



Management Structure

Organization Structure

As of 31st December 2018, the Company's organization structure is as follows.



Management Structure

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

1. The Board of Directors

as of 31st December 2018 comprises of the following 7 directors.

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

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

Authorized Directors

The authorized directors are Mr. Somboon Sukheviriya, Mr. Gancanapol Geert Marcel Cyriel Van Compernelle, Mr. Chatchai Tolertmongkol, any two from three said directors jointly sign and affix the Company's seal.

Limitations to Directors' Authorities

- None -

Board of Directors' Meetings, 2016 - 2018

No.	Name	Attendance*		
		2016	2017	2018
1.	Mr. Chanitr Charnchainarong ¹	5/6	6/6	5/5
2.	Mr. Somboon Sukheviriya	6/6	6/6	6/6
3.	Mr. Apichai Sakulsureeyadej ²	5/6	6/6	-
4.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	6/6	4/6	5/6
5.	Mr. Chim Tantiyaswasdikul, PhD	6/6	6/6	6/6
6.	Mrs. Dolrudee Pornpipat	6/6	6/6	5/6
7.	Mr. Kris Panijpan, PhD ³	5/6	1/1	-
8.	Mr. Supoj Kaewmanee ³	-	5/5	6/6
9.	Ms. Manida Zinmerman ^{2/4}	-	-	1/3
10.	Mr. Chatchai Tolertmongkol ⁴	-	-	1/1
11.	Mr. Chalernpol Tuchinda ¹	-	-	-

- Remark: * The Board of Directors Meeting attendance in accordance with each director's term in position
- ^{/1} Mr. Chanitr Charnchainarong has resigned from Director and Mr. Chalernpol Tuchinda was appointed in replacement as Director in the Board of Directors' Meeting No. 6/2018 on 20th December 2018.
- ^{/2} Mr. Apichai Sakulsureeyadej has resigned from Director and Ms. Manida Zimmerman was appointed in replacement as Director in the Board of Directors' Meeting No. 1/2018 on 31st January 2018.
- ^{/3} Mr. Kris Panijpan, PhD has resigned from Director/Audit Committee and Mr. Supoj Kaewmanee was appointed in replacement as Director/Audit Committee in the Board of Directors' Meeting No. 1/2017 on 22^d February 2017.
- ^{/4} Ms. Manida Zimmerman has resigned from Director and Mr. Chatchai Tolertmongkol was appointed in replacement as Director in the Board of Directors' Meeting No. 5/2018 on 8th November 2018.

2. The Audit Committee

as of 31st December 2018 comprises of the following 3 directors.

No.	Name	Position
1.	Mrs. Dolrudee Pornpipat	Chairman of the Audit Committee and Independent Director
2.	Mr. Supoj Kaewmanee	Audit Committee and Independent Director
3.	Mr. Chalernpol Tuchinda	Audit Committee and Independent Director

The Audit Committee member with sufficient knowledge and experience in the field of Accounting and Finance to review the credibility of financial statements is Mrs. Dolrudee Pornpipat, who received Bachelor's Degree in Accountancy from the Faculty of Commerce and Accountancy, Chulalongkorn University.

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

Term of the Audit Committee

The Audit Committee, who is independent director, shall be in office no more than 9 years consecutively or equivalent to the term in office of director of the Company.

Audit Committee Meetings, 2016 - 2018

The attendance of Audit Committee members are as follows.

No.	Name	Attendance		
		2016	2017	2018
1.	Mr. Chim Tantiyaswasdikul, PhD ^{/1}	10/10	4/4	4/4
2.	Mrs. Dolrudee Pornpipat	10/10	4/4	4/4
3.	Mr. Kris Panijpan, PhD ^{/2}	8/10	1/1	-
4.	Mr. Supoj Kaewmanee ^{/2}	-	3/3	4/4
5.	Mr. Chalernpol Tuchinda ^{/1}	-	-	-

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

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

3. The Risk Management Committee as of 31st December 2018 comprises of the following 6 members.

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

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

Term of the Risk Management Committee

The Risk Management Committee members have a 3-year term. Thus, after the completion of their terms, the Risk Management Committee members may be reappointed as the Board of Directors deem appropriate. However, the Risk Management Committee, who is independent director, shall be in office no more than 9 years consecutively.

Risk Management Committee Meetings, 2016 - 2018

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

No.	Name		Attendance		
			2016	2017	2018
1.	Mrs. Dolrudee	Pornpipat	2/2	1/1	2/2
2.	Mr. Somboon	Sukheviriya	2/2	1/1	2/2
3.	Mr. Apichai	Sakulsureeyadej ¹	0/2	1/1	-
4.	Mr. Gancanapol	Geert Marcel Cyriel Van Compernelle	2/2	1/1	1/2
5.	Ms. Darunee	Sae-tung	2/2	1/1	2/2
6.	Mr. Veerapong	Kruwang ¹	2/2	1/1	-
7.	Mr. Chatchai	Tolertmongkol ¹	-	-	1/1
8.	Mr. Suwat	Amornrungrroj ¹	-	-	1/1

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

4. The Nomination and Remuneration Committee as of 31st December 2018 comprises of the following 3 directors.

No.	Name	Position
1.	Mr. Supoj Kaewmanee	Chairman of the Nomination and Remuneration Committee
2.	Mrs. Dolrudee Pornpipat	Nomination and Remuneration Committee
3.	Mr. Somboon Sukheviriya	Nomination and Remuneration Committee

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

Term of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee members have a 3-year term. Thus, after the completion of their terms, the Nomination and Remuneration Committee members may be reappointed as the Board of Directors deem appropriate. However, the Nomination and Remuneration Committee, who is independent director, shall be in office no more than 9 years consecutively.

Nomination and Remuneration Committee Meetings, 2016 - 2018

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

No.	Name	Attendance		
		2016	2017	2018
1.	Mrs. Dolrudee Pornpipat	-	1/1	2/2
2.	Mr. Chim Tantiyaswasdikul, PhD	-	1/1	2/2
3.	Mr. Supoj Kaewmanee	-	1/1	2/2
4.	Mr. Somboon Sukheviya ^{/1}	-	-	-

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

5. Company Secretary

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

- 1) To prepare and safeguard the following documents
 - (1) Directors' register
 - (2) Notices and 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 on conflicts of interest of directors and management
 - 3) To submit a copy of the reports on conflicts of interest in accordance with Section 89/14 of the Securities and Exchange Act B.E. 2535 to the Chairman of the Board of Directors and the Chairman of the Audit Committee within 7 working days of the Company's receipt of said report. The Company shall arrange for a system to safekeep documents or evidence in regards to disclosure, and ensure the accuracy, completeness, availability for inspection for a period of no less than 5 years from the documents' date of preparation.
 - 4) Other proceedings as stipulated by the Capital Market Supervisory Board
- Other duties of the Company Secretary as assigned by the Company include the following.
- (1) To make necessary preparations in holding the Board of Directors' and Shareholders' Meetings
 - (2) To coordinate with other departments and divisions in the Company to act in accordance with the Board of Directors' and Shareholders' Meeting resolutions
 - (3) To coordinate with regulatory bodies such as the Office of the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) to ensure that necessary disclosure and reports are submitted to the regulatory bodies and the general public as stipulated by law
 - (4) To arrange for orientation for newly-appointed directors
 - (5) To deliver supporting documents for the Board of Directors' meeting to the Board of Directors in advance at least 5 days before the meeting date.
 - (6) Other duties as assigned by the Board of Directors

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

6. The Management Team

as of 31th December 2018 comprises of the following 6 members.

No.	Name	Position
1.	Mr. Somboon Sukheviya	Chief Executive Officer
2.	Ms. Darunee Sae-tung	Chief Financial Officer
3.	Mr. James Hankewich	Chief Distribution Officer
4.	Mr. Pirom Methaveerapong	Chief Marketing Officer
5.	Ms. Parichart Sontorn	Chief Administrative Officer
6.	Ms. Supattra Hirunyanon	Corporate Account

Directors and Management Remuneration

1. Directors Remuneration

The Annual General Meeting No. 1/2018 on 25th April 2018 has approved the remuneration scheme for the Board of Directors, the Audit Committee, the Risk Management Committee, and the Nomination and Remuneration Committee, the details are as follows.

1.) Meeting Allowance

Position	Allowance per Meeting
Chairman of the Board of Directors	THB 40,000
Directors	THB 25,000
Chairman of the Audit Committee	THB 30,000
Audit Committee (with knowledge to review the financial statements)	THB 30,000
Audit Committee	THB 25,000
Risk Management Committee (excluding management and employees)	THB 25,000
Nomination and Remuneration Committee	THB 25,000

2.) Bonus

- None -

For the years 2018 and 2017, directors received meeting allowances with details as follows.

Unit : Baht

			2018				
No.	Name		The Board of Director	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	Total
1.	Mr. Chanitr	Charnchainarong	200,000	-	-	-	200,000
2.	Mr. Somboon	Sukheviriya	150,000	-	-	-	150,000
3.	Mr. Gancanapol Van Compernelle	Geert Marcel Cyrie	150,000	-	25,000	-	175,000
4.	Mr. Chim	Tantiyaswasdikul, PhD	165,000	120,000	-	50,000	335,000
5.	Mrs. Dolrudee	Pornpipat	125,000	120,000	50,000	50,000	345,000
6.	Mr. Supoj	Kaewmanee	150,000	100,000	-	50,000	300,000
7.	Ms. Manida	Zinmerman	25,000	-	-	-	25,000
8.	Mr. Chatchai	Tolertmongkol	25,000	-	-	-	25,000
Total			990,000	340,000	75,000	150,000	1,555,000

Unit : Baht

			2017				
No.	Name		The Board of Director	The Audit Committee	The Risk Management Committee	The Nomination and Remuneration Committee	Total
1.	Mr. Chanitr	Charnchainarong	240,000	-	-	-	240,000
2.	Mr. Somboon	Sukheviriya	150,000	-	-	-	150,000
3.	Mr. Apichai	Sakulsureeyadej	150,000	-	-	-	150,000
4.	Mr. Gancanapol Cyriel Van Compernelle	Geert Marcel	100,000	-	25,000	-	125,000
5.	Mr. Chim	Tantiyaswasdikul, PhD	150,000	120,000	-	25,000	295,000
6.	Mrs. Dolrudee	Pornpipat	150,000	120,000	25,000	25,000	320,000
7.	Mr. Kris	Panijpan, PhD	25,000	25,000	-	-	50,000
8.	Mr. Supoj	Kaewmanee	100,000	75,000	-	25,000	200,000
Total			1,065,000	340,000	50,000	75,000	1,530,000

2. Courses attended by directors in 2018

No.	Name - Surname	Position	Course(s) attended in 2018
1.	Mr. Somboon Sukheviriya	Director of the Company / Risk Management Committee / Chief Executive Officer - COMANCHE	• Anti-Corruption the Practical Guide (ACPG) Course No. 47/2561
2.	Mr. Chatchai Tolertmongkol	Director of the Company / Risk Management Committee / Chief Executive Officer - SYN	• Director Accreditation Program (DAP) Course No. 155/2561 • Entrepreneurship: Management of Innovation (EMI-2) Program No. 2

3. Management Remuneration

As of 31st December 2018, there were 6 persons at management level and the Management Remuneration can be calculated by categories as follows.

Management Remuneration	2016	2017	2018
Management (persons)	6	7	6
Salary, allowance, and other benefits (Baht)	9,042,405	12,564,024	15,261,541
Provident fund contribution (Baht)	322,263	421,321	482,690
Total	9,364,668	12,985,345	15,744,231

4. Employees

At the end of year 2016 - 2018, the Company and its subsidiaries have a total of 109, 128, and 144 employees, respectively. Details are set out according to departments as follows.

Department/Divison	2016 (persons)	2017 (persons)	2018 (persons)
Management	6	7	6
Human Resource and General Administrative Department	5	5	5
Human Resource Division	2	2	2
General Administrative Division	3	3	3
Finance & Accounting Department	3	4	5
Finance and Accounting Division	3	3	4
Investor Relations Division	-	1	1

Department/Divison	2016 (persons)	2017 (persons)	2018 (persons)
Operations Department	54	66	72
QA & CMMI Division	4	4	5
Customer Support – BOS Division	10	9	10
Customer Support – FOS Division	10	16	17
Customer Support – Major Account	2	-	-
Project Management – BOS Division	5	7	8
Project Management – FOS Division	9	11	12
System Development Division	11	16	17
Customer Relations Division	3	3	3
Business Development Department	3	2	2
Business Development – Thailand and CLMV Division	3	2	2
Company Secretary	-	1	1
Solutions Business Unit Department	-	-	3
Hotel Solution	-	-	1
Cloud & Subscription Base Solutions	-	-	2
Communication and Public Relations Department	-	-	1
Product Designer	-	-	1
Employees of the Company	71	85	95
Employees of the Subsidiary – SYN	38	43	43
Employees of the Subsidiary – WST	-	-	6
Total Employees of the Company and its Subsidiaries	109	128	144

5. Employee Remuneration

For the years 2016 - 2018, the Company paid a total of approximately Baht 36.05 million, Baht 48.61 million, and Baht 61.38 million in employee remuneration, respectively. Such remuneration comprises of salary, overtime, commission, bonus, allowance, social security contribution, provident fund contribution, and other benefits.

6. Auditor Remuneration

6.1 Audit Fees

In 2018, the Company and SYN paid the audit fees to Deloitte Touche Tohmatsu Jaiyos Audit Company Limited, having Mr. Chavala Tienpasertkij, Certified Public Accountant (Thailand) No. 4301 or Mr. Suphamit Techamontrikul, Ph.D., Certified Public Accountant (Thailand) No. 3356 or Mr. Suwatchai Meakhaamnouychai, Ph.D., Certified Public Accountant (Thailand) No. 6638 or Mrs. Nisakorn Songmanee, Certified Public Accountant (Thailand) No. 5035 as the auditors of the Company and SYN for 2018, and fixed the remuneration of auditor for 2018 in amount of Baht 2,453,000

In 2018, WST paid the audit fees to an independent auditor, having Mr. Chalernpol Kongkaew, Certified Public Accountant (Thailand) No. 11667 as the auditor of WST for 2018, and fixed the remuneration of auditor for 2018 in amount of Baht 20,000. The details are as follows;

Company name	Audit Fees
Comanche International Public Company Limited	Baht 1,598,000
Synature Company Limited	Baht 855,000
Win Star Tech Company Limited	Baht 20,000

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

6.2 Other Service Fees

- None -

7. Major Labor Disputes in the Past 3 Years

- None -

8. Employee Development Policy

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

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

Information of Internal Training of Employees

Unit : hours

Number of average training hour per person per year	Internal training	5.0
	External training	6.0
	High level management training	34.75

The report of changes in shareholding of directors and executives in 2018

Information as at 31st December 2017 and 2018

No.	Name	Position	Number of share(s) as at 31 st December 2017	Number of share(s) as at 31 st December 2018	Changes in share(s) increased / (Decreased) in 2018	Shareholding in the Company (%)
1.	Mr. Chim Tantiyaswasdikul, Ph.D.	Chair of the Board / Independent Director	-	-	-	-
	Spouse and underage children		-	-	-	-
2.	Mr. Somboon Sukheviriya	Director / Risk Management Committee / Nomination and Remuneration Committee / Chief Executive Officer - COMAN	40,798,600	40,798,600	-	30.45%
	Spouse and underage children		5,101,000	3,466,800	(1,634,200)	2.59%
3.	Ms. Dolrudee Pompipat	Chairman of the Audit Committee / Independent Director / Chairman of the Risk Management Committee / Nomination and Remuneration Committee	-	-	-	-

(Continued)

No.	Name	Position	Number of share(s) as at 31 st December 2017	Number of share(s) as at 31 st December 2018	Changes in share(s) increased / (Decreased) in 2018	Shareholding in the Company (%)
	Spouse and underage children		-	-	-	-
4.	Mr. Supoj Kaewmanee	Independent Director / Audit Committee / Nomination and Remuneration Committee	-	-	-	-
	Spouse and underage children		-	-	-	-
5.	Mr. Gancanapol Geert Marcel Cyriel Van Compernelle	Director / Risk Management Committee	-	-	-	-
	Spouse and underage children		-	-	-	-
6.	Mr. Chatchai Tolertmongkol	Director / Risk Management Committee / Chief Executive Officer - SYN	-	-	-	-
	Spouse and underage children		-	-	-	-
7.	Mr. Chalernpol Tuchinda	Independent Director / Audit Committee	-	-	-	-
	Spouse and underage children		-	-	-	-
8.	Ms. Darunee Sae-tung	Chief Financial Officer	750	3,832	3,082	0.0028%
	Spouse and underage children		-	-	-	-
9.	Mr. Pirom Methaveerapong	Chief Marketing Officer	7,505	38,320	30,815	0.0285%
	Spouse and underage children		-	-	-	-
10.	Ms. Parichart Sontorn	Chief Administrative Officer	7,505	38,320	30,815	0.0285%
	Spouse and underage children		-	-	-	-
11.	Mr. James Hankewich	Chief Distribution Officer	-	2,939	2,939	0.0021%
	Spouse and underage children		-	-	-	-
12.	Ms. Supattra Hirunyanon	Corporate Account	750	3,832	3,082	0.0028%
	Spouse and underage children		-	-	-	-
13.	Mr. Nikul Tangninlasap	Company Secretary / Investor Relations	750	3,832	3,082	0.0028%
	Spouse and underage children		-	-	-	-



Corporate Governance

Corporate Governance Policies

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

Section 1 : Rights of Shareholders

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

Preparation Before the Meeting

The 2018 Annual General Meeting of Shareholders of the Company was held at 13.30 am. on 25th April 2018 at Tharathep room, 2nd Floor, Tharathep Building, Chaophya Park Hotel No. 247 Ratchadaphisek Road, Dindaeng, Bangkok 10400. The Company distributed the Invitation of the Shareholders’ Meeting along with related documents in Thai to shareholders on 10th April 2018, which more than the period of 14 working days prior to the Shareholders’ Meeting, and disclosed the Invitation of the Shareholders’ Meeting along with related documents on the Company’s website at <http://www.comancheinternational.com/investor.php> on 9th April 2018.

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

1. A registration form along with a barcode is attached with the Invitation of Shareholders’ Meeting to facilitate prompt registration for shareholders.
2. Proxy forms in 3 different formats, Form A, B, and C, are provided for shareholders’ use as they see fit.
3. A copy of the minutes of the previous Shareholders’ Meeting is attached.
4. The agenda regarding appointment of directors contains information on the nominated directors including full name, age, education background, work experience, attendance in trainings held by the Thai Institute of Directors (IOD), directorship in companies categorized into listed companies and other companies, nominated position, attendance in meetings in the past year period, date of appointment into position in the Company, and term in office.
5. Qualifications of an independent director are provided as supporting information for the consideration of appointment of independent directors.

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

On the Meeting Day

The 2018 Annual General Meeting of Shareholders of the Company was held at 13.30 am. on 25th April 2018 at Tharathep room, 2nd Floor, Tharathep Building, Chaophya Park Hotel No. 247 Ratchadaphisek Road, Dindaeng, Bangkok 10400, which is a proper meeting room to accommodate attendees. A registration was open 2 hours prior to the Meeting to ensure that registrars had sufficient time to check documents of shareholders attending the Meeting in person as well as persons granted proxy. To facilitate accurate and prompt registration, the Company arranged for an appropriate number of officers and registration tables equipped with barcode registration scanners. Once registered, voting cards for each agenda had been given to shareholders to cast their votes during the Meeting.

Before the Meeting, the Meeting Secretary asked for the cooperation of all attendees to turn off all mobile phones, which could create a distraction during the Meeting. Voting procedures according to the Company's Articles of Association were explained, with ordinary shareholders of the Company receiving 1 vote for 1 share. The voting and vote-counting process proceeded with transparency, as the Company utilized a barcode scanner system to assist in counting votes, as in the previous year, to ensure a prompt and accurate procedure. Moreover, an independent legal advisor was presented to ensure that the Shareholders' Meeting proceeds in accordance with the law and the Company's Articles of Association, and to check the counting of votes. Once the votes have been counted, the results were shown on the projector screen categorized into votes for, votes against, and votes abstained. For agendas in which directors had conflicts of interest or for related party transactions, the number of votes with no voting rights was also shown.

The Chairman of the Audit Committee, Audit Committee members, independent directors, directors, the Chief Executive Officer, along with executives of the Company emphasizes the importance of the Shareholders' Meeting by attending all meetings and inviting the auditor, legal advisor, and financial advisor to attend the Meeting to provide information or clarify on any questions shareholders may have. Representatives from the Thai Investors Association also attended the Meeting to clarify on any questions they have.

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

The Chairman of the Meeting has allocated appropriate and sufficient time for the Meeting and conducted the meeting with transparency, as well as gave shareholders the opportunity to express their opinions and asked questions in every agenda. The Meeting Secretary has clearly and comprehensively noted down questions and answers exchanged in the Meeting. Moreover, in each agenda, the resolution of the Meeting as well as results of the vote categorized into votes for, votes against, and votes abstained are specified. The Meeting has been video-recorded and uploaded to the Company website after the Meeting Day to allow shareholders who did not attend or any interested party to watch the Shareholders' Meeting, which was conducted in order of the specified agenda and included no additional agenda other than those specified in the Notice of the Shareholders' Meeting.

Proceedings After the Meeting

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

In 2018, the Company has been evaluated for the quality of hosting the Shareholders' Meeting for the year 2018 by the Thai Investors Association and received a score of 83%.

Section 2 : Equitable Treatment of Shareholders

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

- (1) In the case that any shareholder informs the Company of intent to propose an additional agenda at least 7 working days prior to the Shareholders' Meeting and the Board of Directors has considered and decided that the proposed agenda is of benefit to the Company and shareholders, the Company has a policy to facilitate in proposing the agenda to the Shareholders' Meeting and will inform shareholders of such addition of agenda via the Stock Exchange of Thailand.
- (2) In the case that any shareholder informs the Company of intent to nominate a person for directorship by submitting the qualifications and letter of consent of the nominee at least 3 months prior to the Shareholders' Meeting, the Company has a policy to consider such person for directorship in replacement of directors due to retire according to the term of office in each year and propose the matter for consideration in the Shareholders' Meeting.

- (3) The Company has set guidelines to prevent the use of internal information by announcing such policy and disseminating to all employees.
- (4) The Company has laid down a policy for Directors and Management to report the Board of Directors or the person assigned by the Board of Directors for every purchase or sale of securities at least 1 day in advance before trading.
- (5) Directors and Management shall report the holding of securities for every purchase or sale of securities within 3 day to the Securities and Exchange Commission, and disclose such transaction in the Annual Report.
- (6) The Company has set a policy requiring Directors to disclose their reports of purchase and sale of securities / holding of the Company's securities as an agenda in every Board of Directors' Meeting.
- (7) Directors shall disclose their conflicts of interest before the consideration of any agenda, and such disclosure shall be noted in the Minutes of the Board of Directors' Meeting.
- (8) Directors with significant conflicts of interest relating to any agenda, which could be deemed to compromise the independent expression of opinion, shall refrain from participating in such agenda.

Section 3 : The Role of Stakeholders

The Company recognizes the supports from stakeholders to create competitiveness and increase profits and yielding long-term results, we have placed an emphasis on all groups of stakeholders. In this connection, we have compiled our principles and policies into written documents and published them on the Company's website, defining guidelines to the rights of stakeholders. In addition, we have provided several channels of communication to our stakeholders, where they may send in opinions and suggestions that they believe will benefit the Company and create value added. Below is a summary of our policies and guidelines for stakeholders, as well as how they were implemented in 2018:

1. Shareholders : The Company considers the fundamental rights of shareholders and equal treatment to all shareholders to fulfil the utmost satisfaction of shareholders such as the right to participate in the annual general meeting of shareholders, the right to vote, the right to propose an agenda item, and the right to nominate a candidate to be elected as Director, company visit program during year, and considers opinions and suggestions from shareholders. In addition, shareholders may reach out to the Company via <http://www.comancheinternational.com/investor.php> or by email to ir@comancheinternational.com. This information is disclosed under Shareholder Rights and Equitable Treatment toward Shareholders Section.

2. Customers : The Company is committed to bring customers the utmost satisfaction and ensure trusts for its reasonable priced and quality products and services and to continuously improve our standards and maintain a good and sustainable relationship with customers, including having a fair, appropriate, transparent and verifiable management and be responsible for customer care in purchasing various products.

In 2018, the Company made the adjustments to our customer satisfaction survey. Its result reflects our success in creating a good relationship with our customers, as well as our ability to meet their demands. Moreover, we have provided customers with a system to receive and manage complaints about our products and services in timely manner by providing channels such as website, email, and telephone. Also, we put guidelines in place to mitigate and prevent future problems and monitor and evaluate complaints regularly. The results of the evaluation will be used to improve future business plans.

3. Suppliers : We take into consideration equality and honesty in conducting business. To ensure mutual benefits, we strictly adhere to applicable laws and agreed rules. The Company refrains from accepting, or giving, fraudulent benefits from or to suppliers. The Corporate Governance and Business Code of Conduct

Handbook and the Corporate Compliance Policy mandate that all employees must comply with the anti - corruption and anti-bribery law, whether in dealing with government officials or the private sector, both in Thailand and abroad. Any action that violates the law is illegal and does not comply with the Corporate Governance Policy; all employees are to resist against and refrain from such an unlawful act. It is everyone's duty to perform their role with transparency for the sole benefit of the Company, which prevents conflicts of interest. Additionally, all employees are to refrain from encouraging others to unlawfully perform or refrain from performing their duties legally. The Company has procedures and practices in selecting suppliers and contractors as well as anti-corruption measures. We also encourage all employees to follow these applicable laws and regulations.

4. Business Competitors : At the Company, we operate ethically and transparently. We compete fairly with our business competitors under the framework of good competition and do not seek trade secrets of competitors through inappropriate or dishonest means and do not defame competitors.

5. Creditors : We commit to equality and our responsibility towards our creditors. We strictly adhere to good practices, our contractual and financial obligations, especially, guarantee or security interest provisions, capital management, and debt repayment in timely manner. We refrain from employing dishonest practices to conceal information or facts that may cause damage to creditors. In the event that the Company cannot perform any of its contractual obligations, we promptly notify our creditors in advance and work with them to find a solution. Furthermore, we focus on disclosure of information to stakeholders, emphasizing accuracy, completeness, speed, and transparency. The disclosed information includes both financial and non-financial matters. The Company has no lawsuit on default payment with any of our creditors.

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

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

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

7. Society, Communities, and the Environment : The Company operates with the responsibility toward society, communities, environment by conserving natural resources and efficient energy consumption. Moreover, considering the business operations that will have an impact on the environment and realizing the quality of life of communities and society.

Non-Infringement of Intellectual Property

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

Anti-Corruption

The operation of the Company is transparent and verifiable by setting up processes in place to control, monitor, reduce, and prevent against the risk of fraud and corruption within the organization, whether it be direct or indirect. On top of the Corporate Governance Policy, we also laid down in written form the Anti-Corruption. In 2018, we promoted, communicated, created awareness and understanding on the best practices to employees to recognize the importance of the anti-corruption, and provided guidelines for anti-corruption for executives and employees.

Moreover, in 2018, the Risk Management Committee has assessed the risk of fraud that may occur with the process of assessing the risk of fraud, separated from other risks and report risks to the Board of Directors, with the Compliance Unit responsible for monitoring the implementation of the risk assessment report.

Contact Channels and Whistleblowing Procedures

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

Postal service:	Company Secretary / Chief Executive Officer Comanche International Public Company Limited 252/118, 23 Floor, Unit E-F, Muangthai-Patra Office Tower II, Ratchadapisek Road, Huaykwang, Bangkok 10310
Tel:	(+66) 2 693 3569 Ext. 53
Fax:	(+66) 2 693 3577
Website:	http://www.comancheinternational.com/investor.php
Email:	ir@comancheinternational.com

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

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

Section 4 : Disclosure and Transparency

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

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

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

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

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

Investor Relations Activities

In 2018, the Company has set and arranged different activities for top executives to regularly meet retail investors, institutional investors, and analysts to present the Company’s operating performance as summarized below.

1. Opportunity Days

Held by the Stock Exchange of Thailand, opportunity days provide an opportunity for listed companies to meet with investors, analysts, media, and interested shareholders to provide information on the business and performance of the Company. In 2018, the Company held 2 opportunity day events after releasing financial statements.

2. Company Visit

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

Section 5 : Board Responsibilities

Definitions

Directors with Management Roles

are directors assuming the role of management who take part in the regular management of the Company.

Directors with no Management Roles

are directors who do not assume the role of management, do not take part in the regular management of the Company, and may or may not be independent directors.

Independent Directors

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

Board of Directors Composition

The Company's Board of Directors is of reasonable size and consists of qualified professionals with knowledge, experience, and various skillsets such as lawyers, accounting-financial officers, and information technology specialists able to perform their duties effectively. In addition, the Board of Directors consists of independent directors, who may freely express their opinions on the operations of the management team, as required by the SEC. The Board of Directors is composed of independent directors in the portion of more than one-third of the total number of directors. Presently, the Board consists of 7 directors (including the Chairman of the Board of Directors and 3 Audit Committee members), resulting in counterbalance in voting during deliberations.

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

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

At present, the Company has 3 subcommittees consisting of the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee.

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

The Board of Directors have placed the importance to performing duties according to the good corporate governance principles of the Company. Therefore, setting up a policy to limit the number of companies in which directors and executives will hold directorship in other listed companies. The directors and executives will be able to hold directorship in no more than 5 listed companies. At present, there are no directors who hold the position of directors in the company more than limit. In addition, Chief Executive Officer should not hold directorship in other companies, in order to perform the duty of supervising the operation of the group efficiently.

Terms of Office of the Directors

1. Directors have a term in office of no more than 9 years and can be elected as the director. The Company does not have a prohibition about the appointment of directors who are retired by their terms shall be re-appointed, including no prohibitions regarding the age of directors, but taking into account the ability to perform the duties. In addition, an independent director, shall be the office for no more than 9 consecutive years from the first date of being appointed to be the independent director.
2. The term in office of the director is in accordance with the articles of association of the Company. At the annual general meeting, one-third of the number of directors must vacate the office by allowing the directors who are in the position for the longest term of office to be retired from the position, and the directors who have been asked to vacate the office may be re-elected.
3. In the case that the position of the director is vacant due to other reasons other than the said agenda, the Board of Directors shall have a resolution with a vote of not less than three-fourths of the remaining directors selecting any person, who has the qualifications and does not have any prohibited characteristics under Section 68 of the Public Limited Company Act B.E. 2535 (1992), to replace. The person who represents such director will be in the position of director only for the remaining term of the director who has been replaced.

Succession Plan for High-Rank Management

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

Remuneration of Directors and Executives

The Company has set a clear and transparent remuneration of Directors' policy to propose to the Annual General Meeting each year for approval with the criteria of the determination of remuneration of Directors of the Company as follows ;

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

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

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

Board of Directors' Meetings

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

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

Thus, for the highest benefit of the Company, during 20th – 21st July 2018, the seminar between the Board of Directors and executives was held to consider and review the Company's long-term vision and strategy to be in accordance with its operations and business outlook which will be monitored to ensure that strategies are implemented every time the Board of Directors meeting is held. Directors with no management roles arranged to have a meeting without the management team on 20th December 2018 before the Board of Directors' Meeting No.6/2018 to discuss different matters of interest regarding management, and report of the results of the meeting to the Chairman of the Executive Committee.

The Board of Directors' Report

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

Self-evaluation of the Board of Directors

The Company has set for self-evaluation and committee-evaluation by the Board of Directors, sub-committees, Chief Executive Officer to consider the performance and issues and to analyze and find conclusion during the preceding year to set out policies to improve the efficiency of the Board of Directors and Chief Executive Officer.

For the evaluation process, the Board of Directors has assigned the Corporate Governance Committee to consider and advise the performance evaluation process of the Board of Directors, sub-committee, and Chief Executive Officer, including the preparation of the summary of evaluation results and additional comments (if any) to present to the Board of Directors' meeting and disclose in the annual report by dividing the criteria into 5 levels.

The results of the 2018 annual evaluation can be concluded that each committee has a complete and effective performance.

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

Questions consist of 6 key categories including

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

Directors involved in evaluation are directors in position during the period of evaluation, which is December 2018, totaling 6 directors.

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

Questions consist of 3 key categories including

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

3. Evaluation of the Subcommittee's Performance

Subcommittees consist of the Audit Committee, the Nomination and Remuneration Committee, and the Risk Management Committee. The performance evaluation of the committee as a whole and individually has been arranged for particular subject. In 2018, every subcommittee has reviewed and updated the evaluation questions and scoring. For evaluation as a committee, questions consist of 3 key categories including;

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

For individual evaluation, questions consist of 3 key categories including

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

4. Evaluation of Chief Executive Officer's Performance

Questions consist of 10 key categories including

- 1.) Leadership
- 2.) Strategy formulation
- 3.) Compliance with the strategy
- 4.) Financial planning and performance
- 5.) Relationship with the Board of Directors

- 6.) Relationship with externals
- 7.) Management and relationship with personnel
- 8.) Succession Plan
- 9.) Knowledge of products and services
- 10.) Personal features

Development of Directors and Top Executives

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

Board of Directors' Orientation

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

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

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

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

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

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

Scope of Duties of Chairman of the Board of Directors

1. Act as the Chairman for Board of Directors' meetings, shareholders' meetings, and meetings of directors with no management roles.
2. Work in conjunction with the Chairman of the Executive Committee and the Company Secretary in specifying the Board of Directors' meeting agenda and ensure that directors receive accurate, complete, and timely information sufficient for decision-making.
3. Allocate enough time during the Board of Directors' meetings, encourage directors to freely express their opinions while considering the impact to all stakeholders, conclude the resolution of the meeting, and ensure that the decision of the Board of Directors is carried out.

4. Build good relationships between the Board of Directors and management, and support the performance of duties of the Chairman of the Executive Committee in accordance with the Company's policies.
5. Support and act as a role model in practicing good corporate governance and business ethics of the Company.
6. Oversee the performance of duties of the Board of Directors as a whole, subcommittees, and directors individually for efficiency, and arrange for evaluation of the performance of duties of the Board of Directors as a whole, Board members individually, and all subcommittees

Scope of Duties of the Board of Directors

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

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

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

Scope of Duties of the Audit Committee

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

- g. Opinion or overall comment that the Audit Committee has from practicing in accordance with the Audit Committee Charter.
 - h. Report on other matters that shareholders or investors should be aware of, within the scope of duties and responsibilities delegated from the Board of Directors.
- (12) Review and amend the Audit Committee Charter.
- (13) Undertake other proceedings delegated by the Board of Directors within the scope of duties and responsibilities of the Audit Committee.

Scope of Duties of the Risk Management Committee

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

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

Scope of Duties of the Nomination and Remuneration Committee

- (1) Review the qualifications of persons holding the position as Board member for the Company and its subsidiaries to be consistent with the nature of business and business strategy and varied in terms of skill set, experience, and specific efficacies beneficial to the Company, to propose for consideration by the Board of Directors and/or shareholders.

- (2) Specify director recruitment and selection process for vacancy in position from scheduled retirement or other reasons.
- (3) Review the independence of directors of the Company and its subsidiaries, as well as conflicts of interest that may occur during the course of operations of the director.
- (4) Consider the succession plan for the Chief Executive Officer of the Company and its subsidiaries to be presented to the Board of Directors.
- (5) Propose process and methodologies regarding remuneration payment for the Board of Directors of the Company and its subsidiaries, as well as other subcommittees appointed by the Board of Directors.
- (6) Propose the remuneration consideration policies for the Chief Executive Officer of the Company and its subsidiaries, including salary/annual bonus, based on performance and operational results.
- (7) Evaluate the performance of the Chief Executive Officer of the Company and its subsidiaries as input for the consideration of remuneration before presenting to the Board of Directors for approval annually.
- (8) Regularly consider the remuneration of the Board of Directors of the Company and its subsidiaries, subcommittees, and the Chief Executive Officer in comparison to other companies in similar businesses as a source of motivation.
- (9) Specify evaluation criteria for the Chief Executive Officer of the Company and its subsidiaries and present to the Board of Directors for approval.
- (10) Report on the progress and performance to the Board of Directors after every Nomination and Remuneration Committee meeting.
- (11) Evaluate the performance of duties of Nomination and Remuneration Committee and report on the evaluation results to the Board of Directors.
- (12) Undertake other proceedings delegated by the Board of Directors.

Scope of Duties of the Chief Executive Officer

- (1) Manage the business of the Company in accordance with the vision and mission specified by the Board of Directors.
- (2) Coordinate with the Audit Committee and Risk Management Committee such that business proceedings of the Company, as well as risk management, are in accordance with the objectives, the Articles of Association, and the resolutions of the Board of Directors' meeting and/or shareholders' meeting.
- (3) Oversee business proceedings, set business strategies, and manage day-to-day operations of the Company.

- (4) Make important decisions of the Company, set goals in line with objectives and company policies, and oversee different business units.
- (5) Act as person of authority in the command, contact, order, and signatory in legal contracts, notices, or other documentation specified in the authority index.
- (6) To have the authority to employ, appoint, transfer, and fire personnel as appropriate, as well as specify the scope of duties and compensation in accordance with the authority index.
- (7) Follow-up, check, and control the Company's performance to be in line with set goals, as well as seek for opportunities to develop for increased performance results.
- (8) To have the authority to specify credit terms for the benefit of the Company.
- (9) Consider investments in new businesses, business unit termination, or investment or joint investment to propose to the Executive Committee and/or Board of Directors.
- (10) Undertake other proceedings delegated by the Executive Committee and/or Board of Directors.

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

Authority of the Board of Directors

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



90.2

83.5

+3.5

+83.4

83.5

+3.5

55.2



Corporate Social Responsibility

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

Good Corporate Governance

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



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

On 30th August 2017, Comanche International Public Company Limited has been awarded “Best Service Enterprise Award” for digital content & software in the Prime Minister’s Export Award 2017, receiving by Mr. Somboon Sukheviriya, Chief Executive Officer, and the Board of Directors from the Prime Minister, General Prayut Chan-o-cha, at Santi Maitri Building, the Government House. the “Prime Minister’s Export Award 2017” is highest official award to the country’s foremost exporters to promote image and quality of Thai products in global market which made the Board of Directors and employees of the Company proud and increase the morale to drive the business to its goal, “Aiming to be a leader in the development and service of technology for tourism and hotels”.

Respect of Human Rights and Fair Treatment of Employees

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



Management Seminar 2018 Activities

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



Food and Hotel Thailand 2018

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

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

Educational Development and Personnel

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



Undergraduate students, Ubon Ratchathani University

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

Environmental Care

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

Anti-Corruption

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

GENERAL

- The Company has communicated to its personnel, both at executive and staff level, that employees at all levels of the Company shall abide by the anti-corruption and business ethics policy and shall not directly or indirectly become involved with corruption in any form.
- Executives and staff of the Company shall not neglect or keep silent if they came across any action bordering on corruption related to the Company and must report the matter to his/her supervisor or the person in charge and shall cooperate in the investigations of facts. When in doubt, or if he/she has any questions, he/she should consult his/her supervisor or personnel appointed to be responsible for monitoring ethical conducts as stated by the Company through various channels stipulated.
- The Company will give justice and protection to employees who refuse or inform on matters of corruption concerning the Company, using measures to protect the informer or person who cooperates by reporting on corruption, as stipulated in the Whistleblower Procedures of the Company.
- Anyone who is found guilty of corruption has violated the ethical code of conduct of the Company and shall be disciplined according to the regulations stipulated by the Company. Moreover, he/she might be subject to legal punishment if said doings are unlawful.
- The Company realizes the importance of publicizing and providing knowledge and understanding to persons who have to deal with the Company or matters which may affect the Company with regard to actions taken in accordance with the anti-corruption policy.

GUIDELINES

1. Political Contributions

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

2. Donations to Charity

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

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

3. Grants

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

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

4. Gifts, Hospitality Expense and Other Expenses

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

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





of the Union

Issue 704 1A, 2018

Monday, Jan 15, 2018

8 CNY/USD

M	T	W	T	F	S	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Internal Control and Risk Management

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

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

1. Control Environment

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

2. Risk Assessment

The Company has set up a good risk management system throughout the organization. The Risk Management Committee is responsible for establishing the policy framework as well as effective systematic risk management, which are communicated to employee. Every unit assesses risk factors in various areas, impacts, possibility of occurrence, and risk management plan in line with changes in internal and external risks including corruption risk. Consequently, each unit also determines clear measures to manage risks at acceptable levels. Moreover, the Company places the importance on fast – moving situation, thus establishing a Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP) to prepare for risks and crises which may occur to ensure that the Company's major operations will have continuity

and not be halted. The work performed by the Risk Management Committee is reported to the Audit Committee and the Board of Directors every year. The Internal Audit Office also monitors whether various units have followed the risk management measures in order to ensure that the Company's risks are at acceptable and manageable levels.

3. Control Activities

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

4. Information and Communication

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

5. Monitoring

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

In 2018, the Audit Committee had the same opinion with the external auditor that there was no material weakness in the internal control system. The Company has a sufficient and appropriate internal control system for its business and all units complied with the procedures and regulations. No material weakness was found in the internal control system.

Head of Internal Auditor Biography



Tanin Auarayamontri

Internal Auditor

Education : - Bachelor of Accountancy, University of the Thai Chamber of Commerce, Thailand
- Master of Commerce in Finance, Macquarie University, Australia

Training : - Fundamentals for New Auditor Course, Class of 2/2018, Institute of Internal Auditors of Thailand (IIAT)

Experience in the past 5 year :
2013 – 2017 Senior Auditor III, Deloitte Touche Tohmatsu Jaiyos Audit Company Limited

Duties and Responsibilities of the Head of Internal Audit

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



M T W T F S S

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

3.32 Pages/Visit

Traffic Sources Overview



- Direct Traffic
3,097.00 (40.49%)
- Search Engines
2,910.00 (38.04%)
- Referring Sites
1,642.00 (21.47%)

Visitors Overview



Report of The Audit Committee

Dear Shareholders,

According to the resolutions of the Board of Directors' Meeting of Comanche International Public Company Limited ("the Company") No. 6/2017 held on 20th December 2017, the Audit Committee consists of three independent directors who have knowledge and experience in the fields of information technology, law, management, accounting, and finance.

At present, the Audit Committee comprises of:

1) Mrs. Dolrudee	Pornpipat	Chairman of the Audit Committee
2) Mr. Supoj	Kaewmanee	Audit Committee
3) Mr. Chalernpol	Tuchinda	Audit Committee

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

In 2018, the Audit Committee held a total of four meetings. The following is a summary of key activities and opinions undertaken by the Audit Committee

1. Review of Financial Reports and Non-Financial Reports

The Audit Committee reviewed the quarterly and annual financial statements for the year 2018 as well as related party transactions and transactions that could have led to a conflict of interest. The reviews were attended by related members of the managements and the auditors to give explanations and clarify any questions that related to the accuracy, completeness, significant adjustment entries that affected the financial statements, sufficiency of the information disclosure, and audit results. The Audit Committee has opinioned that the financial statements are presented fairly, in all material respects, in accordance with Generally Accepted Accounting Principles ("GAAP") and Thai Financial Reporting Standards ("TFRSs"). In addition, the meeting between the Audit Committee and the auditors without the presence of the management was held to make independent discussion on the preparation process of the financial reports, namely, the auditor's annual audit plan and framework, risks, internal controls, allegation and fraud, and other related issues. The Audit Committee realized that the auditors received good cooperation and support from the management, independently performed their duties with sufficient knowledge, experience, and appropriate audit approach.

2. Review of Risk Management

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

3. Review of Internal Control Systems' Effectiveness

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

4. Oversight of Internal Auditing

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

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

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

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

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

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

The Audit Committee has considered, selected and nominated the auditors as well as determined the audit fee for 2019 by considering their current year performance according to the Company's benchmarks. Taking into account of their qualifications, independency, quality, satisfactory standard of work, and the auditors have qualified the requirements announced by SEC and SET. The Audit Committee has considered and foreseen that it is the time to rotate the auditors for the utmost benefits of the Company, thus nominated Miss Sulalit Ardsawang, Certified Public Accountant Registration (Thailand) No.7517 or Mr. Piradej Phongsatiansak, Certified Public Accountant (Thailand) No.4752 or Mr. Poj Asawasantichai, Certified Public Accountant (Thailand) No.4891 or Mr. Thanawut Phiboonsawad, Certified Public Accountant (Thailand) No.6699 or Miss Wannisa Ngambuathong, Certified Public Accountant (Thailand) No.6838 or Miss Thanyaporn Tangtanopajai, Certified Public Accountant (Thailand) No.9169 or Mr. Suwat Maneekanoksakul, Certified Public Accountant (Thailand) No.8134 or Miss Soraya Tintasuwan, Certified Public Accountant (Thailand) No.8658 from Dharmniti Auditing Company Limited to be the auditors of the Company for the year 2019.

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

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

The Audit Committee has already considered and opinioned that, in 2018, the financial statements of Comanche International Public Company Limited are presented fairly and sufficiently with effective risk management and internal controls as well as compliance with laws, rules, and regulations applicable to its business and believes that Comanche International Public Company Limited has a good corporate governance and continuously improves its quality. In this connection, the Audit Committee has received good collaboration throughout 2018 from the Board of Directors, the managements, the auditors, and relevant parties. As such, we would like to express our gratitude to all of them.

(Mrs. Dolrudee Pornpipat)

Chairman of the Audit Committee

Traffic Sources Overview



- Direct Traffic
3,097.00 (40.49%)
- Search Engines
2,910.00 (38.04%)
- Referring Sites
1,642.00 (21.47%)

Visitors Overview



Visitors
2,958

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 Companies. Chairman of the Executive Committee of the Company. Joint shareholders with spouse, holding shares at 33.03% of registered and paid-up share capital.

For 2018 and 2017, there were no related party transactions between the Company and its subsidiaries companies and potential conflicting parties.

Measures and Procedures for Related Party Transactions

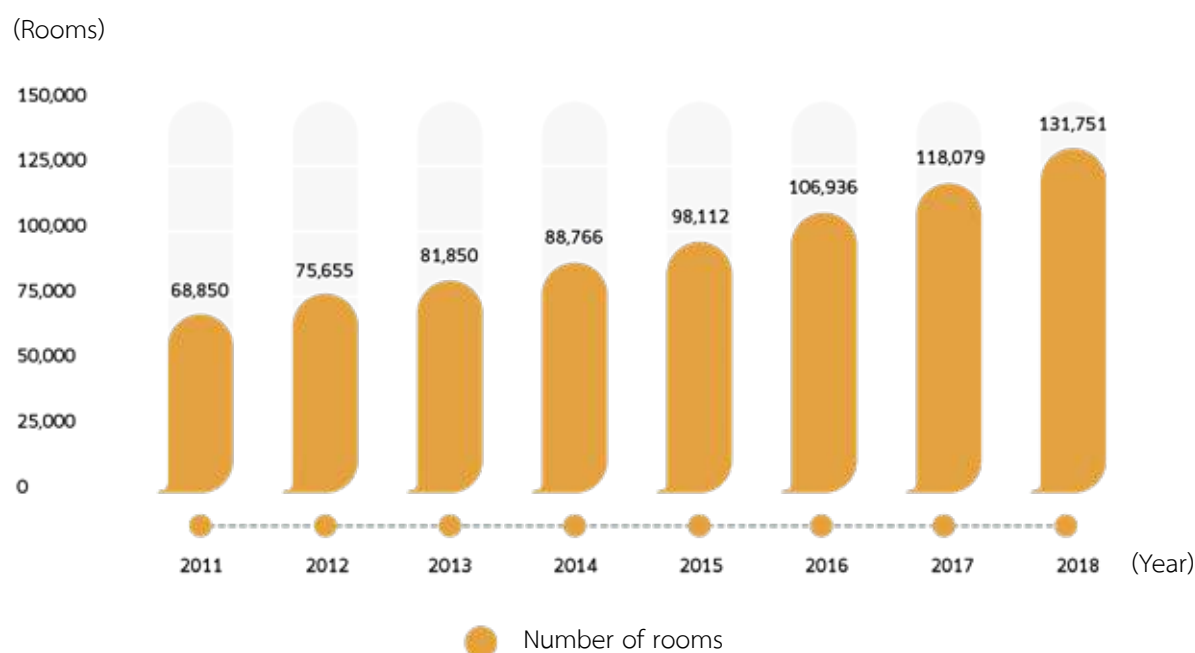
In the case of related party transactions between the Company or subsidiary companies and persons concerned, persons with conflicting interests or may have future conflicts of interests, which arise from commercial agreement which any person would enter into with general trade partners in similar circumstances,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

With regard to measures and procedures for related party where the related party are not transactions under normal commercial practices, the Company shall provide comments of the Audit Committee with regard to the necessity and appropriateness of said transaction. In the case where the Audit Committee is not sufficiently qualified to consider related party that may arise, the Company shall provide an independent appraiser, an independent expert, or an auditor to give an opinion with regard to said related party transaction to the Audit Committee as collaboration for the Audit Committee's decision and propose 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 the Company shall disclose said related party transaction in the Annual Registration Statement Form (Form 56-1) and in the Company's Annual Report (Form 56-2) according to Laws and Regulations of the Securities and Exchange Commission. In this connection, approval of said related party transaction shall be in compliance with the Securities and Exchange Law and the regulations, notifications, order or requirements of the Securities Exchange of Thailand, whereby those with conflicts of interest in the related party transaction shall refrain from voting for that particular related party transaction.

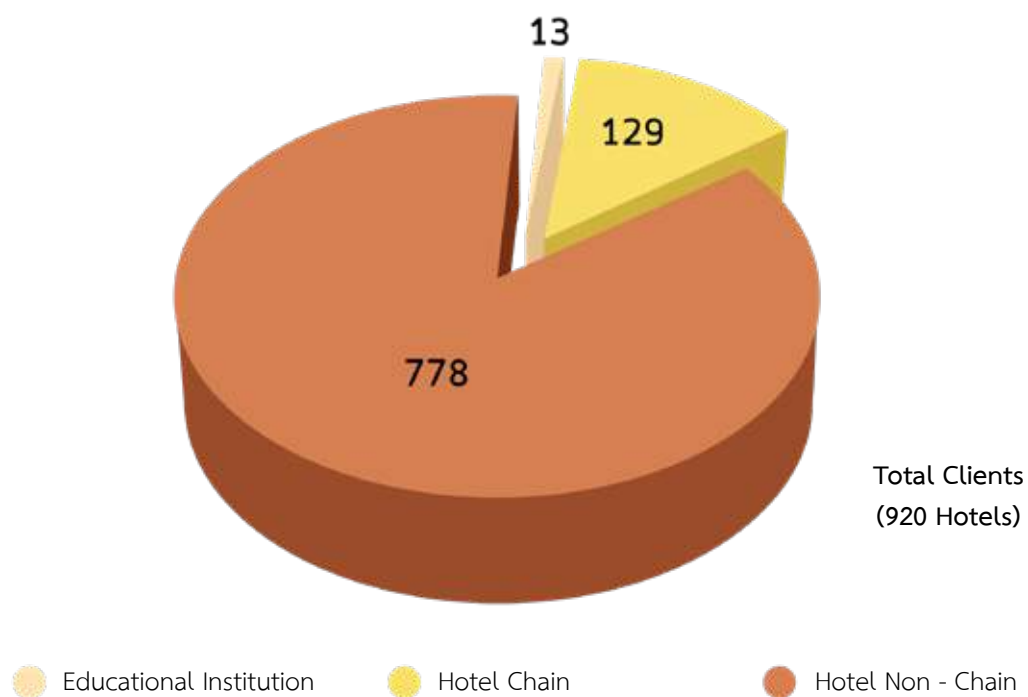


Financial Summary

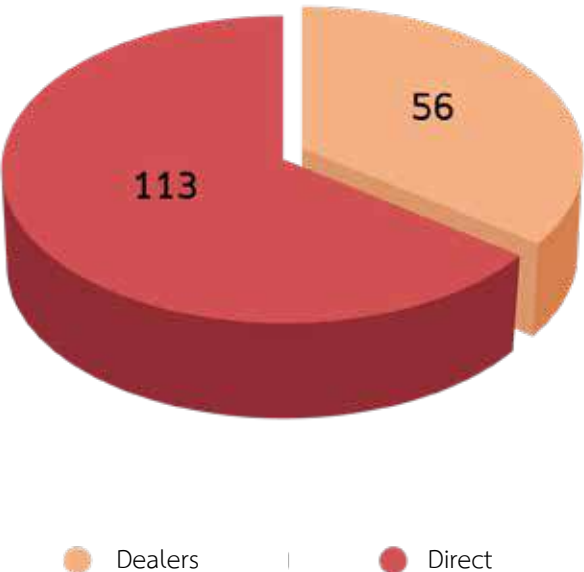
Customer Hotels and Number of Rooms



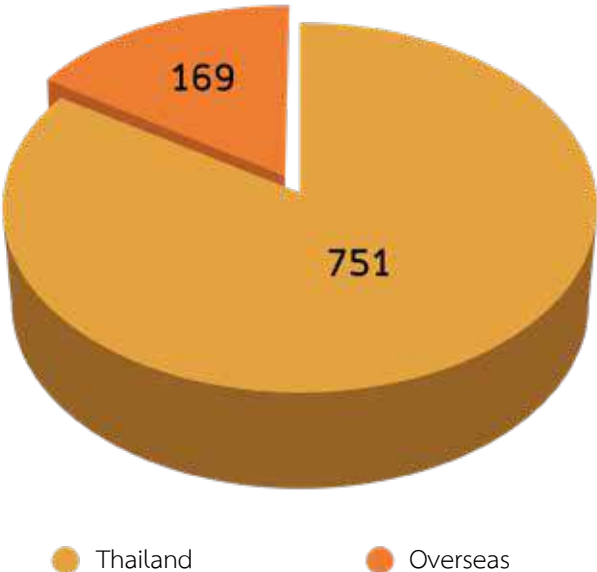
Customers by type Y2018



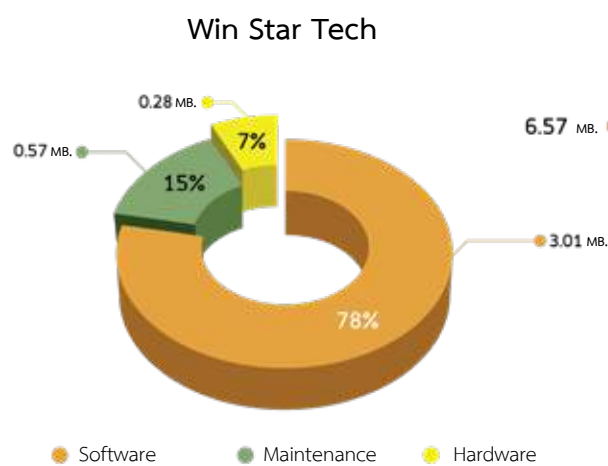
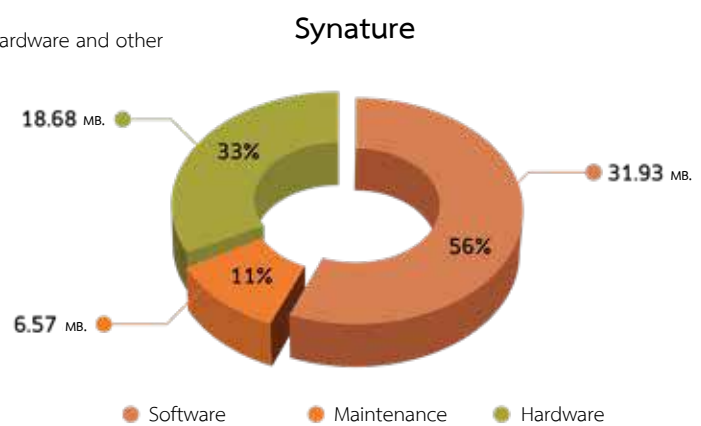
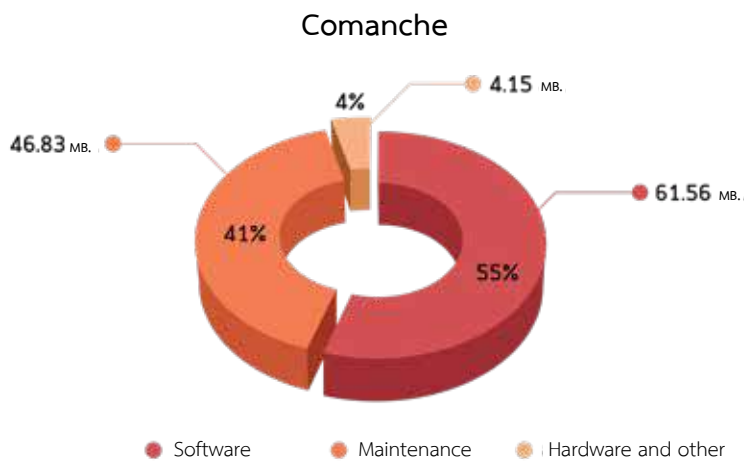
Direct / Dealers



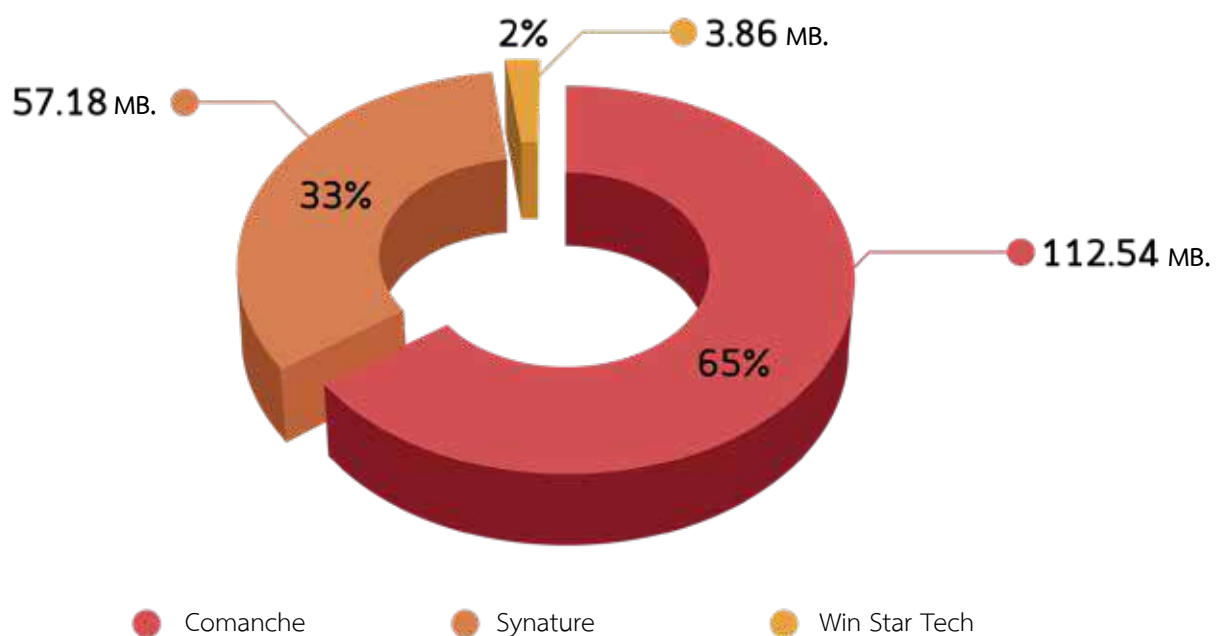
Thailand / Overseas



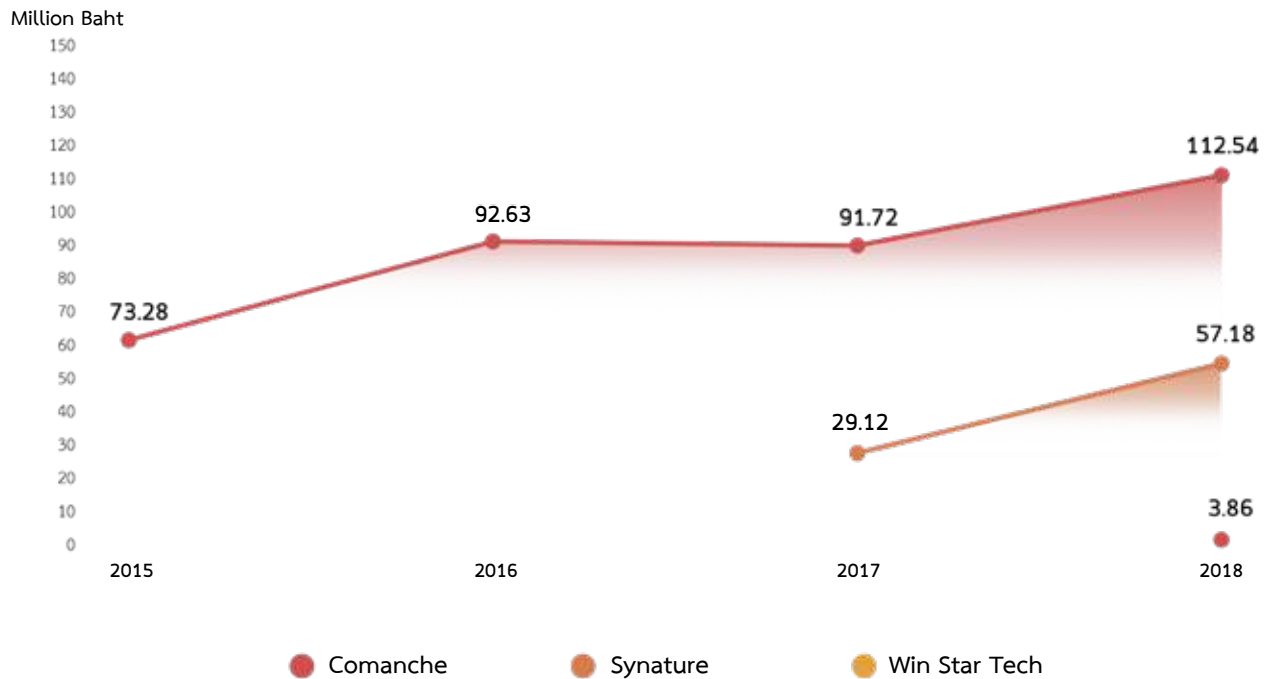
Revenue Overview Y2018



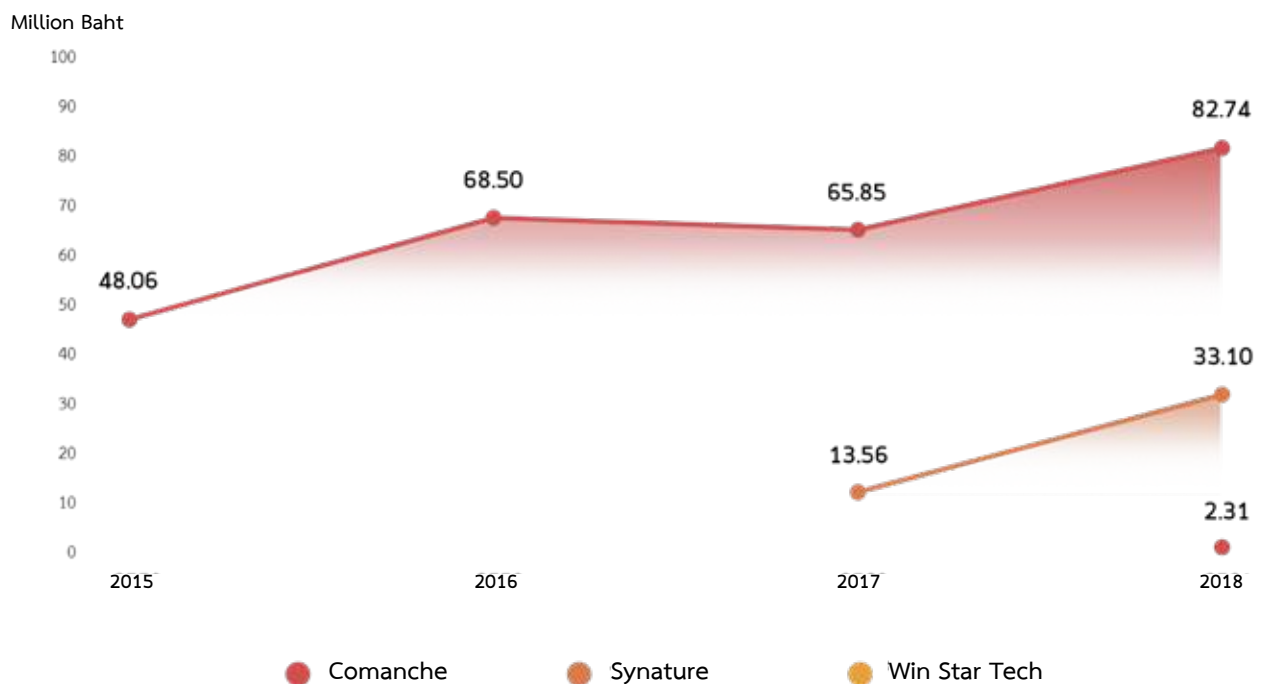
Total Revenue



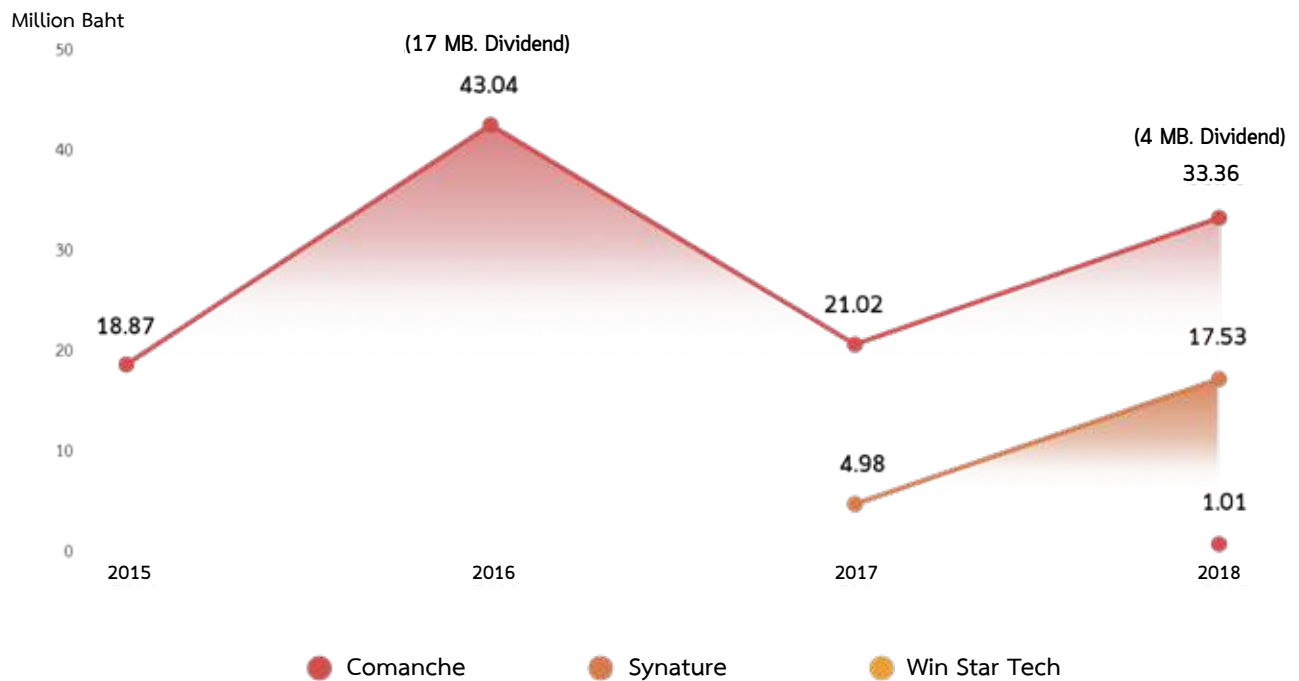
Revenue Overview



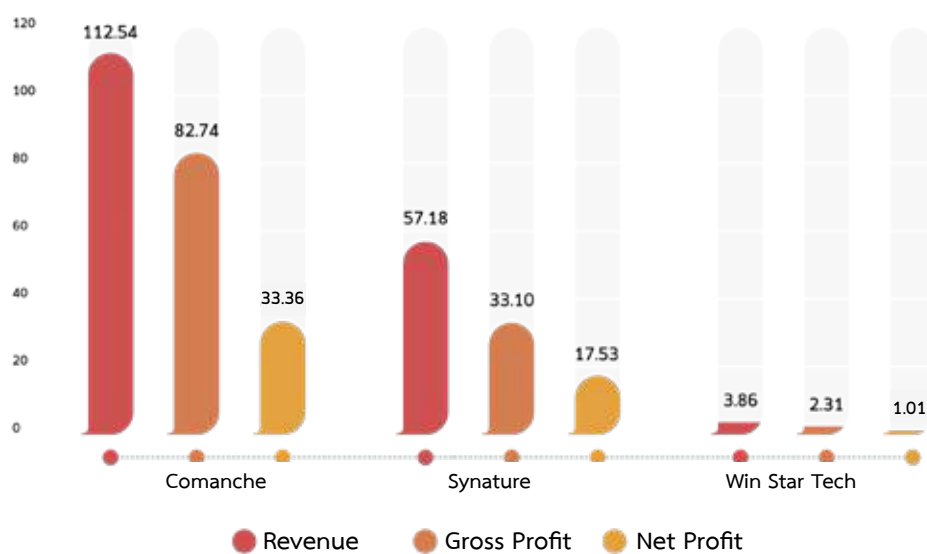
Gross Profit



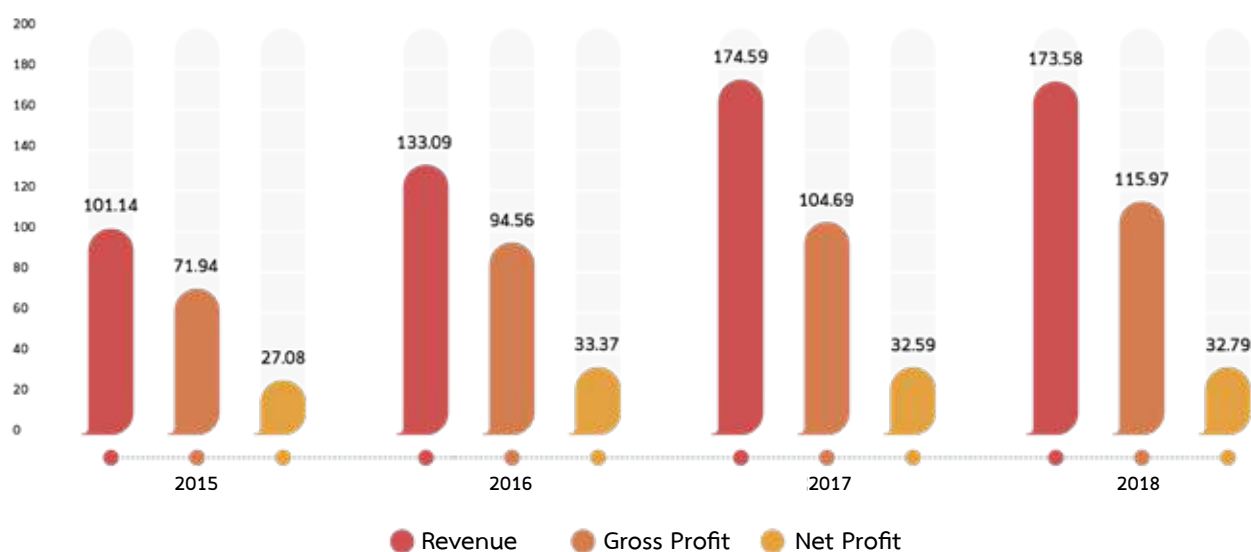
Net Profit



Financial Statistics Y2018



Financial Statistics Y2015 - 2018 (Consolidated)



Remark: Financial statistics of 2015 - 2017 have been included operating results of MSL Software (Thailand) Company Limited

Management Analysis and Explanation

Overall Performance of the Company and Subsidiaries

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

On 20th June 2017, the Company invested in Synature Technology Company Limited (“SYN”), with shareholding at 51 percent of the registered and paid-up capital. SYN is a developer for sales, installation, and providing ready-to-use program for restaurant, spa and service management which is the intellectual property of SYN by registering the pRoMiSe program with the Department of Intellectual Property. In this connection, SYN provides the installation service on customer’s premises, the arrangement of training programs for users of the program and providing after-sales service by consulting as well as other related services.

On 1st June 2018, the Company invested in Win Star Tech Company Limited (“WST”), with shareholding at 87.5 percent of the registered and paid-up capital. WST is a developer for sales, installation, and providing ready-to-use program for golf course management which is the intellectual property of WST by registering the WinGolf program with the Department of Intellectual Property. In this connection, WST provides the installation service on customer’s premises, the arrangement of training programs for users of the program and providing after-sales service by consulting as well as other related services.

The consolidated financial statements of the Company for the year ended 31st December 2018 and 2017 were included operating results of the following subsidiaries;

Company Name	Type of Business	Established in	% of Shareholding as at 31 st December		Remark
			2018	2017	
Synature Technology Company Limited (“SYN”)	Providing service of computer program	Thailand	51.00	51.00	Purchased shares on 20 th June 2017
Win Star Tech Company Limited (“WST”)	Providing service of computer program	Thailand	87.50	-	Purchased shares on 1 st June 2018

In 2018 and 2017, the consolidated financial statements were presented total revenue from sales and rendering services in the amount of Baht 173.58 million and Baht 120.84 million, respectively.

In 2018, the Company and subsidiaries increased in revenue from sales and rendering services in the amount of Baht 52.74 million or equivalent to an increase of 43.64 percent due to the increase of revenue from the Company in the amount of Baht 20.82 million because the Company were able to complete sales with many new hotel customers and from the existing hotel customers for a yearly maintenance service contract which has increased the revenue according to the increase in number of hotels that use the Company's program, and the increase from SYN in amount of Baht 28.06 million. This is because, in this year, the Company included revenue from SYN for the whole year, but in 2017, the total revenue from SYN was included for only 6 months and 11 days. Most of revenue of SYN in 2018 was related to sales and rendering services of ready-to-use program for restaurants and related maintenance. The increase was also included the revenue of WST in the amount of Baht 3.86 million which was consolidated in this year for the first time for 7 months. Most of the revenue of WST was revenue from sales and rendering services of ready-to-use golf course program and related maintenance.

In 2018 and 2017, the consolidated financial statements had net profits attributable to shareholders of the parent company in the amount of Baht 32.79 million and Baht 30.15 million, respectively, and net profit margins were 18.89 percent and 24.95 percent, respectively. The decrease in net profit margin was due to the loss for the year from the discontinued operation, net of taxes of MSL, amounting to Baht 15.08 million. However, the Company and subsidiaries were able to make net profits attributable to shareholders of the parent company for the year 2018 higher than 2017 in the amount of Baht 2.64 million or 8.76 percent as the reason mentioned in the previous paragraph.

In addition, if the Company did not include expenses related to the acquisition of WST in the amount of Baht 1.02 million, the disposition of MSL in the amount of Baht 2.70 million, and the corporate income tax of Baht 4.69 million, the consolidated financial statements would have had the total net profit for the year 2018 in the amount Baht 41.20 million or equivalent to 23.74 percent net profit margin.

Considering the financial position in the consolidated financial statements of the Company, the Company had total assets as at 31st December 2018 and 2017 amounting to Baht 518.07 million and Baht 497.47 million, respectively. At the end of 2018, total assets increased by Baht 20.60 million mainly due to an increase in cash and cash equivalents and short-term investments by Baht 123.51 million, short-term loans increased by Baht 15.19 million and other current assets increased by Baht 1.95 million, which is attributable to the disposition of MSL, the increase in the deposit for Company's annual outing, and the change of payment of employee bonus to be paid in the year. However, trade and other current receivables decreased by Baht 30.74 million, other intangible assets decreased by Baht 31.16 million, goodwill decreased by Baht 51.31 million, and other non-current assets decreased by Baht 4.96 million which mostly arose from the disposition of MSL as well as the increase in assets mentioned above and from the investment in WST.

As at 31st December 2018 and 2017, the Company had total liabilities of Baht 47.77 million and Baht 54.15 million, respectively. At the end of 2018, total liabilities decreased by Baht 6.38 million or 11.78 percent, mainly due to the decrease in trade and other current payables in the amount of Baht 12.13 million because the Company just disposed MSL in 2018. However, corporate income tax payable increased by Baht 3.34 million due to the BOI promotion certificate (BOI) expired in September 2017. However, the Company was granted the new BOI approval and started using tax exemption privileges in June 2018, and the provision for employee benefits increased by Baht 4.37 million due to the investment in WST in 2018 which the Company was obligated to include the provision for employee benefits in this year, and attributable to the Company and SYN for the increase from the calculation based on actuarial.

As at 31st December 2018 and 2017, the Company had total shareholders' equity of Baht 470.30 million and Baht 443.33 million, respectively. At the end of 2018, the total shareholders' equity increased by Baht 26.97 million or 6.08 percent which was mainly from the Company having dividend payment of Baht 8.44 million during 2018, total comprehensive income for the year 2018 in the amount of Baht 30.31 million, and non-controlling interests increased

by Baht 5.10 million. In addition, the Company has set additional legal reserve in the amount of Baht 1.67 million from the 2018 annual net profit.

Performance analysis

1. Revenue from sales and rendering services

Revenue structure of operation of the Company and subsidiaries

Unit: Million Baht

Revenue from Operations	Consolidated Financial Statement for the year					
	2018		2018		Increased / (Decreased)	
	Amount	% to total revenue	Amount	% to total revenue	Amount	%
Revenue from sales of related programs and services by the Company						
Sales and service of program installations	61.56	35.47	47.25	39.10	14.31	30.29
Maintenance services	46.83	26.98	40.92	33.86	5.91	14.44
Other services ¹	4.15	2.39	3.55	2.94	0.60	16.90
Total	112.54	64.84	91.72	75.90	20.82	22.70

Revenue from Operations	Consolidated Financial Statement for the year					
	2018		2018		Increased / (Decreased)	
	Amount	% to total revenue	Amount	% to total revenue	Amount	%
Revenue from sales, services, and maintenance by SYN	57.18	32.94	29.12	24.10	28.06 ²	96.36 ²
Revenue from sales, services, and maintenance by WST	3.86	2.22	-	-	N/A ³	N/A ³
Total revenue from sales and services	173.58	100.00	120.84	100.00	52.74	43.64

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

² The Company invested in SYN from 20th June 2017.

³ Unable be calculated because the Company invested in WST from 1st June 2018.

Revenue from sales and rendering services of program installations and related maintenance services

In 2018 and 2017, the Company had revenue from sales and rendering services of program installations in the amount of Baht 61.56 million and Baht 47.25 million, respectively, or 35.47 percent and 39.10 percent, respectively, of total revenue from operations. In 2018, revenue increased by Baht 14.31 million or 30.29 percent due to a group of new hotels and serviced apartments has started their businesses more than the previous year which is in line with better domestic economic factors as well as economic growth in Asia. In addition, the number and revenue from tourists entering Thailand continued to grow which, in 2018, Thailand had 38.28 million incoming tourists which increased by 2.69 million incoming tourists or 7.54% from 35.59 million incoming tourists in 2017 and generated income for Thailand in the amount of Baht 2.01 trillion, which increased by Baht 0.18 trillion or 9.63 percent from Baht 1.83 trillion in 2017, resulting in many investors in many business sectors, including hotel business sector is confident to invest in new hotels and increased the revenue from 2017. Moreover, the Company had 113 new hotel customers in 2018 and 97 new hotel customers in 2017 which increased by 16 hotel customers or 16.49% and average revenue in 2018 and 2017 were Baht 5.45 hundred thousand per hotel and Baht 4.87 hundred thousand per hotel, respectively, increased from the previous year by an average of Baht 0.58 hundred thousand per hotel or 11.91 percent, which the revenue per hotel is vary depending on various factors such as number of rooms, number of functions, etc.

In 2018 and 2017, the Company had revenue from maintenance services in the amount of Baht 46.83 million and Baht 40.92 million, respectively, or 26.98 percent and 33.86 percent of total revenue from operations, respectively. In 2018, revenue increased by Baht 5.91 million or 14.44 percent due to the fact that the Company was able to expand the customer base. The first-time sales and installation service of the program is included maintenance services in the proportion of approximately 12 - 15 percent of the value of the work in each contract, which the Company will gradually recognize revenue according to the proportion of service that the Company has already provided to customers. Also, it is because customers continued to renew the service maintenance contract with the Company after the first year which helped to stimulate revenue to be higher than 2017 from the growth of customer base of the Company.

Revenue from other services

Revenue from other services is a revenue from providing program and computer services to customers who were not in the maintenance agreement which said customers will be charged each time. In 2018 and 2017, the Company had revenue from other services of Baht 4.15 million and Baht 3.55 million, respectively, or equivalent to 2.39 percent and 2.94 percent of total revenue from operations, respectively. In 2018, revenue from other services increased by Baht 0.60 million or 16.90 percent, mainly due to the increased in number of customers who were not in the maintenance agreement and the version upgrade of the program of customers who were not in the maintenance agreement, resulting in the increase in revenue from other services.

Revenue from sales and rendering services and maintenance by SYN

The Company had operating revenue of SYN including in the consolidated financial statements of 2018 and 2017 amounting to Baht 57.18 million and Baht 29.12 million, respectively, or 32.94 percent and 24.10 percent of total revenue, respectively. In 2018, revenue increased by Baht 28.07 million or 96.39% due to, this year, the Company included revenue of SYN for the whole year, which is different from the previous year that included revenue from 20th June 2017 (date of acquisition). Revenue of SYN was from sales of hardware and ready-to-use software, services, and maintenance. The main customers of SYN are restaurants, retail stores, and services, including sales of all related hardware to customers.

Revenue from sales and rendering services and maintenance by WST

The Company has included operating revenue of WST to the consolidated financial statements from the acquisition date, 1st June 2018, which was revenue from sales of ready-to-use software, services, and related maintenance services in the amount of Baht 3.86 million in the year 2018, or 2.22 percent of the total revenue from operations. The main customers of WST are golf courses.

2. Other income

In 2018 and 2017, the Company had other income of Baht 16.63 million and Baht 3.11 million, respectively. Other income mainly consisted of interest income, gain from foreign exchange rate arising from foreign currency income, and other income. In 2018, other income increased from the recognition of profit from the sale of investment in MSL in the amount of Baht 12.55 million, which is the difference between the total value of consideration received and the book value, including assets and liabilities of MSL. In addition, the interest income increased by Baht 0.78 million or 25.47 percent, which was due to the allocation of money received from the disposition of MSL to deposit in fixed deposits at financial institutions.

3. Cost of sales and rendering services

Cost of sales and rendering services mainly consisted of salaries and wages of employees involving in providing services and developing cost of programs, and other costs such as the purchase of a licenses to use in the development of systems of WST and hardware costs purchased to sell to customers of SYN.

	The Consolidated Financial Statements for the year			
	2017	2018	Increased	
			Amount	%
Revenue from sales and rendering services	173.58	120.84	52.74	43.64
Cost of sales and rendering services	57.61	42.58	15.03	35.30
Gross profit	115.97	78.26	37.71	48.19
Gross profit margin (%)	66.81	64.76		

In 2018 and 2017, the consolidated financial statements of the Company were presented cost of sales and rendering services in the amount of Baht 57.61 million and Baht 42.58 million, respectively. In 2018, the Company had cost of sales and rendering services increased by Baht 15.03 million or 35.30 percent, mainly due to the increase in cost of sales and rendering services of SYN in the amount of Baht 9.54 million because the Company included whole operating results of SYN to the consolidated financial statements in 2018, but, in 2017, cost of sales and rendering services was included from 20th June 2017. The Company had increased in cost of sales and rendering services by Baht 3.93 million due to the increase in salaries and welfare of hired employees in the project management department and the customer support department to support the increase in number of customers. In addition, there was an increase in cost of sales and rendering services of WST by Baht 1.56 million because the Company began to include the operating results of WST to the consolidated financial statements from 1st June 2018, resulting in higher cost of sales and rendering services.

In 2018 and 2017, the consolidated financial statements of the Company had gross profit margins of 66.81 percent and 64.76 percent, respectively. The increase in gross profit margin was because SYN had 67.33 percent of the software sales and was more than 2017 which was 56.90 percent which software sales have a higher gross profit margin. In the past year, gross profit margin of SYN for software sales was 75.01 percent, and 22.59 percent for hardware sales.

4. Distribution cost and administrative expenses

Distribution cost

In 2018 and 2017, the consolidated financial statements were presented distribution cost of Baht 10.33 million and Baht 7.58 million, respectively, with the ratio of distribution cost to total revenue equal to 5.95 percent and 6.27 percent, respectively. Distribution cost mainly consisted of advertising expenses, commission, and promotional expenses such as expense of advertisement that the Company published in printed media, brochures of the Company, and expenses for organizing booths for exhibiting products and attending various exhibitions to publicize products and services of the COMAN group. In 2018, cost of distribution increased by Baht 2.75 million because the Company had more expenses for exhibiting products, commission fees, and travel expenses – Sales Department in 2018 which increased by Baht 1.12 million, and SYN increased in distribution cost by Baht 1.55 million because of the recognition of whole distribution cost in 2018, but, in 2017, began to include the operating results of SYN in the consolidated financial statements from 20th June 2017.

Administrative expenses

In 2018 and 2017, the consolidated financial statements were presented administrative expenses of Baht 60.99 million and Baht 47.81 million, respectively, with the ratio of administrative expenses to total revenue in 2018 equal to 35.14 percent, which was lower than the previous year which was at 39.56 percent of the revenue due to the increase in revenue of the COMAN group this year. Furthermore, administrative expenses are not directly proportional to sales, causing the proportion of administrative expenses to total revenue to decrease. Administrative expenses consisted of salaries, bonus, employee welfare, office rental, traveling expenses, depreciation, professional service fees, and meeting allowance.

In 2018, administrative expenses increased by Baht 13.18 million which was from administrative expenses of the Company that increased by Baht 7.06 million due to the increase in personnel expenses such as salaries, from increasing in the number of personnel in many departments, also including rental expenses and office expenses to support the business growth of the Company. And the administrative expenses of SYN increased by Baht 4.82 million due to the consolidation of administrative expenses of SYN for the whole year, and administrative expenses of WST in this year of Baht 1.29 million.

5. Other expenses

In 2018, other expenses decreased by Baht 0.27 million because, in 2017, the Company had loss from foreign exchange rate of Baht 0.25 million. In 2018, there was no such transaction.

6. Income tax expenses

The Company and subsidiaries had been granted tax privileges under the investment promotion certificate from the Board of Investment under the Investment Promotion Act B.E. 2520, which the Company had been granted exemption

from corporate income tax for a period of 8 years from the date that the Company started to earn revenue from operations which was on 3rd September 2009, and the promotion certificate had expired on 3rd September 2017. SYN had been granted exemption from income tax for the period of 8 years from the date that SYN started to earn revenue from operations which was on 8th October 2009, and the promotion certificate had expired on 8th October 2017.

In 2018 and 2017, the consolidated financial statements were presented corporate income tax expenses of Baht 4.69 million and Baht 1.24 million, respectively. In 2018, income tax expenses increased by Baht 3.45 million or 278.23 percent due to the corporate income tax exemption privilege of the Company and SYN ended during 2017. However, the Company and SYN had submitted the approval for the new investment promotion certificates during the year 2018, which the Company was granted the BOI certificate in June 2018 and began to privilege tax exemption for revenue from sales and rendering services in June 2018. The increase in corporate income tax was due to revenue from sales and rendering services of the Company during the process of BOI renewal.

7. Net profit

In 2018 and 2017, the consolidated financial statements were presented net profit of Baht 32.79 million and Baht 30.15 million, respectively, with net profit margins of 18.89 percent and 24.95 percent, respectively. The decrease in net profit margin due to loss from discontinued operation, net of taxes, of MSL in the amount of Baht 15.08 million in 2018, but, in 2017, MSL had a profit of Baht 8.66 million. Besides, if excluding the performance of MSL, the Company would have had a net profit margin for the year 2018 and 2017 equal to 27.58 percent and 17.78 percent, respectively.

In 2018, the Company increased in net profit by Baht 2.64 million or 8.76 percent which was mainly due to the increase in revenue in this year, resulting in the Company making more profit, and the recognition of profit of SYN for the full year in this year.

Financial position analysis

Unit: Million Baht

Statements of Financial Position				
Type	2018	2017	Increased	
			Amount	%
Total assets	518.07	497.47	20.60	4.14
Total liabilities	47.77	54.14	(6.37)	(11.77)
Total shareholders' equity	470.30	443.33	26.97	6.08

Assets

As of 31st December 2018, the Company had total assets of Baht 518.07 million, an increase of Baht 20.60 million compared to 31st December 2017, with total assets of Baht 497.47 million, mainly due to the following items;

1. Cash and cash equivalents and temporary investments

Cash and cash equivalents and temporary investments as at 31st December 2018 amounted to Baht 401.07 million, increased by Baht 123.51 million or 44.50 percent compared to 31st December 2017, which was Baht 277.56 million. This was mainly due to the Company received payment from the disposition of MSL on 9th October 2018, amounting to Baht 112.43 million.

2. Trade and other receivables

Trade and other receivables as at 31st December 2018 amounted to Baht 18.63 million, decreased by Baht 30.75 million or 62.27 percent compared to 31st December 2017, which was Baht 49.38 million. This was mainly due to the disposition of MSL causing trade and other receivables and deferred income of MSL in the consolidated financial statements of 2018 to decrease in the whole amount. In 2017, MSL had trade and other receivables and deferred income of Baht 31.85 million.

In the consolidated financial statements, trade receivables as at 31st December 2018, belonging to the Company amounted to Baht 4.94 million, belonging to SYN of Baht 8.08 million, and belonging to WST of Baht 1.13 million. In this regard, the management focused on the follow-up of debt repayment by considering long outstanding debtors and discussing with the relevant operations to acknowledge the causes and follow up the progress of expediting follow-up payments from customers.

3. Short-term loans

Short-term loans as at 31st December 2018 amounted to Baht 15.19 million which the balance was zero as at 31st December 2017. This was mainly due to the disposition of MSL, causing liabilities that MSL had with the Company when it was one of subsidiaries namely, dividend receivables of approximately Baht 9 million, short-term loans to related party approximately Baht 5 million, interest receivable from said loans approximately Baht 0.12 million, and management fee receivables of Baht 1.07 million, totaling of Baht 15.19 million, classified as short-term loans.

4. Inventories

Inventories as at 31st December 2018 amounted to Baht 1.32 million, increased by Baht 0.41 million or 45.05 percent compared to 31st December 2017, which was Baht 0.91 million. This was mainly due to the increase in inventories of SYN during the end of the year 2018. There were a lot of purchase orders, causing SYN to stock more inventories by Baht 0.25 million. Inventories mainly consisted of computer hardware, and the increase of inventories of WST from the investment in WST, Baht 0.04 million of inventories was included. The remaining incremental inventories were the work in progress of the Company which increased by Baht 0.12 million.

5. Other current assets

Other current assets as at 31st December 2018 amounted to Baht 2.93 million, increased by Baht 1.95 million or 198.98 percent compared to 31st December 2017, which was Baht 0.98 million. This was mainly due to the payment of the Company's annual outing amounting to Baht 1.46 million and other deposits of Baht 0.49 million.

6. Equipment

Equipment as at 31st December 2018 amounted to Baht 5.09 million, decreased by Baht 0.89 million or 14.88 percent compared to 31st December 2017, which was Baht 5.98 million. This was mainly due to the disposition of MSL, resulting in equipment of MSL in the whole amount decreased by Baht 0.79 million and the depreciation for the year was Baht 2.28 million. However, the Company and subsidiaries had purchased equipment of Baht 2.16 million to be used in the business during the year such as computers and office equipment, which are in line with the increasing number

of employees to support the increasing customer base, and from the investment in WST, therefore, the equipment of WST had been included of Baht 0.04 million.

7. Intangible assets

Intangible assets as at 31st December 2018 amounted to Baht 18.22 million, decreased by Baht 31.16 million or 63.10 percent compared to 31st December 2017, which was Baht 49.38 million. This was due to the disposition of MSL, resulting in intangible assets belonging to the MSL, which consisted of computer programs and customer relationships, decreased by Baht 31.27 million. However, the increase of Baht 7.56 million of computer programs and computer programs under development of the Company were Business Intelligent Systems and W-Series and SYN were the Inventory Restaurant Management system and pRoMiSe Ultra. From the investment in WST, therefore added Baht 2.03 million of computer program, WinGolf: golf course management program, and computer software under development which included WinRMS: restaurant in golf course management program and WinGolf Lite, a new version of golf course management program of WST. In addition, the amortization of computer programs was Baht 6.77 million and the amortization of customer relationships was Baht 2.71 million during 2018.

8. Goodwill

Goodwill as at 31st December 2018 amounted to Baht 53.74 million, decreased by Baht 51.31 million or 48.84 percent when compared with 31st December 2017, which was Baht 105.05 million due to the disposition of MSL, causing goodwill to decrease by Baht 64.26 million. However, the investment in WST resulted in the increase in goodwill by Baht 12.95 million. Goodwill arose from the acquisition of ordinary shares of WST at a higher price than the fair value of the total net assets of WST. At the end of 2018, goodwill of Baht 53.74 million had not recorded any impairment of goodwill.

9. Other non-current assets

Other non-current assets as at 31st December 2018 amounted to Baht 1.86 million, decreased by Baht 4.96 million or 72.72 percent compared with 31st December 2017, which was Baht 6.82 million. This is mainly attributable to the decrease in bank deposits used as collateral of MSL as shown in the consolidated financial statements at the end of last year by Baht 5.62 million. However, from the investment in WST, other non-current assets of Baht 0.57 million were included, consisting of rental deposit and equipment amounted to Baht 0.21 million and prepaid tax expenses of Baht 0.36 million.

Liabilities

As at 31st December 2018, the Company and subsidiaries had total liabilities of Baht 47.77 million, decreased by Baht 6.37 million or 11.77 percent compared with 31st December 2017 which had total liabilities of Baht 54.14 million, mainly due to the following explanations;

1. Trade and other payables

Trade and other payables as at 31st December 2018 amounted to Baht 30.03 million, decreased by Baht 12.13 million or 28.77 percent from 2017, which was Baht 42.16 million, mainly due to the decrease in trade and other payables of MSL in the whole amount by Baht 9.84 million, deferred income of MSL in the whole amount decreased by Baht 3.04 million, whole accrued expenses of MSL decreased by Baht 1.26 million, and other current liabilities of MSL decreased in the amount of Baht 1.49 million, because the Company just disposed MSL in 2018, which in the statements of financial position of 2017 were presented the remaining balance of MSL. In addition, accrued expenses of the Company decreased by Baht 2.17 million due to the fact that, in 2017, the Company had accrued bonus expense, but the annual bonus

of the Company for 2018 was paid by the end of the year. However, the Company and subsidiaries having advance received revenue increased by Baht 2.45 million because the Company and subsidiaries had a larger customer base, resulting in more service fees received from the annual maintenance service contract, respectively.

2. Income tax payable

Corporate income tax payable as at 31st December 2018 amounted to Baht 3.48 million, increased by Baht 3.34 million or 2,385.71 percent compared to 31st December 2017, which was Baht 0.14 million due to the previous BOI promotion certificate (BOI) of the Company had expired, and the Company had revenue from sales and rendering services of the Company during the period of the BOI renewal. However, the Company was granted the approval of the said BOI certificate in June 2018 and has already started to privilege the tax exemption for revenue from sales and rendering services in June 2018.

3. Deferred tax liabilities

Deferred tax liabilities as at 31st December 2018 amounted to Baht 0.94 million, decreased by Baht 0.96 million or 50.53 percent compared to 31st December 2017, which was Baht 1.90 million. The decrease caused by the decrease of deferred tax liabilities from the temporary differences of the book value and the fair value of SYN as of the date of investment in SYN that was amortized in the year of Baht 0.43 million, and the Company had increased in deferred tax assets in the amount of Baht 0.53 million from the temporary differences from provision for employee benefits which increased significantly according to calculation of actuarial in this year.

4. Provision for employee benefits

Provision for employee benefits as at 31st December 2018 amounted to Baht 10.54 million, increased by Baht 4.37 million or 70.83 percent compared to 31st December 2017, which was Baht 6.17 million due to the investment in WST in 2018. Therefore, it is required to include provision for employee benefit of WST in this year in the amount of Baht 0.47 million and attributing to the Company and SYN that increased by Baht 4.23 million in provision for employee benefits based on calculation of actuarial. However, there was a reversal of provision for employee benefits of MSL in the amount of Baht 0.33 million according to the disposition of MSL in 2018.

Shareholders' Equity

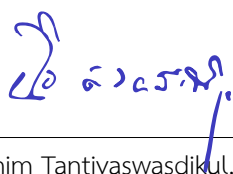
As at 31st December 2018, the Company and subsidiaries had total shareholders' equity of Baht 470.30 million, increased by Baht 26.97 million or 6.08 percent compared to 31st December 2017, which had shareholders' equity of Baht 443.33 million. The main changes came from the Company having dividend payment of Baht 8.44 million during the year 2018, total comprehensive income for the year 2018 in the amount of Baht 30.31 million and non-controlling interests increased by Baht 5.10 million (including dividend payment of subsidiaries paid to non-controlling interests Baht 3.85 million, increase in shares of a subsidiary of non-controlling interests Baht 0.23 million, and total comprehensive income for the year from non-controlling interests Baht 8.71 Million). Additionally, the Company had allocated additional legal reserve in the amount of Baht 1.67 million from the 2018 annual net profit of the Company.

THE RESPONSIBILITIES OF THE BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

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

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

The Board of Directors has ensured the accuracy and appropriated disclosure of the Company's financial statements which presented in the annual report year 2018 and were prepared in accordance with the Generally Accepted Accounting Principles and applied consistently. The overall Internal audit of the Company was accurate and appropriated, be able to build up the reliability of the separate and consolidated financial statements of the Company and subsidiaries as at 31st December 2018.



(Mr. Chim Tantiyaswasdikul, PhD)
Chairman of the Board of Directors



(Mr. Somboon Sukheviriya)
Chairman of the Executive Committee

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Comanche International Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Comanche International Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the aforementioned consolidated and separate financial statements present fairly, in all material respects, the financial position of Comanche International Public Company Limited and its subsidiaries and of Comanche International Public Company Limited as at December 31, 2018, 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 Federation of Accounting Professions’ Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to the Note 12 to the financial statements that the Company has sold its entire investment in MSL Software (Thailand) Co., Ltd. to its former shareholder on October 9, 2018. The Company presented the net profit from MSL Software (Thailand) Co., Ltd. as net profit from discontinued operation in the consolidated and separate statements of profit or loss for the years ended December 31, 2018 and 2017.

Moreover, we draw attention to the Note 4 to the financial statements that in June 2018, Comanche International Public Company Limited has acquired the shares of Win Star Tech Co., Ltd. At the reporting date, the Company is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date. The Company, however, used the net assets value at the business acquisition date from the interim financial information of such subsidiary and other relevant factors which may affect such information as the consideration received from the acquired business, and measured components of non-controlling interests by considering net assets value of such subsidiary according to its proportionate ownership. The Company recorded the different amount between the purchasing price and the value of consideration received as goodwill amounting to Baht 12.95 million. The assessment shall be completed within measurement period within one year from the business acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (revised 2017) "Business Combination". During the measurement period, the Company shall retrospectively adjust the provisional value recognized at the business acquisition date and recognize additional assets and liabilities and other related accounts to reflect new information obtained about facts and circumstances that existed as of the business acquisition date.

Key Audit Matters

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

Key Audit Matters	Key Audit Procedures
<p>Business Acquisition</p> <p>During the year ended December 31, 2018, the Group has acquired Win Star Tech Co., Ltd. ("Win Star Tech") at the amount of Baht 14.58 million. The Group is still in the process of appraising the fair value of the identifiable assets acquired and liabilities assumed and the fair value allocation at the business acquisition date. Key audit matter is the correctness of implementation process related to business acquisition and the acquisition assets and liabilities of Win Star Tech at the acquisition date has been recognized in accordance with TFRSs including related disclosures.</p> <p>Accounting policies of the consolidated financial statement preparation basis and details of the business acquisition of Win Star Tech were disclosed in Note 2.4 and Note 4 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the business acquisition process and related internal control procedures. • Testing the design and implementation of the internal control procedures related to business acquisition. • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the terms and conditions of Share Sale Agreement for the acquisition, payment documents, share transferred documents and related supporting documents - Examining details of assets and liabilities of Win Star Tech at the acquisition date which consists of the examination of existence, rights, obligations, valuation of assets and liabilities - Reviewing the presentation and related disclosures whether they are made in accordance with TFRSs.

Key Audit Matters	Key Audit Procedures
<p>Recognition of revenue from sales and rendering services</p> <p>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 recognized completely and properly period in accordance with TFRSs.</p> <p>Accounting policy for revenue and details of segment information were disclosed in Note 3.11 and Note 28 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the revenue recognition process relating to revenue from sales of computer software including software installation and related internal control procedures. • Testing the design and implementation of the internal control procedures. • Performing the operating effectiveness testing of internal control procedures over the recognition of revenue from sales of computer software including software installation, and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the terms and conditions under the contracts and recalculating the revenue whether the revenue from sales of computer software including software installation is occurrence and has been recognized completely and properly period 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.
<p>Impairment of investment in subsidiaries and goodwill</p> <p>The consideration of impairment in subsidiaries and goodwill is depended on the management judgements and assumptions. Therefore, the key audit matter is whether the valuation of investment in subsidiaries and goodwill and impairment of investment in subsidiaries and goodwill have been recognized in accordance with TFRSs.</p> <p>Accounting policies for investment in subsidiaries, goodwill and impairment and details of investment in subsidiaries and goodwill were disclosed in Note 3.5, Note 3.8 and Note 11 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> • Understanding the impairment consideration process and related internal control procedures. • Testing the design and implementation of the internal control procedures. • Performing the operating effectiveness testing of internal control procedures over the impairment consideration process, and • Performing substantive testing as follows: <ul style="list-style-type: none"> - Examining the supporting documents in relation to the management consideration of impairment indicators for goodwill - Involving the internal specialists of the independent auditor in assessing the appropriateness of valuation model and key assumptions the management used in the estimation of the impairment provision for investment in subsidiaries and goodwill - Examining the correctness of the data used in the estimation of the impairment provision for investment in subsidiaries and goodwill with supporting documents and relative report - Examining the correctness of the calculation of the impairment provision for investment in subsidiaries and goodwill.

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 Company.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and the separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
February 11, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	200,029,356	199,764,066	172,068,254	174,119,654
Temporary investments	6	201,042,864	77,798,235	201,042,864	77,796,305
Trade and other current receivables	7	18,634,283	49,378,612	7,697,976	20,320,261
Short-term loans to related parties	8 and 26.1	-	-	2,000,000	5,000,000
Short-term loans	9	15,194,150	-	15,194,150	-
Inventories		1,324,053	913,056	262,738	140,576
Current tax assets		-	1,413,434	-	-
Other current assets	10	2,929,514	980,590	2,125,749	756,543
Total current assets		439,154,220	330,247,993	400,391,731	278,133,339
NON-CURRENT ASSETS					
Investment in subsidiaries	11 and 26.1	-	-	66,600,000	164,319,567
Equipment	13	5,094,439	5,979,530	3,541,235	3,437,864
Other intangible assets	14	18,216,627	49,379,673	6,943,529	4,228,590
Goodwill	11 and 12	53,744,449	105,049,896	-	-
Deferred tax assets	15	-	-	569,534	43,214
Other non-current assets	16	1,862,475	6,817,874	1,200,551	1,105,730
Total non-current assets		78,917,990	167,226,973	78,854,849	173,134,965
TOTAL ASSETS		518,072,210	497,474,966	479,246,580	451,268,304

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2018

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	17	30,031,344	42,162,509	19,768,899	22,089,864
Current portion of liabilities under finance lease agreement	18	87,511	147,736	-	-
Current income tax payable		3,480,232	137,355	3,480,232	137,355
Other current liabilities		2,624,136	3,471,318	1,844,006	1,200,713
Total current liabilities		36,223,223	45,918,918	25,093,137	23,427,932
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreement	18	76,438	163,949	-	-
Deferred tax liabilities	15	936,405	1,896,741	-	-
Provisions for employee benefit	19	10,535,294	6,166,491	8,691,892	4,818,475
Total non-current liabilities		11,548,137	8,227,181	8,691,892	4,818,475
TOTAL LIABILITIES		47,771,360	54,146,099	33,785,029	28,246,407

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT DECEMBER 31, 2018

UNIT: BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
LIABILITIES AND SHAREHOLDERS' EQUITY					
(CONTINUED)					
SHAREHOLDERS' EQUITY					
SHARE CAPITAL					
Authorized share capital					
134,000,000 ordinary shares of 0.50 Baht each		67,000,000	67,000,000	67,000,000	67,000,000
Issued and paid share capital					
134,000,000 ordinary shares of 0.50 Baht each, fully paid		67,000,000	67,000,000	67,000,000	67,000,000
PREMIUM ON ORDINARY SHARES	21	323,397,514	323,397,514	323,397,514	323,397,514
RETAINED EARNINGS					
Appropriated					
Legal reserve	23	6,117,476	4,449,548	6,117,476	4,449,548
Unappropriated		55,056,764	34,853,994	48,946,561	28,174,835
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO					
OWNERS OF THE PARENT		451,571,754	429,701,056	445,461,551	423,021,897
NON-CONTROLLING INTERESTS		18,729,096	13,627,811	-	-
TOTAL SHAREHOLDERS' EQUITY		470,300,850	443,328,867	445,461,551	423,021,897
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		518,072,210	497,474,966	479,246,580	451,268,304

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Continuing operations					
Revenue from sales and rendering services	27 and 28	173,581,218	120,837,770	112,541,521	91,723,646
Cost of sales and rendering services	28	57,609,932	42,577,996	29,802,248	25,869,002
Gross profit		115,971,286	78,259,774	82,739,273	65,854,644
Other income					
Dividend income	26.2	-	-	4,003,500	-
Interest income	26.2	3,865,547	3,080,779	3,852,194	3,197,039
Gain on sales of fixed assets		499	-	861	-
Gain on exchange rate		-	-	1,767	-
Gain on sales of investment in subsidiary	12	12,552,399	-	2,120,433	-
Other income		212,490	24,911	827,890	523,270
Total other income		16,630,935	3,105,690	10,806,645	3,720,309
Profit before expenses		132,602,221	81,365,464	93,545,918	69,574,953
Distribution costs		10,325,547	7,579,825	6,812,141	5,633,979
Administrative expenses		60,993,632	47,815,054	48,253,931	41,187,600
Other expenses		950	267,779	-	265,684
Finance costs		11,965	10,183	52	-
Total Expenses		71,332,094	55,672,841	55,066,124	47,087,263
Profit before income tax expense from continuing operations		61,270,127	25,692,623	38,479,794	22,487,690
Income tax expenses	15	4,687,220	1,236,009	5,121,236	1,466,133
PROFIT FOR THE YEARS FROM CONTINUING OPERATIONS		56,582,907	24,456,614	33,358,558	21,021,557
Discontinued operation					
Profit (loss) from discontinued operation, net of income tax	12	(15,077,720)	8,130,275	-	-
PROFIT FOR THE YEARS		41,505,187	32,586,889	33,358,558	21,021,557

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
OTHER COMPREHENSIVE INCOME					
Continuing operations					
Items that will not be reclassified subsequently to profit or loss					
Gains (loss) on remeasurements of employee benefit plans		(2,476,904)	811,409	(2,476,904)	-
Other comprehensive income (expense) for the years from continuing operations		(2,476,904)	811,409	(2,476,904)	-
Discontinued operation					
Other comprehensive income for the years from discontinued operation		-	525,586	-	-
Other comprehensive income (expense) for the years		(2,476,904)	1,336,995	(2,476,904)	-
TOTAL COMPREHENSIVE INCOME					
Total comprehensive income from continuing operations		54,106,003	25,268,023	30,881,654	21,021,557
Total comprehensive income (expense) from discontinued operation		(15,077,720)	8,655,861	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEARS		39,028,283	33,923,884	30,881,654	21,021,557
PROFIT ATTRIBUTABLE TO					
Owners of the parent		32,789,602	30,146,419	33,358,558	21,021,557
Non-controlling interests					
Continuing operations		8,715,585	2,440,470	-	-
		41,505,187	32,586,889	33,358,558	21,021,557
COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of the parent		30,312,698	31,085,824	30,881,654	21,021,557
Non-controlling interests					
Continuing operations		8,715,585	2,838,060	-	-
		39,028,283	33,923,884	30,881,654	21,021,557
BASIC EARNINGS ATTRIBUTABLE TO					
OWNERS OF THE PARENT PER SHARE (BAHT)	22	0.24	0.22	0.25	0.16

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Notes	Attributions to Owners of the Parent					Non-controlling interests	Total shareholders' equity
		Issued and paid share capital	Premium on share capital	Retained Earnings		Total attributions to owners of the parent		
				Appropriated Legal reserve	Unappropriated			
Beginning balances as at January 1, 2017		67,000,000	326,153,890	3,398,470	11,640,498	408,192,858	-	408,192,858
Changes during the year								
Legal reserve		-	-	1,051,078	(1,051,078)	-	-	-
Direct expense of the initial public offering shares	21	-	(2,756,376)	-	-	(2,756,376)	-	(2,756,376)
Dividend paid	24	-	-	-	(6,821,250)	(6,821,250)	-	(6,821,250)
Increase in shares of a subsidiary of non-controlling interests		-	-	-	-	-	10,789,751	10,789,751
Total comprehensive income for the year		-	-	-	31,085,824	31,085,824	2,838,060	33,923,884
Ending balances as at December 31, 2017		67,000,000	323,397,514	4,449,548	34,853,994	429,701,056	13,627,811	443,328,867
Beginning balances as at January 1, 2018		67,000,000	323,397,514	4,449,548	34,853,994	429,701,056	13,627,811	443,328,867
Changes during the year								
Legal reserve		-	-	1,667,928	(1,667,928)	-	-	-
Dividend paid	24	-	-	-	(8,442,000)	(8,442,000)	-	(8,442,000)
Dividends to the owner of the Company's subsidiary paid to non-controlling interests		-	-	-	-	-	(3,846,500)	(3,846,500)
Increase in shares of a subsidiary of non-controlling interests	4	-	-	-	-	-	232,200	232,200
Total comprehensive income for the year		-	-	-	30,312,698	30,312,698	8,715,585	39,028,283
Ending balances as at December 31, 2018		67,000,000	323,397,514	6,117,476	55,056,764	451,571,754	18,729,096	470,300,850

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

		UNIT : BAHT				
	Notes	Issued and paid share capital	Premium on ordinary shares	Retained Earnings		Total shareholders' equity
				Appropriated Legal reserve	Unappropriated	
Beginning balances as at January 1, 2017		67,000,000	326,153,890	3,398,470	15,025,606	411,577,966
Changes during the year						
Legal reserve		-	-	1,051,078	(1,051,078)	-
Direct expense of the initial public offering shares	21	-	(2,756,376)	-	-	(2,756,376)
Dividend paid	24	-	-	-	(6,821,250)	(6,821,250)
Total comprehensive income for the year		-	-	-	21,021,557	21,021,557
Ending balances as at December 31, 2017		<u>67,000,000</u>	<u>323,397,514</u>	<u>4,449,548</u>	<u>28,174,835</u>	<u>423,021,897</u>
Beginning balances as at January 1, 2018		67,000,000	323,397,514	4,449,548	28,174,835	423,021,897
Changes during the year						
Legal reserve		-	-	1,667,928	(1,667,928)	-
Dividend paid	24	-	-	-	(8,442,000)	(8,442,000)
Total comprehensive income for the year		-	-	-	30,881,654	30,881,654
Ending balances as at December 31, 2018		<u>67,000,000</u>	<u>323,397,514</u>	<u>6,117,476</u>	<u>48,946,561</u>	<u>445,461,551</u>

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expenses		46,192,407	25,692,623	38,479,794	22,487,690
Adjustments by					
Depreciation and amortization		11,763,870	14,138,539	1,631,122	1,555,081
Reversal of doubtful debt		-	(424,111)	-	(424,111)
Bad debt		428,537	135,000	267,261	135,000
(Gain) loss on sale of fixed assets		(499)	(51,458)	(861)	314
Gain on sales of investment in subsidiary	12	(12,552,399)	-	(2,120,433)	-
Loss on write-off fixed assets and intangible assets		-	14,438	-	14,438
Unrealized (gain) loss on exchange rate		(15,262)	(129,113)	1,988	20,901
Employee benefit obligation expenses		1,704,248	1,357,949	1,007,028	866,181
Interest income		(3,865,547)	(3,095,735)	(3,852,194)	(3,197,039)
Interest expenses		11,965	10,183	52	-
Dividend income		-	-	(4,003,500)	-
		43,667,320	37,648,315	31,410,257	21,458,455
Decrease in trade and other current receivables		10,053,615	1,244,136	2,076,562	6,823,925
(Increase) decrease in prepaid expenses		(2,100,852)	(429,318)	236,936	(36,659)
(Increase) decrease in accrued income		3,257,124	(7,265,554)	464,067	1,652,380
(Increase) decrease in inventories		(4,487,338)	1,060,317	(122,162)	88,165
(Increase) decrease in other current assets		(2,132,885)	728,256	(1,369,206)	(409,734)
(Increase) decrease in other non-current assets		(554,169)	(450,238)	(94,821)	330,703
Increase (decrease) in trade and other current payables		(1,687,210)	1,320,406	(133,405)	(1,207,392)
Increase (decrease) in unearned revenue		830,934	4,109,854	(16,101)	4,688,902
Decrease in accrued expenses		(1,403,744)	(3,142,802)	(2,171,908)	(2,840,491)
Increase (decrease) in deposit from customers		179,761	(171,619)	-	(191,035)
Increase (decrease) in other current liabilities		643,883	(605,227)	643,293	(16,197)
Cash received from operations		46,266,439	34,046,526	30,923,512	30,341,022
Cash paid for income tax		(1,915,194)	(1,461,814)	(1,915,194)	(1,364,919)
Net cash provided by operating activities		44,351,245	32,584,712	29,008,318	28,976,103

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEAR ENDED DECEMBER 31, 2018

UNIT : BAHT

	Note	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash received from dividend income		-	-	4,003,500	-
Cash received from interest income		3,250,307	3,023,138	3,233,964	2,998,116
Cash paid for temporary investments		(201,042,864)	(78,429,885)	(201,042,864)	(77,796,305)
Cash received from temporary investments		77,796,305	100,756,215	77,796,305	100,000,000
Cash paid for purchase of fixed assets and intangible assets		(9,707,289)	(9,150,121)	(4,458,571)	(3,964,744)
Proceeds from sales of fixed assets		500	850,570	10,000	570
Proceeds from sales of investment in subsidiary	12	112,431,256	-	114,420,000	-
Cash paid for short-term loans and advances to related parties		-	-	(2,000,000)	(5,000,000)
Cash paid for purchase investment in subsidiaries		(14,365,969)	(39,766,012)	(14,580,000)	(52,020,000)
Net cash used in investing activities		(31,637,754)	(22,716,095)	(22,617,666)	(35,782,363)
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid		(11,965)	-	(52)	-
Cash paid for liabilities under finance lease agreements		(147,736)	(103,302)	-	-
Dividends paid		(8,442,000)	(6,821,250)	(8,442,000)	(6,821,250)
Dividends paid - Non-controlling interests		(3,846,500)	-	-	-
Cash paid for direct expense of the initial public offering shares		-	(2,756,376)	-	(2,756,376)
Net cash used in financing activities		(12,448,201)	(9,680,928)	(8,442,052)	(9,577,626)
Net increase (decrease) in cash and cash equivalents		265,290	187,689	(2,051,400)	(16,383,886)
Cash and cash equivalents as at January 1,		199,764,066	191,349,207	174,119,654	190,503,540
Cash and cash equivalents as at December 31,		200,029,356	191,536,896	172,068,254	174,119,654

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

COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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

Comanche International Public Company Limited (the “Company”) was incorporated as a limited company under the Thai Civil and Commercial Code on January 10, 2003 to engage in the business of selling computers and computer software include providing maintenance services and other services relating to computer software. The Company’s registered office is located at 252/118 E-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.

Its major shareholder is the group of Mr. Somboon Sukheviriya who hold 33.03% of the Company’s shares.

As at December 31, 2018, the Company has subsidiaries, as follows:

No.	Company Name	Date of Incorporation	Principal Business	Registered Office
1	Synature Technology Co., Ltd.	May 31, 2006	Service for computer software	Bangkok, Thailand
2	Win Star Tech Co., Ltd. ⁽¹⁾	January 31, 2013	Service for computer software	Bangkok, Thailand

⁽¹⁾ On June 1, 2018, the Company purchased 28,875 shares, representing 87.50% of total paid-up share capital, of Win Star Tech Co., Ltd. (see Notes 4 and 11).

As at December 31, 2017, the Company has subsidiaries, 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
2	Synature Technology Co., Ltd.	May 31, 2006	Service for computer software	Bangkok, Thailand

On April 5, 2018, the Company has entered into Shares Purchase Agreement with a former shareholder to sell 234,610 ordinary shares in MSL Software (Thailand) Co., Ltd. or 99.99% of the issued and fully paid-up share capital. The disposal is accomplished on October 9, 2018 (see Note 12).

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

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

- 2.1 The Company and its subsidiaries maintains its accounting records in Thai Baht and prepares its statutory financial statements in the Thai language in conformity with Thai Financial Reporting Standards (“TFRS”) and accounting practices generally accepted in Thailand.
- 2.2 The Company and its subsidiaries’ financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2017) “Presentation of Financial Statements”, which was effective for financial periods beginning on or after January 1, 2018 onwards, and the Regulation of The Stock Exchange of Thailand (“SET”) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statement (No. 2) B.E. 2559” dated October 11, 2016.
- 2.3 The financial statements have been prepared under the historical cost convention except as disclosed in the significant accounting policies.
- 2.4 Basis for preparation of the consolidated financial statements
 - (a) The consolidated financial statements for the years ended December 31, 2018 and 2017 includes the financial statements of the Company and its subsidiaries in which the Company has control or invested over 50% of their voting rights. These subsidiaries are detailed as follows:

Company's name	Major business	Country of incorporation	Number of shares		Percentage of shareholding	
			As at December 31,		As at December 31,	
			2018	2017	2018	2017
Subsidiaries						
MSL Software (Thailand) Co., Ltd.	Service for computer software	Thailand	-	234,610	-	99.99
Synature Technology Co., Ltd.	Service for computer software	Thailand	51,000	51,000	51.00	51.00
Win Star Tech Co., Ltd.	Service for computer software	Thailand	28,875	-	87.50	-

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

- (c) Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2018 and 2017 have included the subsidiaries' financial statements for the years ended December 31, 2018 and 2017 which were audited except for the financial statements of Win Star Tech Co., Ltd. which was not audited and therefore the management accounts for this subsidiary is included in the consolidated financial statements. This subsidiary's assets, liabilities and net profit (loss) is not significant to the consolidated financial statements.
- (d) On June 20, 2017, the Company purchased 51,000 shares of Synature Technology Co., Ltd. ("Synature"), representing 51% of total paid share capital (see Note 11).
- (e) On June 1, 2018, the Company purchased 28,875 shares of Win Star Tech Co., Ltd. ("Win Star Tech") representing 87.50% of total paid-up share capital (see Note 11).
- (f) The Company has entered into Shares Purchase Agreement on April 5, 2018 to sell 234,610 ordinary shares in MSL Software (Thailand) Co., Ltd. ("MSL") or 99.99% of the issued and fully paid-up share capital to a former shareholder at the bid price of Baht 487.70 per share, totalling of Baht 114.42 million. The Company received the share payment amount of Baht 11.44 million on May 2, 2018 and received the remaining share payment on October 9, 2018.

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

1) Adoption of new and revised Thai Financial Reporting Standards

During the period, the Company and its subsidiaries has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

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

- (c) Significant intercompany transactions between the Company and its subsidiaries have been eliminated from the consolidated financial statements. The consolidated financial statements for the years ended December 31, 2018 and 2017 have included the subsidiaries' financial statements for the years ended December 31, 2018 and 2017 which were audited except for the financial statements of Win Star Tech Co., Ltd. which was not audited and therefore the management accounts for this subsidiary is included in the consolidated financial statements. This subsidiary's assets, liabilities and net profit (loss) is not significant to the consolidated financial statements.
- (d) On June 20, 2017, the Company purchased 51,000 shares of Synature Technology Co., Ltd. ("Synature"), representing 51% of total paid share capital (see Note 11).
- (e) On June 1, 2018, the Company purchased 28,875 shares of Win Star Tech Co., Ltd. ("Win Star Tech") representing 87.50% of total paid-up share capital (see Note 11).
- (f) The Company has entered into Shares Purchase Agreement on April 5, 2018 to sell 234,610 ordinary shares in MSL Software (Thailand) Co., Ltd. ("MSL") or 99.99% of the issued and fully paid-up share capital to a former shareholder at the bid price of Baht 487.70 per share, totalling of Baht 114.42 million. The Company received the share payment amount of Baht 11.44 million on May 2, 2018 and received the remaining share payment on October 9, 2018.

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

1) Adoption of new and revised Thai Financial Reporting Standards

During the period, the Company and its subsidiaries has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

- 2) Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective
 - 2.1) Thai Financial Reporting Standard No.15 “Revenue from Contracts with Customers” (“TFRS 15”)

The Federation of Accounting Professions has issued the Notification regarding TFRS 15 which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

TFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue Standards and Interpretations upon its effective date: Thai Accounting Standard No.11 “Construction Contracts”, Thai Accounting Standard No.18 “Revenue”, Thai Accounting Standard Interpretation No.31 “Revenue-Barter Transactions Involving Advertising Services”, Thai Financial Reporting Standard Interpretation No.13 “Customer Loyalty Programmes, Thai Financial Reporting Standard Interpretation No.15 “Agreements for the Construction of Real Estate” and Thai Financial Reporting Standard Interpretation No.18 “Transfers of Assets from Customers”. TFRS 15 requires retrospective method in accordance with Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors” or recognize the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings of the annual reporting period.

The core principle of TFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects to consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under TFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

2.2) Thai Financial Reporting Standard Group of Financial Instruments

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard Group of Financial Instruments, which have been announced in the Royal Gazette on September 21, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Thai Accounting Standard No.32 “Financial Instruments: Presentation”

This accounting standard requires establishing principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; the circumstances in which financial assets and financial liabilities should be offset.

This accounting standard shall be applied retrospectively for annual periods beginning on or after January 1, 2020. An entity shall apply this accounting standard prospective method by recognising all transactions on the date of initial application considering the condition of this accounting standard and the cumulative effect of initially applying this Standard as an adjustment of retained earnings or other component equity (if applicable) on the date of initial application. The entity shall disclose that fact.

Thai Financial Reporting Standard No.7 “Financial Instruments: Disclosures”

This financial reporting standard requires entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial statements for the entity’s financial position and performance and the nature and extent of risks arising from financial statements to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

If an entity initially applies this financial reporting standard, it needs not present comparative information for the disclosures about the nature and extent of risks arising from financial instruments.

Thai Financial Reporting Standard No.9 “Financial Instruments”

Thai financial reporting standard establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity’s future cash flows. This financial reporting standard includes 3 requirements for the recognition and measurement, impairment and hedge accounting.

All recognized financial assets that are within the scope of TFRS 9 are required to be subsequently measured at amortized cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principle and interest on the principle outstanding are generally measured at amortized cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specific dates to cash flows that are solely payments of principle and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under TFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading nor contingent consideration recognized by an acquirer in a business combination) in other comprehensive income, with only dividend income generally recognized in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, TFRS 9 requires that the amount of change in fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss.

In relation to the impairment of financial assets, TFRS 9 requires an expected credit loss model. The expected credit loss model requires an entity to account for expected credit loss and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

TFRS 9 has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled with the principle of an 'economic relationship'. Disclosure requirements about an entity's risk management activities have also been introduced.

An entity can elect to apply this Standard retrospectively, in accordance with Thai Accounting Standard No.8 (Revised 2018)“Accounting Policies, Changes in Accounting Estimates and Errors”. This Standard shall not be applied to items that have already been derecognized at the date of initial application. Or, an entity can elect to apply this Standard by recognizing the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the annual reporting period. The entity shall disclose that fact.

Thai Financial Reporting Standard Interpretations No.16 “Hedge of a Net Investment in a Foreign Operation”

This Interpretation describes the significant issue about hedging the foreign currency risk arising from its net investment in foreign operations such as a presentational currency not exposure to risk that an entity applies for hedge accounting and hedging instruments that are hedges of a net investment in a foreign operation. This Interpretation requires prospective method for such application.

Thai Financial Reporting Standard Interpretations No.19 “Extinguishing Financial Liabilities with Equity Instruments”

This Interpretation addresses the circumstance that an entity issues equity instruments to a creditor of the entity to extinguish all or part of the financial liability. The entity shall remove all or part of such financial liability. This Interpretation requires retrospective method for such application.

2.3) Thai Financial Reporting Standard Revised 2018

Thai Financial Reporting Standards (TFRSs) Revised 2018 which will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards, have been announced in the Royal Gazette on November 27, 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and reference to other TFRSs except following TFRSs, which there are revision or additional paragraph and accounting guidance.

Thai Accounting Standard No.28 (Revised 2018) “Investment in Associates and Joint Ventures”

This revised accounting standard clarifies about the election of measurement an investment in an associate or a joint venture at fair value through profit or loss (that is held by, or is held indirectly through, an entity that is a venture capital organization, or a mutual fund, unit trust and similar entities including investment-linked insurance funds). An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture. This accounting standard requires retrospective method for such amendment.

In addition to, this revised accounting standard clarifies the consideration about the impairment of an investment in an associate or a joint venture.

Thai Accounting Standard No.40 (Revised 2018) “Investment Property”

This revised accounting standard clarifies about transfers of investment property to, or from, other accounts when, and only when, there is a change in use. This accounting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.2 (Revised 2018) “Share-based Payment”

This revised financial reporting standard adds the requirements as follows:

- 1) The requirement about treatment of vesting and non-vesting for a cash-settled share-based payment transaction
- 2) The requirement about share-based payment transactions with a net settlement feature for withholding tax obligations
- 3) The requirement about accounting for a modification of a share-based payment transaction that changes its classification from cash-settled to equity-settled

This revised financial reporting standard requires prospective method for such amendment.

Thai Financial Reporting Standard No.4 (Revised 2018) “Insurance Contracts”

This revised financial reporting standard determines the option for insurance industry to apply Thai Financial Reporting Standard No.9 “Financial Instruments” (“TFRS 9”) as follows:

- 1) Temporary exemption from TFRS 9

An entity its activities are predominantly connected with insurance, shall elect to apply accounting guidance “Financial Instruments” and disclosure for insurance industry rather than TFRS 9 for annual periods beginning before January 1, 2022 or before TFRS 17 is effective.

2) The Overlay approach

This method is not permitted to apply in Thailand.

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1 Cash and cash equivalents

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

3.2 Current investment

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

3.3 Trade receivables

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

3.4 Inventories

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

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

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

3.5 Investments in subsidiaries

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

Disposal of investments

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

3.6 Equipment

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

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

Depreciation

Depreciation is recorded as an expense in the statement of profit or loss and other comprehensive income. Depreciation is calculated by the straight line method over the estimated useful lives of each 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 subsidiaries' assets are reviewed at each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

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

Calculation of recoverable amount

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

Reversals of impairment

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, as if no impairment loss had been recognized.

3.9 Provisions for employee benefit

Post-employment benefit upon retirement

Provisions for employee benefit are the provision for benefit obligations for employees who are entitled to receive it upon retirement under the Company and its subsidiaries' regulation and under the Labor Protection Act and the Company's retirement benefit plan. The obligations are assessed by an independent actuary and based on actuarial assumptions using Projected Unit Credit Method to determine the present value of cash flows of employee benefit to be paid 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.

Employee Joint Investment Program

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

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

3.10 Provisions

Provisions are recognized when the Company and its subsidiaries have a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

3.11 Revenue and expense recognition

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

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

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

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

Interest income is recognized as income in the statement of profit or loss and other comprehensive income on an accrual basis.

Expenses are recognised on accrual basis.

3.12 Foreign currency transactions

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

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

3.13 Lease agreement

Operating lease

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

Finance lease

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

3.14 Taxation

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

3.14.1 Current tax

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

3.14.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit (tax base). Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for temporary differences to the extent that it is probable that taxable profits will be available against which 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 measures 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 presents income tax expenses or income related to profit or loss in the statement of profit or loss and other comprehensive income. For current income taxes and deferred taxes related to items recognized directly in other comprehensive income in equity in the same or different period, they will be recognized directly in other comprehensive income.

3.15 Basic earnings per share

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

3.16 Fair value measurements

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

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

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

3.17 Accounting estimates and source of estimation uncertainty

3.17.1 Use of management's judgment in applying accounting policies

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

3.17.2 Key sources of estimation uncertainty

Impairment of goodwill

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

4. ACQUISITION OF BUSINESSES

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

The net identifiable assets acquired on the date of acquisition at the carrying amount were as follows:

	Unit : Baht
Cash and cash equivalents	214,031
Trade and other current receivables	800,406
Inventories	183,817
Other current assets	63,064
Equipment	36,035
Other intangible assets	2,029,926
Other non-current assets	360,416
Trade and other current payables	(1,207,435)
Other current liabilities	(88,225)
Provisions for employee benefit	(534,434)
Identifiable assets and liabilities	1,857,601
<u>Less: Non-controlling interests</u> (calculated by acquiree’s identifiable net assets according to proportionate ownership held by non-controlling interests)	<u>(232,200)</u>
	1,625,401
Consideration transferred	14,580,000
Goodwill	12,954,599

Since the acquisition date until December 31, 2018, Win Star Tech has revenue of Baht 3.86 million and net profit of Baht 1.00 million that is included as a part of operating result in the consolidated financial statements for the year ended December 31, 2018.

The Company has been in the process of appraising fair value of acquired assets and liabilities from business combination so the Company has not accounted for the adjustment to fair value of these net assets in consolidated financial statements for the year ended December 31, 2018. However, the management expected to have such appraisals complete within 12 months from the acquisition date. The assessment shall be completed within measurement period within one year from the business acquisition date pursuant to the period allowed by Thai Financial Reporting Standard No. 3 (Revised 2017) “Business Combination”. During the measurement period, the Company shall retrospectively adjust the provisional value recognized at the business acquisition date and recognize additional assets and liabilities and other related accounts to reflect new information obtained about facts and circumstances that existed as of the business acquisition date.

For the preparation of the consolidated financial statement for the year ended December 31, 2018, the Company used net assets value from interim financial information of Win Star Tech and other relevant factors, which may affect such information, as the consideration received from this business acquisition, and measured components of non-controlling interests by considering net assets value of Win Star Tech according to its proportionate ownership and recorded the difference amount between the purchase price and the value of consideration received in the Goodwill account amounting to Baht 12.95 million.

5. CASH AND CASH EQUIVALENTS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Cash on hand	17,579	181,260	1,609	111,467
Cash at banks - current accounts	25,077,704	23,455,810	509,285	1,228,551
Cash at banks - savings accounts	174,934,073	176,126,996	171,557,360	172,779,636
Total	<u>200,029,356</u>	<u>199,764,066</u>	<u>172,068,254</u>	<u>174,119,654</u>

Cash and cash equivalents of the Company and its subsidiaries as at December 31, 2018 and 2017 were denominated entirely in Thai Baht.

As at December 31, 2018 and 2017, cash at banks has the effective interest rate at 0.37% per annum to 1.40% per annum and 0.37% per annum to 1.50% per annum, respectively.

6. TEMPORARY INVESTMENTS

Temporary investments as at December 31, are as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Time deposits with bank	<u>201,042,864</u>	<u>77,798,235</u>	<u>201,042,864</u>	<u>77,796,305</u>
Total	<u>201,042,864</u>	<u>77,798,235</u>	<u>201,042,864</u>	<u>77,796,305</u>

7. TRADE AND OTHER CURRENT RECEIVABLES

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade receivables - other companies	14,156,304	27,652,860	4,942,214	7,287,576
Other receivables - related party	-	-	-	1,070,000
Other receivables - other companies	124,817	222,048	-	-
Accrued income	2,786,598	18,422,226	1,470,923	1,934,990
Accrued interest receivables				
- related party	-	-	6,849	125,000
Accrued interest receivables	822,619	207,388	815,010	203,629
Dividend receivable (see Note 11)	-	-	-	8,999,150
Prepaid expenses	743,945	2,874,090	462,980	699,916
Total	<u>18,634,283</u>	<u>49,378,612</u>	<u>7,697,976</u>	<u>20,320,261</u>

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

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Trade receivables				
Current	7,040,067	8,035,527	2,955,169	1,787,255
Overdue less than 3 months	5,672,397	7,785,741	1,044,979	2,500,247
Overdue 3 - 6 months	1,155,430	2,496,836	982,848	431,169
Overdue 6 - 12 months	542,558	7,455,066	123,097	693,081
Overdue over 12 months	157,030	2,290,868	97,299	2,137,002
	14,567,482	28,064,038	5,203,392	7,548,754
<u>Less</u> Allowance for doubtful debts	(411,178)	(411,178)	(261,178)	(261,178)
Trade receivables - net	14,156,304	27,652,860	4,942,214	7,287,576

8. SHORT-TERM LOANS TO RELATED PARTIES

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

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

9. SHORT-TERM LOANS

As at December 31, 2018, the Company has short-term loans to other company of Baht 15.19 million, which carried interest rates of 5% per annum, were unsecured and due within 6 months from the agreement date.

10. OTHER CURRENT ASSETS

Other current assets as at December 31, consist of:

	CONSOLIDATED		SEPARATE	
	FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Withholding Tax	755,759	-	-	-
Undue input value-added tax	23,239	221,071	5,508	7,124
Retention receivable	8,846	8,246	8,246	8,246
Deposits	2,141,670	751,273	2,111,995	741,173
Total	2,929,514	980,590	2,125,749	756,543

11. INVESTMENT IN SUBSIDIARIES

Investment in subsidiaries as at December 31, consist of:

Name of subsidiaries	SEPARATE FINANCIAL STATEMENTS							
	% of shareholding		Paid-up capital		Cost method		Dividend income	
	2018	2017	2018	2017	2018	2017	2018	2017
	(%)	(%)	Baht	Baht	Baht	Baht	Baht	Baht
MSL Software (Thailand) Co., Ltd.	-	99.99	-	23,461,300	-	112,299,567	-	-
Synature Technology Co., Ltd.	51.00	51.00	10,000,000	10,000,000	52,020,000	52,020,000	4,003,500	-
Win Star Tech Co., Ltd.	87.50	-	3,300,000	-	14,580,000	-	-	-
					66,600,000	164,319,567	4,003,500	-

As of December 31, 2017, the Company has dividend receivable in the amount of Baht 8.99 million (see Notes 7 and 26) (2018 : Nil).

On June 20, 2017, the Company invested in Synature Technology Co., Ltd. with 51,000 common shares at par value of Baht 1,020 each, totalling Baht 52.02 million or 51% of total paid-up share capital. The Company recorded goodwill of Baht 40.79 million in the consolidated financial statements.

On June 1, 2018, the Company invested in Win Star Tech Co., Ltd. with 28,875 ordinary shares at par value of Baht 504.94 each, totalling Baht 14.58 million (see Note 4), or 87.50% of total paid-up share capital. The Company recorded goodwill of Baht 12.95 million in the consolidated financial statements.

12. DISCONTINUED OPERATION AND SALE OF INVESTMENT IN SUBSIDIARY

On April 5, 2018, the Company entered into the Share Purchase Agreement to sell entire ordinary shares held in MSL Software (Thailand) Co., Ltd. amount of 234,610 shares or 99.99% of the issued and paid-up share capital to a former shareholder at the bid price of Baht 487.70 per share, totalling of Baht 114.42 million. The Board of Directors' Meeting No. 2/2018 has passed the resolutions to sell the investment on February 26, 2018 and the Annual General Shareholders' Meeting No. 1/2018 has passed the resolutions to sell such investment on April 25, 2018. The Company received the share payment of Baht 11.44 million on May 2, 2018. Such selling of ordinary shares has been accomplished and the remaining share payment was made on October 9, 2018.

Gain from sale of investment in a subsidiary for the year ended December 31, 2018 was as follows:

	Consolidated financial statements	Unit : Baht Separate financial statements
Consideration of sale	114,420,000	114,420,000
Total assets	⁽¹⁾ 130,545,751	112,299,567
Total liabilities	28,678,150	-
Net assets	<u>101,867,601</u>	<u>112,299,567</u>
Gain from sale of investment in a subsidiary	<u>12,552,399</u>	<u>2,120,433</u>

⁽¹⁾ Total assets included goodwill of Baht 64.26 million.

The statement of profit or loss for the years ended December 31, 2018 and 2017 has been reclassified to present the discontinued operation separately from continuing operations as follows:

	Unit : Baht	
	Consolidated financial statements	
	For the years ended December 31,	
	2018	2017
Discontinued operation		
Revenue	21,565,499	54,695,000
Expenses	36,643,219	46,564,725
Profit (loss) from discontinued operation	(15,077,720)	8,130,275
Other comprehensive income from discontinued operation	-	525,586
Total comprehensive income (expense) from discontinued operation	(15,077,720)	8,655,861
Earnings per share		
Basic earnings (loss) per share (Baht)	(0.11)	0.06

Cash received from sale of investments in subsidiary for the year ended December 31, 2018 consist of the following:

	Consolidated financial statements	Unit : Baht Separate financial statements
Cash received from sale of investments in subsidiary	114,420,000	114,420,000
<u>Less</u> Cash and cash equivalents of disposal subsidiary	(1,988,744)	-
Cash received from sale of investments in subsidiary	112,431,256	114,420,000

13. EQUIPMENT

Equipment as at December 31, consist of:

As at December 31, 2018

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2018	Additions	Acquisitions through business combinations	Disposals	Balance as at December 31, 2018
	Baht	Baht	Baht	Baht	Baht
Cost:					
Telephone system	314,600	-	-	-	314,600
Office equipment	9,156,691	1,603,518	114,594	(1,027,059)	9,847,744
Furniture and fixtures	3,663,388	75,412	-	(342,568)	3,396,232
Leasehold improvement	445,561	460,094	-	(325,211)	580,444
Assets for demonstration	143,360	16,943	-	-	160,303
Vehicles	1,790,036	-	-	-	1,790,036
Total cost	15,513,636	2,155,967	114,594	(1,694,838)	16,089,359
Accumulated depreciation:					
Telephone system	(150,882)	(49,719)	-	-	(200,601)
Office equipment	(5,215,170)	(1,551,148)	(78,559)	548,248	(6,296,629)
Furniture and fixtures	(2,854,094)	(262,157)	-	222,185	(2,894,066)
Leasehold improvement	(92,359)	(168,005)	-	129,941	(130,423)
Assets for demonstration	(40,468)	(40,048)	-	-	(80,516)
Vehicles	(1,181,133)	(211,552)	-	-	(1,392,685)
Total accumulated depreciation	(9,534,106)	(2,282,629)	(78,559)	900,374	(10,994,920)
Equipment	5,979,530				5,094,439

As at December 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2017 Baht	Additions Baht	Acquisitions through business combinations Baht	Disposals Baht	Balance as at December 31, 2017 Baht
Cost:					
Telephone system	270,600	44,000	-	-	314,600
Office equipment	5,145,853	1,677,424	2,552,764	(219,350)	9,156,691
Furniture and fixtures	3,160,788	263,497	525,163	(286,060)	3,663,388
Leasehold improvement	937,354	120,350	-	(612,143)	445,561
Assets for demonstration	-	20,600	122,760	-	143,360
Vehicles	-	-	1,790,036	-	1,790,036
Total cost	9,514,595	2,125,871	4,990,723	(1,117,553)	15,513,636
Accumulated depreciation:					
Telephone system	(103,899)	(46,983)	-	-	(150,882)
Office equipment	(2,568,511)	(1,283,360)	(1,523,177)	159,878	(5,215,170)
Furniture and fixtures	(2,259,419)	(263,574)	(406,298)	75,197	(2,854,094)
Leasehold improvement	(34,532)	(126,755)	-	68,928	(92,359)
Assets for demonstration	-	(19,921)	(20,547)	-	(40,468)
Vehicles	-	(150,256)	(1,030,877)	-	(1,181,133)
Total accumulated depreciation	(4,966,361)	(1,890,849)	(2,980,899)	304,003	(9,534,106)
Equipment	4,548,234				5,979,530
Depreciation for the years ended December 31,					
2018				Baht	2,282,629
2017				Baht	1,890,849

As at December 31, 2018

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

As at December 31, 2017

SEPARATE FINANCIAL STATEMENTS				
	Balance as at January 1, 2017 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2017 Baht
Cost:				
Telephone system	270,600	44,000	-	314,600
Leasehold Improvement	-	120,350	-	120,350
Office equipment	4,563,275	1,280,919	(169,398)	5,674,796
Furniture and fixtures	2,709,383	154,996	(57,290)	2,807,089
Total cost	<u>7,543,258</u>	<u>1,600,265</u>	<u>(226,688)</u>	<u>8,916,835</u>
Accumulated depreciation:				
Telephone system	(103,899)	(46,983)	-	(150,882)
Leasehold Improvement	-	(11,066)	-	(11,066)
Office equipment	(2,318,338)	(888,196)	155,738	(3,050,796)
Furniture and fixtures	(2,156,010)	(165,845)	55,628	(2,266,227)
Total accumulated depreciation	<u>(4,578,247)</u>	<u>(1,112,090)</u>	<u>211,366</u>	<u>(5,478,971)</u>
Equipment	<u>2,965,011</u>			<u>3,437,864</u>
Depreciation for the years ended December 31,				
2018			Baht	<u>1,339,740</u>
2017			Baht	<u>1,112,090</u>

As at December 31, 2018 and 2017, costs of equipment which are fully depreciation and still in use by the Company and its subsidiaries are Baht 6.17 million and Baht 4.32 million, respectively (Company: Baht 3.58 million and Baht 2.98 million, respectively).

14. OTHER INTANGIBLE ASSETS

Other intangible assets as at December 31, consist of:

As at December 31, 2018

CONSOLIDATED FINANCIAL STATEMENTS					
	Balance as at January 1, 2018 Baht	Additions Baht	Acquisitions through business combinations Baht	Disposals Baht	Balance as at December 31, 2018 Baht
Cost:					
Computer software	40,268,126	242,968	2,833,933	(26,857,064)	16,487,963
Customer relationships	31,341,387	-	-	(31,341,387)	-
Total cost	<u>71,609,513</u>	<u>242,968</u>	<u>2,833,933</u>	<u>(58,198,451)</u>	<u>16,487,963</u>
Accumulated amortization:					
Computer software	(9,749,590)	(6,770,741)	(924,006)	10,703,707	(6,740,630)
Customer relationships	(21,046,003)	(2,710,500)	-	23,756,503	-
Total accumulated amortization	<u>(30,795,593)</u>	<u>(9,481,241)</u>	<u>(924,006)</u>	<u>34,460,210</u>	<u>(6,740,630)</u>
Software under development	<u>8,565,753</u>	<u>7,317,493</u>	<u>120,000</u>	<u>(7,533,952)</u>	<u>8,469,294</u>
Other intangible assets	<u>49,379,673</u>				<u>18,216,627</u>

As at December 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS				
	Balance as at January 1, 2017	Additions	Acquisitions through business combinations	Disposals	Balance as at December 31, 2017
	Baht	Baht	Baht	Baht	Baht
Cost:					
Computer software	27,976,637	26,201	12,265,288	-	40,268,126
Customer relationships	31,341,387	-	-	-	31,341,387
Total cost	<u>59,318,024</u>	<u>26,201</u>	<u>12,265,288</u>	<u>-</u>	<u>71,609,513</u>
Accumulated amortization:					
Computer software	(1,995,688)	(6,993,844)	(760,058)	-	(9,749,590)
Customer relationships	(15,792,157)	(5,253,846)	-	-	(21,046,003)
Total accumulated amortization	<u>(17,787,845)</u>	<u>(12,247,690)</u>	<u>(760,058)</u>	<u>-</u>	<u>(30,795,593)</u>
Software under development	1,567,704	6,998,049	-	-	8,565,753
Other intangible assets	<u>43,097,883</u>				<u>49,379,673</u>
Amortization for the years ended December 31,					
2018				Baht	<u>9,481,241</u>
2017				Baht	<u>12,247,690</u>

As at December 31, 2018

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2018	Additions	Disposals	Balance as at December 31, 2018
	Baht	Baht	Baht	Baht
Cost:				
Computer software	1,363,242	-	-	1,363,242
Total cost	<u>1,363,242</u>	<u>-</u>	<u>-</u>	<u>1,363,242</u>
Accumulated amortization:				
Computer software	(1,059,626)	(291,382)	-	(1,351,008)
Total accumulated amortization	<u>(1,059,626)</u>	<u>(291,382)</u>	<u>-</u>	<u>(1,351,008)</u>
Software under development	3,924,974	3,006,321	-	6,931,295
Other intangible assets	<u>4,228,590</u>			<u>6,943,529</u>

As at December 31, 2017

	SEPARATE FINANCIAL STATEMENTS			
	Balance as at January 1, 2017 Baht	Additions Baht	Disposals Baht	Balance as at December 31, 2017 Baht
Cost:				
Computer software	1,356,033	7,209	-	1,363,242
Total cost	1,356,033	7,209	-	1,363,242
Accumulated amortization:				
Computer software	(616,635)	(442,991)	-	(1,059,626)
Total accumulated amortization	(616,635)	(442,991)	-	(1,059,626)
Software under development	1,567,704	2,357,270	-	3,924,974
Other intangible assets	2,307,102			4,228,590
Amortization for the years ended December 31,				
2018			Baht	291,382
2017			Baht	442,991

As at December 31, 2018 and 2017, costs of other intangible assets which are fully amortized and still in use by the Company and its subsidiaries are Baht 1.09 million and Baht 0.02 million, respectively. (Company: Baht 1.09 million and Baht 0.02 million, respectively).

15. DEFERRED TAX

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets	569,534	43,214	569,534	43,214
Deferred tax liabilities	(1,505,939)	(1,939,955)	-	-
Total	(936,405)	(1,896,741)	569,534	43,214

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

As at December 31, 2018

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance	Recognized in	Recognized in	Balance
	as of	profit or loss	other comprehensive	as of
	January 1, 2018 Baht	Baht	income Baht	December 31, 2018 Baht
Deferred tax assets:				
Provisions for employee benefit	43,214	136,835	389,485	569,534
Total	<u>43,214</u>	<u>136,835</u>	<u>389,485</u>	<u>569,534</u>
Deferred tax liabilities:				
Fair value adjustment of subsidiary's asset regarding business acquisition	(1,939,955)	434,016	-	(1,505,939)
Total	<u>(1,939,955)</u>	<u>434,016</u>	<u>-</u>	<u>(1,505,939)</u>
Total deferred tax assets and liabilities	<u>(1,896,741)</u>			<u>(936,405)</u>

As at December 31, 2017

	CONSOLIDATED FINANCIAL STATEMENTS			
	Balance	Acquisition	Recognized in	Balance
	as of	through	profit or loss	as of
	January 1, 2017 Baht	Business combination Baht	Baht	December 31, 2017 Baht
Deferred tax assets:				
Provisions for employee benefit	7,074	-	36,140	43,214
Total	<u>7,074</u>	<u>-</u>	<u>36,140</u>	<u>43,214</u>
Deferred tax liabilities:				
Fair value adjustment of subsidiary's asset regarding business acquisition	-	(2,170,079)	230,124	(1,939,955)
Total	<u>-</u>	<u>(2,170,079)</u>	<u>230,124</u>	<u>(1,939,955)</u>
Total deferred tax assets and liabilities	<u>7,074</u>			<u>(1,896,741)</u>

As at December 31, 2018

	Balance as of January 1, 2018 Baht	SEPARATE FINANCIAL STATEMENTS Recognized in profit or loss Baht	Recognized in other comprehensive income Baht	Balance as of December 31, 2018 Baht
Deferred tax assets:				
Provisions for employee benefit	43,214	136,835	389,485	569,534
Total deferred tax assets	<u>43,214</u>	<u>136,835</u>	<u>389,485</u>	<u>569,534</u>

As at December 31, 2017

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

The Company and its subsidiaries used a tax rate of 20% for calculation the corporate income tax and deferred taxes for the years ended December 31, 2018 and 2017.

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current income tax expense	5,258,071	1,502,273	5,258,071	1,502,273
Deferred tax recognized in the current year	(570,851)	(266,264)	(136,835)	(36,140)
Total income tax expense recognized in the current year	<u>4,687,220</u>	<u>1,236,009</u>	<u>5,121,236</u>	<u>1,466,133</u>

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Accounting profit before income tax expenses				
- income tax exemption business	23,320,935	18,561,026	12,888,970	15,209,670
- non-income tax exemption business	37,949,192	7,131,597	25,590,824	7,278,020
Total accounting profit before income tax expense	61,270,127	25,692,623	38,479,794	22,487,690
Tax rate	20%	20%	20%	20%
Income tax expense using applicable tax rate	7,589,838	1,426,319	5,118,165	1,455,604
Tax effect of non-deductible items in calculating taxable profit	234,433	46,954	139,906	46,669
Effect of unused tax losses	(2,566,200)	29,000	-	-
Deferred tax income relating to the temporary differences	(570,851)	(266,264)	(136,835)	(36,140)
Total income tax expense in current year recognized in profit or loss	<u>4,687,220</u>	<u>1,236,009</u>	<u>5,121,236</u>	<u>1,466,133</u>

16. OTHER NON-CURRENT ASSETS

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deposits	6,550	22,674	6,550	6,550
Deposits for office and equipment rental	1,264,223	1,337,955	962,716	867,895
Withholding tax	591,702	231,285	231,285	231,285
Cash at bank and cash equivalents used as collateral (see Note 31.1)	-	5,225,960	-	-
Total	1,862,475	6,817,874	1,200,551	1,105,730

17. TRADE AND OTHER CURRENT PAYABLES

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade payables - other companies	1,109,811	11,102,406	-	-
Other payables - other companies	443,531	1,196,235	355,485	488,441
Deposit from customer	199,177	19,416	-	-
Accrued expenses	4,466,521	6,562,217	1,362,901	3,534,809
Unearned revenue	23,812,304	23,282,235	18,050,513	18,066,614
Total	30,031,344	42,162,509	19,768,899	22,089,864

18. LIABILITIES UNDER FINANCE LEASE AGREEMENT

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

	CONSOLIDATED FINANCIAL STATEMENTS			
	Minimum future lease payments		Present value of minimum lease payments	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	93,912	159,649	87,511	147,736
Over 1 year but not later than 5 years	78,260	172,172	76,438	163,949
	172,172	331,821	163,949	311,685
Less Deferred interest	8,223	20,136	-	-
	163,949	311,685	163,949	311,685

19. PROVISIONS FOR EMPLOYEE BENEFIT

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

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Current service cost	1,133,568	1,221,043	875,500	758,281
Interest cost	160,456	136,906	131,528	107,900
	<u>1,294,024</u>	<u>1,357,949</u>	<u>1,007,028</u>	<u>866,181</u>

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	
	2018	2017	2018	2017
Beginning balance of post-employment benefit obligations	6,166,491	4,455,638	4,818,475	3,952,294
Acquisitions through business combinations	534,434	1,689,899	-	-
<u>Less</u> sales of investment in subsidiary	(326,044)	-	-	-
<u>Add</u> Current service cost	1,133,568	1,221,043	875,500	758,281
Interest cost	160,456	136,906	131,528	107,900
Gains (losses) on remeasurements of defined benefit plans				
- Arising from experience adjustments	(309,087)	(618,392)	(309,087)	-
- Arising from financial assumptions	2,489,065	33,945	2,489,065	-
- Arising from demographic assumptions	686,411	58,861	686,411	-
- Arising from calculation method	-	(811,409)	-	-
Ending balance of post-employment benefit obligations	<u>10,535,294</u>	<u>6,166,491</u>	<u>8,691,892</u>	<u>4,818,475</u>

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	
	2018	2017	2018	2017
Discount rate (p.a.)	2.71% - 2.83%	2.73% - 3.50%	2.71%	2.73%
Expected rate of salary increase (p.a.)	5.00% - 6.33%	4.00% - 5.00%	6.33%	4.0%
Voluntary resignation rate (Depended on employee's age) (p.a.)				
- Monthly employees	0% - 15%	0% - 25%	0% - 15%	0% - 9%

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

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018	2017	2018	2017
Unit : Baht				
Discount rate				
Discount rate, decrease of 1 percent	1,304,428	729,049	1,095,370	508,808
Discount rate, increase of 1 percent	(1,085,028)	(613,653)	(909,142)	(429,420)
Salary increase rate				
Salary increase rate, decrease of 1 percent	(1,103,166)	(669,898)	(918,999)	(488,451)
Salary increase rate, increase of 1 percent	1,296,658	781,609	1,081,378	569,888
Turnover rate				
Turnover rate, decrease of 1 percent	601,671	304,657	520,623	221,071
Turnover rate, increase of 1 percent	(1,169,929)	(667,544)	(978,223)	(466,069)

20. PROVIDENT FUNDS AND EMPLOYEE JOINT INVESTMENT PROGRAM

20.1 Provident funds

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

For the years ended December 31, 2018 and 2017, the contributions of the Company and a subsidiary recognized as expenses in the consolidated and separate statements of profit or loss and other comprehensive income are Baht 1.94 million and Baht 2.01 million, respectively (Company: Baht 1.94 million and Baht 1.70 million, respectively).

20.2 Employee Joint Investment Program

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

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

For the years ended December 31, 2018 and 2017, the contribution of the Company recognized as expenses in the consolidated and separate statement of profit or loss and other comprehensive income are Baht 2.77 million and Baht 1.24 million, respectively.

21. SHARE CAPITAL

Premium on ordinary shares

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

For the year ended December 31, 2017, the Company had recognised additional direct expenses relating to the initial public offering shares by netting off with the premium on share capital of Baht 2.76 million.

22. EARNING PER SHARE

The calculations of basic earnings per share for the years ended December 31, 2018 and 2017 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, 2018 and 2017 which were calculated including an effect of change of the par value 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Basic earnings per share				
Profit attributable to ordinary shareholders of the Parent	32,789,602	30,146,419	33,358,558	21,021,557
Number of weighted ordinary shares outstanding	134,000,000	134,000,000	134,000,000	134,000,000
Basic earnings per share (Baht)	<u>0.24</u>	<u>0.22</u>	<u>0.25</u>	<u>0.16</u>

23. 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 subsidiaries 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.

24. DIVIDEND PAID

On April 25, 2018, the Annual General of Shareholders' Meeting No. 1/2018 has passed the resolutions for approval the dividend payment for 134,000,000 ordinary shares at Baht 0.063 each, totalling Baht 8.44 million. Such dividend paid on May 22, 2018.

On April 28, 2017, the Annual General of Shareholders' Meeting No. 1/2017 has passed the resolutions for approval the dividend payment for 134,000,000 ordinary shares at Baht 0.051 each, totalling Baht 6.82 million. Such dividend was paid on May 26, 2017.

25. 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.

26. RELATED PARTIES TRANSACTIONS

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% p.a.
Directors and managements remuneration represent director pension, meeting allowance, salary and bonus	The amounts are approved by the Company's directors and shareholders

26.1 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	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Investment in subsidiaries				
MSL Software (Thailand) Co., Ltd.	-	-	-	112,299,567
Synature Technology Co., Ltd.	-	-	52,020,000	52,020,000
Win Star Tech Co., Ltd.	-	-	14,580,000	-
Total	-	-	66,600,000	164,319,567
Other receivables				
MSL Software (Thailand) Co., Ltd.	-	-	-	1,070,000
Total	-	-	-	1,070,000
Other deposits				
Synature Technology Co., Ltd.	-	-	83,325	-
Total	-	-	83,325	-
Short-term loans				
MSL Software (Thailand) Co., Ltd.	-	-	-	5,000,000
Win Star Tech Co., Ltd.	-	-	2,000,000	-
Total	-	-	2,000,000	5,000,000
Dividend receivables				
MSL Software (Thailand) Co., Ltd.	-	-	-	8,999,150
Total	-	-	-	8,999,150
Other payables				
Win Star Tech Co., Ltd.	-	-	7,345	-
Total	-	-	7,345	-
Accrued interest receivables				
MSL Software (Thailand) Co., Ltd.	-	-	-	125,000
Win Star Tech Co., Ltd.	-	-	6,849	-
Total	-	-	6,849	125,000

26.2 Amounts of related parties transactions incurred during the year

Significant transactions with related parties for the years ended December 31, are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Management fee				
MSL Software (Thailand) Co., Ltd.	-	-	-	500,000
Synature Technology Co., Ltd.	-	-	630,000	-
Total	-	-	630,000	500,000
Dividend income				
Synature Technology Co., Ltd	-	-	4,003,500	-
Total	-	-	4,003,500	-
Interest income				
MSL Software (Thailand) Co., Ltd.	-	-	-	125,000
Win Star Tech Co., Ltd.	-	-	7,384	-
Total	-	-	7,384	125,000
Directors and key managements remuneration				
Short-term benefits	17,332,268	14,086,317	17,332,268	14,086,317
Long-term benefits	1,127,114	926,894	1,127,114	926,894
Total	18,459,382	15,013,211	18,459,382	15,013,211

26.3 On January 1, 2018 and 2017, the Company has entered into service agreement with its subsidiaries. This contract requires the Company to provide services, including management and other business operation support, to the subsidiaries. The Company charged service fees as agreed by both parties based on estimated time spent and cost incurred plus margin. Service fee for the years 2018 and 2017, are as follows:

Company Name	Period of contract	Annual Fee Baht
Synature Technology Co., Ltd.	January 1 - December 31, 2018	630,000
MSL Software (Thailand) Co., Ltd.	January 1 - December 31, 2017	500,000

27. INVESTMENT PROMOTION CERTIFICATE

On February 20, 2009, the Company was granted the privileges according to the Promotional Certificate No. 1156(7)/2552 by the Board of Investment for business type 5.8 of Enterprise Software and Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 8 years, from the first date of that income from the operation is derived from such business which was on September 3, 2009.

On October 8, 2009, the subsidiary was granted the privileges according to the Promotional Certificate No. 1776(7)/2552 by the Board of Investment for business type 5.8 of Enterprise Software and Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 8 years, from the first date of that income from the operation is derived from such business which was on October 20, 2009.

On November 20, 2017, the subsidiary was granted the privileges according to the Promotional Certificate No. 60-1302-1-00-2-0 by the Board of Investment for business type 5.7.2 of Enterprise Software and/or Digital Content which is under the Investment Promotion Act B.E. 2520 for the exemption from corporate income tax on profits from the operation was for a period of 5 years, from the first date of that income from the operation is derived from such business. During the year ended December 31, 2018, the Company had not yet received income from such operation under this Promotional Certificate.

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

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

CONSOLIDATED FINANCIAL STATEMENTS			
2018			
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from sales and rendering services - domestic	32,484,151	129,846,998	162,331,149
Revenue from sales and rendering services - oversea	3,593,249	7,656,820	11,250,069
Total	<u>36,077,400</u>	<u>137,503,818</u>	<u>173,581,218</u>

CONSOLIDATED FINANCIAL STATEMENTS			
2017			
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from sales and rendering services - domestic	73,944,342	36,847,555	110,791,897
Revenue from sales and rendering services - oversea	9,034,142	1,011,731	10,045,873
Total	<u>82,978,484</u>	<u>37,859,286</u>	<u>120,837,770</u>

SEPARATE FINANCIAL STATEMENTS

	2018		
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from sales and rendering services - domestic	32,484,151	70,315,048	102,799,199
Revenue from sales and rendering services - oversea	3,593,249	6,149,073	9,742,322
Total	36,077,400	76,464,121	112,541,521

SEPARATE FINANCIAL STATEMENTS

	2017		
	Promoted Business Baht	Non-Promoted Business Baht	Total Baht
Revenue from sales and rendering services - domestic	63,725,591	18,196,705	81,922,296
Revenue from sales and rendering services - oversea	8,874,678	926,672	9,801,350
Total	72,600,269	19,123,377	91,723,646

28. OPERATING SEGMENT INFORMATION

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

Business segment

The Group operates in only one segment which is in the business of selling computer software which includes installation, and maintenance services and other services relating to computer software.

Geographic segment

Business operation by geographic segment in the consolidated financial statement for the years ended December 31, are as follow:

	For the year ended December 31, 2018			For the year ended December 31, 2017		
	Domestic Baht	Overseas Baht	Total Baht	Domestic Baht	Overseas Baht	Total Baht
Revenue from sales and rendering services	162,331,149	11,250,069	173,581,218	110,791,897	10,045,873	120,837,770
Cost of sales and rendering services	57,088,171	521,761	57,609,932	41,709,005	868,991	42,577,996
Gross profit	105,242,978	10,728,308	115,971,286	69,082,892	9,176,882	78,259,774

Information about major customers

For the years ended December 31, 2018 and 2017 the Group has no revenue from sales and rendering services from each external customers over 10% of total revenue.

29. EXPENSES BY NATURE

Expenses by nature for the years ended December 31, mainly consist of the following items:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Rental and office expense	4,765,953	3,804,347	3,685,353	3,343,680
Employee expenses	79,145,407	59,074,512	59,197,284	48,827,862
Vehicle and accommodation	1,550,673	1,484,946	1,142,674	1,220,053
Electricity and water supply	3,073,692	2,438,930	2,115,362	1,968,539
Professional fee and fee	8,125,119	8,985,289	7,175,414	7,688,929
Depreciation and amortization	4,839,082	3,225,777	1,631,122	1,555,081
Advertising expenses and promotion expense	3,242,367	3,810,773	2,703,966	3,043,475
Remuneration to outsources	1,323,383	598,701	1,160,985	598,701
Finance cost	11,965	10,183	52	-
Other expenses	732,238	933,057	726,768	931,632
Doubtful debt and bad debt (Reversal)	428,536	(289,111)	267,260	(289,111)
Remuneration expenses of directors	1,555,000	1,530,000	1,555,000	1,530,000

30. FINANCIAL INSTRUMENTS

30.1 Credit risk

Credit risk refers to the risk that trade receivables will default on its contractual obligations resulting in a financial loss to the Company and its subsidiaries. However, the Company and its subsidiaries do not have any damage 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.

30.2 Interest rate risk

Interest rate risk arises from the potential for a change in interest rates to have an effect on the operation of the Company and its subsidiaries in the current reporting period and in future years. In case the interest rate is higher, it will have an impact to the Company and its subsidiaries' operation since most of the Company and its subsidiaries' borrowings bear the floating interest rates. However, during the year 2018, the Company and its subsidiaries do not have any interest rate risk because the Company and its subsidiaries do not have any borrowings.

30.3 Exchange rate risk

Exchange rate risk arises from the potential for a change in exchange rate to have an adverse effect on the Company and its subsidiaries in the current year and in future years. However, the effect of the change in exchange rate does not have a material impact on the Company and its subsidiaries because there are no significant foreign currency transactions.

30.4 Fair value of financial instruments

For the fair value disclosures, considerable judgment is necessarily required in estimation of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amount that could be realized in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value. The following methods and assumptions were used by the Company and subsidiaries in estimating fair value of financial instruments.

Financial assets and financial liabilities not measured at fair value

Cash and cash equivalents, temporary investments, trade and other current receivables, accrued income, accrued interest income, short-term loans to related party, short-term loans, trade and other current payables, current income tax payable and other current liabilities have approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

Liabilities under finance lease agreement have approximated fair value equal to carrying amount. The fair value measurement is based on fair value hierarchy level 3 using net present value of expected cash inflow or cash outflow.

31. COMMITMENTS

31.1 Letters of guarantee

As at December 31, 2017, the subsidiary has letters of guarantee issued by commercial banks of Baht 3.42 million, to guarantee the performance of the contract which are secured by the subsidiary's cash at bank (see Note 16) (2018 : Nil).

31.2 Operating leases

As at December 31, 2018 and 2017, the Company and its subsidiaries have the operating lease agreements for office and service covering the period of 3 years. The future rental payments and service fee are summarized as follows:

	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	5,111,760	3,594,573	3,582,360	1,218,333
Over 1 year but not later than 5 years	6,138,900	711,000	4,911,300	-
Total	<u>11,250,660</u>	<u>4,305,573</u>	<u>8,493,660</u>	<u>1,218,333</u>

The Company and its subsidiaries paid rental and recorded as expense in the statements of profit or loss and other comprehensive income for the years ended December 31, 2018 and 2017 of Baht 4.77 million and Baht 6.83 million, respectively (Company : Baht 3.69 million and Baht 3.34 million, respectively).

32. SIGNIFICANT AGREEMENTS

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

33. RECLASSIFICATIONS

The reclassifications have been made to the statements of profit or loss and other comprehensive income for the year ended December 31, 2017 to conform to the classifications used in the statements of profit or loss and other comprehensive income for the year ended December 31, 2018 as follows:

			Unit : Baht
Items	Amount	Previous classification	Current classification
Revenue from sales and rendering services	53,749,058	Revenue from sales and rendering services	Profit from discontinued operation, net of income tax
Interest income	14,956	Interest income	Profit from discontinued operation, net of income tax
Gain on exchange rate	345,852	Gain on exchange rate	Profit from discontinued operation, net of income tax
Gain on sales of fixed assets	51,772	Gain on sales of fixed assets	Profit from discontinued operation, net of income tax
Other income	533,361	Other income	Profit from discontinued operation, net of income tax
Cost of sales and rendering services	27,321,235	Cost of sales and rendering services	Profit from discontinued operation, net of income tax
Distribution costs	249,699	Distribution costs	Profit from discontinued operation, net of income tax
Administrative expenses	18,896,895	Administrative expenses	Profit from discontinued operation, net of income tax
Income tax expenses	96,895	Income tax expenses	Profit from discontinued operation, net of income tax
Loss on exchange rate	253,026	Gain on exchange rate	Other expenses
Other comprehensive income	525,586	Other comprehensive income	Profit from discontinued operation, net of income tax

34. EVENTS AFTER THE REPORTING PERIOD

34.1 On November 8, 2018, the Board of Directors' Meeting No.5/2018 has passed the resolutions for approval of the acquisition of ordinary shares of a company from former shareholders in the amount of Baht 10.20 million or 51% of the issued and fully paid-up share capital which the payment has been made on January 21, 2019.

34.2 On February 11, 2019, the Board of Directors' Meeting No.1/2019 has passed the resolutions for approval of the dividend payment for 134,000,000 ordinary shares at Baht 0.10 each, totalling Baht 13.40 million. Such dividend will be paid on April 26, 2019.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved for issuance by the Company's Board of directors on February 11, 2019.



COMANCHE
INTERNATIONAL



COMANCHE INTERNATIONAL PUBLIC COMPANY LIMITED