

REPORT OF THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS HUMANICA PUBLIC COMPANY LIMITED

Opinion

We have audited the consolidated financial statements of Humanica Public Company Limited and its subsidiaries (the “Group”) and the separate financial statements of Humanica Public Company Limited (the “Company”), which comprise the consolidated and separate statements of financial position as at December 31, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of Humanica Public Company Limited and its subsidiaries and of Humanica Public Company Limited as at December 31, 2019, and financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (“TFRSs”).

Basis for Opinion

We conducted our audit in accordance with Thai Standards on Auditing (“TSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants that are relevant to the audit of the consolidated and separate financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 11 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, and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, , which are presented as corresponding figures, have been restated accordingly, to reflect new information obtained about the 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 Notes 11 and 33 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.

Key Audit Matters

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

Key Audit Matters	Audit Responses
<p>Business acquisition</p> <p>During the year ended December 31, 2018, the Group acquired the entire business of Sigma Accounting and Tax Services Company Limited for a total of Baht 24.60 million. As at December 31, 2018, the Group provisionally recorded the acquisition using a best estimate of the values of the assets acquired and liabilities assumed, determined by applying the acquisition method. Subsequently in 2019, the Group then updated the fair values of the identifiable assets acquired and liabilities assumed and allocated the fair values at the business acquisition date based upon the final appraisal report dated November 6, 2019 from the independent appraiser and other necessary information obtained from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 (revised 2018) "Business Combination".</p> <p>We have focused on this business acquisition since it is material to the financial statements as a whole, and management was required to exercise substantial judgment when appraising the fair values of the assets acquired and liabilities assumed, including recognized goodwill.</p> <p>Details of the business acquisition were disclosed in the Note 11 to the financial statements.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> - Examining the terms and conditions of the agreement and inquire with management as to the nature and objectives of the acquisition. - Reviewing the final appraisal report of assessing the calculation of the fair value of assets acquired and liabilities assumed specified in the documentation of measurement under the acquisition method as prepared by an independent valuation specialist, by considering the methods and significant assumptions used by the independent valuation specialist in calculating the fair value of assets and liabilities and evaluating the expertise, ability and integrity of the independent valuation specialist. - Involving our valuation specialist to evaluate the financial parameter applied to the discount rate, identification of the intangible assets, valuation methodology and mathematical accuracy. - Assessing the rationale of goodwill recognized from the business combination. - Considering the presentation and related disclosures.

Key Audit Matters	Audit Responses
<p>Goodwill</p> <p>The Group has goodwill of Baht 53.39 million as at December 31, 2019. We have focused on the consideration of the impairment of goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring management to exercise a high degree of judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate and long-term growth rate. There are thus risks with respect to the amount of goodwill as at the end of reporting period.</p> <p>Accounting policies of goodwill and details of goodwill were disclosed in the Notes 3.8 and 16 to the financial statements, respectively.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> - Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realized from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections. - Evaluating the discount rate applied by management through analysis of the weighted average cost of capital of the Group and of the industry and involving internal specialist to assist in the assessment of this information by comparing it to external sources based on the specialist's knowledge and past experience, tested the calculation of the realizable values of the assets using the selected financial model. - Considering the presentation and related disclosures.

Other Information

Management is responsible for the other information. The other information comprises information in the annual report, which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and the management of the Group.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



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

BANGKOK
February 25, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

UNIT : THOUSAND BAHT

UNIT : THOUSAND BATH

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		December 31,	December 31,	December 31,	December 31,
		2019	2018	2019	2018
		"Restated"			
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	159,474	111,335	74,780	64,486
Temporary investments	6	83,068	100,000	83,068	100,000
Trade and other current receivables	7	138,816	118,318	83,844	92,399
Inventories	8	9,417	-	-	-
Other current assets		4,500	2,137	4,344	1,236
Total Current Assets		395,275	331,790	246,036	258,121
NON-CURRENT ASSETS					
Restricted bank deposits	9	1,050	4,889	700	4,889
Investment in associate	10	24,634	22,700	22,700	22,700
Investment in subsidiaries	11	-	-	252,865	122,865
Other long-term investments	12	558,382	569,794	558,382	569,794
Long-term loan to subsidiary	4	-	-	13,000	20,000
Building improvement and equipment	13	40,106	51,213	29,787	46,606
Goodwill	11, 16	53,388	53,388	-	-
Other intangible assets	11, 14	142,052	165,452	101,593	117,938
Computer software under development	15	27,433	12,033	27,482	12,099
Unallocated costs of business acquisition	11	110,634	-	-	-
Deferred tax assets	23	6,278	3,888	1,635	3,645
Other non-current assets	17	13,544	11,644	9,186	9,510
Total Non-current Assets		977,501	895,001	1,017,330	930,046
TOTAL ASSETS		1,372,776	1,226,791	1,263,366	1,188,167

Notes to the financial statements form an integral part of these statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT DECEMBER 31, 2019

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		As at December 31, 2019	As at December 31, 2018 "Restated"	As at December 31, 2019	As at December 31, 2018
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	18	100,667	58,910	71,221	55,232
Current portion of liabilities under hire-purchase and finance lease agreements	19	1,237	5,880	1,213	5,743
Income tax payable		4,367	3,228	-	-
Other current liabilities		12,055	9,328	7,436	6,613
Total Current Liabilities		118,326	77,346	79,870	67,588
NON-CURRENT LIABILITIES					
Liabilities under hire-purchase and finance lease agreements	19	2,640	3,877	2,640	3,853
Deferred tax liabilities	11, 23	7,542	9,387	-	-
Provision for long-term employee benefits	20	42,346	15,134	23,005	13,919
Other non-current liabilities		4,735	1,563	3,922	1,563
Total Non-current Liabilities		57,263	29,961	29,567	19,335
TOTAL LIABILITIES		175,589	107,307	109,437	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	21	22,710	16,751	22,710	16,751
Unappropriated	11	179,421	122,552	119,933	90,507
Other components of shareholders' equity		13,452	(1,423)	17,017	(283)
Total equity attributable to owners of the parent		1,197,186	1,119,483	1,153,929	1,101,244
Non-controlling interests		1	1	-	-
TOTAL SHAREHOLDERS' EQUITY		1,197,187	1,119,484	1,153,929	1,101,244
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,372,776	1,226,791	1,263,366	1,188,167

Notes to the financial statements form an integral part of these statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
		"Restated"			
REVENUES					
Revenue from sales and rendering services	27	598,853	515,112	379,758	377,360
Dividend income		5,275	1,607	22,274	18,607
Other income		9,736	6,514	36,596	22,832
Total Revenues		613,864	523,233	438,628	418,799
EXPENSES					
Cost of sales and rendering services		332,393	285,521	222,635	219,612
Selling expenses		19,106	4,641	10,445	4,620
Administrative expenses	11	101,594	75,978	78,729	61,376
Loss on contract termination		-	16,967	-	16,967
Finance costs		430	634	405	608
Total Expenses		453,523	383,741	312,214	303,183
Share of profit from investment in associate		1,934	-	-	-
Profit before income tax expense		162,275	139,492	126,414	115,616
Income tax expense	11, 23	(15,299)	(17,740)	(7,215)	(11,484)
PROFIT FOR THE YEAR		146,976	121,752	119,199	104,132
OTHER COMPREHENSIVE INCOME					
Other comprehensive income that may be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements		(2,425)	(756)	-	-
Gain (loss) on changes in value of available-for-sale investments, net of income tax		17,300	(348)	17,300	(348)
Total other comprehensive income that may be reclassified to profit or loss in subsequent periods		14,875	(1,104)	17,300	(348)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods					
Actuarial gain (loss), net of income tax		(2,548)	1,994	(2,214)	2,015
Total other comprehensive income that will not be reclassified to profit or loss in subsequent periods		(2,548)	1,994	(2,214)	2,015
Total other comprehensive income for the year		12,327	890	15,086	1,667
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		159,303	122,642	134,285	105,799

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2019	2018	2019	2018
		"Restated"			
PROFIT ATTRIBUTABLE TO:					
Owners of the parent	11	146,976	121,751	119,199	104,132
Non-controlling interests		-	1	-	-
PROFIT FOR THE YEAR		146,976	121,752	119,199	104,132
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent	11	159,303	122,641	134,285	105,799
Non-controlling interests		-	1	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		159,303	122,642	134,285	105,799
Earnings per share					
Basic earnings attributable to owners of the Company per share (Baht)	25	0.22	0.18	0.18	0.15

Notes to the financial statements form an integral part of these statements

FOR THE YEAR ENDED DECEMBER 31, 2019

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Notes to the financial statements form an integral part of these statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2019

SEPARATE FINANCIAL STATEMENTS

UNIT : THOUSAND BAHT

	Note	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	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 year		-	-	-	-	104,132	-	-	104,132	
Other comprehensive income for the year		-	-	-	-	2,015	(348)	(348)	1,667	
Total comprehensive income for the year		-	-	-	-	106,147	(348)	(348)	105,799	
Dividends paid	26	-	-	-	-	(47,600)	-	-	(47,600)	
Transfer unappropriated retained earnings to legal reserve		-	-	-	5,207	(5,207)	-	-	-	
Balance as at December 31, 2018		340,000	649,124	5,145	16,751	90,507	(283)	(283)	1,101,244	
Balance as at January 1, 2019		340,000	649,124	5,145	16,751	90,507	(283)	(283)	1,101,244	
Profit for the year		-	-	-	-	119,199	-	-	119,199	
Other comprehensive income for the year		-	-	-	-	(2,214)	17,300	17,300	15,086	
Total comprehensive income for the year		-	-	-	-	116,985	17,300	17,300	134,285	
Dividends paid	26	-	-	-	-	(81,600)	-	-	(81,600)	
Transfer unappropriated retained earnings to legal reserve	21	-	-	-	5,959	(5,959)	-	-	-	
Balance as at December 31, 2019		340,000	649,124	5,145	22,710	119,933	17,017	17,017	1,153,929	

Notes to the financial statements form an integral part of these statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

UNIT : THOUSAND BAHT

UNIT : THOUSAND BATH

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2019	2018	2019	2018
		"Restated"			
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		162,275	139,492	126,414	115,616
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities					
Depreciation and amortization		51,242	46,557	39,494	36,817
Allowance for doubtful accounts (Reversal)		(829)	(4,133)	985	(4,133)
Gain on diminution in value of inventories		(524)	-	-	-
Loss on write-off of equipment		625	91	625	-
Gain on sale of equipment		-	(1,174)	-	(6)
Long-term employee benefit expenses		7,428	2,953	5,960	1,776
Gain on disposal of temporary and other long-term investments		(4,849)	(1,883)	(4,849)	(1,883)
Share of profit from investment in associate		(1,934)	-	-	-
Unrealized loss on foreign exchange rate		2,588	617	2,453	724
Dividend income		(5,275)	(1,607)	(22,274)	(18,607)
Interest expenses		430	634	405	608
Profit from operating activities before changes in operating assets and liabilities		211,177	181,547	149,213	130,912
Operating assets (increase) decrease					
Trade and other current receivables		(4,401)	31,134	7,755	21,716
Other current assets		2,541	(2,616)	(3,108)	(20)
Other non-current assets		(5,560)	(312)	(3,220)	(413)
Operating liabilities increase (decrease)					
Trade and other current payables		16,251	(7,602)	10,988	(7,335)
Other current liabilities		(8,664)	754	824	249
Other non-current liabilities		3,172	1,563	2,359	1,563
Cash received from operating activities		214,516	204,468	164,811	146,672
Cash paid for interest expenses		(430)	(634)	(405)	(608)
Cash paid for income tax expense		(18,720)	(7,520)	(9,182)	(4,731)
Refund income tax expense		4,689	4,533	3,750	4,533
Net cash from provided by operating activities		200,055	200,847	158,974	145,866

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2019

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		3,839	221	4,189	221
Cash paid for acquisition of temporary and other long-term investments		(679,920)	(930,043)	(679,920)	(930,043)
Cash received from sales of temporary and other long-term investments		732,100	911,218	732,100	911,218
Cash paid for acquisition of building improvement and equipment		(5,006)	(37,188)	(3,377)	(36,265)
Cash received from sales of equipment		-	1,326	-	102
Cash paid for development/acquisition of computer software		(19,202)	(22,944)	(18,603)	(22,966)
Cash received from short-term loan to related party		-	-	-	12,086
Cash received from long-term loan to related party		-	-	7,000	(20,000)
Dividends received		5,275	1,607	22,274	18,607
Cash paid for acquisition of entire business		(99,111)	(24,600)	(125,000)	-
Cash paid for investment in associate		-	(22,700)	-	(22,700)
Net cash used in investing activities		(62,025)	(123,103)	(61,337)	(89,740)
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	5.2	(5,880)	(5,664)	(5,743)	(5,279)
Dividends paid		(81,600)	(47,600)	(81,600)	(47,600)
Net cash paid financing activities		(87,480)	(54,162)	(87,343)	(53,736)
Exchange differences from translation of financial statements		(2,411)	(389)	-	-
Net increase in cash and cash equivalents		48,139	23,193	10,294	2,390
Cash and cash equivalents as at January 1,		111,335	88,142	64,486	62,096
Cash and cash equivalents as at December 31,	5.1	159,474	111,335	74,780	64,486

Notes to the financial statements form an integral part of these statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
NOTES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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 OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Company’s financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 (Revised 2018) “Presentation of Financial Statements”, which was effective for financial year beginning on or after January 1, 2019 onwards, and the Regulations of The Stock Exchange of Thailand (SET) dated October 2, 2017, regarding the preparation and submission of financial statements and reports for the financial position and results of operations of the listed companies B.E. 2560 and the Notification of the Department of Business Development regarding “The Brief Particulars in the Financial Statements (No. 2) B.E. 2559” dated October 11, 2016.

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

The financial statements have been prepared under the historical cost basis except as disclosed in the significant accounting policies.

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			December 31, 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

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

- 2.3 The separate financial statements present investments in subsidiaries and associate under the cost method.
- 2.4 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the year, 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.

- 2.5 Thai Financial Reporting Standards 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, Thai Accounting Standards Interpretation 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. 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 Group's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective. The Group's management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any material impact on the financial statements of the Group in the period of initial application, except the financial reporting standards 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.

The Group's management is in the process to assess the impact of these Financial Instruments Standards on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standards No. 16 "Leases"

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.

The Group's management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Cash and cash equivalents

Cash and cash equivalents include cash, savings account deposits, current account deposits and not exceeding 3 months fixed deposits, and short-term investments which are not exceeding 3 months duration for repayment with no obligation commitment, but exclude deposits in the Company and its subsidiaries' name for customer accounts.

3.2 Trade receivables

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

3.3 Recognition and amortization customers' deposits

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

3.4 Inventories

Inventories are carried at the lower of cost or net realizable value, and adjusted by allowance for deteriorated or obsolete inventories and for diminution in value of inventories. The cost of inventories are calculated by using the first-in, first-out method.

3.5 Investments

- a) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- b) 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. 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.
- c) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- d) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortized cost. The premium/discount on debt securities is amortized by the effective rate method with the amortized amount presented as an adjustment to the interest income.
- e) Investment in an associate is accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries and associate are accounted for in the separate financial statements using the cost method.

3.6 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation and allowance for impairment (if any).

Depreciation of building improvement and equipment is calculated by costs using the straight-line method over their estimated useful lives, as follows:

Building improvement	3 - 5 years
Office equipment	5 years
Computer	3 - 5 years
Vehicles	5 years

Dismantling, moving and renovating asset location cost in which the Company obligates when receiving such asset are recognized as the cost of assets and depreciated them.

3.7 Intangible assets

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

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

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

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

3.8 Goodwill

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

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Company and its subsidiaries' cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company and its subsidiaries estimate the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized in statement of profit or loss and other comprehensive income. Impairment losses relating to goodwill cannot be reversed in future period.

3.9 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the building improvement and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Company and its subsidiaries also carry out annual impairment reviews in respect of goodwill and intangible assets with indefinite useful lives. An impairment loss is recognized when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company and its subsidiaries could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognized in the statement of profit or loss and other comprehensive income.

In the assessment of asset impairment if there is any indication that previously recognized impairment losses may no longer exist or may have decreased, the Company and its subsidiaries estimate the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in statement of profit or loss and other comprehensive income unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

3.10 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund and the employee joint investment program are recognized as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plan

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

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

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

3.11 Provisions

The Company and its subsidiaries will record provisions when it is highly certain that obligations will occur at present legally or reliable estimate as a result of past events. These obligations are expected to cause an outflow of resources embodying economics benefits resulting to settle such obligations and these amounts to be paid can be estimated reliably. If there is expectation to recover payment toward estimated liabilities certainly by all or part, the returned payment will be recognized as separate asset but its amount must not be more than related estimated liabilities and the expense related to liability estimates is shown in the statement of profit or loss and other comprehensive income at amount net by recognized amount of expense to be recovered.

3.12 Leases

Operating lease

Lease in which substantially the risks and ownership of assets remain with the lessor is accounted for as operating lease. Rental applicable to such operating leases are charged to the statement of profit or loss and other comprehensive income using the straight-line method over the lease period.

Finance lease

Lease in which substantially all the risk and reward of ownership, other than legal title is transferred to the Company is accounted for as a finance lease. The Company capitalized the asset and recorded liabilities in the statements of financial position of lessee in the amount at the lower of estimated present value of the underlying lease payments or at the fair value of the leased asset at the contractual date. The leased assets are depreciated using the straight-line method over their estimated useful lives. Financial charge is calculated by the effective interest rate method over the term of contracts. Financial charge and depreciation are recognized as expenses in the statement of profit or loss and other comprehensive income.

3.13 Finance costs

Finance costs such as interest expenses and similar costs are charged to the statement of profit or loss and other comprehensive income for the year in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

3.14 Foreign currency transactions

Foreign currency transactions are translated into Baht at the exchange rates ruling on the transaction dates. Monetary assets and liabilities in foreign currencies outstanding at the statement of financial position date are translated into Baht at the exchange rates ruling on that date. Exchange gains or losses either realized or unrealized are included as incomes or expenses in the statement of profit or loss and other comprehensive income for the year.

The financial statements of overseas subsidiaries are translated to Thai Baht in preparation of the consolidated financial statements as follows:

- a. Assets and liabilities are translated to Thai Baht at the foreign exchange rates ruling at statement of financial position date.
- b. Shareholders' equity is translated to Thai Baht at the foreign exchange rates on the transaction date.
- c. Revenues and expenses are translated to Thai Baht at average foreign exchange rates during the year.

Gain (loss) on translation of the financial statements prepared in foreign currencies are presented as other components of equity under shareholders' equity.

3.15 Share-based payment transactions

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

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

3.16 Related parties

Related parties with the Company and its subsidiaries represent individuals or enterprises which have the controlling power over the Company and its subsidiaries or are controlled by the Company and its subsidiaries either directly or indirectly, or under the common control with the Company and its subsidiaries. Furthermore, the related parties also represent the associates and the parties who hold the shares with voting rights, either directly or indirectly, and have significant influence to the Company, important managers, directors or employees of the Company and its subsidiaries who have power to plan and control the operations of the Company and its subsidiaries, including the close family members who can persuade or have power to persuade to act in compliance with said persons and businesses that said persons who have control power or significant influence, either directly or indirectly.

3.17 Revenue recognition

Revenue from sales

Revenue from sales of software license is recognized at the point when the significant control has been transferred to the buyer. Revenue from sales is the invoiced value, excluding value added tax, after deducting discounts and allowances.

Revenue from 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.

Revenue from rendering services

Revenue from rendering services is recognized overtime when services have been rendered taking into account the stage of completion.

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

Revenue from rendering services from providing system maintenance service is recognized by the period of service in the service agreement using the straight-line method.

Revenue from rendering services from other service contract is recognized at the point of time when the service is rendered.

Interest income

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

Dividends

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

3.18 Expense recognition

Other expenses are recognized on an accrual basis.

3.19 Income tax expense

Income tax expense represents the sum of the current tax and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The current tax liability is calculated using tax rates that have been enacted or substantively enacted at the statement of financial position date.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit (tax base). The Company and its subsidiaries recognize deferred tax liabilities for all temporary differences, and recognize deferred tax assets for temporary differences to the extent that it is probable that taxable profits will be available against which those temporary differences can be utilized. The carrying amounts of deferred tax assets are reviewed at each statement of financial position date. Deferred tax assets shall be reduced to the extent that utilized taxable profits decreased. Any such reduction shall be reversed to the extent that it becomes probable that the Company and its subsidiaries have sufficient taxable profit to allow total or part of the asset to be recovered.

The Company and its subsidiaries measure deferred tax assets and deferred tax liabilities at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the end of the reporting period.

In the consolidated financial statements, deferred tax assets and deferred tax liabilities are recognized by each company in the Group, and deferred tax asset of one company in the Group is offset against deferred tax liability of another company in the Group if, and only if, the companies concerned have a legally enforceable right to make or receive a single net payment and the companies intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

3.20 Earnings per share

The calculations of basic earnings per share were based on the profit for the year attributable to equity holders divided by the weighted average number of ordinary shares held by outsiders outstanding during the year net of treasury stocks. The calculations of diluted earnings per share (if any) were based on the weighted average number of ordinary shares on the assumption that all dilutive potential ordinary shares have been converted to ordinary shares.

3.21 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company and its subsidiaries take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs, other than quoted prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

3.22 Significant accounting judgments and estimates

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

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

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

Building improvement and equipment/Depreciation and intangible assets

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

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

Goodwill and intangible assets

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

Post-employment benefits under defined benefit plans

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

4. RELATED PARTY TRANSACTIONS

During the years, 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 those related parties.

	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht) Pricing policy
	2019	2018	2019	2018	
<u>Transactions with subsidiaries</u> (eliminated from the consolidated financial statements)					
Service income	-	-	5,249	4,604	As agreed
Management fee	-	-	14,640	14,040	Contract price
Dividend income	-	-	17,000	17,000	As announcement
Interest income	-	-	315	336	At rate of 1.8 percent per annum
Rental income	-	-	3,516	2,580	As agreed
Other income	-	-	1,199	918	As agreed
Service expense	-	-	1,518	3,947	As agreed
Software development cost	-	-	1,265	1,384	As agreed
Other expense	-	-	4	9	As agreed
<u>Transactions with related parties</u>					
Service income	720	659	720	659	As agreed
Software rental expense	8,078	8,481	8,078	8,481	Contract price

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

	Consolidated financial statements		Separate financial statements		(Unit: Thousand Baht)
	2019	2018	2019	2018	
Trade receivables - related parties (see Note 7)					
Associate	16	5	-	-	
Related party	-	284	-	284	
Total trade receivables - related parties	16	289	-	284	
Other receivables - related parties (see Note 7)					
Subsidiaries	-	-	2,356	12,628	
Total other receivables - related parties	-	-	2,356	12,628	

		Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
		2019	2018	2019	2018
Contract assets - related parties (see Note 7)					
Associate		-	74	-	-
Total contract assets - related parties		-	74	-	-
Accrued interest - related parties (see Note 7)					
Subsidiaries		-	-	20	-
Total accrued interests - related parties		-	-	20	-
Loan to related party (see Note 4.1)					
Subsidiary		-	-	13,000	20,000
Total loan to related party		-	-	13,000	20,000
Other payables - related party (see Note 18)					
Subsidiary		-	-	124	5,350
Total other payables - related party		-	-	124	5,350
Accrued expenses - related party					
Associate		653	714	653	714
Total accrued expenses - related party (See Note 18)		653	714	653	714

- 4.1 On June 15, 2018, the Company entered into a loan agreement to provide a loan to Humanica FAS Limited (Subsidiary) totaling Baht 32 million. 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, the Company classified them as non-current asset in the financial statements.

During the year 2019 and 2018, movement of loan to related party were as follow:

		(Unit: Thousand Baht)			
		Separate financial statements			
Loans to Humanica FAS Limited	Related by	Balance as at January 1, 2019	Increase during the year	Decrease during the year	Balance as at December 31, 2019
	Subsidiary	20,000	-	(7,000)	13,000
Total		20,000	-	(7,000)	13,000

		(Unit: Thousand Baht)			
		Separate financial statements			
Loans to Humanica FAS Limited	Related by	Balance as at January 1, 2018	Increase during the year	Decrease during the year	Balance as at December 31, 2018
	Subsidiary	-	32,000	(12,000)	20,000
Total		-	32,000	(12,000)	20,000

Directors and management's remuneration

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	25.0	23.3	15.8	17.9
Post-employment benefits	3.0	2.4	2.7	2.4
Total	<u>28.0</u>	<u>25.7</u>	<u>18.5</u>	<u>20.3</u>

5. CASH AND CASH EQUIVALENTS

5.1 Cash and cash equivalents

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Cash	671	591	541	541
Bank deposits	217,856	150,535	124,839	89,975
Less Deposits in the Company and its subsidiaries' name for customer accounts	<u>(59,053)</u>	<u>(39,791)</u>	<u>(50,600)</u>	<u>(26,030)</u>
Total cash and cash equivalents	<u>159,474</u>	<u>111,335</u>	<u>74,780</u>	<u>64,486</u>

As at December 31, 2019, bank deposits in savings accounts carries interest at the rate of 0.10 to 0.38 percent per annum (2018: between 0.10 to 0.38 percent per annum).

5.2 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 December 31, 2019
Liabilities under hire-purchase and finance lease agreements	9,757	(5,880)	-	3,877
Total	<u>9,757</u>	<u>(5,880)</u>	<u>-</u>	<u>3,877</u>

	(Unit: Thousand Baht) Consolidated Financial Statements			
	Balance as at January 1, 2018	Financing cash flows	Non-cash change	Balance as at December 31, 2018
Liabilities under hire-purchase and finance lease agreements	9,822	(5,664)	5,599	9,757
Total	<u>9,822</u>	<u>(5,664)</u>	<u>5,599</u>	<u>9,757</u>

	(Unit: Thousand Baht)		
	Separate Financial Statements		
	Balance as at January 1, 2019	Financing cash flows	Non-cash change
			Balance as at December 31, 2019
Liabilities under hire-purchase and finance lease agreements	9,596	(5,743)	-
Total	9,596	(5,743)	3,853

	(Unit: Thousand Baht)		
	Separate Financial Statements		
	Balance as at January 1, 2018	Financing cash flows	Non-cash change
			Balance as at December 31, 2018
Liabilities under hire-purchase and finance lease agreements	9,275	(5,279)	5,600
Total	9,275	(5,279)	9,596

6. TEMPORARY INVESTMENTS

Temporary investments as at December 31, consisted of:

	(Unit : Thousand Baht)	
	Consolidated/ Separate Financial Statements 2019	2018
Investment in trading securities - cost	53,000	-
Unrealized gain on changes in value of investments	183	-
Investments in trading securities - fair value	53,183	-
Held-to-maturity debt securities - amortized cost	29,885	-
Structure notes	-	100,000
Total temporary investment	83,068	100,000

As at December 31, 2019, the held-to-maturity debt securities are unsubordinated convertible bonds valued at USD 1 million with an interest rate of 8% per annum. The bonds are for 24 months from the date of the convertible bonds (13 September 2018) with the conversion conditions as specified in the agreement.

7. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at December 31, consisted of:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Age on the basis of due dates				
Past due				
Up to 3 months	16	289	-	284
Total trade receivables - related parties (see Note 4)	16	289	-	284
<u>Trade receivables - others</u>				
Age on the basis of due dates				
Not yet due	52,683	50,106	30,208	34,547
Past due				
Up to 3 months	44,732	27,749	22,388	18,215
3 - 6 months	3,560	4,386	1,558	3,761
6 - 12 months	4,786	1,590	2,554	1,577
Over 12 months	4,524	2,866	4,316	2,780
Total	110,285	86,697	61,024	60,880
Less: Allowance for doubtful debts	(2,520)	(1,449)	(2,434)	(1,449)
Total trade receivables - others, net	107,765	85,248	58,590	59,431
Total trade receivables - net	107,781	85,537	58,590	59,715
<u>Other receivables</u>				
Other receivables - related parties (see Note 4)	-	-	2,356	12,628
Other receivables - others	357	7,865	346	231
Advance payments for services	2,740	-	2,601	-
Prepaid expenses	3,354	4,453	1,886	4,246
Contract assets - related parties (see Note 4)	-	74	-	-
Contract assets - others	24,584	22,289	18,045	15,579
Accrued interest - related party (see Note 4)	-	-	20	-
Total	31,035	34,681	25,254	32,684
Less: Allowance for doubtful debts	-	(1,900)	-	-
Total other receivables - net	31,035	32,781	25,254	32,684
Total trade and other current receivables - net	138,816	118,318	83,844	92,399

During 2018, the Company wrote off accrued service income of Baht 17 million to loss on termination of agreements because the customers terminated the agreements relating to installation of human resources systems.

Other receivables - others as at December 31, 2018 included receivables under separation agreement as described in Note 29.1.

8. INVENTORIES

Inventories as at December 31, consisted of:

	(Unit: Thousand Baht) Consolidated Financial Statements	
	December 31, 2019	December 31, 2018
Finished goods	9,437	-
Goods in transit	304	-
Total	9,741	-
Less: Allowance for diminution in value	(324)	-
Total inventories	9,417	-

As at July 1, 2019, the group acquired inventories from the business question of Tiger Soft (1998) Co., Ltd. in net amount of Baht 10.57 million which consisted of the cost of Baht 11.42 million and allowance for diminution in value of Baht 0.85 million.

Movements in the allowance for diminution in value of inventories for the year ended December 31, 2019 are as follows:

	(Unit: Thousand Baht) Consolidated Financial Statements
Balance as at January 1, 2019	-
Allowance for diminution in value of inventories transferred from business acquisition	848
Adjustment of net realizable value for the period	(524)
Balance as at December 31, 2019	324

9. RESTRICTED BANK DEPOSITS

As at December 31, 2019 and 2018, the Company has fixed deposits pledged with the banks to secure the issuance of bank guarantees by the bank (see note 29.3).

10. INVESTMENT IN AN ASSOCIATE

Investment in an associate as at December 31, is as follows:

Company's name	Nature of business	Country of incorporation	Shareholding percentage		Cost		Consolidated financial statements Carrying amounts based on equity method		(Unit: Thousand Baht) Separate financial statements	
			2019 (%)	2018 (%)	2019	2018	2019	2018	2019	Cost 2018
Conical Company Limited	Consulting, design and sales software	Thailand	20	20	22,700	22,700	24,634	22,700	22,700	22,700
Total					22,700	22,700	24,634	22,700	22,700	22,700

On December 24, 2018, the Company entered into a Shareholders Agreement to invest in 5,275 additional ordinary shares capital of Conicle Company Limited ("Conicle"), with a par value of Baht 100 each, at a price of Baht 4,303.32 per share, or a total of Baht 22.70 million. As a result of the acquisition, the Company held 20 percent of all issued shares of Conicle, and classified its investment as investment in an associate. The Company made a payment for these acquisition shares on December 26, 2018 (acquisition date).

Summarized financial information of an associate

Financial information of an associate as at December 31, as follows:

Fund	Paid-up capital		Total assets		Total liabilities		Total revenues for the years		(Unit: Million Baht) Profit (loss) for the years	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Conical Company Limited	2.64	2.64	58.50	38.85	17.72	7.69	33.84	16.70	9.62	1.20

11. INVESTMENTS IN SUBSIDIARIES

Details of investments in subsidiaries as presented in the separate financial statements as at December 31, are as follows:

Company's name	Paid-up capital		Percentage of shareholding		Cost		(Unit: Thousand Baht) Dividend income	
	2019	2018	2019 (%)	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	17,000	17,000
Humanica FAS Limited	Baht 1 million	Baht 1 million	99.98	100.00	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	17,000	17,000

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)
	As at July 31, 2018 (Restated)
Trade and other current receivables	2,470
Building improvements and equipment	24
Intangible assets	11
Customer relationship asset	5,206
Deferred tax assets	35
Undue output tax	(162)
Non-current provision for employee benefits	(175)
Deferred 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 were summarized as follows:

	(Unit : Thousand Baht)		
	Balance as previously reported	Effect of the restatement	Balance as restated
Consolidated statement of financial position as at December 31, 2018			
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
Consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2018			
Administrative expenses	75,778	200	75,978
Income tax expense	17,780	(40)	17,740
Profit for the year	121,912	(160)	121,752
Profit attributable to:			
Owners of the parent	121,911	(160)	121,751
Total comprehensive income attributable to:			
Owners of the parent	122,801	(160)	122,641

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.

On June 28, 2019, the Company entered into the Interim Management agreement with the previous owner of TGS 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	(19,366)
Unallocated costs of business acquisition	<u>110,634</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 tax assets	3,672
Other non-current assets	721
Total assets	<u>67,504</u>
Liabilities	
Trade and other current payables	20,506
Other current liabilities	11,390
Non-current provision for long-term employee benefits	16,242
Total liabilities	<u>48,138</u>
Net asset value acquired	<u>19,366</u>

During 2019, 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 profit or loss 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 December 31, 2019 under the caption of "Unallocated costs of business acquisition".

12. OTHER LONG-TERM INVESTMENTS

Other long-term investments as at December 31, are as follows:

	(Unit: Thousand Baht)	
	Consolidated/ Separate financial statements	
	2019	2018
Investments in available-for-sale securities - cost	521,908	537,955
Add: Surplus on changes in value of investments	21,089	(353)
Investments in available-for-sale securities - fair value	<u>542,997</u>	<u>537,602</u>
Debt securities held-to maturity - amortized cost	-	32,192
Other investment - cost	22,558	7,173
Less: Allowance for impairment of investments	<u>(7,173)</u>	<u>(7,173)</u>
Other investment - net	<u>15,385</u>	-
Total other long-term investments	<u>558,382</u>	<u>569,794</u>

During the year 2019 and 2018, the Company sold available-for-sale securities with book values totaling Baht 562 million and Baht 761 million, respectively, and recognized gains (after tax) on the sales in profit or loss, amounting to Baht 3.7 million and Baht 1.4 million, respectively.

13. BUILDING IMPROVEMENT AND EQUIPMENT

(Unit: Thousand Baht)

	Consolidated financial statements			
	Building improvement	Office equipment	Computer	Vehicles
				Total
Cost:				
As at January 1, 2018	23,589	17,982	75,092	4,049
Additions	14,645	6,546	15,915	5,600
Transfer from business acquisition	-	209	627	836
Disposals/write-off	(21,045)	(4,539)	(925)	(4,049)
Translation adjustment	(78)	(25)	(51)	(154)
As at December 31, 2018	17,111	20,173	90,658	5,600
Additions	155	1,332	3,913	-
Transfer from business acquisition	1,080	2,558	3,863	9,210
Disposals/write-off	-	(1,941)	(226)	(401)
Translation adjustment	(174)	(63)	(94)	-
As at December 31, 2019	18,172	22,059	98,114	14,409
				152,754
Accumulated depreciation:				
As at January 1, 2018	19,881	13,098	51,923	3,858
Depreciation for the year	4,306	2,720	15,158	933
Depreciation on transfer from business acquisition	-	194	614	-
Depreciation on disposals/write-off	(21,045)	(4,420)	(800)	(4,049)
Translation adjustment	(22)	(8)	(12)	(42)
As at December 31, 2018	3,120	11,584	66,883	742
Depreciation for the year	3,512	2,753	15,468	1,814
Depreciation on transfer from business acquisition	644	1,452	2,166	5,211
Depreciation on disposals/write-off	-	(1,940)	(226)	(400)
Translation adjustment	(70)	(24)	(41)	-
As at December 31, 2019	7,206	13,825	84,250	7,367
				112,648
Net book value:				
As at December 31, 2018	13,991	8,589	23,775	4,858
As at December 31, 2019	10,966	8,234	13,864	7,042
				40,106
Depreciation for the years				
2019 (Baht 7.24 million included in cost of sales and services, and the remaining balance in administrative expenses)				23,547
2018 (Baht 9 million included in cost of sales and services, and the remaining balance in administrative expenses)				23,117

(Unit: Thousand Baht)

Separate financial statements

	Building improvement	Office equipment	Computer	Vehicles	Total
Cost:					
As at January 1, 2018	16,820	13,893	67,392	-	98,105
Additions	14,137	6,231	15,897	5,600	41,865
Disposals/write-off	(16,821)	(2,070)	(104)	-	(18,995)
As at December 31, 2018	14,136	18,054	83,185	5,600	120,975
Additions	117	1,159	2,101	-	3,377
Disposals/write-off	-	(1,846)	-	-	(1,846)
As at December 31, 2019	14,253	17,367	85,286	5,600	122,506
Accumulated depreciation:					
As at January 1, 2018	15,202	9,783	47,282	-	72,267
Depreciation for the year	3,728	2,473	14,057	743	21,001
Depreciation on disposals/write-off	(16,821)	(1,974)	(104)	-	(18,899)
As at December 31, 2018	2,109	10,282	61,235	743	74,369
Depreciation for the year	2,840	2,321	13,914	1,120	20,195
Depreciation on disposals/write-off	-	(1,845)	-	-	(1,845)
As at December 31, 2019	4,949	10,758	75,149	1,863	92,719
Net book value:					
As at December 31, 2018	12,027	7,772	21,950	4,857	46,606
As at December 31, 2019	9,304	6,609	10,137	3,737	29,787
Depreciation for the years					
2019 (Baht 5.18 million included in cost of sales and services, and the remaining balance in administrative expenses)					20,195
2018 (Baht 7 million included in cost of sales and services, and the remaining balance in administrative expenses)					21,001

As at December 31, 2019, the Company and its subsidiaries had vehicles and equipments with net book value of Baht 3.8 million (2018: Baht 8.7 million) (The Company only 2019: Baht 3.7 million, 2018: Baht 8.6 million) which were acquired under hire-purchase and finance lease agreements.

As at December 31, 2019, the Company and its subsidiaries had building improvement and equipments which were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation loss of those assets amounted to approximately Baht 73 million (2018: Baht 47 million) (The Company only 2019: Baht 67 million, 2018: Baht 42 million).

14. OTHER INTANGIBLE ASSETS

The net book value of intangible assets as at December 31, are as follows:

	Consolidated financial statements			(Unit: Thousand Baht) Separate financial statements	
	Computer software	Tradename	Customer relationship "Restated"	Total	Computer software
Cost:					
As at January 1, 2018	171,532	20,478	38,441	230,451	161,840
Additions	2,422	-	-	2,422	2,419
Transfer in	30,006	-	-	30,006	30,006
Transferred from business acquisition	100	-	5,206	5,306	-
Translation adjustment	(150)	-	-	(150)	-
As at December 31, 2018	203,910	20,478	43,647	268,035	194,265
Additions	678	-	-	678	95
Transfer in	3,483	-	-	3,483	3,483
Transferred from business acquisition	2,417	-	-	2,417	-
Disposals/write-off	(12,704)	-	-	(12,704)	(12,559)
Translation adjustment	(273)	-	-	(273)	-
As at December 31, 2019	197,511	20,478	43,647	261,636	185,284
Accumulated amortisation:					
As at January 1, 2018	65,517	2,663	10,713	78,893	60,511
Amortisation for the year	16,383	1,365	5,492	23,240	15,816
Amortisation on transferred from business acquisition	94	-	375	469	-
Translation adjustment	(19)	-	-	(19)	-
As at December 31, 2018	81,975	4,028	16,580	102,583	76,327
Amortisation for the year	20,095	1,365	6,235	27,695	19,299
Amortisation on transferred from business acquisition	1,447	-	-	1,447	-
Amortisation on disposals/write-off	(12,078)	-	-	(12,078)	(11,935)
Translation adjustment	(63)	-	-	(63)	-
As at December 31, 2019	91,376	5,393	22,815	119,584	83,691
Net book value:					
As at December 31, 2018	121,935	16,450	27,067	165,452	117,938
As at December 31, 2019	106,135	15,085	20,832	142,052	101,593
				Consolidated financial statements	Separate financial statements
Amortisation for the years					
2019				27,695	19,299
2018				23,240	15,816

15. COMPUTER SOFTWARE UNDER DEVELOPMENT

The net book value of computer software under development as at December 31, are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of the year	12,033	21,458	12,099	21,458
Development of computer software	15,400	20,581	15,383	20,647
Transfer out	-	(30,006)	-	(30,006)
Net book value at end of the year	<u>27,433</u>	<u>12,033</u>	<u>27,482</u>	<u>12,099</u>

16. GOODWILL

Goodwill in consolidated statement of financial position as at December 31, consisted of:

	(Unit: Thousand Baht)	
	2019	2018 "Restated"
Professional Outsourcing Solutions Limited	19,679	19,679
Humanica FAS Limited	<u>33,709</u>	<u>33,709</u>
	<u>53,388</u>	<u>53,388</u>

The recoverable amount of each cash generating unit (CGU) is determined based on a value-in-use calculation, using cash flow projections extracted from financial budgets approved by the management. The cash flow projections cover a five-year period for Professional Outsourcing Solutions Limited and Humanica FAS Limited.

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

	Professional Outsourcing Solutions Limited		Humanica FAS Limited	
	2019	2018	2019	2018
Growth rate	4% - 6%	3% - 8%	4% - 6%	3% - 5%
Pre-tax discount rate	6%	12%	6%	12%

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

The management believes that there is no impairment loss for goodwill as at December 31, 2019.

17. OTHER NON-CURRENT ASSETS

Other non-current assets as at December 31, consisted of:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Deposits	9,687	5,933	7,791	4,745
Withholding tax deducted at source	3,857	4,803	1,395	3,857
Others	-	908	-	908
Total other non-current assets	<u>13,544</u>	<u>11,644</u>	<u>9,186</u>	<u>9,510</u>

18. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at December 31, consisted of:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Trade payables - others	3,315	4,047	2,485	4,047
Other payables - related parties (see Note 4)	-	-	124	5,350
Other payables - others	5,791	2,088	2,207	1,495
Accrued expenses - related party (see Note 4)	653	714	653	714
Accrued expenses - others	43,740	31,312	32,098	22,877
Contract liabilities	47,168	20,749	33,654	20,749
Total trade and other payables	<u>100,667</u>	<u>58,910</u>	<u>71,221</u>	<u>55,232</u>

19. LIABILITIES UNDER HIRE-PURCHASE AND FINANCE LEASE AGREEMENTS

Liabilities under hire-purchase and finance lease agreements as at December 31, consisted of:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Liabilities under hire-purchase and finance lease agreements	4,217	10,510	4,193	10,341
Less Deferred interest	(340)	(753)	(340)	(745)
Total	<u>3,877</u>	<u>9,757</u>	<u>3,853</u>	<u>9,596</u>
Less Portion due within one year	<u>(1,237)</u>	<u>(5,880)</u>	<u>(1,213)</u>	<u>(5,743)</u>
Liabilities under hire-purchase and finance lease agreements - net of current portion	<u>2,640</u>	<u>3,877</u>	<u>2,640</u>	<u>3,853</u>

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

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

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Less than 1 year		1 – 5 years		Total	
	2019	2018	2019	2018	2019	2018
Future minimum lease payments	1,427	6,293	2,790	4,217	4,217	10,510
Deferred interest	(190)	(413)	(150)	(340)	(340)	(753)
Present value of future minimum lease payments	<u>1,237</u>	<u>5,880</u>	<u>2,640</u>	<u>3,877</u>	<u>3,877</u>	<u>9,757</u>

	(Unit: Thousand Baht)					
	Separate financial statements					
	Less than 1 year		1 – 5 years		Total	
	2019	2018	2019	2018	2019	2018
Future minimum lease payments	1,403	6,148	2,790	4,193	4,193	10,341
Deferred interest	(190)	(405)	(150)	(340)	(340)	(745)
Present value of future minimum lease payments	<u>1,213</u>	<u>5,743</u>	<u>2,640</u>	<u>3,853</u>	<u>3,853</u>	<u>9,596</u>

20. PROVISION FOR LONG-TERM EMPLOYEE BENEFITS

Provision for long-term employee benefits, which represents compensation payable to employees after they retire as at December 31, were as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits at beginning of the year	15,134	14,987	13,919	14,345
Acquisition of a subsidiary	16,242	-	-	-
Included in profit or loss:				
Current service cost	3,585	2,341	2,504	1,632
Interest cost	588	298	453	244
Past service cost	3,612	-	3,361	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Financial assumptions changes	3,185	(193)	2,768	(170)
Experience adjustments	-	(2,299)	-	(2,349)
Increase from transferred of employee	-	-	-	217
Provision for long-term employee benefits at end of the year	<u>42,346</u>	<u>15,134</u>	<u>23,005</u>	<u>13,919</u>

The Company and its subsidiaries expect that it will not pay for long-term employee benefits Baht 1.2 million during next year. (Separate financial statements: Baht 1.2 million) (2018: Nil).

As at December 31, 2019, the weighted average duration of the liabilities for long-term employee benefits of the Company and its subsidiaries is 20 years (2018: 19 years).

Significant actuarial assumptions are summarized below:

	Consolidated/Separate financial statements	
	2019	2018
	(% per annum)	(% per annum)
Discount rate	1.22 - 2.50	1.76 - 4.16
Future salary increase rate	4.00 - 12.00	4.00 - 12.00
Turnover rate	0 - 24	0 - 24

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

	Consolidated financial statements				Separate financial statements			
	Increase 1%		Decrease 1%		Increase 1%		Decrease 1%	
	2019	2018	2019	2018	2019	2018	2019	2018
Discount rate	(4,402)	(1,519)	5,257	1,788	(1,898)	(1,348)	2,230	1,579
Future salary increase rate	5,248	1,727	(4,495)	(1,502)	2,366	1,526	(2,051)	(1,333)
	Increase 20%		Decrease 20%		Increase 20%		Decrease 20%	
Turnover rate	(3,916)	(1,494)	5,093	2,015	(2,046)	(1,261)	2,804	1,692

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 year ended December 31, 2019 amounting to Baht 3.61 million and Baht 3.36 million in the consolidated financial statements and separate financial statements, respectively.

21. LEGAL RESERVE

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

22. EXPENSES BY NATURE

Significant expenses by nature are as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Salary and wages and other employee benefits	272,571	217,960	183,131	168,442
Depreciation	23,547	23,117	20,196	21,001
Amortisation expenses	27,695	23,440	19,299	15,816
Rental expenses from operating lease contract	31,435	28,819	25,455	23,154
License fees	11,006	13,852	11,006	13,852
Maintenance expenses	19,456	19,003	19,454	19,003

23. INCOME TAX EXPENSES, DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

Income tax expenses for the years ended December 31, are made up as follows:

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018 "Restated"	2019	2018
Current income tax:				
Current income tax charge	(19,459)	(15,477)	(8,988)	(8,207)
Adjustment in respect of income tax of previous year	235	(1,917)	12	(1,917)
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	3,925	(346)	1,761	(1,360)
Income tax expenses reported in the statement of comprehensive income	(15,299)	(17,740)	(7,215)	(11,484)

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Deferred tax on loss (gain) from the change in value of available-for-sale investments	(4,325)	87	(4,325)	87
Deferred tax on actuarial gain	637	(498)	554	(504)
	(3,688)	(411)	(3,771)	(417)

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018 "Restated"	2019	2018
Accounting profit before tax	162,275	139,492	126,414	115,616
Applicable tax rate	20	20	20	20
Accounting profit before tax multiplied by income tax rate	32,455	27,898	25,283	23,123
Adjustment in respect of income tax of previous years	(235)	1,917	(12)	1,917
Difference in tax rate in the Group	(417)	(690)	-	-
Effects of:				
Promotional privileges (see Note 24)	(14,262)	(10,107)	(14,262)	(10,107)
Exemption of income	-	-	(3,400)	(3,400)
Non-deductible expenses	2,011	373	407	257
Others	(4,253)	(1,651)	(801)	(306)
Total	(16,504)	(11,385)	(18,056)	(13,556)
Income tax expenses reported in the statement of comprehensive income	15,299	17,740	7,215	11,484

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

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

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018 "Restated"	2019	2018
Deferred tax assets				
Allowance for doubtful accounts	490	290	490	290
Provision for long-term employee benefits	8,469	3,027	4,601	2,784
Unrealized loss (gain) on changes in value from available-for-sale investments	(4,254)	71	(4,254)	71
Others	1,573	500	798	500
Total	6,278	3,888	1,635	3,645
Deferred tax liabilities				
Fair value of intangible assets arise from business acquisition	(7,183)	(8,703)	-	-
Others	(359)	(684)	-	-
Total	(7,542)	(9,387)	-	-
Deferred tax assets (liabilities) - net	(1,264)	(5,499)	1,635	3,645
Presentation in the statement of financial position				
Deferred tax assets	6,278	3,888	1,635	3,645
Deferred tax liabilities	(7,542)	(9,387)	-	-

The movements of deferred tax assets during the years ended December 31, are as follows:

2019

	(Unit: Thousand Baht)		
	As at January 1, 2019	Consolidated Financial Statements Items as recognized in profit or loss	As at December 31, 2019
		Items as recognized in other comprehensive income	
Deferred tax assets - net			
Allowance for doubtful accounts	290	200	490
Provision for long-term employee benefits	3,027	5,442	8,469
Unrealized loss (gain) on changes in value from available-for-sale investments	71	-	(4,254)
Others	500	-	1,573
Deferred tax assets - net	<u>3,888</u>	<u>5,642</u>	<u>6,278</u>

2018

	(Unit: Thousand Baht)		
	As at January 1, 2018	Consolidated Financial Statements Items as recognized in profit or loss	As at December 31, 2018
		Items as recognized in other comprehensive income	
Deferred tax assets - net			
Allowance for doubtful accounts	1,117	(827)	290
Provision for long-term employee benefits	2,998	29	3,027
Accumulated depreciation - building improvement and equipment	1,087	(1,087)	-
Unrealized loss on changes in value from available-for-sale investments	-	-	71
Others	491	9	500
Deferred tax assets - net	<u>5,693</u>	<u>(1,876)</u>	<u>3,888</u>

2019

	(Unit: Thousand Baht)		
	As at January 1, 2019	Separate Financial Statements Items as recognized in profit or loss	As at December 31, 2019
		Items as recognized in other comprehensive income	
Deferred tax assets - net			
Allowance for doubtful accounts	290	200	490
Provision for long-term employee benefits	2,784	1,817	4,601
Unrealized loss on changes in value from available-for-sale investments	71	-	(4,254)
Others	500	298	798
Deferred tax assets - net	<u>3,645</u>	<u>2,315</u>	<u>1,635</u>

2018

(Unit: Thousand Baht)			
Separate Financial Statements			
As at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2018
Deferred tax assets - net			
Allowance for doubtful accounts	1,117	(827)	290
Provision for long-term employee benefits	2,869	(85)	2,784
Accumulated depreciation - building improvement and equipment	1,087	(1,087)	-
Unrealized loss on changes in value from available-for-sale investments	-	71	71
Others	364	136	500
Deferred tax assets - net	5,437	(1,863)	3,645

The movements of deferred tax liabilities during the years ended December 31, are as follows:

2019

(Unit: Thousand Baht)			
Consolidated Financial Statements			
As at January 1, 2019	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2019
Deferred tax liabilities - net			
Fair value of intangible assets arise in business acquisition	(8,703)	1,520	(7,183)
Others	(684)	325	(359)
Deferred tax liabilities - net	(9,387)	1,845	(7,542)

2018

(Unit: Thousand Baht)			
Consolidated Financial Statements			
As at January 1, 2018	Items as recognized in profit or loss	Items as recognized in other comprehensive income	As at December 31, 2018
Deferred tax liabilities - net			
Unrealized gain on changes in value from available-for-sale investments	(16)	16	-
Fair value of intangible assets arise in business acquisition	(9,109)	406	(8,703)
Others	(304)	(380)	(684)
Deferred tax liabilities - net	(9,429)	26	(9,387)

"Restated"

2018

	(Unit: Thousand Baht)			
	As at January 1, 2018	Separate Financial Statements Items as recognized in profit or loss	Items as recognized in in other comprehensive income	As at December 31, 2018
Deferred tax liabilities - net				
Fair value of intangible assets arise in business acquisition	(16)	-	16	-
Deferred tax liabilities - net	(16)	-	16	-

24. PROMOTIONAL PRIVILEGES

The Company was granted investment promotional from Board of Investment. Significant tax privileges granted to the Company are summarized below.

	Promotion certificate no.	Exemption from corporate income tax for 8 years commencing from
Software	1682(7)/2548	June 11, 2010
Software	2103(7)/2555	July 12, 2017

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

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

	Promoted operations		Non-promoted operations		Total	
	2019	2018	2019	2018	2019	2018
Sales and service income						
Domestic	124,205	122,358	242,218	245,497	366,423	367,855
Export	9,737	8,118	3,598	1,387	13,335	9,505
Total sales and service income	133,942	130,476	245,816	246,884	379,758	377,360

25. EARNINGS PER SHARE

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

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Profit for the year (Thousand Baht)	146,976	121,752	119,199	104,132
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Earnings per share (Baht per share)	0.22	0.18	0.18	0.15

26. 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 August 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.

27. SEGMENT INFORMATION

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

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

- 1) Human resource management system services segment
- 2) Enterprise resource planning services segment
- 3) Accounting and financing services
- 4) Sales of advance access control devices

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

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

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

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

	Human resource management system services				Enterprise resource planning services		Accounting and financing services		Sales of advance access control devices		(Unit: Thousand Bahr)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	Consolidated	Financial statements
Sales and service income from external customers	469,392	396,991	80,770	98,940	23,031	19,181	25,660	-	598,853	515,112		
Total revenue	469,392	396,991	80,770	98,940	23,031	19,181	25,660	-	598,853	515,112		
Segment profit	122,507	109,183	5,457	25,250	8396	6,329	15,100	-	151,460	140,762		
Unallocated income (expenses):												
Dividends									5,275	1,607		
Other income									9,736	6,514		
Allowance for doubtful account (Reversal)									1,900	(1,900)		
Amortisation of intangible assets from purchase of subsidiaries									(7,600)	(6,857)		
Share of profits from investments in associates									1,934	-		
Finance cost									(430)	(634)		
Profit before income tax expenses									162,275	139,492		
Income tax expenses									(15,299)	(17,740)		
Profit for the year									146,976	121,752		

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”.

	Human resource management system services		Enterprise resource planning services		Accounting and financing services		Sales of advance access control devices		(Unit : Thousand Baht) Consolidated Financial statements	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
For the year ended December 31,										
Timing of revenue recognition										
At a point in time										
- Revenue from sales of software	42,138	29,379	18,673	25,248	-	-	-	-	60,811	54,627
- Revenue from sales of goods	-	-	-	743	-	-	25,660	-	25,660	743
- Monthly service income	353,006	315,696	-	-	21,026	18,129	-	-	374,032	333,825
- One-time service income	32,117	22,314	-	-	2,005	1,052	-	-	34,122	23,366
Overtime										
- Service income from software implementation	23,756	21,063	17,622	30,025	-	-	-	-	41,378	51,088
- Other service income	18,375	8,539	44,475	42,924	-	-	-	-	62,850	51,463
Total Revenues	469,392	396,991	80,770	98,940	23,031	19,181	25,660	-	598,853	515,112

For the years ended December 31, 2019 and 2018, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of the Group’s revenues.

Geographic information

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

	(Unit : Thousand Baht)	
	2019	2018
Revenue from external customers		
Thailand	524,485	449,816
Singapore	57,464	54,324
Japan	6,254	4,706
Malaysia	10,650	6,266
Total	<u>598,853</u>	<u>515,112</u>

28. PROVIDENT FUND

The Company and its subsidiaries and their employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company and its subsidiaries contribute to the fund monthly at the rate between 4 to 15 percent of basic salary. The fund, which is managed by Krungsri Asset Management Company Limited and Kasikorn Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 8.7 million (2018: Baht 8.5 million) (The Company only 2019: Baht 5.2 million, 2018: Baht 5.0 million) were recognized as expenses.

29. COMMITMENTS AND CONTINGENT LIABILITIES

29.1 Separation agreements

On February 23, 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 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 THA had been audited by auditors. In this regard, the Company recognized other receivables amounting to Baht 12.8 million in the consolidated statements 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 December 31, 2018, outstanding balance of this other receivables net of allowance for doubtful account was Baht 5.8 million.

Subsequently on November 18, 2019, the Company received the payment for such amount of Baht 6.6 million which is higher than amount recognized in the consolidated and separate statement of financial position in amount of Baht 0.8 million and Baht 3.7 million, respectively. Such surplus is recognized as other income in the statement of profit and loss and other comprehensive income for the year ended December 31, 2019.

29.2 Operating lease and service agreements commitments

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

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

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	As at	As at	As at	As at
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Payable:				
Up to 1 year	20	24	17	19
In over 1 year and up to 5 years	76	108	74	107
Over 5 years	65	78	65	78

29.3 Guarantees

As at December 31, 2019, there were outstanding bank guarantees of approximately Baht 0.9 million (2018: Baht 4.7 million) issued by a bank on behalf of the Company in respect of contractual performance. Such bank guarantees are secured by the Company's fixed deposit (see Note 9).

30. FAIR VALUE HIERARCHY

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

Financial Assets	CONSOLIDATED/SEPARATE FINANCIAL STATEMENTS			(Unit: Thousand Baht)
	Fair value As at December 31, 2019	Fair value As at December 31, 2018	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
Held-for-trading securities				
Unit trust in fixed income funds	249,527	-	Level 2	Net asset value of investment units of the last working day of the reporting period

(Unit: Thousand Baht)				
Financial Assets	CONSOLIDATED/SEPARATE FINANCIAL STATEMENTS			
	Fair value As at December 31, 2019	Fair value As at December 31, 2018	Fair value hierarchy	Valuation techniques and key inputs used in fair value measurements
Available-for-sale securities				
Unit trust in fixed income funds	193,690	464,105	Level 2	Net asset value of investment units of the last working day of the reporting period
Unit trust in mixed fund	8,632	12,073	Level 2	Net asset value of investment units of the last working day of the reporting period
Equity instruments	139,713	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	4,618	-	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

31. FINANCIAL INSTRUMENTS

31.1 Financial risk management

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

Credit risk

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

Interest rate risk

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

As at December 31, 2019 and 2018, significant financial assets and liabilities classified by type of interest rate, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

						(Unit: Thousand Baht)
Consolidated financial statements						
2019						
Fixed interest rates						
Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	(% per annum)
Financial Assets						
Cash and cash equivalents	3,782	-	93,218	62,474	159,474	0.10 - 0.38
Temporary investments	29,886	-	-	53,182	83,068	8.00
Trade and other current receivables	-	-	-	138,816	138,816	-
Restricted bank deposits	1,050	-	-	-	1,050	0.90
Other long-term investments	-	-	-	558,382	558,382	-
	34,718	-	93,218	812,854	940,790	
Financial liabilities						
Trade and other current payables	-	-	-	100,667	100,667	-
Liabilities under hire-purchase and finance lease	1,237	2,640	-	-	3,877	5.80 - 7.55
	1,237	2,640	-	100,667	104,544	

						(Unit: Thousand Baht)
Separate financial statements						
2019						
Fixed interest rates						
Within 1 year	1-5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate	(% per annum)
Financial Assets						
Cash and cash equivalents	3,782	-	39,239	31,759	74,780	0.10 - 0.38
Temporary investments	29,886	-	-	53,182	83,068	8.00
Trade and other current receivables	-	-	-	83,844	83,844	-
Restricted bank deposits	700	-	-	-	700	0.90
Other long-term investments	-	-	-	558,382	558,382	-
Loans to related party	-	13,000	-	-	13,000	1.80
	34,368	13,000	39,239	727,167	813,774	
Financial liabilities						
Trade and other current payables	-	-	-	71,221	71,221	-
Liabilities under hire-purchase and finance lease	1,213	2,640	-	-	3,853	5.80 - 7.55
	1,213	2,640	-	71,221	75,074	

(Unit: Thousand Baht)

Consolidated financial statements						
2018						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years					
Financial Assets						
Cash and cash equivalents	-	-	76,475	34,860	111,335	0.10 - 0.38
Temporary investments	-	-	-	100,000	100,000	-
Trade and other current receivables	-	-	-	118,318	118,318	-
Restricted bank deposits	4,889	-	-	-	4,889	0.90
Other long-term investments	-	32,192	-	537,602	569,794	8.00
	4,889	32,192	76,475	790,780	904,336	
Financial liabilities						
Trade and other current payables	-	-	-	58,910	58,910	-
Liabilities under hire-purchase and finance lease	5,880	3,877	-	-	9,757	5.80 - 8.41
	5,880	3,877	-	58,910	68,667	

(Unit: Thousand Baht)

Separate financial statements						
2018						
Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)	
Within 1 year	1-5 years					
Financial Assets						
Cash and cash equivalents	-	-	50,576	13,910	64,486	0.10 - 0.38
Temporary investments	-	-	-	100,000	100,000	-
Trade and other current receivables	-	-	-	92,399	92,399	-
Restricted bank deposits	4,889	-	-	-	4,889	0.90
Other long-term investments	-	32,192	-	537,602	569,794	8.00
Loans to related party	-	20,000	-	-	20,000	1.80
	4,889	52,192	50,576	743,911	851,568	
Financial liabilities						
Trade and other current payables	-	-	-	55,232	55,232	-
Liabilities under hire-purchase and finance lease	5,743	3,853	-	-	9,596	5.80 - 7.55
	5,743	3,853	-	55,232	64,828	

Foreign currency risk

The balances of financial assets and liabilities denominated in foreign currencies of the Company and its subsidiaries as at December 31, are summarized below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	-	-	-	30.1540	32.4498
JPY	0.2	2.5	-	-	0.2759	0.2931
MYR	-	0.2	-	-	7.3222	7.8056
SGD	-	-	-	-	22.3245	-

Foreign currency	Separate financial statements				Average exchange rate	
	Financial assets		Financial liabilities			
	2019	2018	2019	2018	2019	2018
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
USD	-	-	-	-	30.1540	32.4498
SGD	-	0.4	-	0.2	22.3245	23.6943
JPY	0.2	2.5	-	-	0.2759	0.2931
MYR	-	0.2	-	-	7.3222	7.8056

31.2 Fair values of financial instruments

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

32. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximize shareholder value. As at December 31, 2019, the Group's debt-to-equity ratio was 0.15 : 1 (2018: 0.09 : 1) and the Company's was 0.09 : 1 (2018 : 0.08 : 1).

33. RECLASSIFICATIONS

Certain reclassifications have been made in the statement of financial position as at December 31, 2018 to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit and shareholders' equity. The reclassifications are as follows:

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

34. EVENTS AFTER THE REPORTING PERIOD

- 34.1) On January 31, 2020, the Company invested in the new associate which the Company paid for the share subscription of such associate company in amount of Baht 0.08 million or 25% of total share subscription. The shareholding percentage of the Company is equal to 30% of total shares in such associate.
- 34.2) On February 25, 2020, the Board of Directors' meeting of the Company passed a resolution to propose the payment of a dividend for the year 2019 at Baht 0.12 per share. However, since the Board of Directors previously approved an interim dividend from income of the year 2019 at Baht 0.06 per share, totalling Baht 40.80 million, there are the remaining dividend payable at Baht 0.06 per share, totalling Baht 40.80 million. The Board of Directors will propose for an approval by the Annual General Meeting of the Company.

35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issuing by the Company's authorised directors on February 25, 2020.