

Humanica Public Company Limited and its subsidiaries
Review report and interim consolidated financial statements
For the three-month and nine-month periods ended
30 September 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Humanica Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Humanica Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Humanica Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of Matter

Without expressing a modified conclusion on the aforementioned interim financial information, I draw attention to the following Notes to the interim consolidated financial statements.

1. As discussed in Note 20.5 to the interim consolidated financial statements, on 20 September 2018, the Company was informed by a client of their intention to terminate an on-going implementation of a human resource system. The termination may lead to some potential obligations, of which the amount cannot be estimated reliably until the terms of termination are discussed and agreed upon by both parties. As at 30 September 2018, the outstanding balances of this client is Baht 14 million, which is presented in accrued income - unrelated parties in the consolidated and separate statements of financial position.
2. As discussed in Note 9 to the interim consolidated financial statements regarding the acquisition of a business, the fair value measurement of the identifiable assets acquired and the liabilities assumed at the acquisition date has not yet been completed.



Sirirat Sricharoensup

Certified Public Accountant (Thailand) No. 5419

EY Office Limited

Bangkok: 13 November 2018

Humanica Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents	4	69,749	88,142	33,176	62,096
Current investments	5	416,114	650,082	416,114	650,082
Trade and other receivables	6	133,649	138,478	101,288	105,987
Short-term loan to unrelated party	7	5,000	-	5,000	-
Short-term loan to related party	3	-	-	-	12,086
Other current assets	8	14,425	12,694	13,332	10,789
Total current assets		638,937	889,396	568,910	841,040
Non-current assets					
Restricted bank deposits		5,154	5,110	5,154	5,110
Investment in subsidiaries	9	-	-	122,865	122,865
Other long-term investments	10	264,258	-	264,258	-
Loan to related party	3	-	-	25,000	-
Building improvement and equipment	11	56,532	31,952	51,443	25,838
Intangible assets	12	136,586	151,558	92,032	101,329
Computer software under development	13	37,748	21,458	37,809	21,458
Goodwill		35,156	35,156	-	-
Unallocated costs of business acquisition	9	22,257	-	-	-
Deferred tax assets		3,290	5,549	2,759	5,421
Withholding tax deducted at source		4,885	9,402	3,857	8,455
Other non-current assets		6,153	6,529	4,983	5,240
Total non-current assets		572,019	266,714	610,160	295,716
Total assets		1,210,956	1,156,110	1,179,070	1,136,756

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

Humanica Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts		-	857	-	857
Trade and other payables	14	39,155	45,053	34,457	41,800
Advances from related party	3	-	41	-	-
Current portion of liabilities under					
hire-purchase and finance lease agreements		5,999	4,946	5,841	4,561
Service income received in advance		27,711	21,070	27,711	21,070
Income tax payable		1,505	2,138	-	-
Other current liabilities		10,296	8,412	7,606	6,364
Total current liabilities		84,666	82,517	75,615	74,652
Non-current liabilities					
Liabilities under hire-purchase and finance lease					
agreements, net of current portion		5,243	4,876	5,183	4,714
Provision for long-term employee benefits	15	16,997	14,987	14,340	14,345
Deferred tax liabilities		8,254	9,286	-	-
Total non-current liabilities		30,494	29,149	19,523	19,059
Total liabilities		115,160	111,666	95,138	93,711

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

Humanica Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
680,000,000 ordinary shares of Baht 0.5 each	340,000	340,000	340,000	340,000
Issued and fully paid up				
680,000,000 ordinary shares of Baht 0.5 each	340,000	340,000	340,000	340,000
Share premium	649,124	649,124	649,124	649,124
Capital reserve for share-based				
payment transactions	5,145	5,145	5,145	5,145
Capital deficit from changes in shareholding				
in subsidiary	(12,666)	(12,666)	-	-
Retained earnings				
Appropriated-statutory reserve	11,544	11,544	11,544	11,544
Unappropriated	98,172	51,614	72,539	37,167
Other components of shareholders' equity	4,476	(318)	5,580	65
Equity attributable to owners of the Company	1,095,795	1,044,443	1,083,932	1,043,045
Non-controlling interests of the subsidiaries	1	1	-	-
Total shareholders' equity	1,095,796	1,044,444	1,083,932	1,043,045
Total liabilities and shareholders' equity	1,210,956	1,156,110	1,179,070	1,136,756

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



Directors

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit or loss:				
Revenues				
Sales and service income	124,791	114,268	91,761	82,860
Other income	1,370	840	16,328	18,272
Total revenues	<u>126,161</u>	<u>115,108</u>	<u>108,089</u>	<u>101,132</u>
Expenses				
Cost of sales and services	72,918	73,324	54,992	57,785
Selling expenses	1,018	755	1,012	750
Administrative expenses	21,540	19,900	18,976	16,154
Total expenses	<u>95,476</u>	<u>93,979</u>	<u>74,980</u>	<u>74,689</u>
Profit before finance cost and income tax expenses	30,685	21,129	33,109	26,443
Finance cost	(183)	(228)	(178)	(208)
Profit before income tax expenses	30,502	20,901	32,931	26,235
Income tax expenses	16 (2,196)	(1,970)	(1,240)	(1,134)
Profit for the period	<u>28,306</u>	<u>18,931</u>	<u>31,691</u>	<u>25,101</u>

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 September 2018

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	Consolidated financial statements		Separate financial statements	
Note	2018	2017	2018	2017
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	(893)	(74)	-	-
Gain on changes in value of available-for-sale investment, net of income tax	7,773	-	7,773	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	6,880	(74)	7,773	-
Other comprehensive income for the period	6,880	(74)	7,773	-
Total comprehensive income for the period	35,186	18,857	39,464	25,101
Profit attributable to:				
Equity holders of the Company	28,306	18,093	31,691	25,101
Non-controlling interests of the subsidiaries	-	838	-	-
	28,306	18,931		
Total comprehensive income attributable to:				
Equity holders of the Company	35,186	18,041	39,464	25,101
Non-controlling interests of the subsidiaries	-	816	-	-
	35,186	18,857		
Earnings per share	17			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.04	0.04	0.05	0.06

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Statement of comprehensive income

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit or loss:				
Revenues				
Sales and service income	374,845	344,310	272,944	241,000
Other income	5,656	4,911	34,172	35,102
Total revenues	<u>380,501</u>	<u>349,221</u>	<u>307,116</u>	<u>276,102</u>
Expenses				
Cost of sales and services	217,332	224,691	167,809	169,447
Selling expenses	3,199	2,762	3,182	2,746
Administrative expenses	55,310	58,839	46,201	47,105
Total expenses	<u>275,841</u>	<u>286,292</u>	<u>217,192</u>	<u>219,298</u>
Profit before finance cost and income tax expenses	104,660	62,929	89,924	56,804
Finance cost	(475)	(629)	(453)	(558)
Profit before income tax incomes expenses	104,185	62,300	89,471	56,246
Income tax expenses	16 (10,027)	(6,304)	(6,499)	(2,319)
Profit for the period	<u>94,158</u>	<u>55,996</u>	<u>82,972</u>	<u>53,927</u>

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht except basic earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</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	(721)	(61)	-	-
Gain on changes in value of available-for-sale investment, net of income tax	5,515	-	5,515	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods	4,794	(61)	5,515	-
Other comprehensive income for the period	4,794	(61)	5,515	-
Total comprehensive income for the period	98,952	55,935	88,487	53,927
Profit attributable to:				
Equity holders of the Company	94,158	53,635	82,972	53,927
Non-controlling interests of the subsidiaries	-	2,361	-	-
	94,158	55,996		
Total comprehensive income attributable to:				
Equity holders of the Company	98,952	53,592	88,487	53,927
Non-controlling interests of the subsidiaries	-	2,343	-	-
	98,952	55,935		
Earnings per share	17			
Basic earnings per share				
Profit attributable to equity holders of the Company	0.14	0.19	0.12	0.19

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attribute to owners of the Company												
	Other components of shareholders' equity											
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Capital deficit from changes in shareholding in subsidiary	Retained earnings		Other comprehensive income			Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated - statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity			
Balance as at 1 January 2017	110,000	36,951	5,145	-	-	169,134	(242)	-	(242)	320,988	1,488	322,476
Profit for the period	-	-	-	-	-	53,635	-	-	-	53,635	2,361	55,996
Other comprehensive income for the period	-	-	-	-	-	-	(43)	-	(43)	(43)	(18)	(61)
Total comprehensive income for the period	-	-	-	-	-	53,635	(43)	-	(43)	53,592	2,343	55,935
Increase in share capital	140,000	-	-	-	-	-	-	-	-	140,000	-	140,000
Capital deficit from changes in shareholding in subsidiary	-	-	-	(12,665)	-	-	(18)	-	(18)	(12,663)	(3,831)	(16,514)
Dividend paid (Note 19)	-	-	-	-	-	(140,000)	-	-	-	(140,000)	-	(140,000)
Transfer unappropriated retained earnings to statutory reserve	-	-	-	-	7,000	(7,000)	-	-	-	-	-	-
Balance as at 30 September 2017	250,000	36,951	5,145	(12,665)	7,000	75,769	(303)	-	(303)	361,897	-	361,897
Balance as at 1 January 2018	340,000	649,124	5,145	(12,666)	11,544	51,614	(383)	65	(318)	1,044,443	1	1,044,444
Profit for the period	-	-	-	-	-	94,158	-	-	-	94,158	-	94,158
Other comprehensive income for the period	-	-	-	-	-	-	(721)	5,515	4,794	4,794	-	4,794
Total comprehensive income for the period	-	-	-	-	-	94,158	(721)	5,515	4,794	98,952	-	98,952
Dividend paid (Note 19)	-	-	-	-	-	(47,600)	-	-	-	(47,600)	-	(47,600)
Balance as at 30 September 2018	340,000	649,124	5,145	(12,666)	11,544	98,172	(1,104)	5,580	4,476	1,095,795	1	1,095,796

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (Continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Separate financial statements							
	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings		Other components of equity		
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income		
						Surplus on changes in value of available-for-sale investments	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2017	110,000	36,951	5,145	-	160,244	-	-	312,340
Profit for the period	-	-	-	-	53,927	-	-	53,927
Total comprehensive income for the period	-	-	-	-	53,927	-	-	53,927
Increase in share capital	140,000	-	-	-	-	-	-	140,000
Dividend paid (Note 19)	-	-	-	-	(140,000)	-	-	(140,000)
Transfer unappropriated retained earnings to statutory reserve	-	-	-	7,000	(7,000)	-	-	-
Balance as at 30 September 2017	250,000	36,951	5,145	7,000	67,171	-	-	366,267
Balance as at 1 January 2018	340,000	649,124	5,145	11,544	37,167	65	65	1,043,045
Profit for the period	-	-	-	-	82,972	-	-	82,972
Other comprehensive income for the period	-	-	-	-	-	5,515	5,515	5,515
Total comprehensive income for the period	-	-	-	-	82,972	5,515	5,515	88,487
Dividend paid (Note 19)	-	-	-	-	(47,600)	-	-	(47,600)
Balance as at 30 September 2018	340,000	649,124	5,145	11,544	72,539	5,580	5,580	1,083,932

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Cash flow statement

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit before tax	104,185	62,300	89,471	56,246
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	34,382	29,462	27,201	22,162
Gain on sales of equipment	(1,174)	(1,277)	(6)	(716)
Write-off of equipment	147	70	-	70
Allowance for doubtful accounts (reversal)	(4,411)	5,716	(4,411)	5,716
Provision for long-term employee benefits	1,933	1,766	1,330	1,550
Gain on sales of current investments	(721)	-	(721)	-
Unrealised loss on foreign exchange	532	428	655	428
Dividend income	(1,112)	-	(18,112)	(21,136)
Interest expenses	475	629	453	558
Profit from operating activities before changes in operating assets and liabilities	134,236	99,094	95,860	64,878
Operating assets (increase) decrease				
Trade and other receivables	11,876	(11,993)	9,100	612
Other current assets	(2,517)	(2,534)	(1,303)	(2,995)
Other non-current assets	376	(580)	257	(803)
Operating liabilities increase (decrease)				
Trade and other payables	(6,765)	4,510	(9,570)	(4,961)
Service income received in advance	6,641	1,027	6,641	567
Other current liabilities	1,722	1,829	1,242	1,024
Cash flows from operating activities	145,569	91,353	102,227	58,322
Cash paid for interest expenses	(475)	(629)	(453)	(557)
Cash paid for income tax	(10,040)	(9,051)	(6,389)	(4,452)
Cash return from income tax	4,532	-	4,532	-
Net cash flows from operating activities	139,586	81,673	99,917	53,313

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

(Unaudited but reviewed)

Humanica Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Increase in restricted bank deposits	(44)	(117)	(44)	(117)
Cash paid for acquisitions of current and other long-term investments	(728,475)	-	(728,475)	-
Cash received from sales of current and other long-term investments	705,969	-	705,969	-
Acquisition of building improvement and equipment	(36,422)	(19,472)	(35,585)	(13,658)
Acquisition/development of computer software	(18,635)	(14,047)	(18,694)	(9,135)
Proceeds from sales of equipment	1,270	2,035	102	935
Cash received from short-term loans to related party	-	-	12,086	-
Increase in short-term loans to unrelated party	(5,000)	-	(5,000)	-
Increase in long-term loans to related party	-	-	(32,000)	-
Cash received from long-term loans to related party	-	-	7,000	-
Dividend income	1,112	5,136	18,112	21,136
Cash paid for acquisition of entire business	(24,600)	-	-	-
Net cash flows used in investing activities	(104,825)	(26,465)	(76,529)	(839)
Cash flows from financing activities				
Decrease in bank overdrafts	(857)	-	(857)	-
Increase (decrease) in advances from related party	(41)	4,393	-	-
Repayment of long-term loans	-	(63)	-	(63)
Repayment of liabilities under hire-purchase and finance lease agreements	(4,180)	(3,788)	(3,851)	(2,977)
Proceeds from increase in share capital	-	140,000	-	140,000
Dividend paid	(47,600)	(140,000)	(47,600)	(140,000)
Net cash flows from (used in) financing activities	(52,678)	542	(52,308)	(3,040)
Decrease in translation adjustments	(476)	(61)	-	-
Net increase (decrease) in cash and cash equivalents	(18,393)	55,689	(28,920)	49,434
Cash and cash equivalents at beginning of period	88,142	46,266	62,096	29,763
Cash and cash equivalents at end of period	69,749	101,955	33,176	79,197

Supplemental cash flow information:

Non-cash transactions

Purchases of equipment under hire-purchase agreements	5,600	-	5,600	-
Dividend receivable	17	-	17	-

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

Humanica Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and nine-month periods ended 30 September 2018

1. General information

1.1 Corporate information

Humanica Public Company Limited ("the Company") is a public 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. During the current period, the Company has changed its registered office address from 92/25, Sathornthani 2 Building, 11th floor, North Sathorn Road, Silom, Bangrak, Bangkok to 2 Soi Rong Muang 5, Rong Muang Road, Rong Muang, Pathumwan, Bangkok.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated financial statements include the financial statements of Humanica Public Company Limited ("the Company") and its subsidiaries ("the subsidiaries") and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There have been no changes in the composition of the Group during the current period.

1.4 New financial reporting standards

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

During the period, the Company and its subsidiaries have adopted the 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 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 period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

2. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

3. Related party transactions

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, were concluded on terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing Policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	1,168	-	As agreed
Management fee	-	-	3,660	4,400	Contract price
Dividend income	-	-	10,000	13,000	As announcement
Interest income	-	-	122	-	As agreed
Rental income	-	-	774	-	As agreed
Other income	-	-	388	-	As agreed
Service expense	-	-	1,049	-	As agreed
Software development cost	-	-	17	-	As agreed
Other expense	-	-	7	-	As agreed
<u>Transactions with related parties</u>					
Service income	126	882	126	882	Market price
<u>Transactions with the Group company's director</u>					
Purchase of investment in subsidiary	-	16,514	-	16,514	Contract price

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September				
	Consolidated		Separate		
	financial statements		financial statements		Pricing Policy
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Service income	-	-	3,453	-	As agreed
Management fee	-	-	10,380	9,700	Contract price
Dividend income	-	-	17,000	16,000	As announcement
Interest income	-	-	234	-	As agreed
Rental income	-	-	1,806	-	As agreed
Other income	-	-	659	-	As agreed
Service expense	-	-	3,274	-	As agreed
Software development cost	-	-	1,269	-	As agreed
Other expense	-	-	7	-	As agreed
<u>Transactions with related parties</u>					
Service income	535	1,605	535	1,605	Market price
Rental expense	-	46	-	46	Contract price
<u>Transactions with the Company's director</u>					
Sales of fixed assets	-	1,615	-	935	Market price
<u>Transactions with the Group company's director</u>					
Purchase of investment in subsidiary	-	16,514	-	16,514	Contract price

The balances of the accounts between the Company and these related companies as at 30 September 2018 and 31 December 2017 are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September 2018	31 December 2017 (Audited)	30 September 2018	31 December 2017 (Audited)
<u>Other receivables - related parties (Note 6)</u>				
Subsidiary companies	-	-	9,819	10,043
Total other receivables - related parties	-	-	9,819	10,043
<u>Accrued income - related parties (Note 6)</u>				
Subsidiary companies	-	-	28	882
Total accrued income - related parties	-	-	28	882
<u>Accrued interests - related parties (Note 6)</u>				
Subsidiary companies	-	-	38	6
Total accrued interests - related parties	-	-	38	6
<u>Short-term loan to related party (Note 3.1)</u>				
Subsidiary company	-	-	-	12,086
Total short-term loan to related party	-	-	-	12,086
<u>Loan to related party (Note 3.2)</u>				
Subsidiary company	-	-	25,000	-
Total loan to related party	-	-	25,000	-
<u>Other payables - related parties (Note 14)</u>				
Subsidiary companies	-	-	4,555	5,511
Total other payables - related parties	-	-	4,555	5,511
<u>Accrued expenses - related party (Note 14)</u>				
Subsidiary company	-	-	-	70
Total accrued expenses - related party	-	-	-	70
<u>Advances from related party</u>				
Related person (Director)	-	41	-	-
Total advances from related party	-	41	-	-

- 3.1 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 carried interest at the rate of 1.8 percent per annum, no collateral and repayable at call. Subsequently, on 5 June 2018, the Company received loan payment in full.

During the current period, movement of short-term loan to related party were as follow:

(Unit: Thousand Baht)

		Separate financial statements			Balance as at
Loan to	Related by	Balance as at 1 January 2018	Increase during the period	Decrease during the period	30 September 2018
Humanica Asia Pte. Ltd.	Subsidiary company	12,086	-	(12,086)	-
Total		12,086	-	(12,086)	-

- 3.2 On 15 June 2018, the Company entered into a loan agreement to provide a loan to Humanica FAS Limited (formerly known as "Accounting & Business Advisory Company Limited") (Subsidiary) totaling Baht 32 million. The loan carries interest at the rate of 1.8 percent per annum, no collateral and repayable at call. However, the Company has no plan to call the loan within one year, and therefore classified them as non-current asset in the financial statements.

During the current period, movement of loan to related party were as follow:

(Unit: Thousand Baht)

		Separate financial statements			Balance as at
Loan to	Related by	Balance as at 1 January 2018	Increase during the period	Decrease during the period	30 September 2018
Humanica FAS Limited (formerly known as "Accounting & Business Advisory Company Limited")	Subsidiary company	-	32,000	(7,000)	25,000
Total		-	32,000	(7,000)	25,000

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	5.4	6.0	4.1	4.7
Post-employment benefits	0.6	0.6	0.6	0.7
Total	<u>6.0</u>	<u>6.6</u>	<u>4.7</u>	<u>5.4</u>

(Unit: Million Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	17.6	19.4	13.4	14.3
Post-employment benefits	1.8	1.9	1.8	1.9
Total	<u>19.4</u>	<u>21.3</u>	<u>15.2</u>	<u>16.2</u>

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Audited)		(Audited)
Cash	591	626	541	576
Bank deposits	103,373	140,043	58,951	85,998
Less: Deposits in the Company and its subsidiaries' name for customer accounts	(34,215)	(52,527)	(26,316)	(24,478)
Total cash and cash equivalents	<u>69,749</u>	<u>88,142</u>	<u>33,176</u>	<u>62,096</u>

5. Current investments

	(Unit: Thousand Baht)	
	Consolidated/Separate financial statements	
	30 September 2018	31 December 2017
		(Audited)
Investments in available-for-sale securities - cost	412,325	650,000
Add: Surplus on changes in value of investments	3,789	82
Investments in available-for-sale securities - fair value	416,114	650,082

6. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade receivables - unrelated parties</u>				
Age on the basis of due dates				
Not yet due	51,308	50,948	33,428	37,496
Past due				
Up to 3 months	29,172	36,407	19,019	29,506
3 - 6 months	3,390	8,300	3,210	7,864
6 - 12 months	2,020	3,871	1,891	3,053
Over 12 months	2,431	3,625	2,399	3,592
Total	88,321	103,151	59,947	81,511
Less: Allowance for doubtful debts	(1,171)	(5,582)	(1,171)	(5,582)
Total trade receivables - net	87,150	97,569	58,776	75,929
<u>Other receivables</u>				
Other receivables - related parties	-	-	9,819	10,043
Other receivables - unrelated parties	8,544	7,826	910	192
Accrued income - related parties	-	-	28	882
Accrued income - unrelated parties	37,955	33,083	31,717	18,935
Accrued interest - related parties	-	-	38	6
Total other receivables	46,499	40,909	42,512	30,058
Total trade and other receivables - net	133,649	138,478	101,288	105,987

Other receivables included receivables under separation agreement as described in Note 20.1 to the interim consolidated financial statements.

7. Short-term loan to unrelated party

On 27 September 2018, the Company entered into a short-term loan agreement to provide a loan to a company totaling Baht 5 million. The loan carries interest at the rate of 6.25 percent per annum, with 10,550 ordinary shares of such company pledged to secure the short-term loan. The loan is to be repaid in accordance with the conditions stipulated in the agreement or within 28 December 2018.

8. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Advances payments for services	6,858	2,257	6,858	2,257
Deposit	8	3,525	8	2,590
Withholding tax deducted at source	3,083	1,972	3,083	1,972
Others	4,476	4,940	3,383	3,970
Total other current assets	14,425	12,694	13,332	10,789

9. Investments in subsidiaries

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

Company's name	(Unit: Thousand Baht)					
	Paid-up capital		Shareholding percentage		Cost	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
			(Percent)	(Percent)		(Audited)
Subsidiaries held directly by the Company						
Professional Outsourcing Solutions Limited	Baht 10 million	Baht 10 million	100	100	72,899	72,899
Humanica FAS Limited (Formerly known as "Accounting & Business Advisory Company Limited")	Baht 1 million	Baht 1 million	100	100	29,999	29,999
Humanica Asia Pte. Ltd.	SGD 0.2 million	SGD 0.2 million	100	100	19,967	19,967

(Unit: Thousand Baht)

Company's name	Paid-up capital		Shareholding percentage		Cost	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
			(Percent)	(Percent)		(Audited)
<u>Subsidiary held by Humanica Asia Pte. Ltd.</u>						
Humanica SDN. BHD.	MYR 0.5	MYR 0.5	100	100	-	-
	million	million				
Total					122,865	122,865

On 23 February 2018, a meeting of the Company's Board of Directors passed a resolution approving the acquisition by Humanica FAS Limited (formerly known as "Accounting & Business Advisory Co., Ltd."), one of the subsidiaries, of the entire business of Sigma Accounting and Tax Services Company Limited which is engaged in accounting and tax advisory business. The subsidiary entered into the entire business transfer agreement on 15 June 2018 and has paid Baht 24.6 million for the acquisition on 30 June 2018. The subsidiary acquired the entire business with the effective date of the transfer on 1 July 2018.

Details of the acquisition are as follows:

(Unit: Thousand Baht)

Cash paid for acquisition of entire business	24,600
Proportionate share of net assets acquired	(2,343)
Unallocated costs of business acquisition	22,257

The proportionate share of net assets acquired as at the effective date of transfer are as follows:

(Unit: Thousand Baht)

Assets

Trade and other receivables	2,471
Equipment - net	28
Computer software - net	6
Total assets	2,505

Liabilities

Other current liabilities	162
Total liabilities	162
Net asset value	2,343

During the current period, the Company is in the process of assessing the fair value of business acquired at the acquisition date to allocate costs of the business acquisition to such identifiable items. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of 12 months from the acquisition date allowed under Thai Financial Reporting Standard No. 3 (revised 2017). During the measurement period, the Company will retrospectively adjust the provisional amounts recognised at the acquisition date, to recognise additional assets or liabilities, and adjust earnings to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The Company therefore recorded the excess of the acquisition cost of business over the net asset value as a separate item in the consolidated statement of financial position under the caption of "Unallocated costs of business acquisition".

10. Other long-term investments

	(Unit: Thousand Baht)	
	Consolidated financial statements/ Separate financial statements	
	30 September 2018	31 December 2017
		(Audited)
Investments in available-for-sale securities - cost	228,925	-
Add: Surplus on changes in value of investments	3,186	-
Investments in available-for-sale securities - fair value	232,111	-
Debt securities held-to maturity - amortised cost	32,147	-
Other investment - cost	7,173	7,173
Less: Allowance for impairment of investment	(7,173)	(7,173)
Other investment - net	-	-
Total other long-term investments	264,258	-

As at 30 September 2018, debt securities expected to be held to maturity are convertible notes, unsubordinated, totaling USD 1 million, with the interest rate of 8 percent per annum. The maturity date is 24 months from the date of issue of convertible notes (13 September 2018), with the conditions with respect to conversion stipulated in the agreement.

11. Building improvement and equipment

Movements of the building improvement and equipment during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	31,952	25,838
Acquisitions during the period - at cost	42,022	41,185
Increase from acquisition of entire business		
- net book value at acquisition date	28	-
Disposals during the period - net book value at disposal date	(96)	(96)
Write-off during the period - net book value at write-off date	(147)	-
Depreciation for the period	(17,112)	(15,484)
Translation adjustment	(115)	-
Net book value as at 30 September 2018	56,532	51,443

12. Intangible assets

Movements of the intangible assets during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	Computer software	Tradename	Customer relationship	Total
Net book value as at 1 January 2018	106,015	17,815	27,728	151,558
Acquisitions during the period - at cost	2,422	-	-	2,422
Increase from acquisition of entire business				
- net book value at acquisition date	6	-	-	6
Amortisation for the period	(12,141)	(1,021)	(4,108)	(17,270)
Translation adjustment	(130)	-	-	(130)
Net book value as at 30 September 2018	96,172	16,794	23,620	136,586

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate

financial statements

Computer software

Net book value as at 1 January 2018

101,329

Acquisitions during the period - at cost

2,420

Amortisation for the period

(11,717)

Net book value as at 30 September 2018

92,032

13. Computer software under development

Movements of computer software under development during the nine-month period ended 30 September 2018 are summarised below.

(Unit: Thousand Baht)

Consolidated

Separate

financial statements

financial statements

Net book value as at 1 January 2018

21,458

21,458

Development cost of computer software

16,290

16,351

Net book value as at 30 September 2018

37,748

37,809

14. Trade and other payables

(Unit: Thousand Baht)

Consolidated

Separate

financial statements

financial statements

30 September

31 December

30 September

31 December

2018

2017

2018

2017

(Audited)

(Audited)

Trade payables - unrelated parties

1,999

8,273

1,999

8,273

Other payables - unrelated parties

2,229

4,710

1,627

3,294

Other payables - related parties

-

-

4,555

5,511

Accrued expenses - unrelated parties

34,927

32,070

26,276

24,652

Accrued expenses - related party

-

-

-

70

Total trade and other payables

39,155

45,053

34,457

41,800

15. Provision for long-term employee benefits

Movements in the provision for long-term employee benefits account during the nine-month period ended 30 September 2018 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2018	14,987	14,345
Current service cost	1,787	1,224
Interest cost	223	183
Transferred of employees	-	(1,412)
Balance as at 30 September 2018	<u>16,997</u>	<u>14,340</u>

16. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	(2,929)	(2,477)	(1,560)	(1,281)
Deferred tax:				
Relating to origination and reversal of temporary differences	783	507	320	147
Income tax expenses reported in the statements of comprehensive income	<u>(2,196)</u>	<u>(1,970)</u>	<u>(1,240)</u>	<u>(1,134)</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	(8,256)	(8,843)	(3,299)	(3,789)
Adjustment in respect of income tax of previous year	(1,917)	-	(1,917)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	146	2,539	(1,283)	1,470
Income tax expenses reported in the statements of comprehensive income	<u>(10,027)</u>	<u>(6,304)</u>	<u>(6,499)</u>	<u>(2,319)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to gain on changes in value of available-for-sale investments	(1,943)	-	(1,943)	-

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Deferred tax relating to gain on changes in value of available-for-sale investments	(1,379)	-	(1,379)	-

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period (Thousand Baht)	28,306	18,093	31,691	25,101
Weighted average number of ordinary shares (Thousand shares)	680,000	420,845	680,000	420,845
Earnings per share (Baht per share)	0.04	0.04	0.05	0.06

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Profit for the period (Thousand Baht)	94,158	53,635	82,972	53,927
Weighted average number of ordinary shares (Thousand shares)	680,000	287,684	680,000	287,684
Earnings per share (Baht per share)	0.14	0.19	0.12	0.19

18. Segment information

The Company and its subsidiaries are organised into business units based on its services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following table presents revenue and profit information regarding the Company and its subsidiaries' operating segments for the three-month and nine-month periods ended 30 September 2018 and 2017, respectively.

	For the three-month periods ended 30 September								(Unit: Thousand Baht)
	Human resource management system services		ERP services		Accounting and financing services		Adjustments and eliminations		Consolidated
	2018	2017	2018	2017	2018	2017	2018	2017	2017
Sales and service income from external customers	97,323	88,295	22,168	21,030	5,300	4,943	-	-	124,791
Total revenue	97,323	88,295	22,168	21,030	5,300	4,943	-	-	114,268
Segment profit	25,688	20,937	3,812	1,225	1,543	(145)	-	-	22,017
Unallocated income (expenses):									
Other incomes									840
Amortisation of intangible assets from purchase of subsidiaries									(1,728)
Finance cost									(228)
Profit before income tax expenses									20,901
Income tax expenses									(1,970)
Profit for the period									18,931

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September							
	Human resource management system services		ERP services		Accounting and financing services		Adjustments and eliminations	
	2018	2017	2018	2017	2018	2017	2018	2017
Sales and service income from external customers	298,288	262,983	63,283	62,352	13,274	18,975	-	-
Total revenue	298,288	262,983	63,283	62,352	13,274	18,975	-	-
Segment profit	90,495	53,094	9,546	5,238	4,091	4,814	-	-
Unallocated income (expenses):								
Other incomes							5,656	4,911
Amortisation of intangible assets from purchase of subsidiaries							(5,128)	(5,128)
Finance cost							(475)	(629)
Profit before income tax expenses							104,185	62,300
Income tax expenses							(10,027)	(6,304)
Profit for the period							94,158	55,996

19. Dividends

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Dividends for 2016	Annual General Meeting of the shareholders on 3 April 2017	90.0	8.18
Interim dividends for 2017	The Board of Directors' meeting of the Company on 14 July 2017	50.0	2.50
Total		140.0	10.68
Dividends for 2017	Annual General Meeting of the shareholders on 2 April 2018	20.4	0.03
Interim dividends for 2018	The Board of Directors' meeting of the Company on 14 August 2018	27.2	0.04
Total		47.6	0.07

20. Commitments and contingent liabilities**20.1 Separation agreements commitments**

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.

20.2 Operating lease and service agreements commitments

The Company and its subsidiaries has entered into several lease agreements in respect of the lease of office building space and other service agreements. The terms of the lease agreements of office building space are generally between 1 and 10 years.

Future minimum lease payments required under these non-cancellable 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
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Payable:				
In up to 1 year	23	22	19	17
In over 1 and up to 5 years	108	93	106	87
Over 5 years	84	85	84	85

20.3 Guarantees

As at 30 September 2018, there were outstanding bank guarantees of approximately Baht 4.7 million (31 December 2017: Baht 4.7 million) issued by a bank on behalf of the Company in respect of contractual performance.

20.4 Investment commitments

On 27 September 2018, the Company entered into a share subscription agreement to subscribe for newly issued ordinary shares of a company. Subject to the completion of due diligence, which is expected to be within the fourth quarter of 2018, whereby the Company is to purchase 5,275 newly issued ordinary shares, or 21 percent of a company's ordinary shares after the increase in share capital. The value of shares is subject to the terms and conditions in the agreement.

20.5 Contingent liability

On 20 September 2018, the Company was informed by a client of their intention to terminate an on-going implementation of a human resource system. The termination may lead to some potential obligations, of which the amount cannot be estimated reliably until the terms of termination are discussed and agreed upon by both parties. As at 30 September 2018, the outstanding balances of this client is Baht 14 million, which is presented in accrued income - unrelated parties in the consolidated and separate statements of financial position.

21. Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at 30 September 2018 and 31 December 2017 are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	-	0.2	-	-	32.4066	32.6809
JPY	2.5	3.7	-	-	0.2855	0.2898
MYR	0.2	0.2	-	-	7.8256	8.0584

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million) (Audited)	(Million)	(Million) (Audited)	(Baht per 1 foreign currency unit)	
USD	-	0.2	-	-	32.4066	32.6809
SGD	0.3	0.9	0.2	0.2	23.7017	24.4503
JPY	2.5	3.7	-	-	0.2855	0.2898
MYR	0.2	0.2	-	-	7.8256	8.0584

22. Fair value hierarchy

As at 30 September 2018 and 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 30 September 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Available-for-sale investments				
Unit trust in fixed income funds	-	564,904	-	564,904
Unit trust in mixed fund	-	13,421	-	13,421
Equity instruments	69,900	-	-	69,900

	(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				
Unit trust in fixed income funds	-	650,082	-	650,082

23. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 13 November 2018.