
***HUMANICA PUBLIC COMPANY LIMITED
AND ITS SUBSIDIARIES***

Interim Financial Statements

***Three-month and nine-month periods ended
September 30, 2019***

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE BOARD OF DIRECTORS HUMANICA PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Humanica Public Company Limited and its subsidiaries and the separate statement of financial position of Humanica Public Company Limited as at September 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2019, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Emphasis of Matter

Without modifying our conclusion, we draw attention to condensed Note 10 to the financial statements, the subsidiary of the Company acquired the entire business of Sigma Accounting and Tax Services Company Limited on July 1, 2018, which the Group updated the fair values of the identifiable assets acquired and liabilities assumed and the fair value allocation at the entire business acquisition date based upon the final appraisal reports dated November 6, 2019 from the independent appraiser and other necessary information obtained within one year from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2018) "Business Combination". As a result, the consolidated statement of financial position as at December 31, 2018, the statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2018, which are presented as corresponding figures, have been restated accordingly, to reflect new information obtained about facts and circumstances that existed as of the business acquisition date.

Other Matter

The consolidated statement of financial position of Humanica Public Company Limited and its subsidiaries and the separate statement of financial position of Humanica Public Company Limited as at December 31, 2018 (before restatements and reclassifications as described in condensed Notes 10 and 24 to the financial statements), presented herein as corresponding figures, were audited by other auditors, whose report thereon dated February 25, 2019, expressed an unmodified opinion on those statements with an emphasis of matter paragraph regarding the acquisition of a business in a subsidiary and the acquisition of investment in an associate, which the Company was currently in a process of measuring fair value on the acquisition dates of the identifiable assets acquired and liabilities assumed of the subsidiary and had not yet completed the measurement. The consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2018, (before restatements and reclassifications as described in condensed Notes 10 and 24 to the financial statements) presented herein as corresponding figures, were reviewed by other auditors, whose report thereon dated November 13, 2018, concluded that nothing had come to her attention that caused her to believe that such interim financial information were not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Wimolporn Boonyusthian
Certified Public Accountant (Thailand)
Registration No. 4067

BANGKOK
November 12, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		September 30,	December 31,	September 30,	December 31,
		2019	2018	2019	2018
		"Unaudited"	"Restated"	"Unaudited"	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	122,991	111,335	46,960	64,487
Temporary investments	6	70,319	100,000	70,319	100,000
Trade and other current receivables	7	131,667	118,318	85,500	92,399
Inventories	8	8,324	-	-	-
Other current assets		7,024	2,137	1,030	1,236
Total Current Assets		340,325	331,790	203,809	258,122
NON-CURRENT ASSETS					
Restricted bank deposits		4,932	4,889	4,932	4,889
Investment in associate	9	23,211	22,700	22,700	22,700
Investment in subsidiaries	10	-	-	252,865	122,865
Other long-term investments	11	565,231	569,794	565,231	569,794
Long-term loan to subsidiary	4	-	-	14,000	20,000
Building improvement and equipment	12	44,380	51,213	33,225	46,606
Goodwill	10	53,388	53,388	-	-
Other intangible assets	10, 13	149,420	165,452	107,008	117,938
Computer software under development	14	24,437	12,033	24,497	12,099
Unallocated costs of business acquisition	10	113,723	-	-	-
Deferred tax assets		5,254	3,888	-	3,645
Other non-current assets		10,445	11,644	8,611	9,510
Total Non-current Assets		994,421	895,001	1,033,069	930,046
TOTAL ASSETS		1,334,746	1,226,791	1,236,878	1,188,168

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2019

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at September 30, 2019 "Unaudited"	As at December 31, 2018 "Restated"	As at September 30, 2019 "Unaudited"	As at December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	15	90,071	58,910	64,213	55,232
Current portion of liabilities under hire-purchase and finance lease agreements		2,308	5,880	2,249	5,743
Income tax payable		4,511	3,228	2,569	-
Other current liabilities		13,939	9,328	8,070	6,613
Total Current Liabilities		110,829	77,346	77,101	67,588
NON-CURRENT LIABILITIES					
Liabilities under hire-purchase and finance lease agreements		2,935	3,877	2,935	3,853
Deferred tax liabilities	10	9,014	9,387	1,092	-
Provision for long-term employee benefits	16	41,842	15,134	19,498	13,919
Other non-current liabilities		4,112	1,563	3,407	1,563
Total Non-current Liabilities		57,903	29,961	26,932	19,335
TOTAL LIABILITIES		168,732	107,307	104,033	86,923
SHAREHOLDERS' EQUITY					
Share capital					
Authorized share capital					
680,000,000 ordinary shares of Baht 0.5 each		340,000	340,000	340,000	340,000
Issued and paid-up share capital					
680,000,000 ordinary shares of Baht 0.5 each, fully paid		340,000	340,000	340,000	340,000
Share premium on ordinary shares		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 - Legal reserve		16,751	16,751	16,751	16,751
Unappropriated	10	147,304	122,552	97,546	90,508
Other components of shareholders' equity		20,355	(1,423)	24,279	(283)
Total equity attributable to owners of the parent		1,166,013	1,119,483	1,132,845	1,101,245
Non-controlling interests		1	1	-	-
TOTAL SHAREHOLDERS' EQUITY		1,166,014	1,119,484	1,132,845	1,101,245
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,334,746	1,226,791	1,236,878	1,188,168

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

UNIT : THOUSAND BAHT

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
		"Restated"			
REVENUES					
Revenue from sales and rendering services	20	160,727	124,791	90,874	91,761
Dividend income		1,388	735	11,387	10,734
Other income		4,699	635	9,521	5,594
Total Revenues		166,814	126,161	111,782	108,089
EXPENSES					
Cost of sales and rendering services		90,608	72,918	53,690	54,992
Selling expenses		6,732	1,018	2,740	1,012
Administrative expenses	10	28,915	21,640	19,567	18,976
Finance costs		101	183	91	178
Total Expenses		126,356	95,759	76,088	75,158
Share of profit from investment in associate		364	-	-	-
Profit before income tax expense		40,822	30,402	35,694	32,931
Income tax expense	10, 17	(5,036)	(2,176)	(3,962)	(1,240)
PROFIT FOR THE PERIOD	10	35,786	28,226	31,732	31,691
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements					
in foreign currencies		(938)	(893)	-	-
Gain on changes in value of available-for-sale investments, net					
of income tax		4,955	7,773	4,955	7,773
Total other comprehensive income for the period		4,017	6,880	4,955	7,773
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		39,803	35,106	36,687	39,464
PROFIT ATTRIBUTABLE TO:					
Owners of the parent	10	35,786	28,226	31,732	31,691
Non-controlling interests		-	-	-	-
PROFIT FOR THE PERIOD		35,786	28,226	31,732	31,691
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent	10	39,803	35,106	36,687	39,464
Non-controlling interests		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		39,803	35,106	36,687	39,464
Earnings per share					
Basic earnings attributable to owners of the Company per share (Baht)	18	0.05	0.04	0.05	0.05

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018 "Restated"	2019	2018
REVENUES					
Revenue from sales and rendering services	20	428,518	374,845	280,247	272,944
Dividend income		3,928	1,129	20,927	18,128
Other income		8,330	4,527	25,442	16,044
Total Revenues		<u>440,776</u>	<u>380,501</u>	<u>326,616</u>	<u>307,116</u>
EXPENSES					
Cost of sales and rendering services		238,023	217,332	165,026	167,809
Selling expenses		11,869	3,199	7,844	3,182
Administrative expenses	10	71,913	55,410	56,293	46,201
Finance costs		353	475	337	453
Total Expenses		<u>322,158</u>	<u>276,416</u>	<u>229,500</u>	<u>217,645</u>
Share of profit from investment in associate		511	-	-	-
Profit before income tax expense		119,129	104,085	97,116	89,471
Income tax expense	10, 17	(12,777)	(10,007)	(8,478)	(6,499)
PROFIT FOR THE PERIOD	10	<u>106,352</u>	<u>94,078</u>	<u>88,638</u>	<u>82,972</u>
OTHER COMPREHENSIVE INCOME					
Items that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements					
in foreign currencies		(2,784)	(721)	-	-
Gain on changes in value of available-for-sale investments, net					
of income tax		24,562	5,515	24,562	5,515
Total other comprehensive income for the period		<u>21,778</u>	<u>4,794</u>	<u>24,562</u>	<u>5,515</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>128,130</u>	<u>98,872</u>	<u>113,200</u>	<u>88,487</u>
PROFIT ATTRIBUTABLE TO:					
Owners of the parent	10	106,352	94,078	88,638	82,972
Non-controlling interests		-	-	-	-
PROFIT FOR THE PERIOD		<u>106,352</u>	<u>94,078</u>	<u>88,638</u>	<u>82,972</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent	10	128,130	98,872	113,200	88,487
Non-controlling interests		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>128,130</u>	<u>98,872</u>	<u>113,200</u>	<u>88,487</u>
Earnings per share					
Basic earnings attributable to owners of the Company per share (Baht)	18	<u>0.16</u>	<u>0.14</u>	<u>0.13</u>	<u>0.12</u>

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
CONSOLIDATED FINANCIAL STATEMENTS

“UNAUDITED”

UNIT : THOUSAND BAHT													
Notes	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Capital deficit from changes in shareholding in subsidiary	Retained earnings		Other components of shareholders' equity			Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
					Appropriated	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Gain (loss) on changes in value of available-for-sale investments	Total other components of shareholders' equity				
Balance as at January 1, 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	-	-	-	-	-	94,078	-	-	-	94,078	-	94,078	
Other comprehensive income for the period	-	-	-	-	-	-	(721)	5,515	4,794	4,794	-	4,794	
Total comprehensive income for the period	-	-	-	-	-	94,078	(721)	5,515	4,794	98,872	-	98,872	
Dividends paid	-	-	-	-	-	(47,600)	-	-	-	(47,600)	-	(47,600)	
Balance as at September 30, 2018	340,000	649,124	5,145	(12,666)	11,544	98,092	(1,104)	5,580	4,476	1,095,715	1	1,095,716	
Balance as at January 1, 2019	340,000	649,124	5,145	(12,666)	16,751	122,712	(1,140)	(283)	(1,423)	1,119,643	1	1,119,644	
Effect from business acquisition	-	-	-	-	-	(160)	-	-	-	(160)	-	(160)	
Balance as at January 1, 2019	340,000	649,124	5,145	(12,666)	16,751	122,552	(1,140)	(283)	(1,423)	1,119,483	1	1,119,484	
Profit for the period	-	-	-	-	-	106,352	-	-	-	106,352	-	106,352	
Other comprehensive income for the period	-	-	-	-	-	-	(2,784)	24,562	21,778	21,778	-	21,778	
Total comprehensive income for the period	-	-	-	-	-	106,352	(2,784)	24,562	21,778	128,130	-	128,130	
Dividends paid	-	-	-	-	-	(81,600)	-	-	-	(81,600)	-	(81,600)	
Balance as at September 30, 2019	340,000	649,124	5,145	(12,666)	16,751	147,304	(3,924)	24,279	20,355	1,166,013	1	1,166,014	

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
SEPARATE FINANCIAL STATEMENTS
"UNAUDITED"

UNIT : THOUSAND BAHT										
	Notes	Issued and paid-up capital	Share premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
					Appropriated	Legal reserve	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	Total other components of shareholders' equity	
Balance as at January 1, 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
Dividends paid	19	-	-	-	-	-	(47,600)	-	-	(47,600)
Balance as at September 30, 2018		340,000	649,124	5,145	11,544		72,539	5,580	5,580	1,083,932
Balance as at January 1, 2019		340,000	649,124	5,145	16,751		90,508	(283)	(283)	1,101,245
Profit for the period		-	-	-	-	-	88,638	-	-	88,638
Other comprehensive income for the period		-	-	-	-	-	-	24,562	24,562	24,562
Total comprehensive income for the period		-	-	-	-	-	88,638	24,562	24,562	113,200
Dividends paid	19	-	-	-	-	-	(81,600)	-	-	(81,600)
Balance as at September 30, 2019		340,000	649,124	5,145	16,751		97,546	24,279	24,279	1,132,845

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018 "Restated"	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		119,129	104,085	97,116	89,471
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities					
Depreciation and amortization		38,765	34,482	30,353	27,201
Allowance for doubtful accounts (reversal)		597	(4,411)	597	(4,411)
Loss on write-off of equipment		-	147	-	-
Gain on sale of equipment		-	(1,174)	-	(6)
Long-term employee benefit expenses		6,278	1,933	5,252	1,330
Gain on disposal of temporary and other long-term investments		(4,441)	(721)	(4,441)	(721)
Share of profit from investment in associate		(511)	-	-	-
Unrealized loss on foreign exchange rate		2,376	532	2,314	655
Dividend income		(3,928)	(1,112)	(20,927)	(18,112)
Interest expenses		353	475	337	453
Profit from operating activities before changes in operating assets and liabilities		158,618	134,236	110,601	95,860
Operating assets (increase) decrease					
Trade and other current receivables		1,544	11,876	6,562	9,100
Other current assets		(5,610)	(2,517)	3,623	(1,303)
Other non-current assets		2,613	376	(6,255)	257
Operating liabilities increase (decrease)					
Trade and other current payables		5,833	(124)	4,232	(2,929)
Other current liabilities		(6,780)	1,722	1,457	1,242
Other non-current liabilities		2,549	-	1,845	-
Cash received from operating activities		158,767	145,569	122,065	102,227
Cash paid for interest expenses		(353)	(475)	(337)	(453)
Cash paid for income tax expenses		(13,177)	(10,040)	(7,325)	(6,389)
Refund income tax expense		3,750	4,532	3,750	4,532
Net cash from provided by operating activities		148,987	139,586	118,153	99,917

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
"UNAUDITED"

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018 "Restated"	2019	2018
CASH FLOWS FROM INVESTING ACTIVITIES					
Increase in restricted bank deposits		(43)	(44)	(43)	(44)
Cash paid for acquisition of temporary and other long-term investments		(643,464)	(728,475)	(643,464)	(728,475)
Cash received from sales of temporary and other long-term investments		710,026	705,969	710,026	705,969
Cash paid for acquisition of building improvement and equipment		(4,277)	(36,422)	(2,559)	(35,585)
Cash received from sales of equipment		-	1,270	-	102
Cash paid for development/acquisition of computer software		(15,942)	(18,635)	(15,555)	(18,694)
Cash received from short-term loan to related party		-	-	-	12,086
Short-term loans to unrelated party increase		-	(5,000)	-	(5,000)
Cash paid for long-term loans to related party		-	-	-	(32,000)
Cash received from long-term loan to related party		-	-	6,000	7,000
Dividends received		3,928	1,112	20,927	18,112
Net cash paid for acquisition of entire business		(99,111)	(24,600)	(125,000)	-
Net cash used in investing activities		<u>(48,883)</u>	<u>(104,825)</u>	<u>(49,668)</u>	<u>(76,529)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of bank overdrafts		-	(857)	-	(857)
Cash paid for advances from related party		-	(41)	-	-
Cash paid for liabilities under hire-purchase and finance lease agreements	5.3	(4,514)	(4,180)	(4,412)	(3,851)
Dividends paid		(81,600)	(47,600)	(81,600)	(47,600)
Net cash paid financing activities		<u>(86,114)</u>	<u>(52,678)</u>	<u>(86,012)</u>	<u>(52,308)</u>
Exchange differences from translation of financial statements		(2,334)	(476)	-	-
Net increase (decrease) in cash and cash equivalents		11,656	(18,393)	(17,527)	(28,920)
Cash and cash equivalents as at January 1,		111,335	88,142	64,487	62,096
Cash and cash equivalents as at September 30,	5.1	<u>122,991</u>	<u>69,749</u>	<u>46,960</u>	<u>33,176</u>

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019
“UNAUDITED”

1. GENERAL INFORMATION

Humanica Public Company Limited (the “Company”) is a public company incorporated and domiciled in Thailand. The registered office of the Company is 2 Soi Rong Muang 5, Rong Muang Road, Rong Muang, Pathumwan, Bangkok.

The Company was listed on the Stock Exchange of Thailand in December 2017.

The principal businesses of the Company and its subsidiaries are involved in providing human resource outsourcing and payroll services, sales and providing implementation services of human resource systems, sales of and providing implementation services of computer software for enterprise resource planning, and sales of advance access control devices.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2018, presented herein for comparison, have been derived from the consolidated and separate financial statements (after restatement) of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, which is not required for the interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2019 should be read in conjunction with the audited financial statements for the year ended December 31, 2018.
- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements.

2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. 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's financial statements.

2.7 Thai Financial Reporting Standards ("TFRS") announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards ("TAS")

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards ("TFRS")

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations ("TFRIC")

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 "Leases" ("TFRS 16")

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 "Leases", Thai Accounting Standard Interpretation No. 15 "Operating Lease - Incentives", Thai Accounting Standard Interpretation No. 27 "Evaluating the Substance of Transactions involving the Legal Form of a Lease" and Thai Financial Reporting Standard Interpretation No. 4 "Determining whether on Arrangement contains a Lease".

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term-leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The Group's management will adopt such TFRSs in the preparation of the Group's financial statements when they become effective. The Group's management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

- 2.8 The interim consolidated financial statements for the nine-month period ended September 30, 2019 include the financial statements of Humanica Public Company Limited (the "Company") and the subsidiaries (the "subsidiaries") as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding September 30, 2019 (Percent)	December 31, 2018 (Percent)
<u>Subsidiaries held directly by the Company</u>				
Professional Outsourcing Solutions Limited	Provide payroll services	Thailand	99.98	99.98
Humanica FAS Limited	Provide accounting outsourcing and financing services	Thailand	99.98	99.98
Humanica Asia Pte. Ltd.	Provide payroll outsourcing services and human resource management software consulting services	Singapore	100.00	100.00
Tiger Soft (1998) Co., Ltd.	Provide implementation of human resource and payroll software and sales of advance access control devices	Thailand	99.99	-
<u>Subsidiary held by Humanica Asia Pte. Ltd.</u>				
Humanica SDN. BHD.	Provide payroll outsourcing services and human resource management software consulting services	Malaysia	100.00	100.00

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018, except for the additional accounting policies during nine-month period ended September 30, 2019 as follows:

3.1 Investment

Investment in marketable securities held for trading purposes are classified as current assets and are carried at fair value. Gain or loss on changes in market values are recognized in the statement of profit or loss and other comprehensive income. The fair value of trading investments is determined as last bid prices of the last working day of the reporting period as quoted on the Stock Exchange of Thailand. If the Company disposes part of its holding investments, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment. On disposal of an investment, the difference between net disposal proceeds and the carrying amount is recognized as gain (loss) on disposal of trading investments.

3.2 Inventories

Inventories are measured at the lower of cost and net realizable value.

Cost of inventories is calculated using the weighted average method, and comprises all costs of purchase deducted trade discounts, rebates and other similar items, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

3.3 Revenue recognition

Sales of goods

Sales of goods is recognized when control of the goods has transferred, being when the goods have been shipped to the customer's specific location (delivery). Following delivery, the customer has full discretion over goods and has the primary responsibility when the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

4. RELATED PARTY TRANSACTIONS

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

Significant transactions with related parties for the three-month and nine-month periods ended September 30, are as follows:

	Consolidated Financial Statements		Separate Financial Statements		Unit : Thousand Baht Pricing policies
	For the three-month periods ended September 30,				
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Service income	-	-	1,423	1,168	As agreed
Management fees	-	-	3,660	3,660	Contract price
Dividend income	-	-	10,000	10,000	As declared
Interest income	-	-	74	122	At the rate of 1.8 p.a. %
Rental income	-	-	879	774	As agreed
Other income	-	-	241	388	As agreed
Service charges	-	-	371	1,049	As agreed
Software development costs	-	-	-	17	As agreed
Other expenses	-	-	1	7	As agreed
<u>Transaction with related party</u>					
Service income	216	126	216	126	Market price

	Consolidated Financial Statements		Separate Financial Statements		Unit : Thousand Baht Pricing policies
	For the nine-month periods ended September 30,				
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Service income	-	-	3,916	3,453	As agreed
Management fee	-	-	10,980	10,380	Contract price
Dividend income	-	-	17,000	17,000	As declared
Interest income	-	-	253	234	At the rate of 1.8 p.a. %
Rental income	-	-	2,637	1,806	As agreed
Other income	-	-	753	659	As agreed
Service charges	-	-	1,146	3,274	As agreed
Software development costs	-	-	1,265	1,269	As agreed
Other expenses	-	-	4	7	As agreed
<u>Transaction with related party</u>					
Service income	844	535	844	535	Market price

As at September 30, 2019 and December 31, 2018, the balances of the accounts between the Company and those related parties are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Trade receivables - related parties (See Note 7)				
Associate	16	5	-	-
Related party	80	284	80	284
	<u>96</u>	<u>289</u>	<u>80</u>	<u>284</u>
Other receivables - related parties (See Note 7)				
Subsidiaries	-	-	6,014	12,628
	<u>-</u>	<u>-</u>	<u>6,014</u>	<u>12,628</u>
Contract assets - related parties (See Note 7)				
Associate	-	74	-	-
	<u>-</u>	<u>74</u>	<u>-</u>	<u>-</u>
Long-term loan to related party (See Note 4.1)				
Subsidiary	-	-	14,000	20,000
	<u>-</u>	<u>-</u>	<u>14,000</u>	<u>20,000</u>
Accrued interest income - related party (See Note 7)				
Subsidiary	-	-	21	-
	<u>-</u>	<u>-</u>	<u>21</u>	<u>-</u>
Other payables - related parties (See Note 15)				
Subsidiary	-	-	2,338	5,350
	<u>-</u>	<u>-</u>	<u>2,338</u>	<u>5,350</u>

- 4.1 On June 15, 2018, the Company entered into a loan agreement to provide a loan to Humanica FAS Limited (Subsidiary). The loan carries interest at the rate of 1.8 percent per annum, has no collateral and is repayable at call. However, the Company has no plan to call the loan within one year, and therefore classified it as non-current asset in the separate financial statements.

During the current period, movement of loan to subsidiary is as follows:

Loan to	Relationship	Unit : Thousand Baht Separate financial statements			Balance as at September 30, 2019
		Balance as at December 31, 2018	Increase during the period	Decrease during the period	
<u>Long-term loan</u>					
Humanica FAS Limited	Subsidiary	20,000	-	(6,000)	14,000
Total		<u>20,000</u>	<u>-</u>	<u>(6,000)</u>	<u>14,000</u>

Directors and management's benefits

During the three-month and nine-month periods ended September 30, 2019 and 2018, the Company and its subsidiaries had employee benefit expenses of their directors and management as follows:

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	For the three-month periods ended September 30,		Financial Statements	
	2019	2018	2019	2018
Short-term employee benefits	5.2	5.4	4.0	4.1
Post-employment benefits	0.7	0.6	0.7	0.6
Total	5.9	6.0	4.7	4.7

	Consolidated		Unit : Million Baht	
	Financial Statements		Separate	
	For the nine-month periods ended September 30,		Financial Statements	
	2019	2018	2019	2018
Short-term employee benefits	15.8	17.6	12.2	13.4
Post-employment benefits	2.1	1.8	2.1	1.8
Total	17.9	19.4	14.3	15.2

5. ADDITIONAL CASH FLOW INFORMATION

5.1 Cash and cash equivalents

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Cash on hand	632	591	541	541
Deposits at financial institution	178,591	150,535	96,636	89,976
Less: Deposits in the Company and its subsidiaries' names for customer accounts	(56,232)	(39,791)	(50,217)	(26,030)
Total	122,991	111,335	46,960	64,487

5.2 Non-cash items

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
Liabilities under hire-purchase and finance lease agreements	5,243	11,242	5,184	11,024

5.3 Changing in liabilities from financing activities

Unit : Thousand Baht			
Consolidated Financial Statements			
Balance as at January 1, 2019	Financing cash flows	Non-cash change	Balance as at September 30, 2019
Liabilities under hire-purchase and finance lease agreements	9,757	(4,514)	-
Total	9,757	(4,514)	5,243

Unit : Thousand Baht			
Consolidated Financial Statements			
Balance as at January 1, 2018	Financing cash flows	Non-cash change	Balance as at September 30, 2018
Liabilities under hire-purchase and finance lease agreements	9,822	(4,180)	5,600
Total	9,822	(4,180)	11,242

Unit : Thousand Baht			
Separate Financial Statements			
Balance as at January 1, 2019	Financing cash flows	Non-cash change	Balance as at September 30, 2019
Liabilities under hire-purchase and finance lease agreements	9,596	(4,412)	-
Total	9,596	(4,412)	5,184

Unit : Thousand Baht			
Separate Financial Statements			
Balance as at January 1, 2018	Financing cash flows	Non-cash change	Balance as at September 30, 2018
Liabilities under hire-purchase and finance lease agreements	9,275	(3,851)	5,600
Total	9,275	(3,851)	11,024

6. TEMPORARY INVESTMENTS

Temporary investments as at September 30, 2019 and December 31, 2018 are as follows:

	Unit : Thousand Baht	
	Consolidated/Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018
Held-for-trading securities		
Mutual fund		
Debt securities	40,000	-
Less: Unrealized loss on changes in value of investments	(4)	-
Total trading securities	39,996	-
Structured notes	-	100,000
Debt securities held-to-maturity - amortised cost	30,323	-
Total	70,319	100,000

As at September 30, 2019, 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 issuance of convertible notes (September 13, 2018), with the conditions with respect to conversion stipulated in the agreement.

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at September 30, 2019 and December 31, 2018 are as follows:

	Consolidated		Unit : Thousand Baht	
	Financial Statements		Separate	
	As at September 30, 2019	As at December 31, 2018	Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Past due				
Within 3 months	96	289	80	284
Total trade receivables - related parties				
(see Note 4)	96	289	80	284
<u>Trade receivables - others</u>				
Aged on the basis of due dates				
Not yet due	53,082	50,106	30,727	34,547
Past due				
Within 3 months	32,181	27,749	18,105	18,215
3 - 6 months	4,129	4,386	1,067	3,761
6 - 12 months	5,796	1,590	5,454	1,577
Over 12 months	2,069	2,866	1,607	2,780
Total	97,257	86,697	56,960	60,880
Less Allowance for doubtful debts	(852)	(1,449)	(852)	(1,449)
Total trade receivables - others	96,405	85,248	56,108	59,431
Total trade receivables	96,501	85,537	56,188	59,715

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
<u>Other receivables</u> (continued)				
Other receivables - related parties (see Note 4)	-	-	6,014	12,628
Other receivables - others	8,042	7,865	4,214	231
Prepaid expenses	8,390	4,453	7,164	4,246
Contract assets - related parties (see Note 4)	-	74	-	-
Contract assets - others	20,634	22,289	12,849	15,579
Accrued interest - related party (see Note 4)	-	-	21	-
Total	37,066	34,681	30,262	32,684
<u>Less</u> Allowance for doubtful debts	(1,900)	(1,900)	(950)	-
Total other receivables	35,166	32,781	29,312	32,684
Total trade and other current receivables	131,667	118,318	85,500	92,399

Other receivables - others included receivables under the separation agreement as described in Note 21.1.

8. INVENTORIES

Inventories consisted of:

	Unit : Thousand Baht Consolidated Financial Statements	
	As at September 30, 2019	As at December 31, 2018
Cost	9,173	-
<u>Less:</u> Allowance for diminution in value	(849)	-
Total inventories	8,324	-

Movements in the allowance for diminution in value of inventories for the three-month period ended September 30, 2019 are as follows:

	Unit : Thousand Baht Consolidated Financial Statements
Balance as at July 1, 2019	849
Adjustment of net realizable value for the period	-
Balance as at September 30, 2019	849

9. INVESTMENT IN AN ASSOCIATE

Investment in an associate as at September 30, 2019 and December 31, 2018 is as follows:

							Unit : Thousand Baht	
Name of the entity	Type of business	Ownership interest		Country of incorporation	Separate Financial Statements		Consolidated Financial Statements	
		%			Cost		Carrying amounts	
							based on equity method	
		As at	As at		As at	As at	As at	As at
		September 30,	December 31,		September 30,	December 31,	September 30,	December 31,
		2019	2018			2019	2018	
Conical Company Limited	Consulting, designing and selling software	20	20	Thailand	22,700	22,700	23,211	22,700
Total					22,700	22,700	23,211	22,700

10. INVESTMENTS IN SUBSIDIARIES

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

Company's name	Paid-up capital		Percentage of shareholding		Cost		Dividend income			
	As at	As at	As at	As at	As at	As at	For the three-month		For the nine-month	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	2019	2018	2019	2018
Subsidiaries held directly by the Company										
Professional Outsourcing										
Solutions Limited	Baht 10 million	Baht 10 million	99.98	99.98	72,899	72,899	10,000	10,000	17,000	17,000
Humanica FAS Limited	Baht 1 million	Baht 1 million	99.98	99.98	29,999	29,999	-	-	-	-
Humanica Asia Pte. Ltd.	SGD 0.20 million	SGD 0.20 million	100.00	100.00	19,967	19,967	-	-	-	-
Tiger Soft (1998) Co., Ltd.	Baht 5 million	-	99.99	-	130,000	-	-	-	-	-
Subsidiary held by Humanica Asia Pte. Ltd.										
Humanica SDN. BHD.	MYR 0.50 million	MYR 0.50 million	100.00	100.00	-	-	-	-	-	-
Total investments in subsidiaries					252,865	122,865	10,000	10,000	17,000	17,000

Unit : Thousand Baht

On February 23, 2018, the meeting of the Company's Board of Directors passed a resolution approving the acquisition by Humanica FAS Limited, 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 June 15, 2018 and paid Baht 24.6 million for the acquisition on September 30, 2018. The subsidiary acquired the entire business with the effective date of the transfer on July 1, 2018 (the effective date).

During 2019, the Group engaged an independent appraiser to appropriate the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the acquisition date. The Group received the purchase price allocation report dated November 6, 2019 from the independent appraiser. The Group applied Thai Financial Reporting Standard No. 3 (revised 2018) "Business Combinations" to recognize this business combination transaction. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business acquisition date:

	Unit : Thousand Baht
	(Restated)
Trade and other current receivables	2,470
Building improvements and equipment	24
Intangible assets	11
Customer relationship asset	5,206
Deferred income tax assets	35
Undue output tax	(162)
Non-current provision for employee benefits	(175)
Deferred income tax liabilities	(1,041)
Identifiable assets and liabilities - net	6,368
Consideration transferred	24,600
Goodwill	18,232

Based on the information from the purchase price allocation report of an independent appraiser dated November 6, 2019 and other relevant factors obtained since the business acquisition date, the Group considered the fair values of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the consideration transferred and the net of the identifiable assets acquired from such business acquisition in the account "Goodwill" in the amount of Baht 18.23 million. The Group retrospectively adjusted the provisional amounts recognized at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and would have affected the measurement of the amounts recognized as of that date. Therefore, the consolidated statement of financial position as at December 31, 2018, has been restated accordingly.

The effects of the restatement on the consolidated statement of financial position as at December 31, 2018 were as follows:

	Unit : Thousand Baht		
	Balance as previously reported	Effect of the restatement	Balance as restated
Assets			
Goodwill	35,156	18,232	53,388
Other intangible assets	160,621	4,831	165,452
Unallocated costs of business acquisition	22,257	(22,257)	-
Total assets	1,225,985	806	1,226,791
Liabilities and shareholders' equity			
Deferred tax liabilities	8,421	966	9,387
Unappropriated retained earnings	122,712	(160)	122,552
Total liabilities and shareholders' equity	1,225,985	806	1,226,791

The effects of the restatement on the consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018 were as follows:

	Unit : Thousand Baht		
	Balance as previously reported	Effect of the restatement	Balance as restated
Consolidated statement of profit or loss and other comprehensive income for the three-month period ended September 30, 2018			
Administrative expenses	21,540	100	21,640
Income tax expense	2,196	(20)	2,176
Profit for the period	28,306	(80)	28,226
Profit attributable to:			
Owners of the parent	28,306	(80)	28,226
Total comprehensive income attributable to:			
Owners of the parent	35,186	(80)	35,106

	Unit : Thousand Baht		
	Balance as previously reported	Effect of the restatement	Balance as restated
Consolidated statement profit or loss and other comprehensive income for the nine-month period ended September 30, 2018			
Administrative expenses	55,310	100	55,410
Income tax expense	10,027	(20)	10,007
Profit for the period	94,158	(80)	94,078
Profit attributable to:			
Owners of the parent	94,158	(80)	94,078
Total comprehensive income attributable to:			
Owners of the parent	98,952	(80)	98,872

On August 13, 2019, the Board of Directors' Meeting of the Company passed a resolution to acquire Tiger Soft (1998) Co., Ltd. ("TGS"), a provider of human resource and payroll software and sales of advance access control devices, in total consideration of Baht 130 million. Subsequently on September 26, 2019, the Company paid for the business acquisition in amount of Baht 125 million with the remaining balance of Baht 5 million to be payable within the next 12 months, subject to price adjustment (if any) after verifying the assets and liabilities specified in the sales and purchase agreement.

As the Company entered into the Interim Management agreement with the previous owner of TGS on June 28, 2019 in order to agree the term for providing the power over TGS to the Company including providing the rights to variable return of TGS beginning from July 1, 2019 onwards. Therefore, the Company has had ability to control over assets and liabilities of TGS since July 1, 2019 and then prepared its consolidated financial statements which include the result of operations of TGS since July 1, 2019, onwards.

Net book value of assets and liabilities of TGS as at July 1, 2019 are as follows

	Unit : Thousand Baht
Consideration for acquisition	130,000
Value of net assets acquired	(16,277)
Unallocated costs of business acquisition	<u>113,723</u>

The value of net assets acquired as at July 1, 2019, are as follows:

	Unit : Thousand Baht
Assets	
Cash and cash equivalents	25,889
Trade and other current receivables	15,217
Inventories	10,571
Other current assets	3,227
Equipment - net	7,238
Computer software - net	969
Deferred income tax assets	4,444
Other non-current assets	721
Total assets	<u>68,276</u>
Liabilities	
Trade and other current payables	20,506
Other current liabilities	11,390
Non-current provision for employee benefits	20,103
Total liabilities	<u>51,999</u>
Net asset value acquired	<u>16,277</u>

Trade and other current payables as at July 1, 2019 of TGS included dividends payable to the previous owner of Baht 18 million which is the term agreed between the Company and the previous owner.

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 2018). During the measurement period, the Company will retrospectively adjust the provisional amounts recognized at the acquisition date, to recognize 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 as at September 30, 2019 under the caption of "Unallocated costs of business acquisition".

11. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at September 30, 2019 and December 31, 2018 are as follows:

	Unit : Thousand Baht	
	Consolidated/Separate	
	Financial Statements	
	As at	As at
	September 30, 2019	December 31, 2018
Investments in available-for-sale securities - cost	519,715	537,955
<u>Add:</u> Unrealized gain (loss) on changes in value of investments	30,355	(353)
Investments in available-for-sale securities - fair value	550,070	537,602
Debt securities held-to-maturity - amortised cost	-	32,192
Other investment - cost	22,334	7,173
<u>Less:</u> Allowance for impairment of investment	(7,173)	(7,173)
Other investment - net	15,161	-
Total	565,231	569,794

12. BUILDING IMPROVEMENT AND EQUIPMENT

Movements of building improvement and equipment accounts for the nine-month period ended September 30, 2019 are summarized as follows:

	Consolidated	Unit : Thousand Baht
	Financial Statements	Separate
		Financial Statements
Net book value as at January 1, 2019	51,213	46,606
Business acquisition of the subsidiary (see Note 10)	7,238	-
<u>Add</u> Increase during the period	4,278	2,559
<u>Less</u> Depreciation for the period	(18,136)	(15,940)
Differences from conversion exchange rate of financial statements	(213)	-
Net book value as at September 30, 2019	44,380	33,225

13. OTHER INTANGIBLE ASSETS

Movements of other intangible assets account for the nine-month period ended September 30, 2019 are summarized as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Net book value as at January 1, 2019	165,452	117,938
Business acquisition of the subsidiary (see Note 10)	969	-
Add Increase during the period	3,864	3,484
Less Amortization for the period	(20,629)	(14,414)
Differences from conversion exchange rate of financial statements	(236)	-
Net book value as at September 30, 2019	<u>149,420</u>	<u>107,008</u>

14. COMPUTER SOFTWARE UNDER DEVELOPMENT

Movements of computer software under development account for the nine-month period ended September, 2019 are summarized as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Net book value as at January 1, 2019	12,033	12,099
Increase in development cost of computer software during the period	<u>12,404</u>	<u>12,398</u>
Net book value as at September 30, 2019	<u>24,437</u>	<u>24,497</u>

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at September 30, 2019 and December 31, 2018 are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Trade payables - others	3,093	4,047	2,494	4,047
Other payables - others	5,189	-	1,581	1,495
Other payables - related parties (see Note 4)	-	2,088	2,338	5,350
Accrued expenses - others	39,085	32,026	27,398	23,591
Contract liabilities	42,704	20,749	30,402	20,749
Total	<u>90,071</u>	<u>58,910</u>	<u>64,213</u>	<u>55,232</u>

16. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Movements in the provision for long-term employee benefits for the nine-month period ended September 30, 2019 are summarized as follows:

	Consolidated Financial Statements	Unit : Thousand Baht Separate Financial Statements
Beginning balance as at January 1, 2019	15,134	13,919
Business acquisition of the subsidiary (see Note 10)	20,103	-
Current service cost	2,564	1,879
Interest cost	429	340
Past service cost	3,612	3,360
Ending balance as at September 30, 2019	<u>41,842</u>	<u>19,498</u>

The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette on April 5, 2019, which is effective after 30 days from the date announced in Royal Gazette. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This change is considered an amendment to post-employment benefits plan. The Company and its subsidiaries reflect the effect of such change by recognizing past service cost as an expense in the statement of profit or loss and other comprehensive income for three-month and nine-month periods ended September 30, 2019 amounting to Baht 3.61 million and Baht 3.36 million in the consolidated financial statements and separate financial statements, respectively.

17. INCOME TAX EXPENSE

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

The income tax expenses for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

	Consolidated Financial Statements For the three-month periods ended September 30,		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	(5,996)	(2,929)	(4,113)	(1,560)
Adjustment in respect of corporate income tax of previous year	(107)	-	(107)	-
Deferred tax				
Temporary differences and reversal of temporary differences	<u>1,067</u>	<u>753</u>	<u>258</u>	<u>320</u>
Income tax expense reported in the statements of profit or loss and other comprehensive income	<u>(5,036)</u>	<u>(2,176)</u>	<u>(3,962)</u>	<u>(1,240)</u>

	Consolidated Financial Statements For the nine-month periods ended September 30,		Unit : Thousand Baht Separate Financial Statements	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	(16,120)	(8,256)	(9,894)	(3,299)
Adjustment in respect of corporate income tax of previous year	235	(1,917)	12	(1,917)
Deferred tax				
Temporary differences and reversal of temporary differences	3,108	166	1,404	(1,283)
Income tax expense reported in the statements of profit or loss and other comprehensive income	(12,777)	(10,007)	(8,478)	(6,499)

The amounts of income tax relating to each component of other comprehensive income for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	For the three-month periods September 30,			
	2019	2018	2019	2018
Deferred tax relating to gain on changes in value of available-for-sale investments	(1,239)	(1,943)	(1,239)	(1,943)

	Consolidated Financial Statements		Unit : Thousand Baht Separate Financial Statements	
	For the nine-month periods ended September 30,			
	2019	2018	2019	2018
Deferred tax relating to gain on changes in value of available-for-sale investments	(6,141)	(1,379)	(6,141)	(1,379)

18. 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 reporting period.

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

	Consolidated Financial Statements For the three-month periods ended September 30,		Separate Financial Statements For the three-month periods ended September 30,	
	2019	2018	2019	2018
Earnings for the period (Thousand Baht)	35,786	28,226	31,732	31,691
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Basic earnings per share (Baht/share)	0.05	0.04	0.05	0.05

	Consolidated Financial Statements For the nine-month periods ended		Separate Financial Statements ended September 30,	
	2019	2018	2019	2018
Earnings for the period (Thousand Baht)	106,352	94,078	88,638	82,972
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Basic earnings per share (Baht/share)	0.16	0.14	0.13	0.12

As at September 30, 2019 and 2018, the Company does not have diluted earnings per share.

19. DIVIDENDS PAID

On April 2, 2018, the Company's Annual General Meeting of the Shareholders approved the payment of a dividend for the year 2017 amounting to Baht 82.90 million. However, since the Board of Directors previously approved an interim dividends from income of the year 2017 amounting to Baht 62.50 million, there were the remaining dividends payment amounting to Baht 20.40 million or Baht 0.03 per share. Such dividends were paid to the shareholders on April 26, 2018.

On August 14, 2018, a meeting of the Company's Board of Directors approved the payment an interim dividends from income of the year 2018 amounting to Baht 27.20 million or Baht 0.04 per share. Such dividends were paid to the shareholders on September 13, 2018.

On April 29, 2019, the Company's Annual General Meeting of the Shareholders approved the payment of a dividend for the year 2018 amounting to Baht 68.00 million. However, since the Board of Directors previously approved an interim dividends from income of the year 2018 amounting to Baht 27.20 million, there were the remaining dividends payment amounting to Baht 40.80 million or Baht 0.06 per share. Such dividends were paid to the shareholders on May 24, 2019.

On September 13, 2019, a meeting of the Company's Board of Directors approved an interim dividends from income of the year 2019 amounting to Baht 40.80 million or Baht 0.06 per share. Such dividends were paid to the shareholders on September 11, 2019.

20. SEGMENT INFORMATION

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

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for three-month and nine-month periods ended September 30, 2019 and 2018.

	For the three-month periods ended September 30,						Unit : Thousand Baht	
	Human resource management system services		Enterprise resource planning services		Accounting and financing services		Sales of advance access control devices	
	2019	2018	2019	2018	2019	2018	2019	2018
Sales and services income from external customers	125,119	97,323	17,652	22,168	5,300	5,300	12,656	-
Total Revenues	<u>125,119</u>	<u>97,323</u>	<u>17,652</u>	<u>22,168</u>	<u>5,300</u>	<u>5,300</u>	<u>12,656</u>	<u>124,791</u>
Segment profit	27,777	25,588	-	3,812	1,920	1,543	7,060	30,943
Unallocated revenues (expenses):								
Dividend income								
Other incomes							1,388	735
Amortization of intangible assets from purchase of subsidiaries							4,699	635
Share of gain from investment in associate							(2,285)	(1,728)
Finance cost							364	-
Profit before income tax expenses							(101)	(183)
Income tax expenses							40,822	30,402
Profit for the period							<u>(5,036)</u>	<u>(2,176)</u>
							<u>35,786</u>	<u>28,226</u>

Disaggregation of revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product lines. This is consistent with the revenue information that is disclosed for each reportable segment under TFRS 8 Operating Segments.

Timing of revenue recognition At a point in time	For the three-month periods ended September 30,							Unit : Thousand Baht	
	Human resource management system services		Enterprise resource services		Accounting and financing services		Sales of advance access control devices		Consolidated Financial statements
	2019	2018	2019	2018	2019	2018	2019	2018	
- Revenue from sales of software	20,408	6,375	3,430	6,008	-	-	-	-	23,838
- Revenue from sales of goods	-	-	-	-	-	-	12,656	-	12,656
- Monthly service income	89,266	79,119	-	-	4,280	5,036	-	-	93,546
- One-time service income	5,715	4,891	-	-	1,020	264	-	-	84,155
Overtime									5,155
- Service income from software implementation	3,909	4,563	2,880	5,380	-	-	-	-	6,789
- Other service income	5,821	2,375	11,342	10,780	-	-	-	-	17,163
Total Revenues	125,119	97,323	17,652	22,168	5,300	5,300	12,656	-	160,727
									124,791

For the three-month periods ended September 30, 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of the Group's revenues.

Unit : Thousand Baht

Timing of revenue recognition	For the nine-month periods ended September 30,							
	Human resource management system services		Enterprise resource planning services		Accounting and financing services		Sales of advance access control devices	
	2019	2018	2019	2018	2019	2018	2019	2018
At a point in time								
- Revenue from sales of software	21,404	22,339	15,711	15,174	-	-	37,115	37,513
- Revenue from sales of goods	-	-	-	-	-	-	12,656	-
- Monthly service income	268,108	240,431	-	-	15,865	12,542	283,973	252,973
- One-time service income	23,428	13,521	-	743	1,557	732	24,985	14,996
Overtime								
- Service income from software implementation	14,680	16,000	11,096	15,668	-	-	25,776	31,668
- Other service income	11,082	5,997	32,931	31,698	-	-	44,013	37,695
Total Revenues	338,702	298,288	59,738	63,283	17,422	13,274	428,518	374,845

For the nine-month periods ended September 30, 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of the Group's revenues.

21. COMMITMENTS AND CONTINGENT LIABILITIES

21.1 Separation agreement commitments

On February 23, 2017, the Company entered into a separation agreement to sell its investment in Tricor Humatrix Asia Pte. Ltd. ("THA") to Tricor Singapore Pte. Ltd. at a price of SGD 1. The shares were transferred since December 31, 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 December 31, 2016, after the financial statements of Tricor Humatrix Asia Pte. Ltd. had been audited by auditors. In this regard, the Company recognized other receivables amounting to Baht 12.8 million in the consolidated statement of financial position as at December 31, 2016. Subsequently, on May 3, 2017, the Company received dividend with respect to operating results for the year 2015 amounting to Baht 5.1 million. As at September 30, 2019, outstanding balance of such receivable less allowance for doubtful accounts is Baht 5.8 million and Baht 2.9 million in the consolidated and separate statements of financial position, respectively.

21.2 Operating lease and service commitments

The Company and its subsidiaries have entered into several leases in respect of the lease of building spaces and related services. The terms of the agreements are generally between 1 and 10 years.

Future minimum leases required under these operating leases and non-cancellable services contracts were as follows:

	Consolidated Financial Statements		Unit : Million Baht Separate Financial Statements	
	As at September 30, 2019	As at December 31, 2018	As at September 30, 2019	As at December 31, 2018
Payable:				
Within 1 year	21	24	17	19
Over 1 and within 5 years	76	108	73	107
Over 5 years	70	78	70	78

21.3 Guarantees

As at September 30, 2019, the Group and Company has letter of guarantees issued by bank on behalf of the Group and Company of Baht 0.9 million and Baht 0.6 million, respectively, in respect of contractual performance (As at December 31, 2018 : Baht 4.7 million for the Group and Company).

22. FOREIGN CURRENCY RISK

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at September 30, 2019 and December 31, 2018 are summarized as follows:

Foreign currency	Financial assets		Consolidated financial statements Financial liabilities		Average exchange rate	
	As at September 30, 2019 (Million)	As at December 31, 2018 (Million)	As at September 30, 2019 (Million)	As at December 31, 2018 (Million)	As at September 30, 2019 (Baht per 1 foreign currency unit)	As at December 31, 2018
USD	0.03	-	-	-	30.5919	-
SGD	0.01	-	-	-	22.1459	-
JPY	0.38	2.50	-	-	0.2834	0.2931
MYR	-	0.20	-	-	7.3079	7.8056

Foreign currency	Financial assets		Separate financial statements Financial liabilities		Average exchange rate	
	As at September 30, 2019 (Million)	As at December 31, 2018 (Million)	As at September 30, 2019 (Million)	As at December 31, 2018 (Million)	As at September 30, 2019 (Baht per 1 foreign currency unit)	As at December 31, 2018
USD	0.01	-	-	-	30.5919	-
SGD	0.17	0.40	0.10	0.20	22.1459	23.6943
JPY	0.38	2.50	-	-	0.2834	0.2931
MYR	0.11	0.20	-	-	7.3079	7.8056

23. FAIR VALUE HIERARCHY

As at September 30, 2019 and December 31, 2018, the Company and its subsidiaries had the financial assets that were measured at fair value using different levels of inputs as follows:

Financial Assets	CONSOLIDATED/SEPARATE FINANCIAL STATEMENTS			Valuation techniques and key inputs used in fair value measurements
	Fair value "Unaudited" As at September 30, 2019	Fair value As at December 31, 2018	Fair value hierarchy	
Held-for-trading securities				
Unit trust in fixed income funds	39,996	-	Level 2	Net asset value of investment units of the last working day of the reporting period
Available-for-sale securities				
Unit trust in fixed income funds	388,397	464,105	Level 2	Net asset value of investment units of the last working day of the reporting period
Unit trust in mixed fund	8,944	12,073	Level 2	Net asset value of investment units of the last working day of the reporting period
Equity instruments	147,976	61,423	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Unit trust in equity	4,752	-	Level 2	Net asset value of investment units of the last working day of the reporting period
Other investment				
Structure notes	-	100,000	Level 2	Cash flow estimated with fair value of underlying asset and strike price discounted to maturity date with cost of capital

24. RECLASSIFICATIONS

Certain reclassifications have been made to the statement of financial position as at December 31, 2018 to conform to the classification used in the statement of financial position as at September 30, 2019 and certain reclassification was made to the statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2018 to conform to the classification used in the statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 as follows:

Statements of financial position

Items	Previous presentation	Reclassified to	Unit: Thousand Baht	
			Consolidated Financial Statements	Separate Financial Statements
Prepaid expenses	Other current assets	Trade and other current receivables	4,453	4,246
Withholding tax deducted at source	Withholding tax deducted at source	Other non-current assets	4,803	3,857
Contract liabilities	Service income received in advance	Trade and other current payables	20,749	20,749
Other long-term investments	Temporary investments	Other long-term investments	306,790	306,790

Statements of profit or loss and other comprehensive income

Items	Previous presentation	Reclassified to	Unit: Thousand Baht	
			Consolidated Financial Statements	Separate Financial Statements
For the three-month period ended September 30, 2018				
Dividend income	Other income	Dividend income	735	10,734
For the nine-month period ended September 30, 2018				
Dividend income	Other income	Dividend income	1,129	18,128

25. EVENT AFTER THE REPORTING PERIOD

On November 11, 2019, the Company entered into the deed with Tricor Singapore Pte. Ltd. and Tricor Payroll Services Pte. Ltd. (previously known as Tricor Humatrix Asia Pte. Ltd.). According to the separation agreement (see Note 21.1) and the additional condition, the dividend of SGD 332,546 will be paid to the Company and the Company and Tricor Payroll Services Pte. Ltd. agree to settle the DBS contract expenses of SGD 30,828 to Tricor Singapore Pte. Ltd. The Company will receive of SGD 301,718 or approximately Baht 6.7 million within 5 business days from the date of this deed.

26. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the Company's Board of Directors on November 12, 2019.