

Humanica Public Company Limited and its subsidiaries
(Formerly known as "Humanica Limited")
Report and consolidated financial statements
31 December 2017

Independent Auditor's Report

To the Shareholders of Humanica Public Company Limited
(Formerly known as "Humanica Limited")

Opinion

I have audited the accompanying consolidated financial statements of Humanica Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2017, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Humanica Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Humanica Public Company Limited and its subsidiaries and of Humanica Public Company Limited as at 31 December 2017, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Recognition of revenue from sales and services

The Group's revenue from sales and services is derived from various sources, such as revenue from provision of human resource outsourcing and payroll services, revenue from sales and implementation of software, and the agreements made with the customers contain different conditions for each customer. Moreover, the amount of revenue from sales and services is significant and directly affects the Group's profit or loss for the year. For this reason, I focused my audit on the amount and timing of the recognition of revenue from sales and services.

I have examined the revenue recognition of the Group by performing significant audit procedures as follows:

- Assessed and tested the Group's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Selected representative samples of sales and service agreements to determine whether revenue recognition was in accordance with the conditions set forth in the sales and service agreements of the Group and in line with the Group's revenue recognition policies.
- Applied a sampling basis to examine supporting documents for actual sale and service transactions occurring during the year and near the end of the accounting period.
- Enquired with the project managers responsible for software implementation regarding the basis applied to assess the percentage of completion and estimations of the time spent on provision of service throughout the project, checking the actual time spent on provision of service and actual costs incurred against representative samples of relevant documents, and compared the percentage of completion estimated by the project managers to the percentage of completion based on actual time spent on providing the service.
- Sent confirmation requests for the balances of accounts receivables as at the end of the year.

- Reviewed credit notes issued by the Group after the period-end date.
- Performed analytical procedures on disaggregated revenue data to detect possible irregularities in sales and service transactions throughout the period, particularly for accounting entries made through journal vouchers.

Goodwill

As at 31 December 2017, the Company had goodwill from business combination amounting to Baht 35 million. I focused on the determination of impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate, which affect the appropriateness of the value of goodwill.

I assessed the identification of cash generating units and the financial models selected by management by gaining an understanding of management's decision-making process to assess whether the decisions made were consistent with how assets are utilised. In addition, I gained an understanding of and assessed the following items.

- The significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in projecting cash flows.
- Assessed the discount rate applied by management through analysis of the weighted average cost of capital of the Company and of the industry.
- Tested the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate.
- Reviewed the disclosures made with respect to the assessment of impairment of goodwill, and the impact of changes in key assumptions on the cash flow projections.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.



Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 23 February 2018

Humanica Public Company Limited and its subsidiaries

(Formerly known as “Humanica Limited”)

Statement of financial position

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Assets					
Current assets					
Cash and cash equivalents	7	88,142,222	46,266,048	62,096,492	29,763,135
Current investments	8	650,081,859	-	650,081,859	-
Trade and other receivables	9	138,477,769	120,550,709	105,986,637	97,017,659
Short-term loans to related parties	6	-	-	12,085,550	-
Other current assets	10	12,694,228	5,958,536	10,788,919	4,474,440
Total current assets		889,396,078	172,775,293	841,039,457	131,255,234
Non-current assets					
Restricted bank deposits	11	5,109,760	4,991,401	5,109,760	4,991,401
Investment in subsidiaries	12	-	-	122,864,978	106,351,098
Building improvement and equipment	15	31,951,921	34,102,510	25,838,197	31,544,389
Intangible assets	16	151,558,402	162,008,314	101,328,903	109,239,816
Computer software under development	17	21,458,099	6,025,442	21,458,099	6,025,442
Goodwill	18	35,155,954	35,155,954	-	-
Deferred tax assets	25	5,549,274	3,107,594	5,420,751	2,707,727
Withholding tax deducted at source		9,401,476	9,557,085	8,455,845	8,535,803
Other non-current assets		6,529,101	5,860,453	5,240,411	3,474,377
Total non-current assets		266,713,987	260,808,753	295,716,944	272,870,053
Total assets		1,156,110,065	433,584,046	1,136,756,401	404,125,287

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries
(Formerly known as “Humanica Limited”)
Statement of financial position (continued)
As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts		857,024	-	857,024	-
Trade and other payables	19	45,052,917	42,550,108	41,800,379	44,536,424
Advances from related party	6	41,442	4,911,216	-	-
Current portion of long-term loans		-	63,066	-	63,066
Current portion of liabilities under hire-purchase					
and finance lease agreements	20	4,946,141	3,899,906	4,560,565	2,615,585
Service income received in advance		21,069,740	21,096,787	21,069,740	21,096,787
Income tax payable		2,138,144	771,445	-	-
Other current liabilities		8,412,424	7,537,533	6,363,874	6,005,529
Total current liabilities		82,517,832	80,830,061	74,651,582	74,317,391
Non-current liabilities					
Liabilities under hire-purchase and finance lease					
agreements, net of current portion	20	4,875,559	5,478,558	4,714,236	5,148,054
Provision for long-term employee benefits	21	14,987,490	14,319,595	14,344,875	12,320,260
Deferred tax liabilities	25	9,285,545	10,479,925	-	-
Total non-current liabilities		29,148,594	30,278,078	19,059,111	17,468,314
Total liabilities		111,666,426	111,108,139	93,710,693	91,785,705

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries

(Formerly known as “Humanica Limited”)

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Shareholders' equity					
Share capital					
Registered	22				
680,000,000 ordinary shares of Baht 0.5 each					
(2016: 11,000,000 ordinary shares of Baht 10 each)		<u>340,000,000</u>	<u>110,000,000</u>	<u>340,000,000</u>	<u>110,000,000</u>
Issued and fully paid up					
680,000,000 ordinary shares of Baht 0.5 each					
(2016: 11,000,000 ordinary shares of Baht 10 each)		340,000,000	110,000,000	340,000,000	110,000,000
Share premium		649,123,839	36,950,924	649,123,839	36,950,924
Capital reserve for share-based					
payment transactions		5,145,000	5,145,000	5,145,000	5,145,000
Capital deficit from changes in shareholding in subsidiary	12.1	(12,665,654)	-	-	-
Retained earnings					
Appropriated-statutory reserve	23	11,543,906	-	11,543,906	-
Unappropriated		51,613,805	169,133,487	37,167,476	160,243,658
Other components of shareholders' equity		<u>(317,792)</u>	<u>(241,586)</u>	<u>65,487</u>	<u>-</u>
Equity attributable to owners of the Company		1,044,443,104	320,987,825	1,043,045,708	312,339,582
Non-controlling interests of the subsidiaries		<u>535</u>	<u>1,488,082</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>1,044,443,639</u>	<u>322,475,907</u>	<u>1,043,045,708</u>	<u>312,339,582</u>
Total liabilities and shareholders' equity		<u>1,156,110,065</u>	<u>433,584,046</u>	<u>1,136,756,401</u>	<u>404,125,287</u>

The accompanying notes are an integral part of the financial statements.

Directors

Humanica Public Company Limited and its subsidiaries
(Formerly known as “Humanica Limited”)
Statement of comprehensive income
For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit or loss:					
Revenues					
Sales and service income	26	478,876,783	347,682,113	343,517,134	274,201,745
Dividend income		-	-	29,136,078	17,499,650
Other income		3,496,602	4,265,158	15,171,349	9,866,335
Total revenues		<u>482,373,385</u>	<u>351,947,271</u>	<u>387,824,561</u>	<u>301,567,730</u>
Expenses					
Cost of sales and services		289,961,950	215,129,051	222,308,915	181,103,666
Selling expenses		3,449,972	2,790,952	3,427,557	2,681,510
Administrative expenses		79,303,522	60,401,741	64,312,761	42,390,770
Loss on disposal of investment in associate	13	-	1,491,120	-	1,491,120
Total expenses		<u>372,715,444</u>	<u>279,812,864</u>	<u>290,049,233</u>	<u>227,667,066</u>
Profit before share of profit from investment in associate, finance cost and income tax expenses		109,657,941	72,134,407	97,775,328	73,900,664
Share of profit from investment in associate	13	-	7,254,656	-	-
Profit before finance cost and income tax expenses		109,657,941	79,389,063	97,775,328	73,900,664
Finance cost		(803,953)	(4,192,927)	(717,619)	(3,995,476)
Profit before income tax expenses		108,853,988	75,196,136	97,057,709	69,905,188
Income tax expenses	25	(11,408,251)	(3,720,765)	(6,179,580)	(1,562,422)
Profit for the year		<u>97,445,737</u>	<u>71,475,371</u>	<u>90,878,129</u>	<u>68,342,766</u>

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries
(Formerly known as “Humanica Limited”)
Statement of comprehensive income (continued)
For the year ended 31 December 2017

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(141,693)	(415,421)	-	-
Gain on changes in value of available-for-sale investments, net of income tax	8	65,487	-	65,487	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(76,206)	(415,421)	65,487	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarials gain, net of income tax	21	1,439,646	-	89,595	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		1,439,646	-	89,595	-
Other comprehensive income for the year		1,363,440	(415,421)	155,082	-
Total comprehensive income for the year		98,809,177	71,059,950	91,033,211	68,342,766
Profit attributable to:					
Equity holders of the Company		95,084,605	71,474,999	90,878,129	68,342,766
Non-controlling interests of the subsidiaries		2,361,132	372	-	-
		<u>97,445,737</u>	<u>71,475,371</u>		
Total comprehensive income attributable to:					
Equity holders of the Company		96,465,807	71,051,442	91,033,211	68,342,766
Non-controlling interests of the subsidiaries		2,343,370	8,508	-	-
		<u>98,809,177</u>	<u>71,059,950</u>		
Earnings per share	27		(Restated)		(Restated)
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>0.27</u>	<u>0.58</u>	<u>0.26</u>	<u>0.55</u>

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries

(Formerly known as "Humanica Limited")

Statement of changes in shareholders' equity

For the year ended 31 December 2017

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
							Other components of equity						
							Other comprehensive income						
							Exchange differences on	Surplus					
							translation of	on changes	Total other	Total equity	Equity attributable		
							financial	in value of	components of	attributable to	to non-controlling	Total	
							statements in	available-for-sale	shareholders'	owners of	interests of	shareholders'	
Note	share capital	Share premium	transactions	in subsidiary	statutory reserve	Unappropriated	foreign currency	investments	equity	the Company	the subsidiaries	equity	
Balance as at 1 January 2016	60,096,660	36,950,924	5,145,000	-	-	97,658,488	181,971	-	181,971	200,033,043	-	200,033,043	
Profit for the year	-	-	-	-	-	71,474,999	-	-	-	71,474,999	372	71,475,371	
Other comprehensive income for the year	-	-	-	-	-	-	(423,557)	-	(423,557)	(423,557)	8,136	(415,421)	
Total comprehensive income for the year	-	-	-	-	-	71,474,999	(423,557)	-	(423,557)	71,051,442	8,508	71,059,950	
Non-controlling interests of a subsidiary													
increase from investment in subsidiary	-	-	-	-	-	-	-	-	-	-	1,479,924	1,479,924	
Dividend paid for non-controlling													
interests of a subsidiary	-	-	-	-	-	-	-	-	-	-	(350)	(350)	
Increase share capital	22	49,903,340	-	-	-	-	-	-	-	49,903,340	-	49,903,340	
Balance as at 31 December 2016		110,000,000	36,950,924	5,145,000	-	-	169,133,487	(241,586)	-	(241,586)	320,987,825	1,488,082	322,475,907
Balance as at 1 January 2017		110,000,000	36,950,924	5,145,000	-	-	169,133,487	(241,586)	-	(241,586)	320,987,825	1,488,082	322,475,907
Profit for the year		-	-	-	-	-	95,084,605	-	-	95,084,605	2,361,132	97,445,737	
Other comprehensive income for the year		-	-	-	-	-	1,439,619	(123,904)	65,487	(58,417)	1,381,202	(17,762)	1,363,440
Total comprehensive income for the year		-	-	-	-	-	96,524,224	(123,904)	65,487	(58,417)	96,465,807	2,343,370	98,809,177
Increase share capital	22	230,000,000	612,172,915	-	-	-	-	-	-	842,172,915	-	842,172,915	
Capital deficit from changes in shareholding													
in subsidiary	12.1	-	-	-	(12,665,654)	-	-	(17,789)	-	(17,789)	(12,683,443)	(3,830,437)	(16,513,880)
Dividend paid	30	-	-	-	-	-	(202,500,000)	-	-	(202,500,000)	-	(202,500,000)	
Dividend paid for non-controlling													
interests of a subsidiary		-	-	-	-	-	-	-	-	-	(480)	(480)	
Transfer unappropriated retained earnings													
to statutory reserve	23	-	-	-	-	11,543,906	(11,543,906)	-	-	-	-	-	
Balance as at 31 December 2017		340,000,000	649,123,839	5,145,000	(12,665,654)	11,543,906	51,613,805	(383,279)	65,487	(317,792)	1,044,443,104	535	1,044,443,639

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries
(Formerly known as “Humanica Limited”)
Statement of changes in shareholders' equity (Continued)
For the year ended 31 December 2017

(Unit: Baht)

Separate financial statements								
Note	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity		Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	
Balance as at 1 January 2016	60,096,660	36,950,924	5,145,000	-	91,900,892	-	-	194,093,476
Profit for the year	-	-	-	-	68,342,766	-	-	68,342,766
Total comprehensive income for the year	-	-	-	-	68,342,766	-	-	68,342,766
Increase share capital	22 49,903,340	-	-	-	-	-	-	49,903,340
Balance as at 31 December 2016	<u>110,000,000</u>	<u>36,950,924</u>	<u>5,145,000</u>	<u>-</u>	<u>160,243,658</u>	<u>-</u>	<u>-</u>	<u>312,339,582</u>
Balance as at 1 January 2017	110,000,000	36,950,924	5,145,000	-	160,243,658	-	-	312,339,582
Profit for the year	-	-	-	-	90,878,129	-	-	90,878,129
Other comprehensive income for the year	-	-	-	-	89,595	65,487	65,487	155,082
Total comprehensive income for the year	-	-	-	-	90,967,724	65,487	65,487	91,033,211
Increase share capital	22 230,000,000	612,172,915	-	-	-	-	-	842,172,915
Dividend paid	30 -	-	-	-	(202,500,000)	-	-	(202,500,000)
Transfer unappropriated retained earnings to statutory reserve	23 -	-	-	11,543,906	(11,543,906)	-	-	-
Balance as at 31 December 2017	<u>340,000,000</u>	<u>649,123,839</u>	<u>5,145,000</u>	<u>11,543,906</u>	<u>37,167,476</u>	<u>65,487</u>	<u>65,487</u>	<u>1,043,045,708</u>

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries

(Formerly known as “Humanica Limited”)

Cash flow statement

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities					
Profit before tax		108,853,988	75,196,136	97,057,709	69,905,188
Adjustments to reconcile profit before tax to					
net cash provided by (paid from) operating activities:					
Depreciation and amortisation		45,769,872	26,847,069	35,934,459	18,666,827
Gain on sales of equipment		(1,378,356)	(321,621)	(817,540)	(321,651)
Loss on write-off of equipment		101,266	-	101,266	-
Allowance for doubtful accounts		4,363,984	-	4,363,984	-
Bad debt		-	1,334,511	-	1,334,511
Loss on disposal of investment in associate		-	1,491,120	-	1,491,120
Share of profit from investment in associate	13	-	(7,254,656)	-	-
Provision for long-term employee benefits		2,315,694	2,167,578	2,028,125	1,897,934
Unrealized gain (loss) on foreign exchange		259,497	(634,831)	203,197	(634,831)
Dividend income		-	-	(29,136,078)	(17,499,650)
Interest expenses		803,953	4,192,927	717,619	3,995,476
Profit from operating activities before					
changes in operating assets and liabilities		161,089,898	103,018,233	110,452,741	78,834,924
Operating assets (increase) decrease					
Trade and other receivables		(27,687,099)	(21,249,454)	(13,592,459)	(32,757,210)
Other current assets		(4,748,034)	(2,325,874)	(4,326,820)	(841,781)
Other non-current assets		(668,648)	508,599	(1,766,034)	(88,542)
Operating liabilities increase (decrease)					
Trade and other payables		8,089,609	(4,844,146)	2,807,480	6,381,452
Service income received in advance		(27,047)	9,935,528	(27,047)	9,935,528
Other current liabilities		874,891	2,888,062	358,344	1,356,058
Cash flows from operating activities		136,923,570	87,930,948	93,906,205	62,820,429
Cash paid for interest expenses		(803,953)	(4,683,482)	(717,619)	(4,486,031)
Cash paid for income tax		(11,429,175)	(5,351,529)	(6,382,304)	(1,181,924)
Net cash flows from operating activities		124,690,442	77,895,937	86,806,282	57,152,474

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries

(Formerly known as “Humanica Limited”)

Cash flow statement (continued)

For the year ended 31 December 2017

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from investing activities					
Increase in restricted bank deposits		(118,359)	(2,921,525)	(118,359)	(3,734,166)
Cash paid for current investments		(650,000,000)	-	(650,000,000)	-
Short-term loans to related party		-	-	(12,029,250)	-
Acquisition of building improvement and equipment		(21,214,256)	(11,531,913)	(14,712,457)	(10,867,363)
Proceeds from sales of equipment		2,035,238	327,103	934,579	327,103
Acquisition/development of computer software		(27,994,160)	(19,652,238)	(23,104,100)	(19,248,777)
Dividend paid for non-controlling interests of subsidiaries		(480)	(350)	-	-
Dividend income		5,136,558	-	29,136,078	17,499,650
Cash paid for investment in subsidiaries	12	(16,513,880)	(86,194,984)	(16,513,880)	(102,897,942)
Net cash flows used in investing activities		(708,669,339)	(119,973,907)	(686,407,389)	(118,921,495)
Cash flows from financing activities					
Bank overdrafts		857,024	-	857,024	-
Repayment of short-term loans from related party		-	(107,926,805)	-	(107,926,805)
Repayment of short-term loan from the subsidiary's director		-	(2,000,000)	-	-
Repayment of advances from director		(4,869,774)	-	-	-
Repayment of long-term loans		(63,066)	(260,241)	(63,066)	(260,241)
Repayment of liabilities under hire-purchase and finance lease agreements		(5,143,564)	(2,728,894)	(4,075,638)	(1,540,756)
Dividend paid		(202,500,000)	-	(202,500,000)	-
Proceeds from increase in share capital		860,000,000	49,903,340	860,000,000	49,903,340
Cash paid for direct costs related to the additional share offering		(22,283,856)	-	(22,283,856)	-
Net cash flows from (used in) financing activities		625,996,764	(63,012,600)	631,934,464	(59,824,462)
Decrease in translation adjustments		(141,693)	-	-	-
Net increase (decrease) in cash and cash equivalents		41,876,174	(105,090,570)	32,333,357	(121,593,483)
Cash and cash equivalents at beginning of year		46,266,048	151,356,618	29,763,135	151,356,618
Cash and cash equivalents at end of year		88,142,222	46,266,048	62,096,492	29,763,135
		-	-	-	-
Supplemental cash flow information:					
Non-cash transactions					
Purchases of equipment under hire-purchase and finance lease agreements		-	7,667,400	-	7,282,400
Acquisition of equipment that have not yet been paid		-	5,586,800	-	5,586,800
Share payables - related party		-	-	-	3,453,156

The accompanying notes are an integral part of the financial statements.

Humanica Public Company Limited and its subsidiaries
(Formerly known as “Humanica Limited”)
Notes to consolidated financial statements
For the year ended 31 December 2017

1. General information

Humanica Public Company Limited (“the Company”) is a public limited company incorporated and domiciled in Thailand. The Company is principally engaged in providing human resource outsourcing and payroll services, sales of human resource systems and enterprise resource planning and providing implementation services. The registered office of the Company is at 92/25, Sathornthani 2 Building, 11th floor, North Sathorn Road, Silom, Bangrak, Bangkok.

On 31 July 2017, the Extraordinary General Meeting of the Company’s shareholders passes a special resolution to approve the change of its status from limited company to be a public limited company under the Public Limited Companies Act and change the Company’s name from “Humanica Limited” to “Humanica Public Company Limited”. The Company registered its transformation to a public limited company and the amendment of the Company’s name with the Ministry of Commerce on 4 August 2017.

The Stock Exchange of Thailand (“SET”) has approved the Company’s ordinary shares as listed securities traded on the SET, effective from 8 December 2017.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Humanica Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2017</u> (Percent)	<u>2016</u> (Percent)
<u>Subsidiaries held directly by the Company</u>				
Professional Outsourcing Solutions Limited	Provide payroll services	Thailand	100	100
Accounting & Business Advisory Company Limited	Provide accounting outsourcing and financing services	Thailand	100	100
Humanica Asia Pte. Ltd.	Provide payroll outsourcing services and human resource management software consulting services	Singapore	100	70
<u>Subsidiary held by Humanica Asia Pte. Ltd.</u>				
Humanica SDN. BHD.	Provide payroll outsourcing services and human resource management software consulting services	Malaysia	100	-

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.

- f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.

2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the year, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company and its subsidiaries believe that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Sales

Revenue from sales is recognised when the significant risks and rewards of ownership passed to the buyer. Revenue from sales is the invoiced value, excluding value added tax, after deducting discounts and allowances.

Rendering of services

Service revenue is recognised when services have been rendered taking into account the stage of completion.

Service revenue from software implementation and service revenue under system development and implementation agreements is recognised when services have been rendered on the basis of the percentage of completion, as assessed by the Company's project manager. Revenues from unbilled services that have already been rendered under the agreements are presented under the caption of "Accrued income" in the statement of financial position, while revenue received before it is earned or before service is rendered is presented as "Service income received in advance" in the statement of financial position. A loss provision for a project is provided in full when it is highly likely that the total cost of the project will exceed total service revenues.

Revenue from providing system maintenance service is recognised by the period of service in the service agreement using the straight line method.

Revenue from other service contract is recognised when the service is rendered.

Interest income

Interest income is recognised on an accrual basis based on the effective interest rate.

Dividends

Dividends are recognised when the right to receive the dividends is established.

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade receivables

Trade receivables are stated at the net realizable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

4.4 Recognition and amortisation customers' deposits

Cash deposits received from customers for payments of payroll and other expenses for customers are recorded as assets and liabilities of the Company and its subsidiaries for their internal control purposes. As at the statement of financial position date, the Company and its subsidiaries exclude these amounts from both the assets and liabilities and present only the assets that belong to the Company and its subsidiaries.

4.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- c) Investments in associates are accounted for in the consolidated financial statements using the equity method.
- d) Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.6 Building improvement and equipment/Depreciation

Buildings improvement and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of building improvement and equipment is calculated by reference to their costs, on the straight-line basis over the following estimated useful lives:

Building improvement	-	3 and 5 years
Office equipment	-	5 years
Computer	-	3 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

An item of building improvement and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

The cost of an internally generated intangible asset comprises all salaries, other employee benefits and directly attributable cost necessary to prepare the asset to be capable of operating in the manner intended by management.

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

Computer software for operating	-	3 and 5 years
Internally generated computer software	-	10 years
Tradename	-	15 years
Customer relationship	-	7 years

4.8 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.9 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company and its subsidiaries, whether directly or indirectly, or which are under common control with the Company and its subsidiaries.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company and its subsidiaries that gives them significant influence over the Company and its subsidiaries, key management personnel, directors, and officers with authority in the planning and direction of the Company and its subsidiaries' operations.

4.10 Long-term leases

Leases of building or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of building or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.11 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

4.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvement and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

4.13 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Company and its subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund and the Company and its subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

The Company and its subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.14 Provisions

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

4.15 Share-based payment transactions

Granting right to equity securities purchase to employees or individuals is considered share-based payment transaction when it does not appear that the right to equity securities purchase has an objective other than a payment for goods or services provided to the Company.

The Company will record the difference between fair value and purchase price of equity securities at the date on which the options are granted as expenses in profit or loss, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

4.16 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiaries apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiaries measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiaries determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Estimated of service revenues from software implementation and service revenue from system development contract with implementation

The Company recognises service revenue from software implementation and service revenue from system development contract with implementation by reference to the stage of completion, when the outcome of a service can be estimated reliably. The stage of completion is measured by reference to the management's judgement based on their best knowledge of the current events and arrangements and their experience of the business, based on information from the project managers.

Building improvement and equipment/Depreciation and intangible assets

In determining depreciation of building improvement and equipment and intangible assets, the management is required to make estimates of the useful lives and residual values of the building improvement and equipment and intangible assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building improvement and equipment and intangible assets are subject to if there is an indication they may be impaired and impairment losses are recoded in the period when it is determined that their recoverable amount is lower than the carrying amount.

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)					
	Consolidated		Separate		Pricing policy
	financial statements		financial statements		
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	4,263	-	As agreed
Management fee	-	-	12,407	5,700	Contract price
Dividend incomes	-	-	24,000	17,500	As announcement
Interest incomes	-	-	6	-	At rate of 1.8 percent per annum
Service expenses	-	-	1,958	-	As agreed
Software development cost	-	-	2,935	-	As agreed
<u>Transactions with associated company</u>					
Service incomes	-	9,752	-	9,752	As agreed
<u>Transactions with related parties</u>					
Service income	1,754	1,366	1,754	1,366	Market price
Rental expense	46	138	46	138	Contract price
Interest expenses	-	3,890	-	3,890	At rates of 5.5 and MLR percent per annum
<u>Transactions with the Company's director</u>					
Sales of fixed assets	1,615	-	935	-	Market price
Purchase of investment in subsidiary	16,514	-	16,514	-	Contract price
Sales of investment	-	30	-	30	As agreed

As at 31 December 2017 and 2016, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties (Note 9)</u>				
Related companies	-	546	-	546
Total trade receivables - related parties	-	546	-	546
<u>Other receivables - related party (Note 9)</u>				
Subsidiary company	-	-	10,043	6,137
Total other receivables - related party	-	-	10,043	6,137
<u>Accrued income - related parties (Note 9)</u>				
Subsidiary companies	-	-	882	-
Total accrued income - related parties	-	-	882	-
<u>Accrued interests - related party (Note 9)</u>				
Subsidiary Company	-	-	6	-
Total accrued interests - related party	-	-	6	-
<u>Short-term loans to related party (Note 6.1)</u>				
Subsidiary company	-	-	12,086	-
Total short-term loans to related party	-	-	12,086	-
<u>Other payables - related party (Note 19)</u>				
Subsidiary company	-	-	5,511	-
Related person (director)	-	749	-	749
Total other payables - related party	-	749	5,511	749
<u>Share payables - related party (Note 19)</u>				
Subsidiary company	-	-	-	3,453
Total share payables - related party	-	-	-	3,453

		(Unit: Thousand Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Accrued expenses - related party (Note 19)</u>					
Subsidiary company		-	-	70	-
Total accrued expenses - related party		-	-	70	-

Advances from related party

Related person (Director)	41	4,911	-	-
Total advances from related party	41	4,911	-	-

- 6.1 On 8 December 2017, the Company entered into a short-term loan agreement to provide a loan to Humanica Asia Pte. Ltd. (Subsidiary) totaling SGD 500,000 or equivalent to approximately Baht 12 million. The loan carries interest at the rate of 1.8 percent per annum, no collateral and repayable at call.

During the current year, movements of short-term loans to related party were as follow:

		(Unit: Thousand Baht)				
		Separate financial statements				
Loans to	Related by	Balance as at	Increase	Decrease		Balance as at
		1 January	during the	during the	Gain on	31 December
		2017	year	year	exchange	2017
Humanica Asia Pte. Ltd.	Subsidiary company	-	12,029	-	57	12,086
Total		-	12,029	-	57	12,086

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

		(Unit: Million Baht)			
		Consolidated		Separate	
		financial statements		financial statements	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits		23.4	23.8	17.1	17.8
Post-employment benefits		2.3	2.9	2.2	2.3
Total		25.7	26.7	19.3	20.1

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash	626	246	576	196
Bank deposits	140,043	59,852	85,998	29,567
Less: Deposits in the Company and its subsidiaries' name for customer accounts	(52,527)	(13,832)	(24,478)	-
Total cash and cash equivalents	88,142	46,266	62,096	29,763

As at 31 December 2017, bank deposits in saving accounts carries interest at the rate of 0.10 to 1.00 percent per annum (2016: between 0.10 and 0.37 percent per annum).

8. Current investments

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	<u>2017</u>	
Investment in available-for-sale securities - cost	650,000	
Add: Unrealised gain on changes in value of investments	82	
Total investments in available-for-sale securities - fair value	650,082	

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Not yet due	-	63	-	63
Past due				
Up to 3 months	-	483	-	483
Total trade receivables - related parties	-	546	-	546
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	50,948	46,546	37,496	39,272
Past due				
Up to 3 months	36,407	21,841	29,506	17,279
3 - 6 months	8,300	1,212	7,864	1,178
6 - 12 months	3,871	2,006	3,053	1,974
Over 12 months	3,625	1,470	3,592	1,470
Total	103,151	73,075	81,511	61,173
Less: Allowance for doubtful debts	(5,582)	(1,218)	(5,582)	(1,218)
Total trade receivables - unrelated parties, net	97,569	71,857	75,929	59,955
Total trade receivables - net	97,569	72,403	75,929	60,501
<u>Other receivables</u>				
Other receivables - related party	-	-	10,043	6,137
Other receivables - unrelated party	7,826	18,741	192	1,010
Accrued income - related party	-	-	882	-
Accrued income - unrelated parties	33,083	29,407	18,935	29,370
Accrued interest - related party	-	-	6	-
Total other receivables	40,909	48,148	30,058	36,517
Total trade and other receivables - net	138,478	120,551	105,987	97,018

During the year 2016, certain trade receivables, amounting to approximately Baht 7.9 million, was written-off as bad debt.

Other receivables - unrelated party included receivables under separation agreement as described in Note 31.1 to the financial statements.

10. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Advances payments for services	2,257	2,670	2,257	2,670
Deposit	3,525	-	2,590	-
Withholding tax deducted at source	1,972	-	1,972	-
Others	4,940	3,289	3,970	1,804
Total other current assets	<u>12,694</u>	<u>5,959</u>	<u>10,789</u>	<u>4,474</u>

11. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure the issuance of bank guarantees by the bank.

12. Investments in subsidiaries

Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht)	
							Dividend received during the years	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
			(Percent)	(Percent)				
<u>Subsidiaries held directly by the Company</u>								
Professional Outsourcing Solutions Limited	Baht 10 million	Baht 10 million	100	100	72,899	72,899	16,000	17,500
Accounting & Business Advisory Company Limited	Baht 1 million	Baht 1 million	100	100	29,999	29,999	8,000	-
Humanica Asia Pte. Ltd.	SGD 0.2 million	SGD 0.2 million	100	70	19,967	3,453	-	-
<u>Subsidiary held by Humanica Asia Pte. Ltd.</u>								
Humanica SDN. BHD.	MYR 0.5 million	-	100	-	-	-	-	-
Total					<u>122,865</u>	<u>106,351</u>	<u>24,000</u>	<u>17,500</u>

12.1 Investments in Humanica Asia Pte. Ltd.

On 30 November 2016, the Company invested in ordinary shares of Humanica Asia Pte. Ltd., which was incorporated in Singapore to provide employee data and payroll outsourcing services, and human resource management software consulting services. The Company invested in 140,000 ordinary shares, with a par value of SGD 1 each or a total of SGD 140,000 (equivalent to approximately Baht 3.5 million), representing a 70 percent interest in that company.

Subsequently on 14 July 2017, the Board of Directors' meeting of the Company approved an increase in investment in Humanica Asia Pte. Ltd. In September 2017, the Company entered into a shares purchase agreement from the existing shareholder, a director of the subsidiary, to purchase 60,000 shares, with a par value of SGD 1 each, at a price of SGD 11.37 per share, for a total of SGD 0.7 million (equivalent to approximately Baht 16.5 million). As a result of share purchase, the Company's shareholding percentage increased from 70 percent to 100 percent. The Company recorded the difference between the net book value of the investment and the selling price, amounting to Baht 13 million, under the caption of "Capital deficit from changes in shareholding in subsidiary" in the shareholders' equity in the consolidated financial statements.

12.2 Investments in Humanica SDN. BHD.

On 14 July 2017, the Board of Directors' meeting of the Company approved an establishment of a subsidiary in Malaysia, which is invested and managed by Humanica Asia Pte. Ltd., a subsidiary of the Company. Subsequently on 28 August 2017, Humanica Asia Pte. Ltd. had registered the establishment of Humanica SDN. BHD. in Malaysia with registered capital of MYR 2, equivalent to approximately Baht 16 (2 ordinary shares, with a par value of MYR 1 each). This company is established with purposes to provide employee data and payroll outsourcing services and human resource management software consulting services. Humanica Asia Pte. Ltd. invested in that company, representing a 100 percent interest in that company.

Subsequently, on 11 November 2017, Humanica SDN. BHD. increased its share capital and called up additional 499,998 ordinary shares with a par value of MYR 1 each or a total of MYR 0.5 million (equivalent to approximately Baht 4.0 million). Humanica Asia Pte. Ltd. paid for such share subscription in full on 29 December 2017.

12.3 Acquisition of subsidiary companies during the year 2016

On 28 July 2015, the Board of Directors' meeting of the Company passed a resolution approving the purchase of shares of Professional Outsourcing Solutions Limited and Accounting & Business Advisory Company Limited. The Company entered into the agreements to purchase these shares from a company (seller) in December 2015 and January 2016, at a total cost of approximately Baht 103 million, in accordance with the terms and conditions of the agreements to purchase the shares. Details of the shares purchased can be summarised as follows:

- a) 100,000 shares, with a value of Baht 729 each, for a total of Baht 73 million, equivalent to 100 percent of issued and fully paid ordinary shares of Professional Outsourcing Solutions Limited
- b) 100,000 shares, with a value of Baht 300 each, for a total of Baht 30 million, equivalent to 100 percent of issued and fully paid ordinary shares of Accounting & Business Advisory Company Limited

On 18 January 2016, the Company completed the acquisition of the two companies. The Company deems that Professional Outsourcing Solutions Limited and Accounting & Business Advisory Company Limited are subsidiaries of the Company since 18 January 2016 onwards. The details of the acquisition are as follows:

	(Unit: Thousand Baht)		
	Professional Outsourcing Solutions Limited	Accounting & Business Advisory Company Limited	Total
Net assets from acquisition of subsidiaries	53,220	14,522	67,742
Goodwill (Note 18)	19,679	15,477	35,156
Costs of acquisition of the subsidiaries	72,899	29,999	102,898
Less: Cash and cash equivalents of subsidiaries	(16,170)	(533)	(16,703)
Cash paid for acquisition of the subsidiaries - net of cash and cash equivalent received	56,729	29,466	86,195

Net book values of acquired assets and liabilities of Professional Outsourcing Solutions Limited and Accounting & Business Advisory Company Limited as at the acquisition date (18 January 2016) were summarised below:

(Unit: Thousand Baht)

	Professional Outsourcing Solutions Limited	Accounting & Business Advisory Company Limited	Total
Cash and cash equivalents	16,170	533	16,703
Trade and other receivables	7,696	9,614	17,310
Restricted bank deposits	-	813	813
Building improvement and equipment	2,059	994	3,053
Intangible assets	46,456	12,545	59,001
Deferred tax assets	236	110	346
Other non-current assets	685	859	1,544
Trade and other payables	(7,638)	(5,055)	(12,693)
Loan from director	-	(2,000)	(2,000)
Income tax payables	(404)	-	(404)
Liabilities under finance lease	(1,571)	(847)	(2,418)
Provision for long-term employee benefits	(1,181)	(549)	(1,730)
Deferred tax liabilities	(9,288)	(2,495)	(11,783)
Net assets from acquisition of subsidiaries	53,220	14,522	67,742
Costs of acquisition of the subsidiaries	72,899	29,999	102,898
Goodwill (Note 18)	19,679	15,477	35,156

13. Investment in associate

During the years 2016, the Company has recognised its share of profit from investment in associate company and exchange differences on translation of financial statements in foreign currency in the consolidated financial statements as follows:

(Unit: Thousand Baht)

Company's name	Consolidated financial statements	
	Share of profit from investment in associate	Exchange differences on translation of financial statement in foreign currency
Tricor Humatrix Asia Pte. Ltd.	7,255	(423)
Total	7,255	(423)

On 31 December 2017, the Company sold its investment in Tricor Humatrix Asia Pte. Ltd. (THA) to Tricor Singapore Pte. Ltd. at a price of SGD 1 (equivalent to approximately Baht 25) as described in Note 31.1 to the financial statements, and the Company recorded loss on disposal of investments in associate amounting to Baht 1.5 million in profit or loss in the separate financial statements.

14. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	<u>2017</u>	<u>2016</u>
Investment in Thai Land Development (Nana 1994)		
Company Limited		
Cost	7,173	7,173
Less: Allowance for impairment of investments	(7,173)	(7,173)
Total other long-term investments - net	<u>-</u>	<u>-</u>

15. Building improvement and equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Building improvement	Office equipment	Computer	Motor vehicles	Total
Cost:					
1 January 2016	12,694	11,021	37,638	4,720	66,073
Additions	-	471	24,316	-	24,787
Disposals/write-off	-	(96)	(199)	(1,520)	(1,815)
Increase from purchases of investment in subsidiaries	4,224	3,209	3,828	6,268	17,529
31 December 2016	16,918	14,605	65,583	9,468	106,574
Additions	7,131	4,340	9,743	-	21,214
Disposals/write-off	(460)	(963)	(234)	(5,419)	(7,076)
31 December 2017	23,589	17,982	75,092	4,049	120,712
Accumulated depreciation:					
1 January 2016	7,234	7,170	31,038	3,919	49,361
Depreciation for the year	1,602	1,313	5,725	1,802	10,443
Depreciation on disposals/write-off	-	(90)	(198)	(1,520)	(1,809)
Increase from purchases of investment in subsidiaries	4,224	3,116	3,584	3,552	14,476
31 December 2016	13,060	11,509	40,149	7,753	72,471
Depreciation for the year	7,281	2,451	12,008	867	22,607
Depreciation on disposals/write-off	(460)	(862)	(234)	(4,762)	(6,318)
31 December 2017	19,881	13,098	51,923	3,858	88,760
Net book value:					
31 December 2016	3,858	3,096	25,434	1,715	34,103
31 December 2017	3,708	4,884	23,169	191	31,952
Depreciation for the year					
2016 (Baht 5 million included in cost of sales and services, and the balance in administrative expenses)					10,443
2017 (Baht 12 million included in cost of sales and services, and the balance in administrative expenses)					22,607

(Unit: Thousand Baht)

Separate financial statements					
	Building improvement	Office equipment	Computer	Motor vehicles	Total
Cost:					
1 January 2016	12,694	11,021	37,638	4,720	66,073
Additions	-	369	23,367	-	23,736
Disposals/write-off	-	(39)	-	(1,520)	(1,559)
31 December 2016	12,694	11,351	61,005	3,200	88,250
Additions	4,586	3,505	6,621	-	14,712
Disposals/write-off	(460)	(963)	(234)	(3,200)	(4,857)
31 December 2017	16,820	13,893	67,392	-	98,105
Accumulated depreciation:					
1 January 2016	7,234	7,170	31,038	3,919	49,361
Depreciation for the year	1,602	1,267	5,390	640	8,899
Depreciation on disposals/write-off	-	(34)	-	(1,520)	(1,554)
31 December 2016	8,836	8,403	36,428	3,039	56,706
Depreciation for the year	6,826	2,242	11,088	44	20,200
Depreciation on disposals/write-off	(460)	(862)	(234)	(3,083)	(4,639)
31 December 2017	15,202	9,783	47,282	-	72,267
Net book value:					
31 December 2016	3,858	2,948	24,577	161	31,544
31 December 2017	1,618	4,110	20,110	-	25,838
Depreciation for the year					
2016 (Baht 5 million included in cost of sales and services, and the balance in administrative expenses)					8,899
2017 (Baht 10 million included in cost of sales and services, and the balance in administrative expenses)					20,200

As at 31 December 2017, the Company and its subsidiaries had vehicles and equipment with net book value of Baht 8.8 million (2016: Baht 9.1 million) (The Company only: Baht 8.2 million, 2016: Baht 7.2 million) which were acquired under hire-purchase and finance lease agreements.

As at 31 December 2017, certain items of building improvement and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation loss of those assets amounted to approximately Baht 53 million (2016: Baht 51 million) (The Company only: Baht 42 million, 2016: Baht 39 million).

16. Intangible assets

The net book value of intangible assets as at 31 December 2017 and 2016 is presented below.

	Consolidated financial statements				(Unit: Thousand Baht) Separate financial statements
	Computer software	Tradename	Customer relationship	Total	Computer software
Cost:					
1 January 2016	57,656	-	-	57,656	57,656
Additions	2,491	-	-	2,492	2,089
Transfer in	94,272	-	-	94,272	94,272
Increase from purchases of investment in subsidiaries	4,400	20,478	38,441	63,319	-
31 December 2016	158,819	20,478	38,441	217,738	154,017
Additions	5,044	-	-	5,044	154
Transfer in	7,669	-	-	7,669	7,669
31 December 2017	171,532	20,478	38,441	230,451	161,840
Accumulated amortisation:					
1 January 2016	35,009	-	-	35,009	35,009
Amortisation for the year	9,884	1,298	5,221	16,403	9,768
Increase from purchases of investment in subsidiaries	4,318	-	-	4,318	-
31 December 2016	49,211	1,298	5,221	55,730	44,777
Amortisation for the year	16,306	1,365	5,492	23,163	15,734
31 December 2017	65,517	2,663	10,713	78,893	60,511
Net book value:					
31 December 2016	109,608	19,180	33,220	162,008	109,240
31 December 2017	106,015	17,815	27,728	151,558	101,329

17. Computer software under development

The net book value of computer software under development as at 31 December 2017 and 2016 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	2017	2016
Net book value at beginning of year	6,025	83,042
Development of computer software	23,102	17,255
Transfer out	(7,669)	(94,272)
Net book value at end of year	21,458	6,025

18. Goodwill

For the purpose of impairment testing, the Company allocated goodwill acquired in business combinations to each of the cash generating units (CGUs), as presented below:

	(Unit: Thousand Baht)		
	Professional Outsourcing Solutions Limited	Accounting & Business Advisory Company Limited	Total
Goodwill	19,679	15,477	35,156

The recoverable amount of each CGU is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period for Professional Outsourcing Solutions Limited and Accounting & Business Advisory Company Limited.

Key assumptions used in value in use calculations are summarised below:

	(Unit: percent per annum)	
	Professional Outsourcing Solutions Limited	Accounting & Business Advisory Company Limited
Growth rate	3% - 7%	9%
Pre-tax discount rate	12%	12%

The management determined the growth rate based on past performance and its expectations of market development. The discount rate used is pre-tax and reflect specific risks relating to the relevant segments.

The management believes that there is no impairment loss for goodwill.

19. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Trade payables - unrelated parties	8,273	6,550	8,273	5,587
Other payables - unrelated parties	4,710	4,237	3,294	4,237
Other payables - related parties	-	749	5,511	749
Share payables - related party	-	-	-	3,453
Accrued expenses - unrelated parties	32,070	31,014	24,652	30,510
Accrued expenses - related party	-	-	70	-
Total trade and other payables	<u>45,053</u>	<u>42,550</u>	<u>41,800</u>	<u>44,536</u>

20. Liabilities under hire-purchase and finance lease agreements

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Liabilities under hire-purchase and finance lease agreements	10,436	10,175	9,854	8,463
Less: Deferred interest	(614)	(796)	(579)	(699)
Total	<u>9,822</u>	<u>9,379</u>	<u>9,275</u>	<u>7,764</u>
Less: Portion due within one year	<u>(4,946)</u>	<u>(3,900)</u>	<u>(4,561)</u>	<u>(2,616)</u>
Liabilities under hire-purchase and finance lease agreements - net of current portion	<u>4,876</u>	<u>5,479</u>	<u>4,714</u>	<u>5,148</u>

The Company and its subsidiaries have entered into the hire-purchase and finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 5 years.

Future minimum lease payments required under the finance lease agreements were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements					
	Less than 1 year		1 - 5 years		Total	
	2017	2016	2017	2016	2017	2016
Future minimum lease payments	5,402	4,375	5,034	5,800	10,436	10,175
Deferred interest	(456)	(475)	(158)	(321)	(614)	(796)
Present value of future minimum lease payments	4,946	3,900	4,876	5,479	9,822	9,379

(Unit: Thousand Baht)

	Separate financial statements					
	Less than 1 year		1 - 5 years		Total	
	2017	2016	2017	2016	2017	2016
Future minimum lease payments	4,990	3,002	4,864	5,461	9,854	8,463
Deferred interest	(429)	(386)	(150)	(313)	(579)	(699)
Present value of future minimum lease payments	4,561	2,616	4,714	5,148	9,275	7,764

21. Provision for long-term employee benefits

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Provision for long-term employee benefits at beginning of year	14,320	10,327	12,320	10,327
Increase from purchases of investment in subsidiaries	-	1,730	-	-
Included in profit or loss:				
Current service cost	1,948	1,826	1,724	1,611
Interest cost	519	437	456	382
Actuarial (gain) loss arising from				
Demographic assumptions changes	446	-	407	-
Financial assumptions changes	(525)	-	(356)	-
Experience adjustments	(1,721)	-	(163)	-
Decrease from transferred of employee	-	-	(43)	-
Provision for long-term employee benefits at end of year	14,987	14,320	14,345	12,320

Long-term employee benefit expenses included in the profit or loss was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
Cost of sales and services	1,651	1,639	1,487	1,395
Administrative expenses	664	530	541	503
Total expenses recognised in profit or loss	2,315	2,169	2,028	1,898

The Company and its subsidiaries expect that it will pay for long-term employee benefits during next year, amounting to approximately Baht 3.8 million. (Separate financial statements: Baht 3.8 million) (2016: Nil)

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 20 years (2016: 21 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements/ Separate financial statements	
	2017	2016
	(% per annum)	(% per annum)
Discount rate	2.99	3.70
Future salary increase rate	4.00 - 12.00	4.00 - 12.00
Turnover rate	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

	(Unit: Thousand Baht)			
	2017			
	Consolidated financial statements		Separate financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(1,319)	1,589	(1,209)	1,451
Future salary increase rate	1,529	(1,300)	1,397	(1,192)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(1,632)	2,236	(1,496)	1,996

(Unit: Thousand Baht)

	2016			
	Consolidated financial statements		Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1,532)	1,851	(1,229)	1,483
Future salary increase rate	2,049	(1,726)	1,677	(1,415)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(2,260)	3,182	(1,820)	2,630

22. Share capital

2016

On 15 December 2016, the Extraordinary General Meeting of the shareholders of the Company passed a special resolution to approve an increase in its share capital from Baht 60.1 million to Baht 110 million by issuing 4,990,334 ordinary shares with a par value of Baht 10 each and at the price of Baht 10 each to offer to existing shareholders in the portion of 10 old shares per 8.3038 new shares. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 27 December 2016 and received share subscription payment in full.

2017

On 3 April 2017, the General Meeting of the shareholders of the Company passed a special resolution to approve an increase in its share capital from Baht 110 million to Baht 200 million by issuing 9 million ordinary shares with a par value of Baht 10 each and at the price of Baht 10 each to offer to existing shareholders in the portion of 10 existing shares per 8.1818 new shares. The Company registered the increase in its paid-up capital with the Ministry of Commerce on 12 July 2017 and received share subscription payment in full on 26 July 2017.

Subsequently on 31 July 2017 and 24 August 2017, the Extraordinary General Meetings of the Company's shareholders passed the following resolutions.

- a) Approved the change of its status from a company limited to a public company limited and change the Company's name to "Humanica Public Company Limited".
- b) Approved the change in the par value of its ordinary shares from Baht 10 each of 20 million shares to Baht 0.5 each of 400 million shares.

- c) Approved the increase of registered share capital from Baht 200 million to Baht 340 million through the issuance of 280 million new ordinary shares at a par value of Baht 0.5 each, which are to be allocated as follows:
- 1) 100 million ordinary shares to be offered to existing shareholders in the portion of 4 existing shares per 1 new shares at the price of Baht 0.5 each.
 - 2) 153 million ordinary shares to be offered through an initial public offering.
 - 3) 27 million ordinary shares to be offered to the Company and its subsidiaries' directors or employees, for the shares remaining after such offering, they are to be offered through the public offering under item 2).

The Company registered the significant matters described in a) to c) with the Ministry of Commerce on 4 August 2017. Subsequently, the Company called up 100 percent of share capital offered to existing shareholders of 100 million ordinary shares with a par value of Baht 0.5 each and received share subscription payment in full on 9 August 2017.

During 30 November 2017 to 4 December 2017, the Company offered 180 million ordinary shares, with a par value of Baht 0.5 each, at the offered price of Baht 4 each through Initial Public Offering and the Company and its subsidiaries' directors and employees, or for a total of Baht 720 million. The Company registered the change of its issued and paid-up share capital from Baht 250 million (500 million ordinary shares with a par value of Baht 0.5 each) to Baht 340 million (680 million ordinary shares with a par value of Baht 0.5 each) with the Ministry of Commerce on 6 December 2017, and the Stock Exchange of Thailand approved the 680 million ordinary shares with a par value of Baht 0.5 each as listed securities to be traded, effective from 8 December 2017.

The Company incurred expenses relating to the share offering amounting to approximately Baht 17.8 million (net of income tax of Baht 4.5 million), and these expenses were recorded as a deduction against share premium in the shareholders' equity.

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

24. Expenses by nature

Significant expenses by nature are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Salary and wages and other employee benefits	206,440	171,245	154,826	140,050
Depreciation	22,607	10,443	22,200	8,899
Amortisation expenses	23,163	16,403	15,734	9,768
Rental expenses from operating lease contract	20,020	15,096	14,327	11,358
License fees	22,609	16,914	22,609	16,914
Maintenance expenses	15,308	12,325	15,308	12,325

25. Income tax

Income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge	(10,963)	(5,453)	(4,475)	(1,937)
Deferred tax:				
Relating to origination and reversal of temporary differences	4,012	1,732	2,752	375
Effects of income tax related to the share offering (Note 22)	(4,457)	-	(4,457)	-
Income tax expenses reported in the statement of comprehensive income	<u>(11,408)</u>	<u>(3,721)</u>	<u>(6,180)</u>	<u>(1,562)</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax on gain from the change in value of available-for-sale investments	(16)	-	(16)	-
Deferred tax on actuarial gain	(360)	-	(22)	-
	<u>(376)</u>	<u>-</u>	<u>(38)</u>	<u>-</u>

The reconciliation between accounting profit and income tax expense is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Accounting profit before tax	<u>108,854</u>	<u>75,196</u>	<u>97,058</u>	<u>69,905</u>
Applicable tax rate	20	20	20	20
Accounting profit before tax multiplied by income tax rate	21,771	15,039	19,412	13,981
Difference in tax rate in group companies	(395)	-	-	-
Effects of:				
Promotional privileges (Note 26)	(7,368)	(8,898)	(7,368)	(8,898)
Exemption of income	(1,027)	(3,500)	(5,827)	(3,500)
Non-deductible expenses	619	926	506	839
Others	(2,190)	154	(543)	(860)
Total	<u>(9,966)</u>	<u>(11,318)</u>	<u>(13,232)</u>	<u>(12,419)</u>
Income tax expenses reported in the statement of comprehensive income	<u>11,408</u>	<u>3,721</u>	<u>6,180</u>	<u>1,562</u>

The tax rate enacted at the end of the reporting period of the subsidiaries in overseas countries are 17 percent to 18 percent.

The components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Deferred tax assets				
Allowance for doubtful accounts	1,117	244	1,117	244
Provision for long-term employee benefits	2,998	2,864	2,869	2,464
Accumulated depreciation - building				
improvement and equipment	1,087	-	1,087	-
Others	491	-	364	-
Total	<u>5,693</u>	<u>3,108</u>	<u>5,437</u>	<u>2,708</u>
Deferred tax liabilities				
Unrealised gain on changes in value of				
available-for-sale investments	(16)	-	(16)	-
Fair value of intangible assets arise in				
business acquisition	(9,109)	(10,480)	-	-
Others	(304)	-	-	-
Total	<u>(9,429)</u>	<u>(10,480)</u>	<u>(16)</u>	<u>-</u>
Deferred tax assets (liabilities) - net	<u>(3,736)</u>	<u>(7,372)</u>	<u>5,421</u>	<u>-</u>
Presentation in the statement of financial position				
Deferred tax assets	<u>5,550</u>	<u>3,108</u>	<u>5,421</u>	<u>2,708</u>
Deferred tax liabilities	<u>(9,286)</u>	<u>(10,480)</u>	<u>-</u>	<u>-</u>

26. Promotional privileges

The Company was granted investment promotional. Significant tax privileges granted to the Company are summarised below.

	Promotion certificate no.	Exemption from corporate income tax for 8 years commencing from
Software	1682(7)/2548	11 June 2010
Software	2103(7)/2555	12 July 2016

As a BOI promoted company, the Company must comply with certain conditions and restrictions stipulated in the investment promotion certificates.

The Company's operating revenues for the years ended 31 December 2017 and 2016 are below shown divided according to promoted and non-promoted operations.

(Unit: Thousand Baht)						
	Promoted operations		Non-promoted operations		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Sales and service income						
Domestic	113,556	92,832	226,771	165,375	340,327	258,207
Export	2,517	15,652	673	343	3,190	15,995
Total sales and service income	<u>116,073</u>	<u>108,484</u>	<u>227,444</u>	<u>165,718</u>	<u>343,517</u>	<u>274,202</u>

27. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares to reflect the change in par value of ordinary shares from Baht 10 each to Baht 0.5 each, as described in Note 22 to the financial statements, as if that change in the number and par value of such ordinary shares had occurred at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share:

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Restated)		(Restated)
Profit for the year (Thousand Baht)	95,085	71,475	90,878	68,343
Weighted average number of ordinary shares				
(Thousand shares)	353,528	123,233	353,528	123,233
Earnings per share (Baht per share)	0.27	0.58	0.26	0.55

28. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Company and its subsidiaries are organised into business units based on its services and have three reportable segments as follows:

- 1) Human resource management system services segment
- 2) Enterprise resource planning services segment
- 3) Accounting and financing services

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the years ended 31 December 2017 and 2016, respectively.

(Unit: Thousand Baht)

	Human resource management system services		Enterprise resource planning services		Accounting and financing services		Adjustments and eliminations		Consolidated	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Sales and service income from external customers	358,099	249,205	96,992	78,092	23,786	20,385	-	-	478,877	347,682
Total revenue	<u>358,099</u>	<u>249,205</u>	<u>96,992</u>	<u>78,092</u>	<u>23,786</u>	<u>20,385</u>	<u>-</u>	<u>-</u>	<u>478,877</u>	<u>347,682</u>
Segment profit	89,076	50,264	17,311	14,294	6,631	4,802	-	-	113,018	75,880
Unallocated income (expenses):										
Other incomes									3,497	4,265
Amortisation of intangible assets from purchase of subsidiaries									(6,857)	(6,520)
Loss on disposal of investment in associate									-	(1,491)
Finance cost									(804)	(4,193)
Share of profit from investment in associate									-	7,255
Profit before income tax expenses									108,854	75,196
Income tax expenses									<u>(11,408)</u>	<u>(3,721)</u>
Profit for the year									<u>97,446</u>	<u>71,475</u>

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2017</u>	<u>2016</u>
Revenue from external customers		
Thailand	419,884	331,687
Singapore	53,913	9,663
Japan	2,435	4,221
Malaysia	2,645	2,111
Total	<u>478,877</u>	<u>347,682</u>

Major customers

For the year 2017, the Company and its subsidiaries have revenue from one major customer in amount of Baht 49 million, arising from human resource management services segment (2016: Baht 42 million derived from one major customer, arising from human resource management services segment).

29. Provident fund

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate between 4 to 15 percent of basic salary. The fund, which is managed by Krungsri Asset Management Company Limited and Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2017 amounting to approximately Baht 7.4 million (2016: Baht 6.4 million) (The Company only: Baht 4.8 million, 2016: Baht 5.2 million) were recognised as expenses.

30. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Final dividends for 2016	Annual General Meeting of the shareholders on 3 April 2017	90	8.18
Interim dividends that paid from retained earnings as at 31 December 2016	The Board of Directors' meeting of the Company on 14 July 2017	50	2.50
Interim dividends for 2017	The Board of Directors' meeting of the Company on 9 November 2017	<u>63</u>	0.13
Total dividends for 2017		<u>203</u>	

31. Commitments and contingent liabilities

31.1 Separation agreements

On 23 February 2017, the Company entered into a separation agreement to sell its investment in Tricor Humatrix Asia Pte. Ltd. ("THA"), an associate, to Tricor Singapore Pte. Ltd. at a price of SGD 1 (equivalent to approximately Baht 25) and the shares were transferred since 31 December 2016. Under the separation agreement, THA agreed to transfer a group of customers to Humanica Asia Pte. Ltd., a subsidiary, in accordance with the conditions stipulated in the agreement.

In addition, the separation agreement included conditions specifying that the Company would receive dividend with respect to operating results for the years 2015 and 2016 based on its shareholding paid from retained earnings as at 31 December 2016, after the financial statements of THA had been audited by auditors. In this regard, the Company recognised other receivables amounting to Baht 12.8 million in the consolidated statements of financial position as at 31 December 2016. Subsequently on 3 May 2017, the Company received dividend with respect to operating results for the year 2015 amounting to Baht 5.1 million, and the Company expects to receive the remaining amount of Baht 7.7 million within 2018.

31.2 Operating lease and service agreements commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space and other service agreements. The terms of the agreements are generally between 1 and 30 years.

Future minimum lease payments required under these operating leases and service contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	As at	As at	As at	As at
	31 December	31 December	31 December	31 December
	2017	2016	2017	2016
Payable:				
In up to 1 year	22	16	17	8
In over 1 and up to 5 years	93	11	87	1
Over 5 years	687	-	687	-

31.3 Guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 4.7 million (2016: Baht 4.7 million) issued by a bank on behalf of the Company in respect of contractual performance.

32. Fair value hierarchy

As at 31 December 2017, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)				
Consolidated Financial Statements/Separate Financial Statements				
As at 31 December 2017				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Debt instruments	-	650.082	-	650.082

33. Financial instruments

33.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, current investments, trade and other receivables short-term loan to related party, restricted bank deposits, bank overdrafts, trade and other payables, advances from related party, liabilities under hire-purchase and finance lease and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables and short-term loans to related party. The Company and its subsidiaries manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company and its subsidiaries do not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries are exposed to interest rate risk relates primarily to its cash at banks, short-term loans from related party, bank overdraft, liabilities under hire-purchase and finance lease and long-term loans. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2017 and 2016, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Thousand Baht)

Consolidated financial statements						
2017						
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Within 1 year	1-5 years				
Financial Assets						(% per annum)
Cash and cash equivalent	-	-	87,516	626	88,142	0.10 - 1.00
Current investments	-	-	-	650,082	650,082	-
Trade and other receivables	-	-	-	138,478	138,478	-
Restricted bank deposits	5,110	-	-	-	5,110	0.80 - 0.90
	<u>5,110</u>	<u>-</u>	<u>87,516</u>	<u>789,186</u>	<u>881,212</u>	
Financial liabilities						
Bank overdraft	-	-	857	-	857	6.87
Trade and other payables	-	-	-	45,053	45,053	-
Advances form related party	-	-	-	41	41	-
Liabilities under hire-purchase and finance lease	4,946	4,876	-	-	9,822	6.21 - 8.41
	<u>4,946</u>	<u>4,876</u>	<u>857</u>	<u>45,094</u>	<u>55,773</u>	

(Unit: Thousand Baht)

Separate financial statements

2017

	Fixed interest rates					Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	
Financial Assets						
Cash and cash equivalent	-	-	61,520	576	62,096	0.10 - 1.00
Current investments	-	-	-	650,082	650,082	-
Trade and other receivables	-	-	-	105,987	105,987	-
Short-term loans to related parties	12,086	-	-	-	12,086	1.80
Restricted bank deposits	5,110	-	-	-	5,110	0.80 - 0.90
	17,196	-	61,520	756,645	835,361	
Financial liabilities						
Bank overdraft	-	-	857	-	857	6.87
Trade and other payables	-	-	-	41,800	41,800	-
Liabilities under hire-purchase and finance lease	4,561	4,714	-	-	9,275	6.21 - 7.88
	4,561	4,714	857	41,800	51,932	

(Unit: Thousand Baht)

Consolidated financial statements

2016

	Fixed interest rates					Effective interest rate (% per annum)
	Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	
Financial Assets						
Cash and cash equivalent	-	-	46,020	246	46,266	0.10 - 0.37
Trade and other receivables	-	-	-	120,551	120,551	-
Restricted bank deposits	4,991	-	-	-	4,991	0.90 - 1.10
	4,991	-	46,020	120,797	171,808	
Financial liabilities						
Trade and other payables	-	-	-	42,550	42,550	-
Advances from related party	-	-	-	4,911	4,911	-
Liabilities under hire-purchase and finance lease	3,900	5,478	-	-	9,378	4.00 - 9.86
Long-term loans	63	-	-	-	63	3.00
	3,963	5,478	-	47,461	56,902	

(Unit: Thousand Baht)

Separate financial statements						
2016						
Fixed interest rates						
Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	
						(% per annum)
Financial Assets						
Cash and cash equivalent	-	-	29,567	196	29,763	0.10 - 0.37
Trade and other receivables	-	-	-	97,018	97,018	-
Restricted bank deposits	4,991	-	-	-	4,991	0.90 - 0.10
	4,991	-	29,567	97,214	131,772	
Financial liabilities						
Trade and other payables	-	-	-	44,536	44,536	-
Liabilities under hire-purchase and finance lease	2,616	5,148	-	-	7,764	4.00 - 5.19
Long-term loans	63	-	-	-	63	3.00
	2,679	5,148	-	44,536	52,363	

Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.2	0.2	-	-	32.6809	35.8307
SGD	-	0.5	-	-	24.4503	24.8010
JPY	3.7	0.5	-	-	0.2898	0.3080
MYR	0.2	0.2	-	-	8.0584	7.9896

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	as at 31 December		as at 31 December		as at 31 December	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	0.2	0.2	-	-	32.6809	35.8307
SGD	0.9	0.5	0.2	0.1	24.4503	24.8010
JPY	3.7	0.5	-	-	0.2898	0.3080
MYR	0.2	0.2	-	-	8.0584	7.9896

33.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

34. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2017, the Group's debt-to-equity ratio was 0.11 (2016: 0.34:1) and the Company's was 0.09 (2016: 0.29:1).

35. Events after the reporting period

On 23 February 2018, the Board of Directors' meeting of the Company passed the following resolutions.

- Proposed the payment of a dividend for the year 2017 amounting to Baht 82.9 million. However, since the Board of Directors previously approved an interim dividend from income of the year 2017 amounting to Baht 62.5 million, so there are the remaining dividend payment amounting to Baht 20.4 million or Baht 0.03 per share. The Board of Directors will propose for approval by the Annual General Meeting of the Company's shareholders for the year 2018.
- Approved the negotiation to acquire the business of a company which provide human resource systems implementation services not exceeding Baht 40 million.
- Approved the negotiation to acquire all shares of a company which provide accounting outsourcing services not exceeding Baht 30 million. Accounting & Business Advisory Company Limited will be the investor of this company.

36. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 23 February 2018.