

Subject: Announcement of the Operating Results for the 3-Month Period Ended 31 March 2022

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 3-month period of 2022 ended 31 March 2022, which have been reviewed by the auditor, the Company would like to inform of the following changes in operating results exceeding 20 percent.

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

	Consolidated Financial Statements			
	Ended 31 March		Increase (Decrease)	
	2022	2021		
	THB million	THB million	THB million	%
Continued Operations				
Revenue from sales and rendering services	21.01	10.50	10.51	100.50
Other income*	0.52	0.52	-	-
Total revenue	21.53	11.02	10.51	95.31
Cost of sales and rendering services	9.84	6.88	2.96	42.87
Gross profit (excluding other income)	11.17	3.62	7.55	208.84
Distribution costs	-	-	-	-
Administrative expenses	4.30	7.32	(3.02)	(41.24)
Profit (loss) from operations	7.39	(3.18)	10.57	332.15
Finance cost	0.04	0.04	-	-
Profit (loss) before income tax expense from continued operations	7.35	(3.22)	10.57	327.68
Income tax revenue	0.73	0.01	0.72	7,876.49
Profit (loss) for the period from continued operations	8.08	(3.22)	11.30	351.25
Discontinued Operations				
Profit (loss) for the period from discontinued operations, net of income tax	(15.56)	0.06	(15.62)	(25,802.17)
Loss for the period	(7.48)	(3.16)	(4.32)	(137.10)
Profit (loss) for the period - attributable to owners of the parent	(9.37)	(5.38)	(3.99)	74.34
Items that will not be reclassified subsequently to profit or loss - actuarial gain on remeasurements of employee benefit plans, net from income tax	-	(0.47)	0.47	(100.00)
Total comprehensive income (loss) for the year	(7.48)	(3.63)	(3.85)	106.25
Total comprehensive income (loss) for the year - attributable to owners of the parent	(9.37)	(5.66)	(3.71)	65.56

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

On 5 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 3-month period ended 31 March 2021 does not include Coman Crypto’s operating results.

As at 31 March 2022, investments in 3 subsidiaries were presented as held for sale assets, and the Board of Directors’ Meeting No. 3/2022 held on 11 March 2022 approved the sale of such investments. The transactions are in process of execution of purchase and sale agreements, to be completed within quarter 2 of 2022.

The Company presented investment in 3 subsidiaries as non-current assets held for sale valued THB 112.63 million and presented liabilities directly related to assets classified as non-current assets held for sale valued THB 44.94 million in the consolidated statement of financial position, and non-current assets held for sale valued THB 62.90 million in separate statement of financial position as at 31 March 2022. It also presented net profit (loss) of such investments, as profit (loss) from discontinued operations in the consolidated statement of comprehensive income for the 3-month periods ended 31 March 2022 and 2021.

During quarter 1 of 2022, the Company’s executives considered the record of impairment loss on goodwill in Synature Technology Company Limited and AI Soft Company Limited, amounting to THB 7.98 million and THB 5.02 million, as the net values expected to be received from the sale of Synature and AI Soft are lower than those of their respective book values recorded in the consolidated statement of financial position. Such transactions are included in the profit (loss) for the period from discontinued operations.

1. Revenue

1.1. Revenue from sales and rendering services

For the 3-month period of 2022 from 1 January to 31 March 2022, the Company and its subsidiaries (the “**Group of Companies**”) generated THB 21.01 million in total revenue from sales and rendering services, a THB 10.51 million or 100.50% increase as compared to the same period of the previous year, which had total revenue from sales and rendering services of THB 10.50 million, due to the following key reasons:

1.1.1. Comanche generated THB 11.78 million in total revenue from sales and rendering services for the 3-month period of 2022, a THB 1.62 million or 16.00% increase as compared to the same period of the previous year, which had total revenue from sales and rendering services of THB 10.16 million. This was mainly due to recovery from the effects posed by Novel Coronavirus 2019 (COVID-19), causing hotels to resume operations. The Company’s backlog amounts to THB 28.93 million.

1.1.2. Win Star Tech Company Limited (“**Win Star Tech**”) generated THB 0.29 million in revenues for the 3-month period of 2022, a THB 0.06 million or 15.23% decrease as compared to the same period of the previous year, which had revenues of THB 0.35 million, a change insignificant to the consolidated income statement.

1.1.3. Roomz International Company Limited (“**Roomz**”) had no revenues for the 3-month period of 2022 and 2021 due to temporary cessation of operations.

1.1.4. Coman Crypto Company Limited (“**Coman Crypto**”) generated THB 8.94 million in revenues for the 3-month period of 2022 from digital currency mining. For the 3-month period ended 31 March 2021, Coman Crypto had no operating results.

1.2. Other income

For the 3-month period of 2022, the Company and its subsidiaries generated THB 0.52 million in other income, unchanged as compared to the same period of the previous year, which had other income of THB 0.52 million.

2. Cost of sales and rendering services and gross profit

For the 3-month period of 2022, the Company and its subsidiaries had total cost of sales and rendering services of THB 9.84 million, a THB 2.96 million or 42.87% increase as compared to the same period of the previous year, which stood at THB 6.88 million, due to the following key reasons:

2.1. Comanche had THB 0.31 million in cost of sales and rendering services for the 3-month period of 2022, a THB 6.32 million or 95.37% decrease as compared to the same period of the previous year, which stood at THB 6.63 million. This was due to reorganization through the transfer of employees in cost departments to Gogojii, while Gogojii charged service fees back to the Company, a transaction which is not shown in the consolidated income statement as it is a related-party transaction.

2.2. Win Star Tech had THB 0.23 million in cost of sales and rendering services for the 3-month period of 2022, a THB 0.02 million or 8.00% decrease as compared to the same period of the previous year, which stood at THB 0.25 million, a change insignificant to the consolidated income statement.

2.3. Roomz had no cost of sales and rendering services for the 3-month period of 2022 and 2021 due to temporary cessation of operations.

2.4. Coman Crypto had THB 9.30 million in cost of sales and rendering services for the 3-month period of 2022, a THB 9.30 million increase as compared to the same period of the previous year, which had no transaction. Cost of sales and rendering services mainly comprises depreciation expense of digital mining rig and rig maintenance expense.

For the 3-month period of 2022, the Group of Companies presented THB 11.17 million in gross profit, a THB 7.55 million or 208.84% increase as compared to the same period of the previous year, which had gross profit of THB 3.62 million. Gross profit margin for the period stood at 53.19%, while that of the same period of the previous year stood at 34.45%. The increase in gross profit margin was due to the increase in overall revenue of the Group of Companies surpassing the increase in cost as outlined above. Additionally, following reorganization, in which employees in cost departments were transferred to Gogojii and Gogojii charged service fees back to the Company, the transaction was not presented in the consolidated income statement as it is a related-party transaction.

3. Distribution costs and administrative expenses

3.1. Distribution costs

Distribution costs for the 3-month periods of 2022 and 2021 of the Company and its subsidiaries presented an amount insignificant to the consolidated income statement.

3.2. Administrative expenses

For the 3-month period of 2022, the Company and its subsidiaries had administrative expenses of THB 4.30 million, a THB 3.02 million or 41.24% decrease as compared to the same period of the previous year, which stood at THB 7.32 million, and the proportion of administrative expenses to operating revenue stood at 20.47% for the 3-month period of 2022, a decrease from that of the same period of the previous year which stood at 69.68%, due to the following key reasons:

3.2.1. Comanche had THB 3.75 million in administrative expenses for the 3-month period of 2022, a THB 3.52 million or 48.44% decrease as compared to the same period of the previous year, which stood at THB 7.23 million. This was due to the fact that quarter 1 of 2021 was a period before corporate reorganization and employees, who were now transferred to Gogojii, still occupied the Company's payroll. In addition, quite a large amount of allowance for doubtful accounts was additionally recorded in quarter 1 of 2021.

3.2.2. Win Star Tech had THB 0.02 million in administrative expenses for the 3-month period of 2022, a THB 0.02 million or 46.23% decrease as compared to the same period of the previous year, which stood at THB 0.04 million, a change insignificant to the consolidated income statement.

3.2.3. Roomz had THB 0.01 million in administrative expenses for the 3-month period of 2022, unchanged as compared to the same period of the previous year, which had administrative expenses of THB 0.01 million.

3.2.4. Coman Crypto had THB 0.52 million in administrative expenses for the 3-month period of 2022, a THB 0.52 million increase as compared to the same period of the previous year which had no transaction, as during the 3-month period of 2022, Coman Crypto commenced full operations. The increase was mainly attributable to salaries.

4. Net loss and net loss margin

For the 3-month period of 2022, the Company and its subsidiaries had net loss attributable to owners of the parent of THB 9.37 million, reflecting an additional loss of THB 3.99 million or 74.34% as compared to the 3-month period of 2021, which had net loss attributable to owners of the parent of THB 5.38 million. Net loss margin attributable to owners of the parent stood at -44.61%, reflecting an increase from that of the same period of the previous year, which stood at -51.19%. The Group of Companies incurred loss for both years following the impact of the Coronavirus 2019 in quarter 1 of 2021 causing significant reduction in revenues, and impairment of goodwill of THB 13 million in quarter 2 of 2022, included in profit (loss) for the period from discontinued operations, as the Company's executives viewed net values expected to be received from the sale of Synature and AI Soft as lower than those of their respective book values recorded in the consolidated statement of financial position.

5. Financial position

As at 31 March 2022, the Company and its subsidiaries presented total assets of THB 474.54 million, total liabilities of THB 74.89 million, and total shareholders' equity of THB 399.65 million.

5.1. Assets

As at 31 March 2022, the Company and its subsidiaries presented total assets of THB 474.54 million, a THB 14.58 million or 2.98% decrease as compared to that as at 31 December 2021 due to the following key reasons:

5.1.1. Decreased from cash and cash equivalents of THB 135.33 million, due to THB 103.85 million deposited in a fixed deposit account and THB 27.96 million classified as non-current asset held for sale.

5.1.2. Decreased from trade and other receivables of THB 6.92 million, due to THB 11.76 million classified as non-current asset held for sale, although trade and other receivables of the Company increased by THB 4.84 million from the increase in sales as compared to the previous year.

5.1.3. Increased from inventory of THB 5.32 million, mainly from THB 8.39 million in digital currency, but THB 2.22 million was classified as non-current asset held for sale.

5.1.4. Increased from other current financial asset of THB 91.71 million from THB 103.85 million deposited in a fixed deposit account, offset by THB 12.14 million classified as non-current asset held for sale.

5.1.5. Decreased from other current asset of THB 2.35 million, insignificant to the statement of financial position, although the Company and its subsidiaries had a THB 0.91 million increase in tax withheld from payments received from clients of the Company and its subsidiaries which the Company expects no tax incentives received per the BOI Certificate and thus withholding tax was applied (the Company expects non-compliance with some terms stipulated in the BOI Certificate), and THB 1.44 million classified as non-current asset held for sale.

5.1.6. Increased from non-current asset held for sale of THB 112.63 million, as investments in 3 subsidiaries were presented as asset held for sale.

5.1.7. Decreased from bank deposit reserved as pledge of THB 0.20 million due to THB 0.20 million classified as non-current asset held for sale.

5.1.8. Decreased from other non-current financial asset of THB 2.50 million due to THB 2.50 million classified as non-current asset held for sale.

5.1.9. Decreased from equipment of THB 6.25 million, mainly from THB 1.34 million classified as non-current asset held for sale and THB 4.91 million record of depreciation expense.

5.1.10. Decreased from right of use asset of THB 14.86 million, mainly from THB 8.34 million classified as non-current asset held for sale, THB 6.06 million from contract termination, and THB 0.46 million record of amortization as usual.

5.1.11. Decreased from other intangible asset of THB 6.40 million, mainly due to THB 5.40 million classified as non-current asset held for sale, and the difference attributable to amortization as usual.

5.1.12. Decreased from deferred income tax asset of THB 2.35 million due to THB 5.26 million classified as non-current asset held for sale, although the Company had a THB 3.42 million increase in deferred tax asset from Gogojii's employee benefit obligations, and a THB 0.51 million decrease in other amounts.

5.1.13. Decreased from other non-current asset of THB 0.74 million, mainly due to THB 0.98 million classified as non-current asset held for sale.

5.2. Liabilities

As at 31 March 2022, the Company and its subsidiaries presented total liabilities of THB 74.89 million, a THB 5.40 million or 7.77% increase as compared to that as at 31 December 2021 due to the following key reasons:

5.2.1. Decreased from trade and other payables of THB 5.72 million due to THB 18.95 million classified as liability directly related to non-current assets held for sale, offset by THB 13.23 million increase in trade and other payables of the Group of Companies from unearned revenue received from clients in quarter 1 of 2022.

5.2.2. Decreased from portion of liability from lease agreement due in 1 year of THB 1.54 million and liability from lease agreement of THB 13.73 million, due to THB 6.32 million resulting from contract termination, THB 8.57 million classified as liabilities directly related to assets classified as non-current assets held for sale, and THB 0.38 million repayment of liability from lease agreement.

5.2.3. Decreased from accrued income tax payable of THB 0.54 million due to THB 1.49 million classified as liability directly related to non-current assets held for sale, offset by THB 0.95 million increase in accrued income tax payable from operating results for quarter 1 of 2022.

5.2.4. Decreased from other current liability of THB 1.71 million, mainly due to THB 1.50 million classified as liability directly related to non-current assets held for sale.

5.2.5. Increased from liability directly related to non-current assets held for sale of THB 44.94 million, as investments in 3 subsidiaries were presented as asset held for sale.

5.2.6. Decreased from employee benefit liabilities THB 15.73 million due to THB 14.17 million classified as liability directly related to non-current assets held for sale, THB 2.07 million employee benefit paid by the project, and THB 0.52 million record of cost of services and interest for the current year.

5.2.7. Decreased from projected other non-current liability of THB 0.58 million due to the full amount being classified as liability directly related to non-current assets held for sale.

5.3. Shareholders' equity

As at 31 March 2022, the Company and its subsidiaries presented total shareholders' equity of THB 399.65 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 loss of THB 9.36 million, other components of shareholders' equity of THB 0.30 million, and non-controlling interest of THB 11.84 million. Shareholders' equity as at 31 March 2022 decreased by THB 19.98 million or 4.76% as compared to that as at 31 December 2021 due to the following key reasons:

5.3.1. Decreased from net loss attributable to owners of the parent for the 3-month period of 2022 of THB 9.38 million

5.3.2. Decreased from non-controlling interest of THB 10.60 million, due to THB 12.49 million decrease from dividend attributable to non-controlling interest offset by THB 1.89 million increase from net profit attributable to minority shareholders of the subsidiary.

Please be informed accordingly.

Yours sincerely,

Mr. Wasawat Prasertsin
Chief Executive Officer

Comanche International Public Company Limited