



CMC 04/2023

27 February 2023

Subject: Management Discussion and Analysis Yearly Ending 31 December 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 the year ended 31 December 2022, which have been audited 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	Ended	Increase (Decrease)	
	31 December 2022	31 December 2021	THB million	%
	THB million	THB million	THB million	%
Continued Operations				
Revenue from sales and rendering services	75.87	45.44	(30.43)	66.97
Other income*	10.84	3.68	7.16	194.57
Total revenue	86.71	49.12	37.59	76.53
Cost of sales and rendering services	65.65	17.67	47.98	271.53
Gross profit (excluding other income)	10.22	27.77	(17.55)	(63.20)
Distribution costs	0.03	0.18	(0.15)	(83.33)
Administrative expenses	22.81	30.90	(8.09)	(26.18)
Loss from impairment of equipment	22.61	-	22.61	100.00
Loss from impairment of intangible	1.71	-	1.71	100.00
Profit (loss) from operations	(26.10)	0.37	(26.47)	(7,154.05)
Finance cost	0.06	0.17	(0.11)	(64.71)
Profit (loss) before income tax revenue from continued operations	(26.16)	0.20	(26.36)	(13,180.00)
Income tax income	1.65	(0.03)	1.68	(5,600)
Profit (loss) for the period from continued operations	(24.51)	(0.17)	(24.38)	(14,517)
Discontinued Operations				
Profit (loss) for the period from discontinued operations net from income tax	(17.67)	(20.76)	3.09	(14.88)
Loss for the period	(42.18)	(20.59)	(21.59)	104.86
loss for the period - attributable to owners of the parent	(46.27)	(24.43)	(21.84)	89.40
Items that will not be reclassified subsequently to profit or loss - actuarial loss on remeasurements of employee benefit plans, net from income tax	-	1.86	(1.86)	(100.00)
Total comprehensive loss for the period	(42.18)	(18.73)	(23.45)	125.20
Total comprehensive loss for the period - attributable to owners of the parent	(46.27)	(22.74)	(23.53)	103.47

* Other income such as interest revenue, gain from foreign exchange and gain on loss of controlling in subsidiaries.



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 year ended 31 December 2022 incorporated operating performance of Coman Crypto from 5th November 2021 to 31 December 2021.

During the years ended 31 December 2022, the Company sold investments in 3 subsidiaries, The Company disposal investments in three subsidiaries namely Synature Technology Co., Ltd., AI Soft Co., Ltd. and Comanche Gogoji Co., Ltd. As a result, the Company lost control over the three subsidiaries. And there is an increase in gain on disposal of investments in subsidiaries amount of THB 8.03 million in quarter 2 of 2022. in the consolidated financial statements for the year ended 31 December 2022

On 11 November 2022, the Company disposed its investment in ordinary shares of Winstar Tech Co., Ltd., in 49 percent or equivalent to 16,170 shares, at the par value of 100 baht per share, a total amount of THB 62 million to the buyer who not considered a related person. As a result, there was a loss from the sale of investment in Winstartech Co., Ltd. for 5.53 million baht in the separate financial statements.

1. Revenue

1.1. Revenue from sales and rendering services.

Revenue structure from operation of the Company and its subsidiaries

Revenue from operations	Consolidated Financial Statements for the Year					
	2022		2021		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	25.03	32.99	14.86	32.70	10.17	68.44
Operations and maintenance service	23.29	30.70	24.96	54.93	(1.67)	(6.69)
Other service ¹	6.34	8.34	1.91	4.20	4.43	231.41
Total	54.66	72.04	41.73	91.84	12.93	30.96
Revenue from sales and rendering services and related maintenance by Win Star Tech Company Limited	1.26	1.66	1.10	2.42	0.16	14.54
Revenue from provision of services and related maintenance by Roomz International Company Limited	-	-	-	-		
Revenue from digital currency mining by Coman Crypto Company Limited ²	19.95	26.30	2.61	5.74	17.34	664.37
Total revenue	75.87	100.00	45.44	100.00	30.43	(66.92)



Note: 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

For the year 2020 and 2021, the Company and its subsidiaries (the “**Group of Companies**”) generated amount of Baht 75.87 million and amount of Baht 45.44 million, respectively, which increased amount of Baht 30.43 million or 66.97% increased as compared with the previous year due to the following key reasons:

1.1.1. Comanche generated revenue from sales and rendering services and related maintenance in 2022 amount of Baht 54.65 million, which increased in amount of Baht 12.92 million or 45.93% increased as compared with the previous year. This was mainly due to recovery from the effects posed by Novel Coronavirus 2019 (COVID-19), causing hotels to resume operations.

1.1.2. Win Star Tech Company Limited (“Win Star Tech”) generated revenues in 2022 amount of Baht 1.26 million which increased in the amount of Baht 0.16 million or 8.85% increase as compared with the previous year, which had revenues amount of Baht 1.10 million due to Win Star Tech can program a computer to the new customer.

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

1.1.4. Coman Crypto Company Limited (“Coman Crypto”) generated revenue in 2022 amount of Baht 19.95 million from digital currency mining increased the amount of Baht 17.34 million as compared with the previous year, which had revenues amount of Baht 2.61 million due to in the year 2021 Coman Crypto had revenue from digital currency mining since 5 November to 31 December 2021.

1.1. Other income

In year 2022, the Company and its subsidiaries generated of Baht 10.84 million in other income, amount 7.17 million or 194.57% increase as compared with the previous year, which had other income amount of THB 3.68 million. This was mainly due to the increase in gain on the sale of investments in subsidiaries of THB 8.03 million in quarter 2 of 2022.

2. Cost of sales and rendering services and gross profit

For the years 2021, the Company and its subsidiaries (the “Group of Companies”) had cost of sales and rendering services amount of Baht 66.65 million, reflecting a THB 47.98 million or 271.53% increase from the previous year which has amount of 17.67 million due to the following key reasons:

2.1. Comanche had cost of sales and rendering services in 2022, amount of Baht 49.81 million which increased in the amount of Baht 16.52 million or 95.21% increase as compared with the previous year, which at THB 13.21 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 shown in the consolidated income statement since 1 July 2565 to as it is not a related-party transaction.



2.2. Win Star Tech had cost of sales and rendering services in 2022 amount of Baht 0.94 million decreased amount of Baht 0.02 million or -2.08% decrease as compared with the previous year, which stood at THB 0.96 million, a change insignificant to the consolidated income statement.

2.3. Roomz had no cost of sales and rendering services in 2022 and 2021 due to temporary cessation of operations.

2.4. Coman Crypto had cost of sales and rendering services in 2022 amount of Baht 35.71 million. Cost of sales and rendering services mainly comprises depreciation expense of digital mining rig and rig maintenance expense. Increased in amount of Baht 17.34 million as compared with the previous year due to in 2021 Coman Crypto has operating since 1 November to 31 December 2021

For 2022, the Group of Companies gross profit amount of Baht 10.22 million, decreased in amount of Baht 11.77 million or -63.20% decrease as compared with the previous year which has amount of Baht 27.77 million. The increase in gross profit margin was due to reorganization, in which employees in cost departments were transferred to Gogojii and Gogojii charged service fees back to the Company, However, the Group of Companies had increased cost of sales and rendering services from Coman Crypto's business operations, which is now fully operational.

3. Distribution costs and administrative expenses

3.1. Distribution costs

Distribution costs in 2022 and 2021 of the Company and its subsidiaries presented an amount insignificant to the consolidated income statement.

3.2. Administrative expenses

In 2022, the Company and its subsidiaries had administrative expenses amount of Baht 22.81 million, which decreased in amount of Baht 8.09 million or -26.18% decrease as compared with the previous year, which stood at Baht 30.90 million, and the proportion of administrative expenses to operating revenue stood at 30.06% due to the following key reasons:

3.2.1 Comanche had administrative expenses in 2022 amount of Baht 18.85 million, which decreased in amount of Baht 11.64 million or -38.16% decrease as compared with the previous year, which stood at Baht 30.49 million. This was due to in 2021 was a period before corporate reorganization.

3.2.2 Win Star Tech had administrative expenses in 2022 amount of Baht 0.48 million, which increased in amount of Baht 0.09 million or 23.08% increase as compared with the previous year which stood at of Baht 0.39 million, a change insignificant to the consolidated income statement.



3.2.3 Roomz had administrative expenses in 2022 amount of Baht 0.02 million which was a decrease in the amount of 0.01 million or -33.33% decrease as compared with the previous year, which stood at the amount of Baht 0.02 million, a change insignificant to the consolidated income statement.

3.2.4 Coman Crypto had administrative expenses in 2022 amount of Baht 3.73 million, mainly comprising executive salaries increased in amount of 3.73 million as compared with the previous year due to in year 2021 Coman Crypto had operation since 5 November to 31 December 2021.

3.3 Loss on impairment of equipment

For the year 2022, the Company and its subsidiaries had loss on impairment of equipment in the amount of THB 22.61 million as increased in amount of Baht 22.61million or 100% as compared with the previous year. This was due to Coman Crypto set up an impairment of equipment (Digital mining rig for Cryptocurrency) amount of Baht 22.61 million, which will be shown in impairment of the equipment account.

4. Net loss and net loss margin

In 2022, the Company and its subsidiaries had a net loss attributable to owners of the parent of THB - 46.27 million, reflecting an increased loss amount of Baht -23.53 million or 103% as compared with 2021 due to Group of Companies set up impairment of equipment (Digital mining rig for Cryptocurrency) amount of Baht 22.61 million because the management considers that effects of not being able to mine Ethereum. Also, the market value of Cryptocurrency has decreased considerably, and the loss from the impairment of intangible assets of Baht 1.71 million. In addition, the Group Company had a loss from the discontinued operation of THB17.67 million, resulting in a loss in 2022.

5. Financial Position as at 31 December 2022

ฐานะทางการเงิน	31 December 2022	31 December 2021	Increased (Decreased)	%
Current assets	248.08	344.95	(96.87)	(28.08)
Non-current assets	142.07	144.16	(2.09)	(1.45)
Total assets	390.15	489.11	(98.96)	(20.23)
Current liabilities	41.91	37.95	3.96	10.43
Non-current liabilities	1.87	31.54	(29.67)	(94.07)
Total liabilities	43.78	69.49	(25.71)	(37.00)
Total equity attributable to owners of the parent	340.84	397.18	(56.34)	(14.19)
Non-controlling interests	5.53	22.44	(16.91)	(75.36)
Total shareholders' equity	346.37	419.62	(73.25)	(17.46)



As at 31 December 2022, the Company and its subsidiaries presented total assets of Baht 390.15 million, total liabilities of Baht 43.78 million, and total shareholders' equity of Baht 346.37 million.

5.1. Assets

As at 31 December 2022, the Company and its subsidiaries presented total assets of Baht 390.15 million, a THB 98.69 million or 20.23% 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 Baht 190.40 million, due to Baht 103.85 million deposited in a fixed deposit account, Advance payment for shares fee amount of Baht 115 million and also, the decreased from sale of investment in 3 subsidiaries (removal of cash and cash equivalents from the consolidated financial statements), amount of Baht 33.75 million and Baht 29.15 million cash received from the sale of investment in 3 subsidiaries.

5.1.2. Decreased from trade and other receivables of Baht 4.53 million, Main reason from the sale of investment in 3 subsidiaries (removal of trade and other receivables from the consolidated financial statements) amount of Baht 13.47 million.

5.1.3. Increased from inventory of Baht 5.54 million, mainly from Baht 8.89 million in net digital currency and from the sale of investment in 3 subsidiaries (removal of inventory from the consolidated financial statements) amount of Baht 2.06 million.

5.1.4. Increased from other current financial asset of Baht 91.71 million, mainly from an increase of Baht 103.85 million from fixed deposit, offset by THB 12.14 million from the sale of other current financial assets during the period.

5.1.5. Decreased from bank deposit reserved as pledge of Baht 0.18 million due to THB 0.20 million decrease from the sale of investment in 3 subsidiaries (removal of bank deposit reserved as pledge from the consolidated financial statements).

5.1.6. Decreased from other non-current financial asset of Baht 2.50 million due to Baht 2.50 million decrease from the sale of investment in 3 subsidiaries (removal of other non-current financial asset from the consolidated financial statements).

5.1.7. Decreased from equipment of THB 43.66 million, mainly due to THB 1.12 million decrease from the sale of investment in 3 subsidiaries (removal of equipment from the consolidated financial statements) and THB 20.26 record of depreciation expense. Also, decreased from impairment of equipment (Digital mining rig for Cryptocurrency) amount of Baht 22.61 million.

5.1.8. Decreased from right of use asset of Baht 12.40 million, mainly due to THB 8.11 million decrease from the sale of investment in 3 subsidiaries (removal of right of use asset from the consolidated financial statements), THB 6.06 million from contract termination, and THB 0.69 million record of amortization as usual.



In addition, it increased from during the year the Company has make a car hire purchase contract for an additional amount of Baht2.73 million.

5.1.9. Decreased from goodwill of THB 46.36 million, mainly due to THB 33.14 million decrease from the sale of investment in 3 subsidiaries (removal of goodwill from the consolidated financial statements) and THB 12.32 million from impairment of goodwill during the period.

5.1.10. Decreased from other intangible asset of Baht 9.47 million, mainly due to THB 5.02 million decrease from the sale of investment in 3 subsidiaries (removal of other intangible asset from the consolidated financial statements) and the difference attributable to amortization as usual and impairment of intangible assets under development in the amount of Baht 2.01 million.

5.1.11. Decreased from deferred income tax asset of Baht 1.93 million, mainly due from the sale of investment in 3 subsidiaries amount of Baht 5.47 million (removal of deferred income tax asset from the consolidated financial statements). and it's increased from expected credit losses amount of Baht 2.60 million

5.1.12. Decreased from other non-current asset of Baht 0.75 million, mainly due to THB 0.93 million decrease from the sale of investment in 3 subsidiaries (removal of other non-current asset from the consolidated financial statements).

5.2. Liabilities

As at 31 December 2022, the Company and its subsidiaries presented total liabilities of Baht 43.78 million, a THB 25.71 million or -37.00% decrease as compared to that as at 31 December 2021 due to the following key reasons:

5.2.1. Increased from trade and other payables of Baht 7.20 million, despite an increase of Baht 20.00 million in trade and other payables from increased unearned revenue received from customers in 2022. However, it's decrease from the sale of investment in 3 subsidiaries amount of Baht 11.09 million (removal of trade and other payables from the consolidated financial statements).

5.2.2. Decreased from portion of liability from lease agreement due in 1 year of Baht 0.93 million and liability from lease agreement of Baht 11.86 million, resulting from contract termination amount of million 6.32 million and decrease from the sale of investment in 3 subsidiaries amount of Baht 8.37 million(removal of liability from lease agreement from the consolidated financial statements), and repayment of liability from lease agreement during the period. In addition, it increased from during the year the Company has make a car hire purchase contract for an additional amount of Baht 2.85 million.

5.2.3. Decreased from other current liability amount of Baht 1.49 million, mainly decrease from the sale of investment in 3 subsidiaries amount of Baht 1.85 million (removal of other current liability from the consolidated financial statements).



5.2.4. Decreased from employee benefit liabilities of Baht 17.23 million, mainly decrease from the sale of investment in 3 subsidiaries amount of Baht 14.56 million (removal of employee benefit liabilities from the consolidated financial statements), employee benefit paid by the project amount of Baht 2,07 million and decreased from the termination of employees in the amount of Baht 1.56 million.

5.2.5. Decreased from projected other non-current liability amount of Baht 0.58 million, fully attributable to the sale of investment in 3 subsidiaries (removal of projected other non-current liability from the consolidated financial statements).

5.3. Shareholders' equity

Total shareholders' equity as at 31 December 2022 had the amount of Baht 340.84 million, comprising registered and paid-up capital amount of Baht 67.00 million, share premium of Baht 323.40 million, retained earnings appropriated as the legal reserve of THB 6.47 million, unappropriated retained loss of THB 57.99 million, other components of shareholders' equity of Baht 0.30 million, and non-controlling interest of Baht 5.53 million. Shareholders' equity as at 31 December 2022 decreased by the amount of Baht 73.25 million or -17.45% 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 in 2022 in the amount of Baht 46.28 million.

5.3.2. Decreased in non-controlling interest amount of Baht 16.92 million, a decrease from dividend attributable to non-controlling interest amount of Baht 12.49 million, reduction in non-controlling interest from the sale of subsidiaries amount of Baht 14.18 million, and increased from net profit attributable to minority shareholders of the subsidiary amount 4.08 million and increased from the acquisition of non-controlling interests from investment in subsidiaries amount of 5.73 million.

5.3.3. Decreased THB 11.72 million from dividend payment.

Please be informed accordingly.

Yours sincerely,

-- Wasawat Prasertsin--

Mr. Wasawat Prasertsin
Chief Executive Officer

Comanche International Public Company Limited