

CMC 06/2022

 28th February 2022

Subject: Announcement of the Operating Results for the Year Ended 31 December 2021

To: President of the Stock Exchange of Thailand

Following Comanche International Public Company Limited (the “Company” or “Comanche”)’s submission of the separate and consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2021, which have been audited by the auditor, the Company would like to inform of the following changes in operating results exceeding 20 percent.

Management Discussion and Analysis

Overview of Operating Results for the Company and its Subsidiaries

The summary of changes in operating results is shown in the following table

	Consolidated Financial Statements			
	Ended	Ended	Increase (Decrease)	
	31 December 2021	31 December 2020	THB million	%
	THB million	THB million	THB million	%
Revenue from sales and rendering services	107.43	160.57	(53.14)	(33.10)
Other income*	6.08	5.99	0.09	1.40
Total revenue	113.50	166.56	(53.06)	(31.86)
Cost of sales and rendering services	66.91	77.67	(10.76)	(13.86)
Gross profit (excluding other income)	40.52	82.90	(42.38)	(51.12)
Distribution costs	2.36	4.37	(2.01)	(45.94)
Administrative expenses	53.55	81.25	(27.70)	(34.10)
Loss on impairment of intangible assets	11.16	-	11.16	100.00
Profit (loss) from operations	(20.47)	3.27	(23.74)	(725.88)
Finance cost	0.41	0.43	(0.02)	(3.68)
Profit (loss) before income tax expense	(20.88)	2.84	(23.72)	(834.74)
Income tax revenue (expense)	0.29	(3.40)	3.69	(108.47)
Profit (loss) for the period	(20.59)	(0.56)	(20.03)	3,553.15
Profit (loss) for the period - attributable to owners of the parent	(24.43)	(6.33)	(18.10)	285.77
Item that will not be reclassified subsequently to profit or loss - actuarial gain on remeasurements of employee benefit plans, net from income tax	1.86	2.15	(0.29)	(13.53)
Total comprehensive income (loss) for the year	(18.73)	1.59	(20.32)	(1,278.65)
Total comprehensive income (loss) for the year - attributable to owners of the parent	(22.74)	(4.18)	(18.56)	(443.70)

* Other income such as interest revenue and gain from foreign exchange

1. Revenue

1.1. Revenue from sales and rendering services

Revenue structure from operations of the Company and its subsidiaries

Revenue from operations	Consolidated Financial Statements for the Year					
	2021		2020		Increase / (Decrease)	
	THB million	Percent of Total Revenue	THB million	Percent of Total Revenue	THB million	%
Revenue from sales and rendering services and related maintenance by the Company						
Software sales and installation	14.86	13.83	31.32	19.51	(16.46)	(52.55)
Operations and maintenance service	24.96	23.23	43.89	27.33	(18.93)	(43.13)
Other service ¹	1.91	1.78	1.97	1.23	(0.06)	(3.05)
Total	41.73	38.84	77.18	48.07	(35.45)	(45.93)
Revenue from sales and rendering services and related maintenance by Synature Technology Company Limited	46.10	42.91	55.28	34.43	(9.18)	(16.61)
Revenue from sales and rendering services and related maintenance by Win Star Tech Company Limited	1.10	1.02	1.27	0.79	(0.17)	(13.39)
Revenue from sales and rendering services and related maintenance by AI Soft Company Limited	15.89	14.79	24.76	15.42	(8.87)	(35.82)
Revenue from provision of services and related maintenance by Roomz International Company Limited	-	-	2.08	1.29	(2.08)	(100.00)
Revenue from provision of services by Comanche Gogoji Company Limited (formerly Gogoji Corporation Company Limited)	-	-	-	-	-	-
Revenue from digital currency mining by Coman Crypto Company Limited ²	2.61	2.44	-	-	-	-
Total revenue	107.43	100.00	160.57	100.00	(53.14)	(33.10)

หมายเหตุ: ¹ Other related service such as new software installation and occasional provision of assistance with usage issues

² The Company invested in Coman Crypto Company Limited on 5th November 2021

On 5th November 2021, the Company invested in Coman Crypto Company Limited (“Coman Crypto”) in the amount of THB 60 million, reflecting 99.99% shareholding of paid-up capital. Coman Crypto engages in the main business of obtention, purchase, sale, and/or exchange of digital currency undertaken on its own or through contracting another party. The consolidated financial statements of the Company and its subsidiaries for the year ended 31st December 2021 incorporated operating performance of Coman Crypto from 5th November 2021 to 31st December 2021.

For the years 2021 and 2020, the Company and its subsidiaries (the “**Group of Companies**”) generated THB 107.43 million and THB 160.57 million, respectively, in total revenue from sales and rendering services, reflecting a THB 53.14 million or 33.10% decrease as compared to the previous year due to the following key reasons:

1.1.1. Comanche generated revenue from sales and rendering services and related maintenance in 2021 and 2020 of THB 41.73 million and THB 77.18 million, constituting 38.84% and 48.07% of total revenue from sales and rendering services, respectively. This reflected a THB 35.45 million or 45.93% decrease as compared to the previous year due to the following key reasons:

(a) Revenue from software sales and installation in 2021 and 2020 amounted to THB 14.86 million and THB 31.32 million, constituting 13.83% and 19.51% of total revenue from sales and rendering services, respectively. This reflected a THB 16.46 million or 52.55% decrease as compared to the previous year. However, an overview shows the Company’s backlog of approximately THB 25.39 million, most of which do not have a certain timeline of installation as a result of the Coronavirus (COVID-19) outbreak situation causing many hotels to delay opening launch.

In 2021, Comanche has 59 new hotel clients, reflecting a decrease of 39 hotels or 39.80% as compared to the previous year of 98 new hotel clients. Revenue in 2021 and 2020 averaged THB 252 thousand and THB 319 thousand per hotel, respectively, reflecting a decrease of THB 67 thousand per hotel or 21.00%. Revenue per hotel varies with different factors such as number of rooms and number of operating systems, whereby the size of new hotels at present are expected to be smaller.

(b) In 2021 and 2020, Comanche’s revenue from provision of operations and maintenance service amounted to THB 24.96 million and THB 43.89 million, constituting 23.23% and 27.33% of total revenue from sales and rendering services, respectively. This reflected a THB 18.93 million or 43.13% decrease, mainly due to lower sales from new hotels as new software sales and installation is inclusive of revenue from provision of operations and maintenance service at a proportion of approximately 12% - 15% of the project value in each contract, gradually recognized as revenue in accordance with the provision of service to clients. In addition, as numerous hotels temporarily ceased operations and subsequently suspended operations and

maintenance service for the duration of temporary closure, revenue in this category was lower than that of the previous year.

(c) Revenue from other service mostly comprises revenue from provision of software and computer services to clients not engaged through operations and maintenance contracts, whereby service fees are charged on a per-occurrence basis. In 2021 and 2020, Comanche generated THB 1.91 million and THB 1.97 million in revenue from other service, constituting 1.78% and 1.23% of total operating revenue, respectively. In 2021, revenue from other service decreased by THB 0.06 million or 3.05%, insignificant to the consolidated income statement.

1.1.2. Synature generated revenue from sales and rendering services and related maintenance in 2021 and 2020 of THB 46.10 million and THB 55.28 million, constituting 42.91% and 34.43% of total revenue from sales and rendering services, respectively. This reflected a THB 9.18 million or 16.61% decrease as compared to the previous year due to the government's lockdown measures during 2021, whereby dine-in at the restaurant is unpermitted, causing restaurants to delay opening launch.

1.1.3. Win Star Tech generated revenue from sales and rendering services and related maintenance in 2021 and 2020 of THB 1.10 million and THB 1.27 million, constituting 1.02% and 0.79% of total revenue from sales and rendering services, respectively. This reflected a THB 0.17 million or 13.39% decrease as compared to the previous year as Win Star Tech had no new golf course clients in 2021. Golf course clients are not interested in investing in software at this stage with economic slowdown and COVID-19 impacts. Revenue in 2021 mainly consists the sale of coupon for use in golf courses and maintenance service fees following software installation.

1.1.4. AI Soft generated revenue from sales and rendering services and related maintenance in 2021 and 2020 of THB 15.89 million and THB 24.76 million, constituting 14.79% and 15.42% of total revenue from sales and rendering services, respectively. This reflected a THB 8.87 million or 35.82% decrease, which resulted from the Coronavirus (COVID-19) outbreak situation causing a reduction in demand for flight and car rental reservation management software, as investment in different categories of software slowed down in line with the economic situation. Revenue in 2021 mainly consists revenue from project-based software development, and a portion of the revenue is a related party transaction not shown on the consolidated income statement.

1.1.5. Roomz generated no service revenue for 2021, as compared to THB 2.08 million generated last year. Roomz had no revenue from providing consultancy services on revenue management to hotels for the year 2021 as Roomz temporarily ceased operations following impacts from COVID-19 until the situation improves. This caused revenue for 2020 to be higher than that of 2021.

1.1.6. Gogojii generated no service revenue for 2021 and 2020 as software is still in B2C development phase, and the project is indefinitely postponed following impacts from COVID-19, which caused a significant slowdown in tourism.

1.1.7. Coman Crypto, which commenced operations just this year, generated THB 2.61 million in revenue from digital currency mining in 2021 (from 5th November to 31st December 2021). This constituted 2.44% of total revenue from sales and rendering services for the year 2021 and the whole amount pertains to recognition of revenue from digital currency mining.

1.2. Other income

In 2021 and 2020, the consolidated financial statements presented other revenue of THB 6.08 million and THB 5.99 million, respectively, reflecting a THB 0.09 million or 1.40% increase. Other revenue mainly comprises interest revenue from bank deposit and investment, which reduced in amount following a shift in plans from utilizing cash in investment. In early 2020, the Company invested in debentures, bonds, bills of exchange, and open-end funds. However, following impacts of COVID-19, the Company retained cash in the bank, resulting in a lower interest rate received. Interest revenue from bank deposit and investment in 2021 and 2020 amounted to THB 1.85 million and THB 5.08 million, respectively. However, the Group of Companies had other revenue from COVID-19 relief payments of THB 1.45 million, Comanche's revenue from digital currency mining of THB 0.53 million, and other sources of income of THB 2.25 million.

2. Cost of sales and rendering services and gross profit

For the years 2021 and 2020, the consolidated financial statements presented cost of sales and rendering services of THB 66.91 million and THB 77.67 million, respectively, reflecting a THB 10.76 million or 13.86% decrease from the previous year due to the following key reasons:

2.1. Comanche had THB 14.45 million and THB 31.66 million in cost of sales and rendering services in 2021 and 2020, respectively, reflecting a THB 17.21 million or 54.38% decrease as compared to the previous year. This was due to a reduction in the salary of employees in cost-related departments as Comanche initiated an early retirement program in April 2020 and July 2021 and a number of employees voluntarily entered the program. In addition, Comanche restructured its employees and transferred employees in the operation department to Gogojii in preparation for business restructuring of Comanche Group in the future. These led to an overall reduction in salary expense.

2.2. Synature had THB 24.10 million and THB 27.36 million in cost of sales and rendering services in 2021 and 2020, respectively, reflecting a THB 3.26 million or 11.91% decrease as compared to the previous year. This was a direct impact following the decrease in hardware sales cost in 2021, coupled with a decrease in cost of welfare for cost-related departments in line with Synature's policy in accordance with the COVID-19 outbreak situation.

2.3. Win Star Tech had THB 0.96 million and THB 1.70 million in cost of sales and rendering services in 2021 and 2020, respectively, reflecting a THB 0.74 million or 43.57% decrease as compared to the previous year. This resulted from more efficient management of cloud service usage leading to decrease in service costs. In addition, a higher number of working hours in utilizing Comanche's services in the previous year to support Win Star Tech's clients caused the overall cost of sales and rendering services for the previous year to be higher than that of this year.

2.4. AI Soft had THB 16.42 million and THB 15.25 million in cost of sales and rendering services in 2021 and 2020, respectively, reflecting a THB 1.17 million or 7.68% increase from the previous year. This resulted from the annual salary increase for employees in cost-related departments and the increase in fees in contracting outside parties to perform project-based task. Moreover, many projects which extended from 2020 to quarter 1 of 2021 was completed this year, and as such, work in process was recognized as project cost, leading to increased cost of sales and rendering services in 2021.

2.5. Roomz had no cost of sales and rendering services in 2021, while it had THB 1.70 million in cost of sales and rendering services in the previous year. This was due to operations in the previous year, which temporarily ceased in 2021 until the COVID-19 situation improves. Roomz's cost of sales and rendering services mainly included salary of employees in cost-related departments and cost of rendering software services in operations.

2.6. Gogojii had THB 8.72 million in cost of sales and rendering services in 2021 following Comanche's employee restructuring initiatives and the transfer of employees in the operation department to Gogojii. Gogojii will support Comanche in the sales and rendering of services. In 2020, Gogojii had no cost of services as software is still in B2C development phase, and the project is indefinitely postponed following impacts from COVID-19, which caused a significant slowdown in tourism.

2.7. Coman Crypto, which commenced operations just this year, had THB 2.26 million in digital currency mining cost in 2021 (from 5th November to 31st December 2021). Digital currency mining cost mainly included depreciation expense of digital mining rig and rig maintenance expense.

For the years 2021 and 2020, the consolidated financial statements presented gross profit of THB 40.52 million and THB 82.90 million, respectively, reflecting a THB 42.38 million or 51.12% decrease, with gross profit margin of 37.72% in 2021 as compared to 51.63% in 2020. The reduction in gross profit margin was due to an overall decrease in the Group of Companies' revenue which exceeded the decrease in cost, as detailed above. Synature's gross profit margin for 2021 stood at 47.73%, a slight decrease from that of the previous year of 50.52%, following increase in the proportion of hardware sales as usually hardware sales involve lower profit margin as compared to provision of services. AI Soft's gross profit margin for 2021 stood at -3.37% (gross loss), a decrease from that of the previous year of 38.39% as a portion of revenue is a related party transaction not shown on the consolidated income statement. In addition, additional external personnel were hired for projects, and many projects are ongoing. Although Comanche's gross profit margin for 2021 increased to 65.38% as compared to 58.97% in 2020 following restructuring of employees and cost control, this was not enough to achieve overall gross profit.

As for Coman Crypto, gross profit margin cannot be compared for analysis as operations had just commenced for the first year, with gross profit margin of 13.42%. For Gogojii, gross profit margin cannot be calculated as revenue from rendering services pertains to services provided to Comanche, a related party transaction which is not shown on the consolidated income statement.

3. Distribution costs and administrative expenses

3.1. Distribution costs

For the years 2021 and 2020, the consolidated financial statements presented distribution costs of THB 2.36 million and THB 4.37 million, respectively, reflecting a THB 2.01 million or 45.94% decrease as compared to the previous year, and constituting 2.20% of operating revenues, which decreased from the previous year's proportion of 2.72% due to the following key reasons:

3.1.1. Comanche had distribution cost for 2021 and 2020 of THB 0.40 million and THB 2.33 million, respectively, reflecting a THB 1.93 million or 83.08% decrease as compared to the previous year. This was due to reductions in marketing and promotion cost, particularly in commission cost in accordance with lower sales for 2021 impacted by the COVID-19 outbreak situation, and transfer of employees in marketing department to Gogojii, whereby commission cost from July 2021 is recorded at Gogojii.

3.1.2. Synature had distribution cost for 2021 and 2020 of THB 1.24 million and THB 1.59 million, respectively, reflecting a THB 0.35 million or 22.02% decrease as compared to the previous year. This was due to reductions in commission cost in accordance with lower sales for 2021 impacted by the COVID-19 outbreak situation.

3.1.3. Win Star Tech's distribution cost for 2021 and 2020 are insignificant to the consolidated income statement.

3.1.4. AI Soft had distribution cost for 2021 and 2020 of THB 0.28 million and THB 0.38 million, respectively, reflecting a THB 0.10 or 25.91% decrease as compared to the previous year. This was due to reductions in commission cost and market share compensation cost following lower sales in 2021 impacted by the COVID-19 outbreak situation.

3.1.5. Roomz's distribution cost for 2021 and 2020 are insignificant to the consolidated income statement.

3.1.6. Gogojii had distribution cost for 2021 of THB 0.65 million, most of which are commission paid to employees in the marketing department, in accordance with terms of commission payment and sales revenue. Gogojii had no distribution cost for 2020 as software is still in B2C development phase, and the project is indefinitely postponed following impacts from COVID-19, which caused a significant slowdown in tourism.

3.1.7. Coman Crypto, which commenced operations just this year, had no distribution cost for 2021 (from 5th November to 31st December 2021) as business involves digital currency mining and holds no transaction relating to distribution cost.

3.2. Administrative expenses

For the years 2021 and 2020, the consolidated financial statements presented administrative expenses of THB 53.55 million and THB 81.25 million, respectively, reflecting a THB 27.70 million or 34.10% decrease as compared to the previous year, and constituting 49.84% of operating revenues, which decreased from the previous year's proportion of 50.60% due to the following key reasons:

3.2.1. Comanche had THB 34.45 million and THB 52.44 million in administrative expenses in 2021 and 2020, respectively, reflecting a THB 21.99 million or 41.93% decrease as compared to the previous year. This was due to the fact that in 2020, Comanche had EJIP expenses in the first half of the year before the end of the project term, the number of Board of Directors' Meetings in 2020 exceeded that of 2021, Comanche paid legal compensation to its counterparty, and Comanche initiated an early retirement program whereby the sum paid to employees who joined the program, recorded as administrative expenses, was higher in 2020 than 2021. In addition, Comanche restructured its employees and transferred employees to Gogojii, their respective salary, welfare, and other related expenses are recorded under Gogojii and thus reduced Comanche's expenses. Moreover, many additional assets were fully depreciated in 2021, and some have been sold to Gogojii, leading to a reduction in depreciation expenses, thus contributing to the overall administrative expenses in 2021 being lower than 2020.

3.2.2. Synature had THB 11.28 million and THB 10.63 million in administrative expenses in 2021 and 2020, respectively, reflecting a THB 0.65 million or 6.14% increase as compared to the previous year, insignificant to the consolidated income statement.

3.2.3. Win Star Tech had THB 0.22 million and THB 0.47 million in administrative expenses in 2021 and 2020, respectively, reflecting a THB 0.25 million or 53.29% decrease as compared to the previous year, insignificant to the consolidated income statement.

3.2.4. AI Soft had THB 4.81 million and THB 9.31 million in administrative expenses in 2021 and 2020, respectively, reflecting a THB 4.50 million or 48.29% decrease as compared to the previous year. This was due to the fact that in 2020, additional allowance for doubtful accounts was recorded in accordance with first adoption of the Thai Financial Reporting Standards: TFRS 9, causing administrative expenses in 2020 to be much higher than that of 2021.

3.2.5. Roomz had THB 0.03 million and THB 2.64 million in administrative expenses in 2021 and 2020, respectively, reflecting a THB 2.61 million or 99.00% decrease as compared to the previous year. This was due to the fact that Roomz was operational in 2020, but now temporarily ceased operations following impacts from COVID-19 until the situation improves. Administrative expenses mainly included rent and management expenses.

3.2.6. Gogojii had THB 6.55 million and THB 5.66 million in administrative expenses in 2021 and 2020, respectively, reflecting a THB 0.89 million or 15.73% increase as compared to the previous year. This resulted from amortization of accommodation reservation software which finished development and depreciation of assets related to operations purchased from Comanche, which both started in 2021. Other addition to administrative expenses included rent for use in company address registration and salary and welfare expenses for a portion of employees transferred from Comanche to Gogojii. In 2020, Gogojii still has permanent employees and most of the administrative expenses in 2020 included salary and welfare expenses of employees, as well as severance pay made to employees following termination of employment as impacted by the COVID-19 outbreak situation.

3.2.7. Coman Crypto, which commenced operations just this year, had THB 0.19 million in administrative expenses in 2021 (from 5th November to 31st December 2021), insignificant to the consolidated income statement.

4. Loss on impairment of intangible asset

The consolidated financial statements for the year 2021 presented loss on impairment of intangible asset of THB 9.19 million following management decision to record loss on impairment of intangible asset of Gogojii. This followed consideration that software for B2C service will not be able to generate revenues for the Company in the immediate future.

5. Loss on amortization of intangible asset under development

The consolidated financial statements for the year 2021 presented loss on amortization of intangible asset under development of THB 1.97 million following management decision to record loss on amortization of intangible asset under development of Gogojii. This followed consideration that software for B2C service will not be able to generate revenues for the Company in the immediate future.

6. Finance cost

For the years 2021 and 2020, the consolidated financial statements presented finance cost of THB 0.41 million and THB 0.43 million, respectively, reflecting a THB 0.02 million or 3.69% decrease following management decision to adopt for the first time the Thai Financial Reporting Standards: TFRS 16 on 1st January 2020. The standard stipulates calculation and record of interest in accordance with lease agreements to be amortized throughout the duration of the agreements. In 2021 and 2020, interest in accordance with lease agreements amortized amounted to THB 0.41 million and THB 0.43 million, respectively.

7. Income tax expense

For the years 2021 and 2020, the consolidated financial statements presented income tax (revenue) expense of THB (0.29) million and THB 3.40 million, respectively, reflecting a THB 3.69 million of 108.47% decrease. This was due to an overall reduction in operating results of the Group of Companies having lower profits in every entity. The majority of income tax expense for the year 2021 was attributable to Synature, amounting to THB 1.76 million which mostly comprised revenue which did not receive tax benefits from BOI Certificate, and to Coman Crypto, amounting to THB 0.05 million which mostly comprised revenue which did not receive tax benefits from BOI Certificate. The reason why the consolidated financial statements presented income tax as revenue was due to deferred tax, mostly on the debit side following impairment loss provision on Gogojii's intangible asset, being of greater value than income tax expenses of the 2 aforementioned companies. Therefore, income tax expense presented positive value. In 2020, income tax expense was mainly attributable to Synature, amounting to THB 3.09 million, and AI Soft, amounting to THB 0.46 million, as both companies did not receive tax benefits from BOI Certificate as Comanche did.

8. Net profit (loss) and net profit (loss) margin

For the years 2021 and 2020, the income statement presented profit (loss) attributable to owners of the parent of THB (24.43) million and THB (6.33) million, respectively. This reflected an additional loss of THB 18.09 million from 2020, or 285.77%. Net profit (loss) margin attributable to owners of the parent stood at (22.74%), which decreased from that of 2020 of (3.94%). This was mainly due to the Coronavirus 2019 (COVID-19) outbreak situation which caused indefinite postponement in the opening launch of many hotels and restaurants. In addition, Gogojii, initially set to launch in early 2020, postponed its opening lunch until the situation improves. Moreover, loss on impairment of intangible asset, loss on amortization of intangible asset under development, and additional record of allowance for doubtful accounts in accordance with the Thai Financial Reporting Standards: TFRS 9 resulted in financial figures in the financial statement being unable to turnaround to profitability in both years.

9. Financial position

As at 31st December 2021, the consolidated financial statements presented total assets of THB 489.12 million, total liabilities of THB 69.49 million, and total shareholders' equity of THB 419.63 million.

9.1. Assets

The consolidated financial statements as at 31st December 2021 and 2020 presented total assets of THB 489.12 million and THB 517.26 million, respectively, reflecting a THB 28.14 million or 5.44% decrease due to the following key reasons:

9.1.1. Increased from cash and cash equivalents of THB 52.80 million mainly due to THB 103.85 received from fixed deposit in other current financial assets, THB 8.00 million received from debentures due, THB 5.35 million received from term loan to other companies, THB 3.03 million received from interest, THB 64.02 million paid in the purchase of fixed asset and intangible asset, THB 5.39 million paid in dividend of subsidiaries to minority interest, and the remaining received from normal business operations.

9.1.2. Decreased from trade and other receivables of THB 11.03 million mainly from Comanche, Synature, and AI Soft of THB 3.10 million, THB 1.14 million, and THB 3.68 million, respectively, following a slowdown in the purchase order during late 2020 from the COVID-19 situation, the record of additional allowance for doubtful accounts for the Company and its subsidiaries in accordance with the Thai Financial Reporting Standards: TFRS 9, a THB 1.21 million reduction in interest receivables as Comanche switched to cash deposited at the bank as opposed to other investment types which resulted in lower interest revenue, and a THB 1.78 million reduction in unearned revenue mainly caused by the record of credit loss provision expected to occur for unearned revenue in accordance with the Thai Financial Reporting Standards: TFRS 9.

9.1.3. Decreased from short-term loan to other companies of THB 5.35 million because the Company received repayment for such loan in full.

9.1.4. Increased from inventory of THB 2.63 million mainly from THB 2.97 million in digital currency from mining conducted by Comanche and Coman Crypto in 2021 pending sale, and the difference from reduction in work in process of AI Soft in 2020 which completed in 2021.

9.1.5. Decreased from other current financial asset of THB 103.05 million as fixed deposit amounting to THB 103.05 million with a bank came due.

9.1.6. Increased from other current asset of THB 1.24 million, insignificant to the statement of financial position.

9.1.7. Decreased from other non-current financial asset of THB 5.53 million mainly from 1 long-term debenture of Comanche came due, but Synature utilized THB 2.50 million in investment in convertible debentures and preferred shares.

9.1.8. Decreased from bank deposit reserved as pledge of THB 0.20 million, insignificant to the statement of financial position.

9.1.9. Increased from equipment of THB 56.00 million, mainly from a THB 59.00 million investment in digital currency mining rig, and the difference was attributable to the record of depreciation expense as usual.

9.1.10. Decreased from right of use asset of THB 1.15 million, insignificant to the statement of financial position.

9.1.11. Decreased from other intangible asset of THB 16.01 million from a THB 11.16 million record of impairment-loss provision on intangible asset and amortization of intangible asset under development, and the remaining from normal record of amortization expense.

9.1.12. Increased from deferred tax asset of THB 2.75 million from the additional record of allowance for doubtful accounts for the Company and its subsidiaries in accordance with the Thai Financial Reporting Standards: TFRS 9 and from the record of impairment-loss provision on Gogojii's intangible asset.

9.1.13. Decreased from other non-current asset of THB 1.24 million, insignificant to the statement of financial position.

9.2. Liabilities

The consolidated financial statements as at 31st December 2021 and 2020 presented total liabilities of THB 69.49 million and THB 73.51 million, respectively, reflecting a THB 2.07 million or 2.90% decrease due to the following key reasons:

9.2.1. Decreased from trade and other payables of THB 0.55 million, mainly comprising:

9.2.1.1. Increase in trade payables of THB 0.25 million, insignificant to the statement of financial position.

9.2.1.2. Increase in other payables of THB 0.29 million, insignificant to the statement of financial position.

9.2.1.3. Decrease in client deposit of THB 1.30 million in accordance with lower sales impacted by the COVID-19 outbreak situation.

9.2.1.4. Decrease in accrued salary and bonus expense of THB 1.33 million, mainly attributable to Synature and AI Soft's record of lower accrued employee bonus payable from a reduction in operating profit.

9.2.1.5. Decrease in accrued expense of THB 2.44 million following the record of expense pertaining to Comanche's loss from lawsuit of THB 2.58 million in 2020.

9.2.1.6. Increase in unearned revenue of THB 3.86 million, mainly attributable to Comanche of THB 4.23 million, due to an increase in unearned revenue from annual maintenance service agreements as hotels which had temporary closed gradually resumed operations, and the difference being attributable to a decrease in unearned revenue of other subsidiaries, insignificant to the statement of financial position.

9.2.1.7. Increase in other current payables of THB 0.12 million, insignificant to the statement of financial position.

9.2.2. Increased from the portion of liability from lease agreement due in 1 year of THB 0.09 million, decreased from liability from lease agreement of THB 0.68 million to present liability from the Company's and its subsidiaries' lease agreement in accordance with the Thai Financial Reporting Standards: TFRS 16, insignificant to the statement of financial position.

9.2.3. Decreased from accrued income tax payable of THB 1.45 million as the Company and its subsidiaries had accrued income tax expense from profits which did not receive BOI benefits in 2021 at an amount lower than that of 2020, in line with lower operating profit.

9.2.4. Increased from other current liabilities of THB 0.44 million, mostly from increase in output value added tax not yet due and usual monthly tax pending payment to the Revenue Department of the Company and its subsidiaries.

9.2.5. Decreased from employee benefit liabilities of THB 1.87 million mainly due to THB 1.27 million severance pay from termination of employment of the Company, THB 0.82 million benefits paid by plan, THB 1.96 million actuarial gains, and THB 2.19 million record of service cost and interest of the Company and its subsidiaries for the current year.

9.3. Shareholders' equity

The consolidated financial statements presented total shareholders' equity as at 31st December 2021 of THB 419.62 million, comprising registered and paid-up capital of THB 67.00 million, share premium of THB 323.40 million, retained earnings appropriated as legal reserve of THB 6.47 million, unappropriated retained earnings of THB 0.01 million, other components of shareholders' equity of THB 0.30 million, and non-controlling interest of THB 22.44 million. Shareholders' equity as at 31st December 2021 decreased by THB 24.12 million or 5.44% as compared to 31st December 2020, which amounted to THB 443.75 million due to the following key reasons:

9.3.1. Decreased from net loss attributable to owners of the parent for the year 2021 of THB 22.74 million.

9.3.2. Decreased from non-controlling interest of THB 1.38 million, due to a THB 5.39 million decrease from dividend paid to non-controlling interest, and a THB 4.01 million increase from net profit attributable to non-controlling interest of subsidiaries.

The Company did not allocate an additional legal reserve in 2021 as the Company incurred net loss.

Please be informed accordingly.

Yours sincerely,

Mr. Somboon Sukheviriya
Chief Executive Officer

Comanche International Public Company Limited