

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

TO THE BOARD OF DIRECTORS HUMANICA PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Humanica Public Company Limited and its subsidiaries and the separate statement of financial position of Humanica Public Company Limited as at June 30, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2020, and the related consolidated and separate statements of changes in shareholders' equity and cash flows for the six-month period ended June 30, 2020, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

We draw attention to Note 2.6 to the interim financial statements that Humanica Public Company Limited and its subsidiaries adopted Thai Financial Reporting Standard No. 16 “Leases”, which became effective for fiscal years beginning on or after January 1, 2020, by recognizing the cumulative effect of initially applying such Financial Reporting Standard as an adjustment to the beginning retained earnings as at January 1, 2020. Our conclusion is not modified in respect of this matter.



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

BANGKOK
August 11, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2020

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2020	2019	2020	2019
		“Unaudited”		“Unaudited”	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5.1	146,881	159,474	34,106	74,780
Trade and other current receivables	6	130,872	114,232	85,949	65,799
Current contract assets		26,110	24,584	20,939	18,045
Inventories	7	21,820	9,417	-	-
Other current financial assets	8	196,367	83,068	196,367	83,068
Other current assets		7,389	4,500	6,781	4,344
Total Current Assets		529,439	395,275	344,142	246,036
NON-CURRENT ASSETS					
Restricted bank deposits		865	1,050	755	700
Other non-current financial assets	8	446,716	558,382	446,716	558,382
Investment in associates	9	28,734	24,634	25,700	22,700
Investment in subsidiaries	10	-	-	252,865	252,865
Long-term loan to subsidiary	4	-	-	12,000	13,000
Building improvement and equipment	11	41,777	40,106	32,803	29,787
Right-of-use assets	2.6	140,267	-	127,938	-
Goodwill		53,388	53,388	-	-
Other intangible assets other than goodwill	12	136,020	142,052	100,398	101,593
Computer software under development	13	26,686	27,433	25,938	27,482
Unallocated costs of business acquisition	10	110,634	110,634	-	-
Deferred tax assets		11,897	6,278	7,223	1,635
Other non-current assets	14	17,470	13,544	11,785	9,186
Total Non-current Assets		1,014,454	977,501	1,044,121	1,017,330
TOTAL ASSETS		1,543,893	1,372,776	1,388,263	1,263,366

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2020

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		As at	As at	As at	As at
		June 30,	December 31,	June 30,	December 31,
		2020	2019	2020	2019
		“Unaudited”		“Unaudited”	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Trade and other current payables	15	51,347	53,499	29,940	37,567
Current contract liabilities		46,407	47,168	32,219	33,654
Current portion of lease liabilities	2.6 and 16	19,135	1,237	12,283	1,213
Corporate income tax payable		10,120	4,367	1,088	-
Other current liabilities		12,602	12,055	8,338	7,436
Total Current Liabilities		139,611	118,326	83,868	79,870
NON-CURRENT LIABILITIES					
Lease liabilities	2.6 and 16	127,388	2,640	121,665	2,640
Deferred tax liabilities		6,784	7,542	-	-
Non-current provisions for employee benefits	17	45,011	42,346	24,351	23,005
Other non-current liabilities		-	4,735	-	3,922
Total Non-current Liabilities		179,183	57,263	146,016	29,567
TOTAL LIABILITIES		318,794	175,589	229,884	109,437
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 subsidiaries		(12,666)	(12,666)	-	-
Retained earnings					
Appropriated - Legal reserve		22,710	22,710	22,710	22,710
Unappropriated		229,068	179,421	145,515	119,933
Other components of shareholders' equity		(8,283)	13,452	(4,115)	17,017
Total equity attributable to owners of the parent		1,225,098	1,197,186	1,158,379	1,153,929
Non-controlling interests		1	1	-	-
TOTAL SHAREHOLDERS' EQUITY		1,225,099	1,197,187	1,158,379	1,153,929
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,543,893	1,372,776	1,388,263	1,263,366

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
REVENUES					
Revenue from sales and rendering services	21	172,715	138,676	99,695	99,674
Other income		1,271	266	4,282	4,990
Total Revenues		173,986	138,942	103,977	104,664
EXPENSES					
Cost of sales and rendering services		97,013	74,004	54,082	56,576
Selling expenses		3,409	3,172	2,324	3,143
Administrative expenses		37,200	24,047	27,055	20,170
Total Expenses		137,622	101,223	83,461	79,889
Profit from operating activities		36,364	37,719	20,516	24,775
Finance income		2,437	2,478	9,439	9,511
Finance costs		(2,235)	(115)	(2,037)	(112)
Share of profit of associates accounted for using equity method		673	546	-	-
Profit before income tax expense		37,239	40,628	27,918	34,174
Income tax expense	18	(3,662)	(4,718)	(939)	(3,266)
PROFIT FOR THE PERIOD		33,577	35,910	26,979	30,908
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of financial statements in foreign currencies		(2,065)	(1,602)	-	-
Gain on changes in value of available-for-sale investments, net of income tax		-	13,002	-	13,002
Total components of other comprehensive income (loss) that will be reclassified to profit or loss, net of tax		(2,065)	11,400	-	13,002
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Gain on investment in equity designated at fair value through other comprehensive income		12,329	-	12,329	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax		12,329	-	12,329	-
Other comprehensive income for the periods, net of tax		10,264	11,400	12,329	13,002
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		43,841	47,310	39,308	43,910

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT					
	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
PROFIT ATTRIBUTABLE TO:					
Owners of the parent		33,577	35,910	26,979	30,908
Non-controlling interests		-	-	-	-
PROFIT FOR THE PERIOD		<u>33,577</u>	<u>35,910</u>	<u>26,979</u>	<u>30,908</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent		43,841	47,310	39,308	43,910
Non-controlling interests		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>43,841</u>	<u>47,310</u>	<u>39,308</u>	<u>43,910</u>
Earnings per share					
Basic earnings attributable to owners of the Company per share (Baht)	19	0.05	0.05	0.04	0.05

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
REVENUES					
Revenue from sales and rendering services	21	346,349	267,791	200,470	189,373
Other income		3,938	2,075	10,948	14,243
Total Revenues		<u>350,287</u>	<u>269,866</u>	<u>211,418</u>	<u>203,616</u>
EXPENSES					
Cost of sales and rendering services		190,726	147,415	110,484	111,337
Selling expenses		6,913	5,137	4,102	5,103
Administrative expenses		62,162	42,998	42,772	36,727
Total Expenses		<u>259,801</u>	<u>195,550</u>	<u>157,358</u>	<u>153,167</u>
Profit from operating activities		<u>90,486</u>	<u>74,316</u>	<u>54,060</u>	<u>50,449</u>
Finance income		5,350	4,096	12,410	11,218
Finance costs		(4,054)	(252)	(3,569)	(246)
Share of profit of associates accounted for using equity method		1,100	147	-	-
Profit before income tax expense		<u>92,882</u>	<u>78,307</u>	<u>62,901</u>	<u>61,421</u>
Income tax expense	18	<u>(10,105)</u>	<u>(7,741)</u>	<u>(4,189)</u>	<u>(4,516)</u>
PROFIT FOR THE PERIOD		<u>82,777</u>	<u>70,566</u>	<u>58,712</u>	<u>56,905</u>
OTHER COMPREHENSIVE INCOME (LOSS)					
Components of other comprehensive income (loss) that will be reclassified to profit or loss					
Exchange differences on translation of financial statements in foreign currencies		(603)	(1,846)	-	-
Gain on changes in value of available-for-sale investments, net of income tax		-	19,607	-	19,607
Total components of other comprehensive income (loss) that will be reclassified to profit or loss, net of tax		<u>(603)</u>	<u>17,761</u>	<u>-</u>	<u>19,607</u>
Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
Loss on investment in equity designated at fair value through other comprehensive income		<u>(17,382)</u>	<u>-</u>	<u>(17,382)</u>	<u>-</u>
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax		<u>(17,382)</u>	<u>-</u>	<u>(17,382)</u>	<u>-</u>
Other comprehensive income (loss) for the periods, net of tax		<u>(17,985)</u>	<u>17,761</u>	<u>(17,382)</u>	<u>19,607</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>64,792</u>	<u>88,327</u>	<u>41,330</u>	<u>76,512</u>

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020
“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
PROFIT ATTRIBUTABLE TO:					
Owners of the parent		82,777	70,566	58,712	56,905
Non-controlling interests		-	-	-	-
PROFIT FOR THE PERIOD		<u>82,777</u>	<u>70,566</u>	<u>58,712</u>	<u>56,905</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Owners of the parent		64,792	88,327	41,330	76,512
Non-controlling interests		-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>64,792</u>	<u>88,327</u>	<u>41,330</u>	<u>76,512</u>
Earnings per share					
Basic earnings attributable to owners of the Company per share (Baht)	19	<u>0.12</u>	<u>0.10</u>	<u>0.09</u>	<u>0.08</u>

See the condensed notes to the financial statements

“UNAUDITED”

Notes	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payment transactions	Capital deficit from changes in shareholding in subsidiary	Retained earnings	Other components of shareholders' equity				Total equity attributable to owners of the parent	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
					Appropriated Legal reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currencies	Surplus (deficit) on changes in value of available-for-sale investments	Gain (loss) on investment in equity designated at fair value through other comprehensive income	Total other components of shareholders' equity		
Balance as at January 1, 2019	340,000	649,124	5,145	(12,666)	16,751	122,712	(1,140)	(283)	-	(1,423)	1,119,643	1,119,644
	-	-	-	-	-	70,566	-	-	-	-	70,566	70,566
	-	-	-	-	-	-	(1,846)	19,607	-	17,761	17,761	17,761
	-	-	-	-	-	70,566	(1,846)	19,607	-	17,761	88,327	88,327
	-	-	-	-	-	(40,800)	-	-	-	-	(40,800)	(40,800)
	340,000	649,124	5,145	(12,666)	16,751	152,478	(2,986)	19,324	-	16,338	1,167,170	1,167,171
	340,000	649,124	5,145	(12,666)	22,710	179,421	(3,565)	17,017	-	13,452	1,197,186	1,197,187
Effects of changes in accounting policies derived from initial application of new financial reporting standards	-	-	-	-	-	3,920	-	(17,017)	17,017	-	-	3,920
	340,000	649,124	5,145	(12,666)	22,710	183,341	(3,565)	-	17,017	13,452	1,201,106	1,201,107
	-	-	-	-	-	82,777	-	-	-	-	82,777	82,777
	-	-	-	-	-	-	(603)	-	(17,382)	(17,985)	(17,985)	(17,985)
	-	-	-	-	-	82,777	(603)	-	(17,382)	(17,985)	64,792	64,792
	-	-	-	-	-	(40,800)	-	-	-	-	(40,800)	(40,800)
	-	-	-	-	-	3,750	-	-	(3,750)	(3,750)	-	-
Balance as at June 30, 2020	340,000	649,124	5,145	(12,666)	22,710	229,068	(4,168)	-	(4,115)	(8,283)	1,225,098	1,225,099

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020
SEPARATE FINANCIAL STATEMENTS

“UNAUDITED”

UNIT : THOUSAND BAH										
	Notes	Issued and paid-up capital	Share premium on ordinary shares	Capital reserve for share-based payment transactions	Retained earnings		Other components of shareholders' equity			Total shareholders' equity
					Appropriated Legal reserve	Unappropriated	Surplus (deficit) on changes in value of available-for-sale investments	Gain (loss) on investment in equity designated at fair value through other comprehensive income	Total other components of shareholders' equity	
Balance as at January 1, 2019		340,000	649,124	5,145	16,751	90,508	(283)	-	(283)	1,101,245
Profit for the period		-	-	-	-	56,905	-	-	-	56,905
Other comprehensive income for the period		-	-	-	-	-	19,607	-	19,607	19,607
Total comprehensive income for the period		-	-	-	-	56,905	19,607	-	19,607	76,512
Dividends paid	20	-	-	-	-	(40,800)	-	-	-	(40,800)
Balance as at June 30, 2019		340,000	649,124	5,145	16,751	106,613	19,324	-	19,324	1,136,957
Balance as at January 1, 2020 before adjustment		340,000	649,124	5,145	22,710	119,933	17,017	-	17,017	1,153,929
Effects of changes in accounting policies derived from initial application of new financial reporting standards	2.6	-	-	-	-	3,920	(17,017)	17,017	-	3,920
Balance as at January 1, 2020 after adjustment		340,000	649,124	5,145	22,710	123,853	-	17,017	17,017	1,157,849
Profit for the period		-	-	-	-	58,712	-	-	-	58,712
Other comprehensive income for the period		-	-	-	-	-	-	(17,382)	(17,382)	(17,382)
Total comprehensive income for the period		-	-	-	-	58,712	-	(17,382)	(17,382)	41,330
Dividends paid	20	-	-	-	-	(40,800)	-	-	-	(40,800)
Profit on disposal of investment in equity as measured at fair value through other comprehensive income		-	-	-	-	3,750	-	(3,750)	(3,750)	-
Balance as at June 30, 2020		340,000	649,124	5,145	22,710	145,515	-	(4,115)	(4,115)	1,158,379

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Consolidated		Separate	
		Financial Statements		Financial Statements	
		2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before income tax expense		92,882	78,307	62,901	61,421
Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities					
Depreciation and amortization		39,477	25,027	25,165	20,319
Allowance for doubtful accounts		1,067	563	952	387
Loss on diminution in value of inventories		5	-	-	-
Loss on write-off of equipment		923	-	281	-
Loss on sale of equipment		4	-	-	-
Long-term employee benefit expenses		2,716	5,035	1,396	4,548
Loss (gain) on disposal of other current and non-current financial assets		494	(1,862)	494	(1,862)
Share of profit from investment in associates		(1,100)	(147)	-	-
Unrealized loss on foreign exchange rates		1,420	1,957	1,493	1,880
Finance income		(3,321)	(2,540)	(10,321)	(9,540)
Finance costs		4,054	252	3,569	246
Profit from operating activities before changes in operating assets and liabilities		138,621	106,592	85,930	77,399
Operating assets (increase) decrease					
Trade and other current receivables		(14,891)	(32,128)	(18,387)	(17,489)
Current contract assets		(1,526)	3,512	(2,894)	2,693
Inventories		(12,407)	-	-	-
Other current assets		(1,345)	(2,618)	(2,437)	(96)
Other non-current assets		(6,446)	(1,478)	(3,209)	(1,527)
Operating liabilities increase (decrease)					
Trade and other current payables		(1,868)	(3,028)	(7,315)	(8,337)
Current contract liabilities		(761)	12,294	(1,435)	12,294
Other current liabilities		547	983	902	898
Other non-current liabilities		(813)	1,758	-	1,167
Cash received from operating activities		99,111	85,887	51,155	67,002
Cash paid for income tax expense		(4,796)	(5,817)	(3,123)	(4,790)
Received income tax expense refund		325	-	325	-
Net cash provided by operating activities		94,640	80,070	48,357	62,212

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2020

“UNAUDITED”

UNIT : THOUSAND BAHT

	Notes	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES					
(Increase) decrease in restricted bank deposits		185	(10)	(55)	(10)
Cash paid for other current and non-current financial assets		(294,795)	(539,900)	(294,795)	(539,900)
Cash received from other current and non-current financial assets		265,356	525,039	265,356	525,039
Cash paid for acquisition of building improvement and equipment		(12,255)	(2,679)	(11,129)	(1,589)
Cash received from sales of equipment		116	-	-	-
Cash paid for development/acquisition of computer software		(7,380)	(8,030)	(6,575)	(7,834)
Decrease in long-term loans to related party		-	-	1,000	2,000
Dividends received		3,321	2,501	10,321	9,501
Cash paid for acquisition of investment in an associate	9	(3,000)	-	(3,000)	-
Net cash used in investing activities		(48,452)	(23,079)	(38,877)	(12,793)
CASH FLOWS FROM FINANCING ACTIVITIES					
Cash paid for lease liabilities	5.2	(13,223)	(2,986)	(5,786)	(2,919)
Cash paid for interest expenses for lease liabilities		(4,054)	(252)	(3,568)	(246)
Dividends paid		(40,800)	(40,800)	(40,800)	(40,800)
Net cash paid financing activities		(58,077)	(44,038)	(50,154)	(43,965)
Exchange differences from translation of financial statements		(704)	(1,554)	-	-
Net increase (decrease) in cash and cash equivalents		(12,593)	11,399	(40,674)	5,454
Cash and cash equivalents as at January 1,		159,474	111,335	74,780	64,487
Cash and cash equivalents as at June 30,	5.1	146,881	122,734	34,106	69,941

See the condensed notes to the financial statements

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONDENSED NOTES TO THE FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2020
“UNAUDITED”

1. GENERAL INFORMATION

Humanica Public Company Limited (the “Company”) is a public company incorporated and domiciled in Thailand. The registered office of the Company is located at 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 (the “Group”) 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.

The Coronavirus disease 2019 (“COVID-19”) pandemic is continuing to evolve, resulting in an economic slowdown and adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the environment in which the Group operates. Nevertheless, the Group’s management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

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

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and the additional information is disclosed in accordance with the regulations of the Office of the Securities and Exchange Commission.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with Thai Financial Reporting Standards, which is not required for the interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and six-month periods ended June 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements.
- 2.6 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group 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, 2020. 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 Group's financial statements, except the following financial reporting standards:

Group of Financial Instruments Standards

In the current period, the Group has initially applied group of Financial Instruments Standards. The Group restated the classification of financial instruments as the new requirements of Thai Financial Reporting Standards No. 9 "Financial Instruments" ("TFRS 9") as follows:

Classification of financial assets

All recognized financial assets that are within the scope of TFRS 9 are required to be measured subsequently at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at amortized cost.
- All other debt investments are measured subsequently at fair value through profit or loss (FVTPL).
- The Group's investments in equity instruments (neither held for trading nor a contingent consideration arising from a business combination) that were previously classified as investments held as available-for-sale and were measured at fair value at each reporting date under Thai Accounting Standards No. 105 "Accounting for Investments in Debt and Equity Securities" ("TAS 105") have been designated as at FVTOCI. The change in fair value on these equity instruments continues to be accumulated in the investment revaluation reserve.

Impact of initial application of TFRS 9 on financial position

The tables below show the amount of reclassification for each financial statement line item affected by the application of TFRS 9 for the balance as at January 1, 2020.

	Unit: Thousand Baht		
	Consolidated/separate financial statements		
	As previously reported	TFRS 9 adjustments	As reclassified
Impact on assets, as at January 1, 2020			
Temporary investments	83,068	(83,068)	-
Other current financial assets	-	83,068	83,068
Other long-term investments	558,382	(558,382)	-
Other non-current financial assets	-	558,382	558,382
Impact on other components of shareholders equity, as at January 1, 2020			
Surplus (deficit) in value of available-for-sale investments	17,017	(17,017)	-
Gain (loss) on investment in equity desiderated at fair value through other comprehensive income	-	17,017	17,017

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

The Group has applied TFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognize the cumulative effect of initially applying TFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not restate the comparative information and continue to present comparative information under Thai Accounting Standards No. 17 “Leases” (“TAS 17”) and Thai Financial Reporting Interpretations Committee No. 4 “Determining whether an Arrangement contains a leases (“TFRIC 4”).

a) Impact of the new definition of a lease

The change in definition of a lease mainly relates to the concept of control. TFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on “risk and rewards” in TAS 17 and TFRIC 4.

The Group applies the definition of a lease and related guidance set out in TFRS 16 to all lease contracts entered into or changed on or after January 1, 2020 (whether it is a lessor or a lease in the lease contract). In preparation for the first-time application TFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in TFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

b) Impact on Lessee Accounting

Former operating leases

TFRS 16 changes how the Group accounts for lease previously classified as operating leases under TAS 17, which were off statement of financial position.

Applying TFRS 16, for all leases (except as noted below), the Group:

- 1) Recognizes right-of-use assets and lease liabilities in the consolidated and separate statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with TFRS 16.
- 2) Recognizes depreciation of right-of-use assets and interest on lease liabilities in the consolidated and separate statement of profit or loss and other comprehensive income.
- 3) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within financing activities) in the consolidated and separate statements of cash flows.

Lease incentives (e.g. rent free period) are recognized as part of the measurement of the right-of-use assets and lease liabilities whereas under TAS 17 they resulted in the recognition of a lease incentive, amortized as a reduction of rental expenses on a straight line basis.

Under TFRS 16, right-of-use assets are tested for impairment in accordance with Thai Accounting Standard No. 36 “Impairment of Assets” (“TAS 36.”).

For short-term leases (lease term of 12 months or less) and leases of low-value assets, the Group has opted to recognize a lease expense on a straight-line basis as permitted by TFRS 16 in the statement of profit or loss.

Former finance leases

For leases that were classified as finance leases applying TAS 17, the carrying amount of the leased assets and liabilities under finance leases measured applying TAS 17 immediately before the date of initial application are reclassified to right-of-use assets and lease liabilities respectively without any adjustments, except in cases where the Group has elected to apply the low-value lease recognition exemption.

The right-of-use asset and the lease liability are accounted for applying TFRS 16 from January 1, 2020.

The following table shows the operating lease commitments disclosed applying TAS 17 at December 31, 2019, discounted using incremental borrowing rate at the date of initial application and the lease liabilities recognized in the statement of financial position at the date of initial application.

	Unit: Thousand Baht	
	Consolidated financial statements	Separate financial statements
Operating lease commitments at December 31, 2019	160,805	156,431
Short-term leases and leases of low-value assets	(1,759)	(1,034)
Effect of discounting the above amounts	(34,260)	(34,205)
Finance lease liabilities recognized under TAS 17 at December 31, 2019	3,221	3,197
Lease liabilities recognized at January 1, 2020	128,007	124,389

Impact on retained earnings as at January 1, 2020

On January 1, 2020, the Group has recognized right-of-use assets of Baht 124,786 thousand and related liabilities of Baht 120,866 thousand upon transition to TFRS 16. The difference of Baht 3,920 thousand is recognized in beginning retained earnings as of January 1, 2020.

- 2.7 The interim consolidated financial statements for the six-month period ended June 30, 2020 include the financial information 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	
			June 30, 2020 (Percent)	December 31, 2019 (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	99.99
<u>Subsidiary held by Humanica Asia Pte. Ltd.</u>				
Humanica SDN. BHD.	Provide payroll outsourcing services and human resource management software consulting services	Malaysia	100.00	100.00

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2. Accounting policies which significantly changed are as follows:

Financial assets

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets

- a) Debt instruments that are held within a business model whose objective is to collect the contractual cash flows classified measured at amortized cost and effective interest method

Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at the effective interest method which is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized in profit or loss and is included in the “finance income” line item.

- b) Debt instruments that do not meet the amortized cost criteria are classified as at FVTPL.
- c) Equity instruments measured at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if;

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs.

They are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be classified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with TFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the “finance income” line item in profit or loss.

The Group has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 2).

Leases

The Group has applied TFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under TAS 17. The details of accounting policies under both TAS 17 and TFRS 16 are presented separately below:

Policies applicable from January 1, 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lease under residual value guarantees;
- The exercise price of purchase options, if the lease is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated and separate statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under Thai Accounting Standard No. 37 "Provisions, Contingent Liabilities and Contingent Assets". To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position.

The Group applies TAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Building Improvement and Equipment” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the statement of profit or loss.

4. RELATED PARTY TRANSACTIONS

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

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

	Consolidated Financial Statements For the three-month periods ended June 30,		Separate Financial Statements For the three-month periods ended June 30,		Unit: Thousand Baht Pricing policies
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Service income	-	-	1,400	1,135	As agreed
Management fees	-	-	3,660	3,660	Contract price
Finance income - dividend income	-	-	7,000	7,000	As declared
Finance income - interest income	-	-	54	90	At the rate of 1.8 percent per annum
Rental income	-	-	879	984	As agreed
Other income	-	-	1,134	202	As agreed
Service charges	-	-	468	385	As agreed
Software development costs	-	-	-	1,098	As agreed
Other expenses	-	-	425	1	As agreed
<u>Transactions with related parties</u>					
Service income	322	503	75	503	Market price
Rental income	245	-	245	-	Contract price
Other income	229	-	229	-	Contract price
Software rental expense	2,134	2,066	2,134	2,066	Contract price
Other expense	567	-	567	-	Market price

	Consolidated		Separate		Unit: Thousand Baht
	Financial Statements		Financial Statements		Pricing policies
	For the six-month periods ended June 30,				
	2020	2019	2020	2019	
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Service income	-	-	2,793	2,493	As agreed
Management fees	-	-	7,320	7,320	Contract price
Finance income - dividend income	-	-	7,000	7,000	As declared
Finance income - interest income	-	-	112	179	At the rate of 1.8 percent per annum
Rental income	-	-	1,758	1,758	As agreed
Other income	-	-	1,466	512	As agreed
Service charges	-	-	1,261	775	As agreed
Software development costs	-	-	-	1,265	As agreed
Other expenses	-	-	425	3	As agreed

Transactions with related parties

Service income	397	628	149	628	Market price
Rental income	245	-	245	-	Contract price
Other income	229	-	229	-	Contract price
Software rental expense	4,145	4,160	4,145	4,160	Contract price
Other expenses	576	-	576	-	Market price

As at June 30, 2020 and December 31, 2019 the balances of the accounts between the Company and related parties are as follows:

	Consolidated		Separate		Unit: Thousand Baht
	Financial Statements		Financial Statements		
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019	
Trade receivables - related parties (Note 6)					
Associates	26	-	-	-	
Related parties	79	16	23	-	
	<u>105</u>	<u>16</u>	<u>23</u>	<u>-</u>	
Other receivables - related parties (Note 6)					
Subsidiaries	-	-	4,899	2,356	
Associate	13	-	13	-	
Related parties	94	-	94	-	
	<u>107</u>	<u>-</u>	<u>5,006</u>	<u>2,356</u>	
Interest receivables - related party (Note 6)					
Subsidiary	-	-	54	20	
	<u>-</u>	<u>-</u>	<u>54</u>	<u>20</u>	

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Long-term loan to subsidiary (Note 4.1)				
Subsidiary	-	-	12,000	13,000
	-	-	12,000	13,000
Other payables - related party (Note 15)				
Subsidiary	-	-	1,358	124
Related party	202	-	202	-
	202	-	1,560	124
Accrues expenses - related party (Note 15)				
Related party	699	653	699	653
	699	653	699	653

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

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

Loan to	Relationship	Balance as at December 31, 2019	Unit: Thousand Baht Separate financial statements		Balance as at June 30, 2020
			Increase during the period	Decrease during the period	
<u>Long-term loans</u>					
Humanica FAS Limited	Subsidiary	13,000	-	(1,000)	12,000
Total		13,000	-	(1,000)	12,000

Directors and management's benefits

During the three-month and six-month periods ended June 30, 2020 and 2019, the Group had employee benefit expenses of their directors and management as below;

	Consolidated Financial Statements		Unit: Million Baht Separate Financial Statements	
	2020	2019	2020	2019
For the three-month periods ended June 30,				
Short-term employee benefits	7.9	4.9	4.6	3.7
Post-employment benefits	0.8	0.7	0.7	0.7
Total	8.7	5.6	5.3	4.4
For the six-month periods ended June 30,				
Short-term employee benefits	17.0	10.6	10.4	8.2
Post-employment benefits	1.8	1.4	1.5	1.4
Total	18.8	12.0	11.9	9.6

5. ADDITIONAL CASH FLOW INFORMATION

5.1 Cash and cash equivalents as at June 30, 2020 and December 31, 2019, are as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
Cash on hand	705	671	450	541
Deposits at financial institutions	290,378	217,856	167,033	124,839
<u>Less: Deposits in the Company and its subsidiaries' names for customer accounts</u>	<u>(144,202)</u>	<u>(59,053)</u>	<u>(133,377)</u>	<u>(50,600)</u>
Total	<u>146,881</u>	<u>159,474</u>	<u>34,106</u>	<u>74,780</u>

5.2 Changes in liabilities from financing activities

	Unit : Thousand Baht Consolidated Financial Statements			
	Balance as at January 1, 2020	Financing cash flows	Non-cash change	Balance as at June 30, 2020
Lease liabilities	3,877	(13,223)	155,869	146,523
Total	<u>3,877</u>	<u>(13,223)</u>	<u>155,869</u>	<u>146,523</u>

	Unit: Thousand Baht Consolidated Financial Statements			
	Balance as at January 1, 2019	Financing cash flows	Non-cash change	Balance as at June 30, 2019
Lease liabilities	9,757	(2,986)	-	6,771
Total	<u>9,757</u>	<u>(2,986)</u>	<u>-</u>	<u>6,771</u>

	Unit : Thousand Baht Separate Financial Statements			
	Balance as at January 1, 2020	Financing cash flows	Non-cash change	Balance as at June 30, 2020
Lease liabilities	3,853	(5,786)	135,881	133,948
Total	<u>3,853</u>	<u>(5,786)</u>	<u>135,881</u>	<u>133,948</u>

	Unit : Thousand Baht Separate Financial Statements			
	Balance as at January 1, 2019	Financing cash flows	Non-cash change	Balance as at June 30, 2019
Lease liabilities	9,596	(2,919)	-	6,677
Total	<u>9,596</u>	<u>(2,919)</u>	<u>-</u>	<u>6,677</u>

6. TRADE AND OTHER CURRENT RECEIVABLES

Trade and other current receivables as at June 30, 2020 and December 31, 2019 are as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	As at June 30, 2020	As at December 31, 2019	As at June 30, 2020	As at December 31, 2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	26	-	-	-
Past due				
Up to 3 months	79	16	23	-
Total trade receivables - related parties (see Note 4)	105	16	23	-
<u>Trade receivables - others</u>				
Aged on the basis of due dates				
Not yet due	68,475	52,683	41,401	30,208
Past due				
Up to 3 months	34,114	44,732	18,641	22,388
3 - 6 months	7,196	3,560	6,141	1,558
6 - 12 months	4,441	4,786	1,684	2,554
Over 12 months	5,862	4,524	3,807	4,316
Total	120,088	110,285	71,674	61,024
<u>Less Allowance for doubtful debts</u>	(3,587)	(2,520)	(3,386)	(2,434)
Total trade receivables - others	116,501	107,765	68,288	58,590
Total trade receivables	116,606	107,781	68,311	58,590
<u>Other receivables</u>				
Other receivables - related parties (see Note 4)	107	-	5,006	2,356
Other receivables - others	380	357	370	346
Advance payments for services	10,186	2,740	9,693	2,601
Advance payments to employees	243	-	155	-
Prepaid expenses	3,350	3,354	2,360	1,886
Accrued interest - related parties (see Note 4)	-	-	54	20
Total other receivables	14,266	6,451	17,638	7,209
	130,872	114,232	85,949	65,799

7. INVENTORIES

Inventories as at June 30, 2020 and December 31, 2019, are as follows:

	Unit: Thousand Baht Consolidated Financial Statements	
	As at June 30, 2020	As at December 31, 2019
Finished goods	21,372	9,437
Goods in transit	777	304
Total	22,149	9,741
<u>Less: Allowance for diminution in value</u>	<u>(329)</u>	<u>(324)</u>
Total inventories	21,820	9,417

Movements in the allowance for diminution in value of inventories for the six-month period ended June 30, 2020 (June 30, 2019 : Nil), are as follows:

	Unit: Thousand Baht Consolidated Financial Statements
Balance as at January 1, 2020	324
Adjustment of net realizable value for the period	5
Balance as at June 30, 2020	329

As at June 30, 2020 and December 31, 2019, there are no inventory balances in the separate financial statements.

8. OTHER CURRENT AND NON-CURRENT FINANCIAL ASSETS

Other current and non-current financial assets as at June 30, 2020 and December 31, 2019, are as follows:

Financial Assets	Consolidated/Separate Financial Statements			Unit : Thousand Baht
	Fair value As at June 30, 2020	Fair value As at December 31, 2019	Fair value hierarchy	Valuation Techniques and Key Inputs Used in Fair Value Measurements
Other current financial assets				
Financial assets at fair value through PL				
Marketable debt instruments	135,119	-	Level 2	Net asset value of investment units of the last working day of the reporting period
Financial assets at amortized cost				
Held-to-maturity debt instruments	61,248	29,885		Amortized cost and effective interest method
Investment in trading securities	-	53,183	Level 2	Net asset value of investment units of the last working day of the reporting period
Total other current financial assets	<u>196,367</u>	<u>83,068</u>		

Consolidated/Separate Financial Statements				Unit : Thousand Baht
Financial Assets	Fair value As at June 30, 2020	Fair value As at December 31, 2019	Fair value hierarchy	Valuation Techniques and Key Inputs Used in Fair Value Measurements
Other non-current financial assets				
Financial assets at fair value through PL				
Marketable debt instruments	202,733	-	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Marketable debt instruments	95,280	-	Level 2	Net asset value of investment units of the last working day of the reporting period
Financial assets at fair value through OCI				
Marketable equity instruments	128,318	-	Level 1	Last bid price of the last working day of the reporting period as quoted on the Stock Exchange of Thailand
Non-marketable equity instruments	20,385	-	Level 3	Cash flow estimated with fair value of underlying asset
Investments in available-for-sale securities	-	542,997	Level 1 and Level 2	Last bid price as quoted on the Stock Exchange of Thailand or net asset value of investment units of the last working day of the reporting period
Other investments - net	-	15,385		Cost less allowance for impairment
Total other non-current financial assets	<u>446,716</u>	<u>558,382</u>		
Total other financial assets	<u>643,083</u>	<u>641,450</u>		

As at June 30, 2020, the held-to-maturity debt instruments are unsubordinated convertible bonds valued at USD 2 million with an interest rate of 8% per annum. The bonds will mature on March 31, 2021 with the conversion conditions as specified in the agreement.

9. INVESTMENTS IN ASSOCIATES

Investments in associates as at June 30, 2020 and December 31, 2019, are as follows:

Unit: Thousand Baht									
				Consolidated financial statements				Separate financial statements	
				Carrying amounts				Cost	
				based on equity method					
Company's name	Nature of business	Country of incorporation	Shareholding percentage	Cost	Cost	As at	As at	As at	As at
			As at	As at	As at	As at	As at	As at	As at
			June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020
Conical Company Limited	Consulting, design and sales software	Thailand	20	20	22,700	22,700	26,018	24,634	22,700
Human Chess Capital Company Limited	Intermediate between borrowers and lenders through an online platform	Thailand	50	-	3,000	-	2,716	-	3,000
Total					25,700	22,700	28,734	24,634	25,700

Financial information of associates are as follows:

Company name	Paid-up capital		Total assets		Total liabilities		Total revenues		Unit: Million Baht Profit (loss)	
	As at	As at	As at	As at	As at	As at	for six-month period	for six-month period	for six-month period	for six-month period
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	ended June 30, 2020	ended June 30, 2019	ended June 30, 2020	ended June 30, 2019
Conical Company Limited	2.64	2.64	65.30	58.50	19.63	17.72	24.04	10.22	6.92	0.73
Human Chess Capital Company Limited	6.00	-	5.94	-	0.51	-	-	-	(0.57)	-

On April 29, 2020, the Company invested in Human Chess Capital Company Limited with 299,999 ordinary shares at price equal to par value of Baht 10 each, totaling Baht 3.00 million, or 50% of total paid-up share capital. However, from the Company's evaluation, another investor, held another 50% shares of such company, is able to control over such company directly. Therefore, the Company classified its investment as investment in an associate. The Company made a full payment for these shares on May 18, 2020.

10. INVESTMENTS IN SUBSIDIARIES

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

Company's name	Paid-up capital		Percentage of shareholding		Unit: Thousand Baht Cost	
	As at	As at	As at	As at	As at	As at
	June 30, 2020	December 31, 2019	June 30, 2020 (%)	December 31, 2019 (%)	June 30, 2020	December 31, 2019
Subsidiaries held directly by the Company						
Professional Outsourcing						
Solutions Limited	Baht 10 million	Baht 10 million	99.98	99.98	72,899	72,899
Humanica FAS Limited	Baht 1 million	Baht 1 million	99.98	99.98	29,999	29,999
Humanica Asia Pte. Ltd.	SGD 0.2 million	SGD 0.2 million	100.00	100.00	19,967	19,967
Tiger Soft (1998) Co., Ltd.	Baht 5 million	Baht 5 million	99.99	99.99	130,000	130,000
Subsidiaries held by Humanica Asia Pte. Ltd.						
Humanica SDN. BHD.	MYR 0.5 million	MYR 0.5 million	100.00	100.00	-	-
Total investments in subsidiaries					252,865	252,865

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 shareholders 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>

In the current period, the Company is in the process of assessing the fair value of business acquired at the acquisition date to allocate costs of the business acquisition to such identifiable items. The assessment process is ongoing and mainly relates to the identification and valuation of intangible assets and certain tangible assets. It is to be completed within the period of 12 months from the acquisition date allowed under Thai Financial Reporting Standard No. 3 “Business Combinations”. 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 statements of financial position as at June 30, 2020 and December 31, 2019 under the caption of “Unallocated costs of business acquisition”.

11. BUILDING IMPROVEMENT AND EQUIPMENT

Movements of building improvement and equipment accounts for the six-month period ended June 30, 2020, are summarized as follows:

	Consolidated Financial Statements	Unit: Thousand Baht Separate Financial Statements
Net book value as at January 1, 2020	40,106	29,787
<u>Add</u> Acquisitions during the period	12,269	11,129
<u>Less</u> Write-off during the period	(402)	(281)
Depreciation for the period	(10,186)	(7,832)
Differences from conversion exchange rates of financial statements	(10)	-
Net book value as at June 30, 2020	<u>41,777</u>	<u>32,803</u>

12. OTHER INTANGIBLE ASSETS OTHER THAN GOODWILL

Movements of other intangible assets other than goodwill account for the six-month period ended June 30, 2020, are summarized as follows:

	Consolidated Financial Statements	Unit: Thousand Baht Separate Financial Statements
Net book value as at January 1, 2020	142,052	101,593
<u>Add</u> Increase during the period	8,204	8,196
<u>Less</u> Decrease during the period	(643)	-
Amortization for the period	(13,576)	(9,391)
Differences from conversion exchange rates of financial statements	(17)	-
Net book value as at June 30, 2020	<u>136,020</u>	<u>100,398</u>

13. COMPUTER SOFTWARE UNDER DEVELOPMENT

Movements of computer software under development account for the six-month period ended June 30, 2020, are summarized as follows:

	Consolidated Financial Statements	Unit: Thousand Baht Separate Financial Statements
Net book value as at January 1, 2020	27,433	27,482
Increase in development cost of computer software during the period	7,086	6,289
Decrease in development cost of computer software during the period	(7,833)	(7,833)
Net book value as at June 30, 2020	<u>26,686</u>	<u>25,938</u>

14. OTHER NON-CURRENT ASSETS

Other non-current assets as at June 30, 2020 and December 31, 2019, are as follows:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Deposits	13,030	9,687	11,000	7,791
Refundable withholding tax deducted at source	4,440	3,857	785	1,395
Total	<u>17,470</u>	<u>13,544</u>	<u>11,785</u>	<u>9,186</u>

15. TRADE AND OTHER CURRENT PAYABLES

Trade and other current payables as at June 30, 2020 and December 31, 2019, are as follows:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Trade payables - others	5,927	3,315	1,429	2,485
Other payables - related parties (see Note 4)	202	-	1,560	124
Other payables - others	8,879	5,791	2,682	2,207
Accrued expenses - related parties (see Note 4)	699	653	699	653
Accrued expenses - others	35,640	43,740	23,570	32,098
Total	<u>51,347</u>	<u>53,499</u>	<u>29,940</u>	<u>37,567</u>

16. LEASE LIABILITIES

Lease liabilities as at June 30, 2020 and December 31, 2019, are as follows:

	Consolidated		Unit: Thousand Baht	
	Financial Statements		Separate	
	As at	As at	As at	As at
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Lease liabilities	183,456	4,217	170,147	4,193
<u>Less</u> Deferred interest	<u>(36,933)</u>	<u>(340)</u>	<u>(36,199)</u>	<u>(340)</u>
Total	146,523	3,877	133,948	3,853
<u>Less</u> Portion due within one year	<u>(19,135)</u>	<u>(1,237)</u>	<u>(12,283)</u>	<u>(1,213)</u>
Lease liabilities - net of current portion	<u>127,388</u>	<u>2,640</u>	<u>121,665</u>	<u>2,640</u>

The Group entered into the lease agreements for rental of building, equipment and motor vehicles for use in their operations, whereby they are committed to pay rental on a monthly basis. The terms of the agreements are generally between 3 and 10 years.

Future minimum lease payments required under lease agreements are as follows:

	Consolidated Financial Statements						Unit: Thousand Baht	
	Less than 1 year		1 - 5 years		Over 5 years		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019	2020	2019	2020	2019
Total future minimum lease payments	27,497	1,427	112,500	2,790	43,459	-	183,456	4,217
Deferred interest	(8,362)	(190)	(25,824)	(150)	(2,747)	-	(36,933)	(340)
Present value of future minimum lease payments	19,135	1,237	86,676	2,640	40,712	-	146,523	3,877

	Separate Financial Statements						Unit: Thousand Baht	
	Less than 1 year		1 - 5 years		Over 5 years		Total	
	As at	As at	As at	As at	As at	As at	As at	As at
	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,	June 30,	December 31,
	2020	2019	2020	2019	2020	2019	2020	2019
Total future minimum lease payments	20,091	1,403	106,597	2,790	43,459	-	170,147	4,193
Deferred interest	(7,808)	(190)	(25,644)	(150)	(2,747)	-	(36,199)	(340)
Present value of future minimum lease payments	12,283	1,213	80,953	2,640	40,712	-	133,948	3,853

17. NON-CURRENT PROVISIONS FOR EMPLOYEES BENEFITS

Movements in present value of non-current provisions for employee benefits for the six-month period ended June 30, 2020 are summarized as follows:

	Consolidated Financial Statements	Unit: Thousand Baht Separate Financial Statements
Beginning balance as at January 1, 2020	42,346	23,005
Current service cost	2,220	1,216
Interest cost	572	257
Payments for employee benefits	(127)	(127)
Ending balance as at June 30, 2020	45,011	24,351

18. INCOME TAX EXPENSE

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

The income tax expense for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	For the three-month periods ended June 30,			
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	4,452	6,260	1,280	4,371
Adjustment in respect of corporate income tax of previous year	283	(119)	283	(119)
Deferred tax				
Temporary differences and reversal of temporary differences	(1,073)	(1,423)	(624)	(986)
Income tax expense reported in the statements of profit or loss and other comprehensive income	3,662	4,718	939	3,266

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	For the six-month periods ended June 30,			
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	11,097	10,124	4,211	5,781
Adjustment in respect of corporate income tax of previous year	283	(342)	283	(119)
Deferred tax				
Temporary differences and reversal of temporary differences	(1,275)	(2,041)	(305)	(1,146)
Income tax expense reported in the statements of profit or loss and other comprehensive income	10,105	7,741	4,189	4,516

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended June 30, 2020 and 2019, are as follows:

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
For the three-month periods ended June 30,				
Deferred tax relating to gain on changes in value of investments in equity instruments	(3,083)	(2,933)	(3,083)	(3,251)
For the six-month periods ended June 30,				
Deferred tax relating to gain on changes in value of investments in equity instruments	4,345	(4,584)	4,345	(4,902)

19. EARNINGS PER SHARE

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

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

	Consolidated Financial Statements		Unit: Thousand Baht Separate Financial Statements	
	2020	2019	2020	2019
For the three-month periods ended June 30,				
Earnings for the period (Thousand Baht)	33,577	35,910	26,979	30,908
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Basic earnings per share (Baht/share)	0.05	0.05	0.04	0.05
For the six-month periods ended June 30,				
Earnings for the period (Thousand Baht)	82,777	70,566	58,712	56,905
Weighted average number of ordinary shares (Thousand shares)	680,000	680,000	680,000	680,000
Basic earnings per share (Baht/share)	0.12	0.10	0.09	0.08

As at June 30, 2020 and 2019, the Company does not have diluted earnings per share.

20. DIVIDENDS PAID

On April 29, 2019, a meeting of 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, so 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 April 27, 2020, a meeting of the Company's Annual General Meeting of the Shareholders approved the payment of a dividend for the year 2019 amounting to Baht 81.60 million. However, since the Board of Directors previously approved an interim dividends from income of the year 2019 amounting to Baht 40.80 million, so 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 26, 2020.

The following tables present revenue and profit (loss)-information regarding the Company and its subsidiaries' operating segments for the three-month and six-month periods ended June 30, 2020 and 2019.

	For the three-month periods ended June 30,						Unit: Thousand Baht
	Human resource management system services		Enterprise resource planning services		Accounting and financing services		Consolidated Financial statements
	2020	2019	2020	2019	2020	2019	
Sales and service income from external customers	128,285	104,993	17,869	27,004	5,420	21,141	-
Total revenue	128,285	104,993	17,869	27,004	5,420	21,141	-
Segment profit (loss)	28,004	31,867	(2,387)	4,717	2,195	9,169	-
Unallocated income (expenses):							
Other incomes							1,271
Finance income							2,437
Amortisation of intangible assets from purchase of subsidiaries							(1,888)
Share of gain from investment in associates							673
Finance costs							(2,235)
Profit before income tax expenses							37,239
Income tax expenses							(3,662)
Profit for the period							33,577

	For the six-month periods ended June 30,						Unit: Thousand Baht			
	Human resource management system services		Enterprise resource planning services		Accounting and financing services			Sales of advance access: control devices	Consolidated Financial statements	
	2020	2019	2020	2019	2020	2019				
Sales and service income from external customers	266,269	213,583	34,154	42,086	10,963	12,122	34,963	-	346,349	267,791
Total revenue	266,269	213,583	34,154	42,086	10,963	12,122	34,963	-	346,349	267,791
Segment profit (loss)	72,291	66,855	(3,288)	4,233	3,811	4,553	17,512	-	90,326	75,641
Unallocated income (expenses):										
Other incomes									3,938	2,075
Finance income									5,350	4,096
Amortisation of intangible assets from purchase of subsidiaries									(3,778)	(3,400)
Share of gain from investment in associates									1,100	147
Finance costs									(4,054)	(252)
Profit before income tax expenses									92,882	78,307
Income tax expenses									(10,105)	(7,741)
Profit for the period									82,777	70,566

Sales of advance access control devices

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	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
For the three-month periods ended June 30,										
Timing of revenue recognitions										
At a point in time										
- Revenue from sales of software	11,576	377	1,973	10,783	-	-	-	-	13,549	11,160
- Revenue from sales of goods	-	-	-	-	-	-	21,141	-	21,141	-
- Monthly service income	93,074	88,778	-	-	5,495	6,410	-	-	98,569	95,188
- One-time service income	9,821	7,870	89	-	(75)	269	-	-	9,835	8,139
Overtime										
- Service income from software implementation	6,486	5,318	4,245	5,251	-	-	-	-	10,731	10,569
- Other service income	7,328	2,650	11,562	10,970	-	-	-	-	18,890	13,620
Total revenue	128,285	104,993	17,869	27,004	5,420	6,679	21,141	-	172,715	138,676

For the three-month periods ended June 30, 2020 and 2019, the Group have no major customer with revenue of 10 percent or more of the Group’s revenues.

For the six-month periods ended June 30,

Timing of revenue recognitions

At a point in time										
- Revenue from sales of software	30,822	996	4,182	12,281	-	-	-	-	35,004	13,277
- Revenue from sales of goods	-	-	-	-	-	-	34,963	-	34,963	-
- Monthly service income	189,453	178,842	-	-	10,858	11,585	-	-	200,311	190,427
- One-time service income	17,424	17,713	89	-	105	537	-	-	17,618	18,250
Overtime										
- Service income from software implementation	12,917	10,771	6,888	8,216	-	-	-	-	19,805	18,987
- Other service income	15,653	5,261	22,995	21,589	-	-	-	-	38,648	26,850
Total revenue	266,269	213,583	34,154	42,086	10,963	12,122	34,963	-	346,349	267,791

For the six-month periods ended June 30, 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of the Group’s revenues.

22. GUARANTEES

As at June 30, 2020 and December 31, 2019, the Company has letter of guarantees issued by bank on behalf of the Company of Baht 0.87 million and Baht 0.90 million, respectively, in respect of contractual performance.

23. FOREIGN CURRENCY RISK

The balances of financial assets and liabilities denominated in foreign currencies of the Group as at June 30, 2020 and December 31, 2019, are summarized as follows:

Foreign currency	Consolidated Financial Statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	June 30, 2020 (Million)	December 31, 2019 (Million)	June 30, 2020 (Million)	December 31, 2019 (Million)	June 30, 2020 (Baht per 1 foreign currency unit)	December 31, 2019 (Baht per 1 foreign currency unit)
USD	0.02	-	0.01	-	30.8905	30.1540
JPY	0.39	0.20	-	-	0.2868	0.2759
SGD	0.01	-	-	-	22.1669	22.3245

Foreign currency	Separate Financial Statements					
	Financial assets		Financial liabilities		Average exchange rate	
	As at	As at	As at	As at	As at	As at
	June 30, 2020 (Million)	December 31, 2019 (Million)	June 30, 2020 (Million)	December 31, 2019 (Million)	June 30, 2020 (Baht per 1 foreign currency unit)	December 31, 2019 (Baht per 1 foreign currency unit)
USD	0.01	-	0.01	-	30.8905	30.1540
JPY	0.39	0.20	-	-	0.2868	0.2759
MYR	0.11	-	-	-	7.2136	7.3222
SGD	0.12	-	0.06	-	22.1669	22.3245

24. RECLASSIFICATIONS

Certain reclassifications have been made to the statement of financial position as at December 31, 2019 to conform to the classifications used in the statement of financial position as at June 30, 2020 and certain reclassifications were made to the statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2019 to conform to the classifications used in the statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2020 as follows:

Items	Previous presentation	Reclassified to	Unit: Thousand Baht	
			Consolidated Financial Statements	Separate Financial Statements
Statement of financial position as at December 31, 2019				
Contract assets	Trade and other current receivables	Current contract assets	24,584	18,045
Temporary investments	Temporary investments	Other current financial assets	83,068	83,068
Other long-term investments	Other long-term investments	Other non-current financial assets	558,382	558,382
Contract liabilities	Trade and other current payable	Current contract liabilities	47,168	33,654
Statement of profit or loss and other comprehensive income for the three-month period ended June 30, 2019				
Dividend income	Dividend income	Finance income	1,586	8,586
Finance income	Other income	Finance income	892	925
Statement of profit or loss and other comprehensive income for the six-month period ended June 30, 2019				
Dividend income	Dividend income	Finance income	2,540	9,540
Finance income	Other income	Finance income	1,556	1,078

25. EVENT AFTER THE REPORTING PERIOD

On August 11, 2020, the Company's Board of Directors' Meeting passed a resolution to pay an interim dividend from the profit for the six-month period ended June 30, 2020 to its shareholders amounting to Baht 40.80 million or Baht 0.06 per share. Such dividends will be paid to the shareholders on September 10, 2020.

26. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements have been approved for issuing by the audit committee and authorized director of the Company on August 11, 2020.