HUMANICA

# ANNUAL REPORT 2020

# CONTENTS


**PART 1 BUSINESS OPERATION**

02 Financial Highlights
04 Message from Chairman
06 Message from CEO
08 Board of Directors
09 Board of Management
10 General Information and Other Significant Matters
11 Policies and Overall Business Operation
15 Nature of Business
23 Risk Factors
24 Legal Disputes

**PART 2 MANAGEMENT AND CORPORATE GOVERNANCE**

25 Major Shareholders
27 Management Structure
34 Coporate Management and Governance
47 Corporate Social Responsibility
50 Internal Control and Risk Management
52 Related Party Transactions

**PART 3 FINANCIAL PERFORMANCE AND OPERATING RESULTS**

53 Report of The Board of Directors' Responsibilities for Financial Statements
54 Nomination and Remuneration Committee's report
55 Report of The Audit Committee
56 Management's Discussion and Analysis for year ended December 31, 2020
61 Independent Auditor's report
66 Financial Statements and Notes to Financial Statements

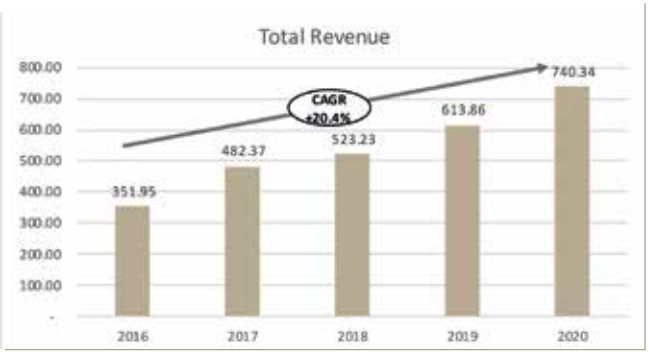
**Attached Document**

133 Information of Directors, the Executive Management and Company Secretary

# FINANCIAL HIGHLIGHTS

Unit million baht

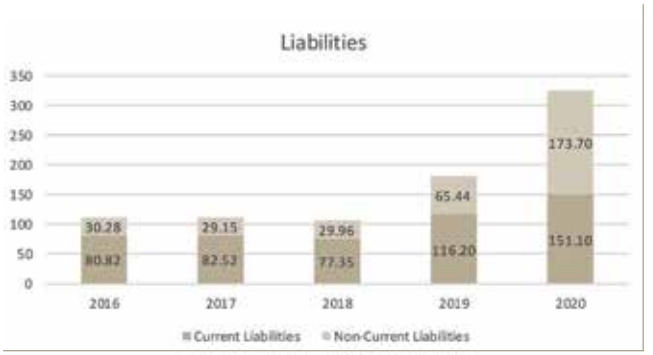
| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| **Type** | | | | | |
| Sales and service income | 347.68 | 478.88 | 515.11 | 599.52 | 719.81 |
| Total revenues | 351.95 | 482.37 | 523.23 | 613.86 | 740.34 |
| Gross profit | 136.82 | 192.41 | 237.71 | 278.60 | 355.38 |
| Net profit | 71.48 | 97.44 | 121.75 | 143.73 | 164.86 |
| Total assets | 433.58 | 1,156.11 | 1,226.79 | 1,375.59 | 1,591.66 |
| Total Liabilities | 111.10 | 111.67 | 107.31 | 181.64 | 324.80 |
| Shareholders' equity | 322.48 | 1,044.44 | 1,119.48 | 1,193.95 | 1,266.86 |



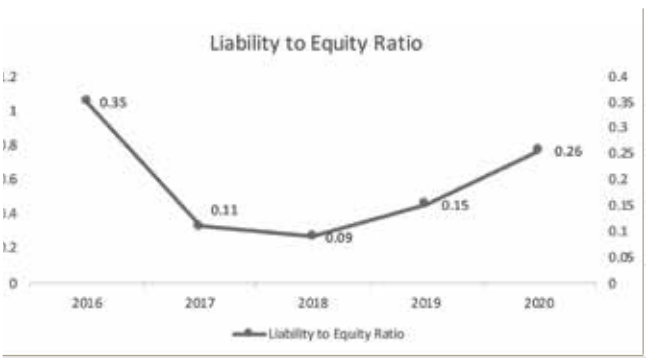
Recurring vs Non-Recurring Revenue
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
28.8%
23.9%
21.6%
25.0%
33.0%
71.2%
76.1%
78.4%
75.0%
67.0%
2016
2017
2018
2019
2020
Recurring
Non-Recurring

Revenue Break Down
120.0%
100.0%
80.0%
60.0%
40.0%
20.0%
0.0%
28.3%
25.2%
22.9%
17.4%
15.0%
71.7%
74.8%
77.1%
82.6%
85.0%
2016
2017
2018
2019
2020
HR
Financial Solution

Assets
1800
1600
1400
1200
1000
800
600
400
200
0
260.81
172.77
266.72
889.39
895.00
331.79
980.31
395.28
938.25
653.41
2016
2017
2018
2019
2020
Current Asset
Non-Current Asset


Liabilities
350
300
250
200
150
100
50
0
30.28
80.82
29.15
82.53
29.96
77.35
65.44
116.20
173.70
151.10
2016
2017
2018
2019
2020
Current Liabilities
Non-Current Liabilities

Equity
322.48
1044.44
1,119.48
1,193.95
1,266.86
2016
2017
2018
2019
2020
Equity


Liability to Equity Ratio
0.35
0.11
0.09
0.15
0.26
2016
2017
2018
2019
2020
Liability to Equity Ratio

# MESSAGE FROM THE CHAIRMAN

**Mr. Anotai Adulbhan**
Chairman of the Board of Directors

**Dear Shareholders,**

The COVID-19 situation has evolved further and we are dealing with a significant global challenge. With a sense of relief, governments around the world have taken stricter and more impactful measures, including vaccination program, to ensure the safety of their citizens. Understandably, there may still be a sense of unease and uncertainty everywhere, amidst cautious optimism. .

It is in this context that I would like to address you on behalf of our entire Board of Directors, our Management Board, and myself. We would also like to reassure you that as a company we are resilient. We have overcome many challenging moments over the course of 18 years and we are convinced that we will emerge stronger in the post COVID-19 era.

First and foremost, we would like to thank all stakeholders for what you have done already to weather this crisis and to help get our company prepared to cope with this situation. Despite a challenging year, we are glad to report another year of good growth. Your commitment makes all the difference.

**UPHOLDING OUR VALUES AND PRINCIPLES AS WE GROW**

At HUMAN, we continue to place great significance in good corporate governance practices. In 2020, we have set up an investment sub-committee to better manage the investments of the Company. We also continue to find new ways to adopt good sustainability practices. Some initiatives include increasing the use of green energy such as solar powered energy and electric vehicles, and use of sustainable materials in our office improvement works.

**REWARDING OUR LOYAL SHAREHOLDERS**

In appreciation of our valued shareholders for their unwavering support of HUMAN, the Board is pleased to recommend a final dividend of 0.08 baht per share. In addition to the interim dividend of 0.06 baht per share, the collective dividends of 0.14 baht per share, an increase of 16.7% year-on-year (2019: 0.12 baht) represents a payout ratio of 73% against FY 2020 net profit.

**BOARD CHANGES DURING THE YEAR**

Our board member, Mr. Pana Janviroj, has requested to step down to focus on his other businesses with effect from 13 November 2020. The Board would like to express its sincere gratitude to Mr. Pana Janviroj for his valuable contributions as an Independent Director of the Board and member of the Audit Committee during his tenure of office.

We also like to welcome Ms. Piyaporn Phanachet, joining our Board as director with effect from 3 February 2021. With her vast experiences in business development, I look forward to a more dynamic and diversified Board going forward.

**WORDS OF APPRECIATION**

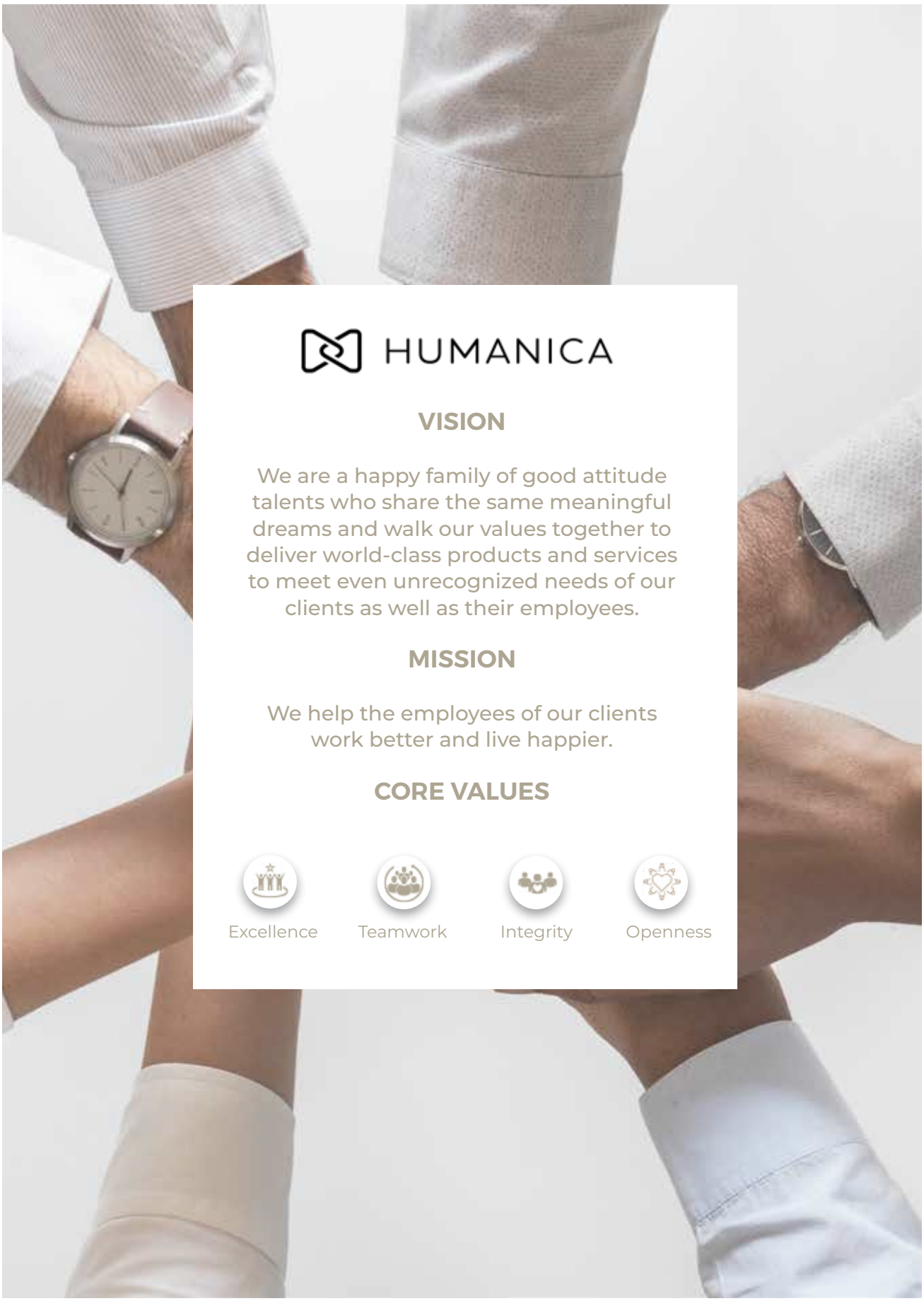
I would like to take the opportunity to express my deepest thanks to my fellow colleagues on the Board, our management team, staff, and business associates for their commitment and contribution towards HUMAN.

I am inspired by the way our company has risen to this challenge - with flexibility, resilience, courage - and served with a caring heart. Thank you for your valuable contributions.

Let me add a personal note. Along with everyone else at HUMAN. I am convinced that we will get through this together with determination.

Please, do look after yourselves and your families.

And stay safe. Thank you.



HUMANICA

## VISION

We are a happy family of good attitude talents who share the same meaningful dreams and walk our values together to deliver world-class products and services to meet even unrecognized needs of our clients as well as their employees.

## MISSION

We help the employees of our clients work better and live happier.

## CORE VALUES

Excellence | Teamwork | Integrity | Openness

# MESSAGE FROM THE CEO

**Mr. Soontorn Dentham**
Vice Chairman and Chief Executive Officer

Humanica's mission as a company is to help the employees of our clients work better and live happier. I firmly believe that fulfilling this corporate mission leads to transformation of our business model to B2B2C which enables our clients to provide holistic wellbeing for their employees, as well as contributing to society and the communities we serve.

In FY2020, we accelerated our transformation, and strengthened governance while simplifying the organizational structure to enable swift decision-making in this rapidly changin environment. We also reviewed our business model to focus on our core technology businesses and maximized cross-division synergies throughout businesses and accelerated strategic innovations to expand the scale of our business and technological capabilities.

In December 2020, Humanica was awarded, for the first time, in the annual Stock Exchange of Thailand Award (SET Award) for Best Innovative Company 2020, an honour that we have been recognized as a company that focuses on creativity and innovation as a part of the overall business strategy. We are proud of this recognition and are committed to improving our performance further to support the everyday lives of people in our community through our products.

On our Corporate Social Responsibility (CSR) activities, we continued to set new goals for our strategic pillars to encourage the use of greener energy and promote sustainability. We have continued to strengthen the execution of our CSR strategy of contributing to society and communities through our business.

However, we were not spared from the impact of COVID-19. Until now, Humanica has been tackling the challenges through swift development and roll-out of its affordable facial recognition access control device with temperature checker and also helped our client adapt HR technology quickly to address the rapidly changing needs for remote working. We are glad that our efforts have paid off and helped us avoid a downturn in our business in FY2020. COVID-19 has forced people worldwide to adapt to the "new normal." New needs are emerging, such as desires to make remote working conducive for work. We believe that accelerating user-centric innovations in our products, in particular mobile based applications, and responding to these new needs will lead to the sustainable growth of our business and contribution to society.

As the economy is heading toward its recovery, we believe the demand for our products and services will gear up given that the global COVID-19 has also highlighted the critical need for companies to speed up their digital transformation, together with the reality that a large proportion of businesses will be disrupted post COVID-19

We are also pushing ahead with our investments and collaborations with various partners in building an eco-system of partners, including collaboration with CXA Group and Fuchsia Venture Capital Compay in setting up Benix Limited, a new age insurance broker in a digital era. We are positive that what Benix offers is one-of-its-kind with unique value preposition for employee benefits practice.

Another initiative for the accounting division, we are expanding our activities and are collaborating with Saha Pathana Inter-Holding Public Company Limited in promoting back office services for companies based out of the Eastern Economic Corridor (EEC) going forward. We are excited that these activities will have great potential for Humanica to make a substantial impact in establishing business process outsourcing among the high value new wave industries targeted by EEC.

**The year in Review**

I am pleased to report t key highlights for FY2020 as follow:

- Revenue grew 20.6% to 740.34mb (2019: 613.86mb)
- Net Profit after tax grew 14.7% to 164.86mb (2019: 143.72mb)
- Net Profit after tax margin drops slightly to 22.3% (2019: 23.4%)
- Net Asset increased to 15.7% to 1,591.66mb (2019: 1.375.59mb)
- Earnings per share increase to by 14.2% to 0.24 baht (2019: 0.21 baht)

We delivered top line revenue of 740.34mb (2019: 613,86mb), an increase of 126.48mb or 20.6% year-on-year. In 2020, revenue from HR Solutions, with positive growth across all countries, is the main contributor to our growth with 612.09 mb (2019:495.09mb), increasing by 117.04mb or 23.6%, while Financial Solutions contributed 107,71mb (2019:104.47mb), increasing by 3.24mb or 3.1%. We also saw a 6.19mb or 43.2% growth of other income to 20.53mb (2019: 14.34mb).

Overall cost of sales and services increased by 49.70mb or 14.8%to 384.96mb (FY 2019: 335.26mb), 52.88mb of which came from the consolidation of TigerSoft and additional amortization of software (know-how) from fair value adjustment from purchase price allocation on TigerSoft's acquisition (2H 2019 vs. FY 2020 impact). Excluding the effect of the consolidation of TigerSoft, HUMAN managed to slightly lower cost of sales and services, in line with our mid-term target to improve gross margin.

The net profit after tax closed at 164.86mb (FY 2019: 143.72mb), growing by 21.14mb or 14.7% with overall net profit margin inching down to 22.3% (FY 2019: 23.4%) mainly due to TFRS 16 adoption and FV adjustment effect from the acquisition of TigerSoft. Excluding the impacts from the consolidation of TigerSoft's result, additional amortization from software (know-how) and customer relationship (net of tax), and TFRS16 adoption, the Company would report net profit after tax of 168.31mb (net profit margin of 28.4%), an increase of 30.62mb or 22.1% from FY 2019 (net profit after tax of 137.88mb and net profit margin of 25.2%).

**Dividend**

Given the Group's performance this year and the Company's confidence in its immediate future, the Company is proposing a final dividend of 0.08 baht per share, bringing the total dividend for the year to 0.14 baht per share. The proposed dividend is 73% of the year's net profit, higher than 68% of FY2019's net profited distributed as dividend.

**People**

People remain our most valued asset. The execution of business strategies rests with our employees. At Humanica, we believe that the breadth of knowledge and different perspectives contributed by a diverse workforce are the driving forces of our growth and innovation. We also believe that building a corporate culture in which each and every employee has a high sense of common objectives based on our core values to create a happy family and achieve sustainable growth.

At Humanica, we are always committed to support our customers and contribute to the communities we live in. We will continue to pursue swift implementation of our CSR strategy with our responsibility as a responsible corporate citizen always in minds.

We have learned many valuable lessons over the past one year facing unprecedented challenges, and I am very proud of the resilience and flexibility our employees have shown in meeting our business and client needs during these difficult times. We have once again, demonstrated our strength is pulling ourselves together to strive amidst adversities, and we couldn't do it without the support of our Board of Directors, fellow management board, staff members, shareholders, customers, business partners and other stakeholders.

We thank each and every one of you for your commitment and support. Stay safe and take care of one another.

# BOARD OF DIRECTORS

**Mr. Anotai Adulbhan**
Chairman of the Board of Directors

**Mr. Soontorn Dentham**
Vice Chairman and
Chief Executive Officer

**Mr. Anuphan Kitnitchiva**
Independent Director

**Mr. Patara Yongvanich**
Chairman of the Audit Committee and
Independent Director

**Mr. Thanachart Numnonda**
Audit Committee and
Independent Director

**Mr. Patai Padungtin**
Independent Director

**Mr. Pana Janviroj**[1]
Audit Committee and
Independent Director

**Ms. Piyaporn Phanachet**[2]
Audit Committee and
Independent Director

1 Mr. Pana janviroj was resigned from Audit Committee and Independent Director on November 13, 2020
2 Ms. Piyaporn Phanachet was appointed as Audit Committee and Independent Director on February 3, 2021, to replace Mr. Pana Janviroj.

# BOARD OF MANAGEMENT

**Mr. Soontorn Dentham**
Vice Chairman and Chief Executive Officer

**Ms. Chuenchom Techarungkiat**
Chief Operation Officer - HR Solutions

**Ms. Bee Bee Lim**
Chief Operation Officer -
Commercial and International Business

**Mrs. Sasithorn Hirunsak**
Chief Operation Officer -
Financial Solutions

**Ms. Hathaichanok Suwanjang**
Chief Technology Officer

**Mr. Kawin Praisuwan**[1]
Chief Financial Officer and
Company Secretary

**Mr. Somsak Tantitanawat**
Managing Director of TigerSoft (1988) Co., Ltd.

1 Mr. Kawin Praisuwan was appointed as Chief Financial Officer and Company Secretary on May 12, 2020, replaced Mr. Sayan Wairangkoon who resigned.

# GENERAL INFORMATION AND OTHER SIGNIFICANT MATTERS

| | |
|---|---|
| Company's name | HUMANICA PUBLIC COMPANY LIMITED |
| Stock code | Human |
| Registration number | 0107560000338 |
| Established | 2003 |
| Listed on the stock exchange | December 8, 2017 |
| Business type | To provide the Human Resources Solutions (HR Solutions) comprising HR and Payroll Outsourcing Service (HPO) and |
| Business type | distribution and implementation of HR Solutions (HRS) and to provide Financial Solutions, comprising distribution and implementation of Enterprise Resources Planning (ERP) and Accounting and Finance outsourcing Service. |
| Head office | No. 2 Soi Rongmuang 5, Rongmuang Road, Rongmuang Sub-District, Pathumwan District Bangkok 10330<br>Telephone +66 2 636 6999 Facsimile +66 2 636 7168 |
| Website | www.humanica.com |
| Registered capital | 340,000,000.00 Baht |
| Paid-up capital | 340,000,000.00 Baht |
| Par Value | 0.50 Baht per share |

**Information about the legal entities held by the Company of Paid-up Capital, as at December 31, 2020**

| | |
|---|---|
| Company's name | Professional Outsourcing Solutions Limited |
| Head office | No.2 Soi Rongmuang 5, Rongmuang Road, Rongmuang Sub-District, Pathumwan District, Bangkok 10330<br>Tel: +66 2 646 4222 Fax: +66 2 646 4200 |
| Company's name | Humanica FAS Limited |
| Head office | No.2 Soi Rongmuang 5, Rongmuang Road, Rongmuang Sub-District, Pathumwan District, Bangkok 10330<br>Tel: +66 2 646 4222 Fax: +66 2 646 4200 |
| Company's name | Humanica Asia Pte.Ltd. |
| Head office | 146 Robinson Road #10-01 Singapore 068909<br>Tel: +65 6 904 0866 |
| Company's name | Humanica Sdn.Bhd. |
| Head office | 5-3-17, Promenade, Persiaran Mahsuri, 11950 Bayan Lepas Baru, Penang, Malaysia<br>Tel: +60 4 611 7772 |
| Company's name | Tiger Soft (1998) Company Limited |
| Head office | No. 7 Vision Business Park Building, Floor 6-7, Soi Ramintra 55/8, Ramintra Road, Taraeng, Bangkhen, Bangkok 10230<br>Tel: +66 2 347 0374-76 |
| Company's name | Conicle Company Limited |
| Head office | No.168/32 Moo 1, Khlong Kluew Sub-District, Pak Kret District, Nonthaburi 11120<br>Tel: +66 2 077 7687 |
| Company's name | Publica Holdings Pte.Ltd. |
| Head office | 10 Anson Road #23-14H, International Plaza, Singapore 079903 |
| Company's name | Thailand land Development (Na Na 1994) Company Limited |
| Head office | No. 17/6 Moo 3, Pet Kasem Road, Sisa Thong Sub-District, Nakhon Chai Si District, Nakhon Pathom 73120 |
| Company's name | Human Chess Capital Company Limited |
| Head office | No.2 Soi Rongmuang 5, Rongmuang Road, Rongmuang Sub-District, Pathumwan District, Bangkok 10330<br>Tel: +66 2 636 6999 |
| Company's name | Benix Limited |
| Head office | No.2 Soi Rongmuang 5, Rongmuang Road, Rongmuang Sub-District, Pathumwan District, Bangkok 10330<br>Tel: +66 2 636 6999 |
| Company's name | Pragma and Will Group Company Limited |
| Head office | No.2 Soi Rongmuang 5, Rongmuang Road, Rongmuang Sub-District, Pathumwan District, Bangkok 10330<br>Tel: +66 2 636 6999 |
| Company's name | Digital Asset Management Company Limited |
| Head office | No. 253 Asok Building, Floor 24, Sukhumvit 21 Road, Khong Toei Nuea Sub-District, Wattana District, Bangkok 10110<br>Tel: +66 94 536 2889 |

Other References

| | |
|---|---|
| Registrar name | Thailand Securities Depository co., Ltd. |
| Address | No. 93 Ratchadaphisek Road, Dindaeng Sub-District, Dindaeng District, Bangkok 10400 |
| Telephone | +66 2 009 9000 |
| Facsimile | +66 2 009 9991 |
| Website | https://www.set.or.th/tsd/th/tsd.htm |
| Auditor | Deloitte Touche Tohmatsu Jaiyos Audit Co., Ltd. |
| Head Office | AIA Sathorn Tower 23 rd - 27th Floor, South Sathorn Road, Yannawa Sub-District, Sathorn District, Bangkok 10110 |
| Telephone | +66 2 034 0000 |
| Facsimile | +66 2 034 0100 |
| Website | http://www.deloitte.com |
| Auditors | Miss Wimolporn Boonyusthian<br>Certified Public Accountant (Thailand), No. 4067 or<br>Mr. Choopong Surachutikarn<br>Certified Public Accountant (Thailand), No. 4325 or<br>Miss Juntira Untrachaichoat<br>Certified Public Accountant (Thailand), No. 6326 |

# POLICIES AND OVERALL BUSINESS OPERATION

## 1.1 Policies and Overall Business Operations

Humanica Public Company Limited ("Company" or "HUMAN") was established on July 29, 2003 with the registered capital of 30.00 million Baht by Mr. Soontorn Dentham, the former partner and executive of PricewaterhouseCoopers Thailand (PwC). Mr. Soontorn used to be head global risk management solutions. He initiated many new businesses in Thailand for PwC, including operational risk and technology risk management and the Large-Scale Business Process Outsourcing (BPO) business.

In 2003, PwC restructured their business structure to define its service scope which led to the discontinue of the BPO business Mr. Soontorn envisioned that technology will raise work efficiency and improve human resources management, and thus he decided to take over the BPO business and establish a new enterprise to provide business process outsourcing in human resources with Seagate Technology (Thailand) Co., Ltd. as the first customer.

Initially, the Company offered HR solutions using imported software with in-house modifications to support operations in Thailand. Over time, this model was not adequate in addressing the expectations from customers. In 2005, the Company decided to develop its own software under the name "Humatrix" to support use in Thailand and to be in line with the accounting systems of world-class companies and the national income tax system.

In 2020, the Company expanded new investments in life & non-life insurance businesses by established a joint venture company, Benix Company Limited; a new age insurance broker in a digital era (Pure Digital and Single platform Broker), with holding share 51%. In addition, the Company was awarded the "Best Innovation Company Award" from the Stock Exchange of Thailand, which is a supporting on our Policy and business operation at present and in the future.

Today, HUMAN is the Thailand's leading provider of HR Technology and Outsourcing Services, as well as one of the leading reseller of SAP Business One solution and Oracle NetSuite on Cloud Solution. The Company employs approximately 580 people and operates branch offices in Singapore and Malaysia

## 1.2 SIGNIFICANT CHANGE AND GROWTH

The Significant milestones of the Company can be summarized as follows;

HUMANICA

### 2020

- **50%** Shares acquision of **HUMAN CHESS CO.,LTD**
- **51 %** Shares acquision of **BENIX LIMITED** (Formerly known as GL Broker Co.,Ltd)
- **HUMANICA** and **TIGERSOFT** are **ISO 27001 CERTIFIED** in Information System Management Systems
- Won **"MOST INNOVATIVE COMPANY AWARD"** from SET Awards 2020

### 2019

- Acquisition of 100% of **TIGER SOFT (1998) CO.,LTD**
- Partnered with **ORACLE NETSUITE** to offer **CLOUD ERP** Solutions

### 2018

- Acquisition of the entire business of **SIGMA ACCOUNTING AND TAX SERVICES CO.,LTD**
- **20%** Shares acquision of **CONICLE CO.,LTD**

### 2017

- Establishment second overseas office of **HUMANICA SDN. BHD.** in Malaysia.
- The company was licensed by the Stock Exchange of Thailand to offer new shares to the public under the name **"HUMAN"** on December 8 , 2017

### 2016

- Acquired Professional Outsourcing Solutions Co.,Ltd **("POS")** and Humanica FAS Co.,Ltd **("FAS")** (Fomerly known as the office Business Advisory Co.,Ltd)
- Humatrix software received the **Thailand ICT Awards (TICTA)** for Industry Application from Thai Informatjion Technology Industry Association.
- Establishment of **HUMANICA ASIA PTE.LTD.** in Singapore

### 2006-2015

- Increased the register capital **60.10 MILLION BAHT**
- Selected as the Top 10 Innovation Business & Received **" BAI PO BUSINESS AWARDS BY SASIN"** from Sasin Graduate Institue of Business Admintration and Siam Comercial Bank.
- Partnered with **SAP,**the world's leading **ERP** systems provider

### 2005

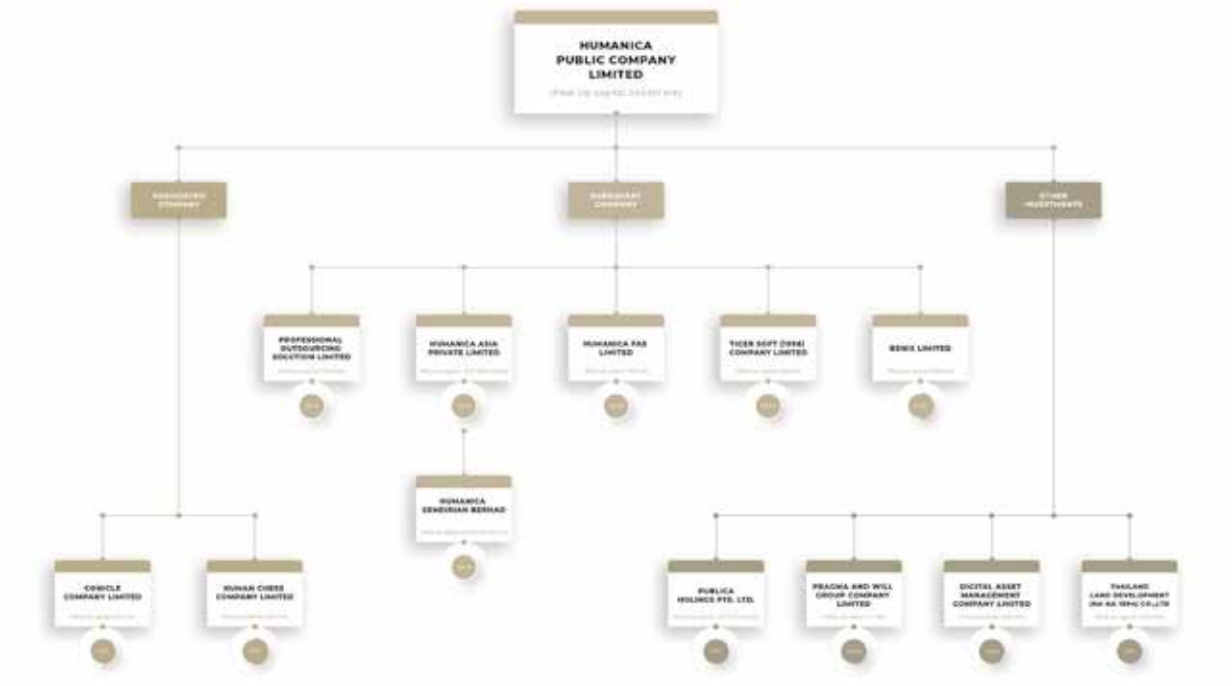
- Started Development of proprietary **" HUMATRIX"**
- Received the Certificate in Enterprise Software and Digital Content from **THE BOARD OF INVESTMENT OF THAILAND (BOI)**

### 2003

- Established **"HUMANICA CO.,LTD"**

## 1.3 The shareholding structure of the Company

The shareholding structure of the Company as at December 31, 2020 as follows.




The Company has subsidiaries, associates and other investments, details are classified by type of business are as follows.

Humanica Public Company Limited to provide the Human Resources Solutions (HR Solutions) comprising HR and Payroll Outsourcing Service (HPO) and distribution and implementation of HR solutions and to provide financial solutions, comprising distribution and implementation of Enterprise Resource Planning (ERP).

Professional Outsourcing Solutions Limited is an outsourcing company that provides payroll service and payroll outsourcing services, including subcontracting service for salary preparation for small to medium sized businesses, it can carry up to meet the needs of today's business.

Humanica FAS Limited engages in the business of accounting and financial outsourcing.

Humanica Asia Private Limited has established a subsidiary in Singapore, is our regional hub for services in Asia. Working together with Humanica Sendirian Berhad, to provide payroll outsourcing services and also work on the development network of partners to support the needs of customers in the Asian regional. The company currently serves clients in 6 countries.

Tiger Soft (1998) Company Limited a provider of business application of systems management, HR and payrool programs and distribution technologies, including record time such as time recording machines, ace scanner, fingerprint scanner and the hand card machine, etc. Benix Limited is an innovative brokerage service to provide cutting-edge platforms for employee welfare management such as healthcare, wellness, as well as a comprehensive community for employees.

Conicle Company Limited engages information technology business, provides consulting, design, developing content, creating innovative educational solutions, including sales of modern mobile based learning management solutions.

Human Chess Company Limited provides a service of P2P Lending Platform via online.

Publica Holdings Pte. Ltd. established in Singapore, engages in the consulting, development and sales of human resource solutions software.

Pragma and Will Group Company Limited provides the business consulting related to Business Optimization, Business Transformation and Business Expansion.

Digital Asset Management Company Limited operates a business of providing property management services.

Thailand Land Development (Na Na 1994) Company Limited ("TLD") has ceased operation but possesses plots of land and constructions in Phetchaburi and Nakhon Chai Si District in Nakhon Pathom. TLD is seeking prospective buyers to purchase its assets.

## 1.4 Relationship with the business group of major shareholders

The Company held shares in subsidiaries, associated companies and other investments as at December 31, 2020 as follows.

| Company's name | Country of incorporation | Nature of Business | Registered capital | Paid-up shares (million share) | Shareholding (%) |
|---|---|---|---|---|---|
| **Held directly by the Company** | | | | | |
| 1. Professional Outsourcing Solutions Limited | Thailand | Payroll outsourcing | 10.00 million Baht | 0.10 | 100.0 |
| 2. Humanica FAS Limited | Thailand | Accounting and financial outsourcing | 1.00 million Baht | 0.10 | 100.0 |
| 3. Humanica Asia Pte.Ltd. | Singapore | Payroll and accounting out-sourcing | 0.20 million SGD | 0.20 | 100.0 |
| 4. Tiger Soft (1998) Company Limited | Thailand | Consulting, Design and sales software Real estate | 5.00 million Baht | 0.05 | 100.0 |
| 5. Benix Limited | Thailand | Insurance Broker | 4.00 million Baht | 0.04 | 51.0 |
| 6. Conicle Company Limited | Thailand | Consulting, Design and sales software Real estate | 2.64 million Baht | 0.03 | 20.0 |
| 7. Human Chess Capital Company Limited | Thailand | P2P Lending Platform via online | 6.00 million Baht | 0.60 | 50.0 |
| 8. Publica Holdings Pte. Ltd. | Singapore | Consulting, development and sales of human resource solutions software | 2.13 million USD | 2.13 | 5.9 |
| 9. Pragma and Will Group Company Limited | Thailand | Business Consulting | 1.11 million Baht | 0.11 | 10.0 |
| 10. Digital Asset Management Company Limited | Thailand | Operate a business of providing property management services | 3.00 million Baht | 0.03 | 10.0 |
| 11. Thailand Land Development (Na Na 1994) Company Limited | Thailand | Real estate | 110.00 million Baht | 11.00 | 12.8 |
| **Held by Humanica Asia Pte. Ltd.** | | | | | |
| 1. Humanica Sdn.Bhd. | Malaysia | Payroll outsourcing | 0.50 million MYR | 0.50 | 100.0 |

# NATURE OF BUSINESS

## 1. Revenue structure

The 2018-2020 revenue report is as follows;

| Type of business | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Million Baht | % | Million Baht | % | Million Baht | % |
| **1. Revenue from HR Solutions Business** | | | | | | |
| 1.1 Revenue from HR & Payroll services | 237.35 | 45.4 | 257.09 | 41.9 | 266.41 | 36.0 |
| 1.2 Revenue from Software | 159.64 | 30.5 | 212.30 | 34.6 | 269.93 | 36.5 |
| 1.3 Revenue from product sales | - | - | 25.66 | 4.2 | 75.76 | 10.2 |
| Total Revenue from HR Solutions | 396.99 | 75.9 | 495.05 | 80.6 | 612.10 | 82.7 |
| **2. Revenue from Financial Solutions Business** | | | | | | |
| 2.1 Revenue from ERP systems | 98.94 | 18.9 | 81.44 | 13.3 | 85.36 | 11.5 |
| 2.2 Revenue from Finance & Accounting services | 19.18 | 3.7 | 23.03 | 3.8 | 22.35 | 3.0 |
| Total Revenue from Financial Solutions | 118.12 | 22.6 | 104.47 | 17.1 | 107.71 | 14.5 |
| **3. Other income** | 8.12 | 1.5 | 14.34 | 2.3 | 20.53 | 2.8 |
| Total revenue | 523.23 | 100.0 | 613.86 | 100.0 | 740.34 | 100.0 |

Remark *Other income consists of interest, dividends and gain on investment etc.

## 2. Products and services

Humanica Public Company Limited and its subsidiaries have two main business units, HR solutions and financial solutions. HR solutions comprise HR software licensing and HR & Payroll outsourcing services. Financial solutions include implementation of SAP Business One (SAPB1) Enterprise Resource Planning (ERP) systems, and Oracle NetSuite Cloud ERP systems, and Finance & Accounting outsourcing services.

### 2.1 HR Solutions

#### 2.1.1 Human Resources Information Systems (HRIS)

Since the inception of the company, we have pioneered the business model of large scale HR outsourcing service using an advance HR technology from India as a platform and localized the software to suit the needs of Thai companies. Realizing that it was not easy to find an advance HR technology with best-in-class features to serve the complex needs of large companies and yet comply with Thailand's labor, tax laws, and social security, we have taken the bold step to build our own HR technology.

The Company has our own proprietary HR technologies, Humatrix, our flagship HR system which caters to the mid-to-large size clients with complex requirement, or clients with sophisticated work rules or work flow.

**Humatrix**

After a years of research and tireless hard work, we launched a full web based Humatrix 5 using dot net technology in year 2011. Humatrix 5 was a break-through, both in term of technology and innovations, unparalleled in Thailand. With the new technology, we were named one of the Top Ten Business Innovation in year 2010 by National Innovation Agency Public Organization, Ministry of Science and Technology of Thailand.

We continue our quest to improve Humatrix over the years and in 2015, we launched Humatrix 8 as the next generation to Humatrix 5. Apart from an improved user interfaces with modern looks and feels, Humatrix 8's framework was further developed to support multi-company, multi-country with multi-dimension capability. We were focusing in matching or ever surpassing the capability. We were focusing in matching or ever surpassing the capability of some well-known HR technology, working toward building our own world-class solution. By 2016, we have localized Humatrix 8 beyond the shores of Thailand, now serving clients in Singapore, Malaysia and Japan. In the same year, we won the Best Industrial Application award given by the Association of Thai ICT Industry, Thailand's first Information Technology professional association.

In 2019, we have successfully transformed the solution to focus on employee's experiences with intuitive mobile-first design. In 2020, we have commence the development of recruitment modules and workforce planning module as part of our plan to complete the end-to-end employee's journey from pre-hiring to retirement.

**Features of Humatrix**

Humatrix is a pure web-based HR solution, allowing access anytime, anywhere on any devices. It has unique workflow designer to facilitate different workflow by employee category or level, enabling end-to-end transaction to take place digitally. Eligibility of entitlement, condition of application and approval workflow are all parts of configurable components, allowing great flexibility to meet most demanding work rules.

- Mobility
  Humatrix has its own mobile application, available on iOS and Android, providing great mobility to workforce on the move. It transforms the way employee does access their HR records and how their perform HR related transaction. Everything now fits nicely in their pocket and is accessing anything at their fingertip.

- Connection with other systems via Humatrix Utility Gateway (HUG)
  Humatrix is designed to connect with third party HR system, such as SAP SuccessFactors, IBM Kenexa, Workday, PeopleSoft, Oracle, etc. It can efficiently and safely connect to exchange data on both organizational and employee data automatically using a scheduler. Our system can also make the real time connection via Application Program Interface (API) or Web Service.

- Add-ons
  Humanica is the first partner in Thailand to be appointed as a Business Process Outsourcing Partner (BPO Partner) of SuccessFactors, an international renowned brand of leading developer of HRD software, SAP. This appointment allows us to seamlessly integrate SuccessFactor's talent management suite into Humatrix, offering a wider selection of services to the HR community. Collaboration with SuccessFactors, not only brings us the benefits of working with a world-class HCM vendor, it helps us to build capabilities in providing consulting solution in other HR module to complete our value preposition to our clients.

### 2.1.2 HR and Payroll Outsourcing Services

Humanica is responsible for end-to-end transactional and compliance tasks relating to HR and payroll outsourcing services administration, allowing our clients to focus on their core business and delivering what matters to them most. As a BPO partner, we collaborate with our clients to support their growth with our high scalable BPO solution.

Our team of experts has deep knowledge of statutory rules and best practices, work tirelessly to guarantee our clients' payroll is always accurate and be on-time. We are the reliable pairs of hand whom our client can depend upon for timely processing of their HR or payroll matters. Most important, with our expertise, we help to drive productivity with automation using HR technology and reduces compliance risks for our clients.

**Our services include providing helpdesk support directly to the employees of our clients.**

We conduct our BPO businesses in accordance with ISO 27001 accredited standards, employing like-minded people to serve our clients. Our office in Singapore is among the handful BPO service providers in Singapore to be accredited with Outsourced Service Provider's Audit Report (OSPAR), recognise by The Association of Banks in Singapore.

## 2.2 Financial Solutions

**Humanica provides services in accounting and financial management, including enterprise resource planning system and accounting services as follows;**

### 2.2.1 Enterprise Resource Planning (ERP)

Humanica is a reseller and implementer of the SAP Business One (SAP B1) ERP system and Oracle NetSuite Cloud ERP systems

Humanica has been a reseller of SAP B1, which is the world's leading software since 2006. We have since become a SAP Gold Partner, the highest level of recognition awarded by SAP for their systems partners and we are also the Award winner of SAP B1 Partner of the Year 2020, among many awards we have been proudly awarded by SAP in the past years Apart from standard functions, we have also developed additional add-ons to support the needs of Thai entrepreneurs such as Thai localization (VAT and withholding tax), Consignment, GL Consolidation, Fixed Assets Management, Purchase Requisition, Billing and Bank Transfer.

The executives who oversee the ERP team have more than 25 years of experience in ERP and more than 10 years in SAP implementation. The Humanica team has attended trainings in SAP Certified Application Associate - SAP B1 and also attended several of SAP courses such as SAP B1 Sales Training, SAP Product Training, and etc. The Humanica team providing advisory services of ERP systems installation for customers in Thailand over 100 operations / projects in over past 10 years.

In 2019, seeing the opportunity in cloud ERP system, we collaborate with NetSuite to offer a well-established cloud-based ERP system to Thai markets. NetSuite was highly regarded by Gartner as one of the leaders in the magic quadrant.

The company has created and developed a team of consultants, who specialize in providing services that meet the customers' requirements and jointly develop the system to improve work processes and rules to be in line with the customers' business. The main revenue of this business unit comes from software licensing fees, implementation fees and annual maintenance fees. Additional revenue comes from software customization.

### 2.2.2 Finance and Accounting Services

Currently, Humanica FAS Company Limited (FAS) is one of the subsidiary companies of Humanica PLC. FAS provides comprehensive accounting and financial services, which consists of managing accounting information, financial planning advisory services, accounting services, financial management, tax services, and payroll services.

FAS serves both large international and domestic organizations in the field of Business Process Outsourcing by using accounting information technology and internal operating systems designed for reducing time and / or saving operating costs of customers.

Moreover, FAS also provides comprehensive services to SMEs from business planning, financial planning, Value Based Management, accounts preparation, cash-flow management or human resource management, and payroll services. FAS can also provide information technology tools and equipment for the customers. FAS focuses on providing one-stop-service, called Total Back Office Solutions, to SME customers in order to allow them to focus on their core business functions, and on accelerating their business growth.

In 2020, we have collaborated with Saha Pathana Inter-Holding Public Company Limited in setting up a joint venture to focus on providing back office services to companies based in The Eastern Economic Corridor ("EEC"). We believe in being an early mover to participate in the opportunities from the mega project initiated by the Thai Government to attract investment in advanced technology in new wave industries targeted by the EEC.

## 3. MARKETING STRATEGIES AND COMPETITIONS

2020 is an unprecedented year, with significant impact on economy across the globe, including Thailand, Singapore and Malaysia. The pandemic has accelerated the speed at which we are "going digital" and has given new power to many online industries. Never before have we been so dependent on Google or Zoom to simply get through the day.

Our marketing strategies focus on customers we already have, offering features to help them grapples their own HR needs to quickly go digital to adapt of new remote working norms. In addition, in our effort to reach out to new customers, we have also invested more in building our online presence and utlilise digital marketing tools as we want to make decisions that use this new reliance on technology to our advantage.

Despite the pandemic, we continue to invest in our flagship technology by enhancing its features, building more integration to partners in our eco-system. We believe we will be well positioned to serve the needs of Thai companies when the economy recovers. Thai companies generally are aware that digital disruption is happening and their experience with the pandemic is likely to speed up their readiness to deal with major digital transformation over the next few years.

### 3.1 ERP Software Market Strategies

The Cloud ERP software industry is expected to grow 29.8 billion USD in 2021, as companies adopting the ERP systems will more likely prefer solutions that are easily accessible, manageable, and secure.

With the collaboration with NetSuite, Humanica is well-position to ride the wave of cloud ERP expansion in Thailand.

NetSuite offers a complete set of business management systems that are united, comprised of systems ERP/ Finance and Accounting, Customer Relationship, and Electronic Commerce Systems that are already used in more than 20,000 organizations worldwide with 90% of Tech IPOs run NetSuite.

Through the work of various government-backed initiatives and agencies such as the National Innovation Agency (NIA) and True Digital Park, tech innovation and investment has become the cornerstone of the Thai government's efforts to transform the country into a digital economy. Entrepreneurs in Thailand's tech ecosystem have much to cheer for as the industry is on a strong growth trajectory. Such favorable conditions could lead to healthy demand for cloud ERP systems among the tech companies, who are often the early movers for cloud-based solutions.

Our focus to serve clients in the EEC is another initiative by Humanica to tap on Government's Thailand 4.0 vision. We believe EEC is the right place to be, with the future of attracting foreign investment no long based on cheap land and labour but shifting to creativity and innovation.

### 3.2 HR Software Market Strategies

Humanica has created an HR ecosystem covering a wide range of solutions capable of meeting the needs of businesses of all sizes and industries. Coupled with our strategic partnership and acquisition of Tigersoft enabling us to establish a strong foothold in the SME market, Humanica's ecosystem truly has the competitive advantage in the HR industry.

Humanica operates an open platform ecosystem, to be able to connect with third party suppliers and develop the best-of-suite HR products for our clients by creating a network of partners and alliances to offer unique value-added bundle of solutions to our clients.

The Company decides to invest in Conicle Company Limited, an expert in Learning & Development through its Leaning Management systems (LMS) with the mission to "Modernize Learning for the modern world of work". Conicle has a large pool of learning and training contents that were developed under the collaboration of experts in various industries. With over 30 clients, 500,000 registered users, and 30 expert collaborators, this investment will also allow the Company to gain access this library of contents and in turn improve on the HRD capabilities of our HRIS, Humatrix.

This will ultimately attract further interest from enterprises looking to embrace learning and development in a modern and more user-centric way. The LMS platform and its online and mobile capabilities allow employees to learn outside the classroom and under their own conditions.

The Company also sees potential in employees' health and wellness management. The vision leads Humanica to set up a joint venture company with CXA group, a Singapore-based insurance technology startup, and Fuchsia Venture Capital Company Limited,, a strategic investor in InsurTech, Healthtech, and FoodTech to introduce the "Flexi-Benefits" platform and Thailand's first data-driven health and wellness solutions marketplace.

Our joint-venture, Benix Limited was incorporated in November 2020 to warm and positive reception by the media, with more than 200 online, print, television coverages within 2 weeks of our launch.

The Benix platform will benefit both our clients and their employees by allowing employees to choose a level of benefit plan matching their lifestyle as well as procure additional products and services through the spending account sponsor by their employer in a form of an e-wallet. Providing a choice of benefits also ensures Companies stay relevant amongst Gen Y and Millennials, the largest generation group in any company. Finally, these preferences can be used to further personalize and leverage better insurance deals in the future.

The Flexi-Benefits platform currently has already received high interest from prospective clients, with our partner, CXA group, already offering their one-stop, self-service platform to over 600 clients and 400,000 employees, in over 20 countries globally. Integrating Humanica's HR solution with benefit application opens up many opportunities to expand our range of services in a seamless connection. We continue to sees the high potential for growth in the massive SME market, despite the growth was hindered by the COVID-19 impact as SMEs pulled back expenditure on IT spendings. Our acquisition of Tigersoft, a leader in the SME HR software marketwith over 400,000 employees from 3,000 clients, has strengthened Humanica's presence in the HR software market, as well as, developing capability in providing competitively priced services for payroll outsourcing for SMEs

### 3.3 Competitions

We continue to face challenges from competitions from local players, regional players, and global players.

In ERP solutions, there wasn't a local ERP software developer capable of developing solution matching the world-class standard of SAP B1 or Oracle NetSuite. The competitions are among the various resellers or resellers of other global ERP solutions. We believe in our competitive advantage of having an experienced team of product specialists and our own technology specialists with deep knowledge of the Thai markets.

While we are one of the first movers in building a Thai-based HRIS solution, we faced competition from start-ups looking to get into the HR space. The threats are manageable today as it need years to develop a mature product. Hence, it is not easy for start-ups to turn profitable and secure enough funding to develop a mature HR product. We saw more competition coming from regional/global players with increased focus in Thailand's market, prompting us to step up our development and improve our services to up our games.

On the business process outsourcing services, we expect to see price depression in immediate future as both local and global players are trying to gain market share. Our strategy is for Humanica to build alliances with like-minded companies to compete with regional players. We will also build outsourcing capability in Tigersoft to provide payroll outsourcing services at a more competitive rate to compete with local players.

## OUTLOOK AND NEW DEVELOPMENT

### General

Thailand's economy contracted at its fastest pace in more than two decades due to a lack of tourists and dwelling exports in 2020, with gross domestic product shrank 6.1% compared with the previous year. In 2021, the economy is anticipated a growth of 2.8% due to the subdued export demand and slower-than-expected recovery in tourism, a principal driver of Thailand's economic growth.

Singapore economy contracted 5.4% in 2020, led by double-digit downturn in tourism related sectors and construction, partially offset by an expansion in manufacturing sector and financial sector. The Singaporean government expects a 4%-6% growth rate in 2021 amidst a positive outlook in recovery of economy of key trading countries like China and stable domestic COVID-19 situation

Malaysia saw its worst performance since 1998 Asian Financial Crisis with a 5.6% contraction in 2020. Construction, mining and services sectors posted the biggest decline last year. Despite a recent surge in COVID-19 cases in Malaysia, the Malaysian government expect growth in 2021 to be between 6.5% to 7.5%.

The worldwide IT spending has declined in 2020 by 3.2% and it is forecasted to increase by 6.2% from 2020 based on the latest forecast by Gartner, Inc.

We have seen unprecedented speed of digital transformation in 2020 to satisfy remote working, education and new social norm with companies prioritized spending on technology and services that was deemed "mission critical" during the pandemic. In 2021, companies will have to balance between saving cash and expanding IT and businesses will be looking to accelerate digital transformation plan to survive in a post-COVID 19 era that involves higher adoption of remote work and digital touchpoints.

In Thailand this year, the IT spending contracted 4,9% to 636.2 billion baht, with devices saw the biggest year-on-year drop of 14.5%, followed by IT services with a 3.5% fall. Enterprise software, was the only IT sector that managed a marginal growth of 0.4% in 2020, rise to 40.4 billion baht.

With the positive outlook for a recovery in sight, we expect IT spending to recover and grow 5% in 2021 to 668,2 billion baht. The biggest rebound is forecast for enterprise software spending with a 13.6% jump to 45.9 billion baht as more companies embraced remote working and enterprise software is critical to support remote working. This trend is expected to continue into 2020 with a further growth of 8.9% in 2020 to bring the market size to more than 50 billion baht.

### Worldwide IT Spending Forecast (Billions of U.S. Dollars)

| | 2020 | | 2021 | | 2022 | |
|---|---|---|---|---|---|---|
| | Spending | Growth (%) | Spending | Growth (%) | Spending | Growth (%) |
| Data Center Systems | 215 | 0.0 | 228 | 6.2 | 236 | 3.4 |
| Enterprise Software | 465 | -2.4 | 506 | 8.8 | 557 | 10.2 |
| Devices | 653 | -8.2 | 705 | 8.0 | 715 | 1.3 |
| IT Services | 1,012 | -2.7 | 1,073 | 6.0 | 1,140 | 6.3 |
| Communications Services | 1,350 | -1.7 | 1,411 | 4.5 | 1,457 | 3.3 |
| **Overall IT** | **3,695** | **-3.2** | **3,923** | **6.2** | **4,105** | **4.6** |

Source: Gartner (January 2021)

**Thailand IT Spending Forecast (Billions of Thai Baht)**

| | 2020 | | 2021 | |
|---|---|---|---|---|
| | Spending | Change Spending (%) | Spending (Forecast) | Change Spending (%) |
| Data Center Systems | 24.8 | -1.1 | 27.5 | 10.9 |
| Enterprise Software | 40.4 | 0.4 | 45.9 | 13.6 |
| Devices | 161.7 | -14.5 | 176.9 | 9.5 |
| IT Services | 60.1 | -3.5 | 58.9 | -2.0 |
| Communications Services | 349.2 | -0.9 | 359.0 | 2.8 |
| Overall IT | 636.2 | -4.9 | 668.2 | 5.0 |

Source: Gartner (January 2021)

2020 has seen a unique set of circumstances forcing changes to working, social and shopping practices have favoured a handful of industries predominantly within the technology sector, while others have faltered under the economic uncertainty. Despite the unprecedented crisis, we have booked a double digit growth in 2020.

We remain convicted that technology sector will continue to see high rates of long term revenue and earnings growth, as well as ongoing opportunities for disruption of traditional business models in an increasingly digital world.

News of the vaccine breakthrough proved a catalyst for economic recovery in 2021. Despite the positivity surrounding the roll-out of vaccines, COVID-19 remains a worrying threat which may derail As we move forward, the pandemic will continue to occupy us in 2021. Governments will have new COVID-19 outbreaks to battle, and will need to distribute a vaccine to their population once it becomes available. Additionally, people and businesses will need to adapt to what we believe will be permanent changes in the way we work, learn and live.

Finally, while economic growth should normalize after the pandemic-induced shock in 2020, there are risks that still need to be monitored carefully.

**HR Solution Division**

We believe the HR technology industry will experience continuing growth and evolution in 2020 as organizations turn to technology for further efficiency and productivity gains. This is especially true in the countries we are operating in, in part because companies operating in "talent-constrained environments" seek to invest in tools to help them better recruit, develop and support their workforces.

Another factor likely to drive the demand for HR technology is the implementation of the Thailand's Personal Data Protection Act B.E. 2562 ("PDPA") coming into compliance by May 2021. HR leaders and technology solutions will play a growing role in helping to strike the right balance between employee trust and data privacy.

More than before, employees of today is expecting to be treated internally more like customers, and that includes how their personal data is handled, to a certain extent it's up to HR to ensure that the policies and technology systems being used will provide the right level of transparency, as well as the right level of protection for employee data."

**Research and Development**

HUMAN's continual focus in innovations has borne fruits in 2020 with the addition of recruiting module and workforce management module to the extensive suite of HR module we already developed.. The development of additional module allows us to compete on higher ground with regional or global software providers.
Here are the trends and developments for HUMAN as we turn the calendar to 2021.

**Mobile-first Self-Service Technologies**

HR functions have adopted technology platforms that include both employee self-service (ESS) and manager self-service (MSS) tools to make HR information more accessible.

To address the challenges of rising costs and the demands of a multi-generational workforce, employers need to deploy an increasingly diverse benefits strategy. A mobile-first strategy elevate "connectedness", given the high level of smartphone users among their employees, allowing companies to their corporate objectives.

### AI in HR Tech

As automation and digitalization continue to reshape job roles and skill needs, HR will need to create increasingly agile and effective reskilling strategies for workers-including training HR staff in data analysis, AI and other technology-related skills.

HUMAN will enhance its solutions to address the challenges workforces present for organisations by offering better analytics.

### The rise of the health and wellbeing market

In 2020, we will collaborate with reliable partners in incorporating Benix Limited, a flexi benefits services that comprises insurances, consulting, provision of flexi benefits platform and benefit outsourcing services in Thailand.

Most of the big healthcare providers are pouring money into new AI-based automated tools, and these can be mixed and matched to fit any workforce in the world. Wellbeing platforms can bring these applications together and create real behaviour change for your workforce with tools for mental and emotional health, stress reduction, physical fitness, diet, and financial wellbeing are beginning to proliferate.

Such a market does not exist years ago. Today this is a true segment of the tech market and HR and people teams should understand what's available to enhance the employee's experiences and bring on personalised benefits.

HUMAN introduces Asia's leading health and benefits platform, allowing employees to make their own benefit choices which will improve employees' engagement and retention. While flexi benefits is relatively new to the Thai market but it trending globally and we expect the trend to gain popularity in Thailand.
We continue to strive to build a large employees' community to bring personalised and carefully curated services to the employee via a B to B to C model.

### Financial Solution Division

Today's finance leaders know their ERP systems are a critical part of their business. ERP technology enables day-to-day operations, ensures data integrity and enhances business insights. To meet the challenges and leverage the opportunities of the digital economy and evolving technologies, companies are modernizing their ERP systems. That's where cloud applications come in. Cloud offerings are rapidly altering the ERP landscape and enable companies to meet and leverage new technologies.

HUMAN is proud to be appointed by Oracle NetSuite as their reseller in Thailand. Together with our continued association with SAP B1 products, we now have the ability to offer a wider range of EPR solutions, be it on premise or cloud-based solutions. Our team of experienced professionals work tirelessly in delivering world class turn-key solutions, coupled with in-housed developed add-on modules for Thai compliances, providing the best in class experience to help our customers in their digitalization journey.

In the Accounting outsourcing segment, we continued to see opportunities in providing one-stop back office support to SMEs, comprises HR, payroll, accounting and finance operation, bookkeeping, VAT filing, preparation of financial statements and reporting package. We can also offer tailored solutions to include preparation of consolidated accounts and review of accounts. Most importantly, as a differentiator, we can offer a hybrid solution incorporation an SMEs centric Workplaze solution with full suite of HR, Payroll and Financial functions while allowing clients to outsource some functions like payroll and accounting to us at an affordable rate. In this way, we look to serve the SMEs by addressing their concern of not been able to employ qualified payroll specialist or accountants, especially in current tight labour situation.

### Overall

With the economy returning to a level of certainty, we believe companies will invest in IT in a manner consistent with their expectations for growth, not based on their current profitability. While it may take a while more to get back to Pre-Covid 19 spending, the need to escalate digitalization is getting more attention from senior executives then before. Despite the pandemic, we have not scale back our investments. Instead, in 2020, we have set up two joint ventures, acquired shares in startup companies which complement our services, and continue to push for higher ground for our softwares. We firmly believe that these investments put us in a good position to reap the benefits when recovery set in.

At HUMAN, we are optimistic that FY2021 will be a year of growth and we will see revenue from new line of businesses that we have been preparing for.

# RISK FACTORS

The company has managed risk by increasing operational efficiency corporate governance. To build confidence among the stakeholders improve the efficiency of the management system flexible management responding to changes efficiently and can protect the business Company products and services.

## 1. Business Risks

The Company's key marketing strategy aims to further expand market share by strengthening and expanding its market channels, including its subsidiaries and partnership network. We will continue to enhance end-user product experience in the ever changing landscape of HR and Financial industry. We believe in collaborating with partners, strengthening our capabilities in distributing a wider range of products, which will eventually bring us more opportunities and allow us to differentiate our product with distinct advantages.

Apart from introducing and implementing products, we will continue to add on outsourcing services to further strengthen our relationship with our client as our strategy to keep our competitor at a distance.

### We summarized our business risk as follow:

- **Risk from market entry of international companies**
  We may face competition from international HR software companies entering Thailand market and compete with us. However, to develop an effective HR software for Thai market is not easy due to the complexity of Thai tax system and requirements. The new entrants will require time and fund to research and develop a software for Thailand market. Most international software companies likely to opt to be a partner of local software developers in Thailand to manage their clients or distribute their product. This may be an advantage for us as we can be the partner of choice for leading HR companies like SAP, IBM and Workday.

- **Risk of copyright violation**
  As a software developer, we closely guard our most valuation intellectual property, preventing it from been reproduced or modified for economic gains. The Company's software is protected by Copyright Act B.E 2537. The Company registers the copyright of Humatrix 5, Humatrix 7 and Humatrix 8 with Department of Intellectual Property to prevent the reproduction, adaptation or unauthorized usage. The customers have to receive the valid license key from the Company which is configured according to requirements of each customer. We also take steps to ensure that we safeguard our source code in our day-to-day operation.

- **Risk of reliance on third party partners**
  We have contractual arrangement with various third party partners in distributing their products or white label their product and enhance it for our business. There are risk on our business if any of the partners decide to terminate our agreement.

  However, as most of our partners are well established international companies and we diligently fulfil or even surpass our obligations toward the agreement, we believe that the risks is low. The Company continually give full support to our partners, invest in developing and promoting their product. We also maintain has long established good relationship with our partners.

## 2. Operational Risks

- **Risk of disruption in information technology system**
  Data security and disruption in our information system remains high on our risk as it will directly and severely impact our services. The Company will continue to invest in improving our technology and infrastructure, apply industrial best practices and diligently monitor our activities to adhere to policies and procedures certified by professional assessor to ensure that we watch our risks carefully. We will continue to work with security expert for yearly certification, as well as, have knowledge on new security product or services to strengthen our information technology system.

- **Risk of reliance on key management staff**
  As in any businesses, our people is our most important asset, The loss of key management staff can impact our business, including the morale of the employees and the confidence of our clients and business partners, even causes a dent in our company image.

Apart from putting in place a good remuneration package and cultivate good culture with exciting career progression, we will take measures to reduce impact of loss of key management staff by rotating roles and duties and ensuring that we have sufficient job coverage. Most of our key management employees has been with the Company for 5 years and above, and they are committed to serve the Company in many more years to come.

### 3. Financial Risks

- **Exchange Rate Risk**
  The Company and its subsidiaries collect its dues and make payment mainly in local currencies, except for a very small amount of receivables and an intercompany load extended to its subsidiary to fund operating expenses.

- **Interest Rate Risk**
  The Company and its subsidiaries expose to interest rate risk related primarily to their interest-bearing cash at banks, short-term loans and long-term loans. However, since most of the Company and its subsidiaries' financial assets and liabilities bear fixed interest rates or floating interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

- **Credit Risk**
  The Company and its subsidiaries are exposed to credit risk primarily with respect to the trade receivables. Such risk is managed by adopting appropriate credit control policies and procedures to mitigate the credit risk.

- **Liquidity Risk**
  The Company can be subject to unforeseen shortfall in cash. Our corporate finance unit actively monitors the liquidity position of the Group and always maintains an adequate level of cash and/or credit lines to meet our financial obligations and to mitigate the effects of fluctuations in cash flows.

# LEGAL DISPUTES

As of December 31, 2020, the Company and the group company have no the legal disputes.

# MAJOR SHAREHOLDERS

## 1. Securities of the Company

The Company has a registered capital and the paid-up capital of 340.00 million baht, divided into 680 million ordinary shares with a par value of 0.50 baht per share. The company is listed on the Stock Exchange of Thailand.

**Major shareholders**

As at December 23, 2020 the major shareholders of the company, which appears in the of share registration are detailed as follows.

| No. | List of Shareholder Name | As of Dec 23, 2020 | |
|---|---|---|---|
| | | No. of Shares | % |
| 1 | Group of Mr. Soontorn Dentham | 261,777,200 | 38.5 |
| | Mr. Soontorn Dentham | 261,277,200 | 38.4 |
| | Mrs. Pensiri Dentham | 500,000 | 0.1 |
| 2 | BTS Group Holdings Public Company Limited | 68,700,000 | 10.1 |
| 3 | STATE STREET EUROPE LIMITED | 29,678,000 | 4.4 |
| 4 | Thai NVDR Company Limited | 25,894,576 | 3.8 |
| 5 | BNY MELLON NOMINEES LIMITED | 17,204,100 | 2.5 |
| 6 | SOUTH EAST ASIA UK (TYPE A) NOMINEES LIMITED | 13,486,200 | 2.0 |
| 7 | Aberdeen Small Cap Fund | 13,110,900 | 1.9 |
| 8 | Bualuang Long Term Equity Fund | 12,351,700 | 1.8 |
| 9 | JP MORGAN SECURITIES PLC. | 11,734,900 | 1.7 |
| 10 | Mr. Choengchai Charoenchitseriwong | 10,084,000 | 1.5 |
| | Total number of 10 major shareholders | 464,021,576 | 68.2 |
| | Other shareholders | 215,978,424 | 31.8 |
| | **Total no. of shares** | **680,000,000** | **100.0** |

## 2. Dividend Payment Policy

The company has a policy to pay dividends at a rate of not less than 50% of net profit from the separate financial statements of the company, after the deduction of corporate income tax and legal reserve allocation of the company. However, the Company may consider paying dividends differently from the above mentioned policy depending on company's performance, liquidity and working capital requirement for business expansion, as well as, external factors such as economic conditions.

**Explanation**

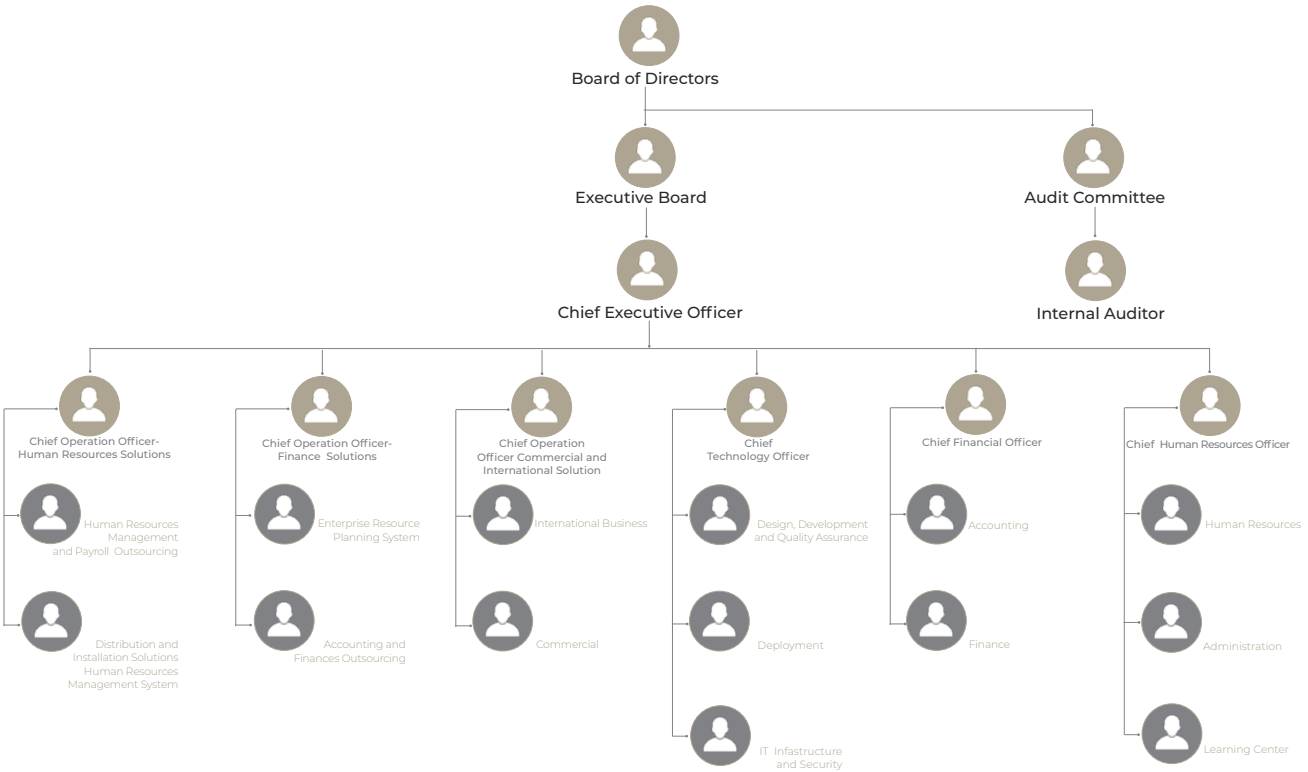
This dividend payment policy has been approved by the Board of Directors No. 1/2017 on August 11, 2017, which defined the basic principle for dividend payment. However, the Company must proposed the amount of dividends for the shareholders' approval according to Thai law and regulation. Dividend payment must be paid from the net profit of the Company according to the separate financial statements of the Company is lower or there is no profit, the dividend payment must be adjusted in accordance with those circumstances.

**In 2020, the Company paid dividend as follows:**

- The Board of Directors approved the payment of interim dividends from the net profit for the first half of fiscal period 2020 on August 11, 2020, amounting to 0.06 baht per share to the shareholders of the Company whose names appear in the shareholders' register book (Record Date) on August 27, 2020, totaling 40.80 million baht.
- The Board of Directors proposed that shareholders consider and approve the dividend payment from the net profit for the second half of fiscal period 2020 on April 19, 2021, amounting to 0.08 baht per share, totaling 54.40 million baht to shareholders according to the list of shareholders whose names appear in the register book (Record Date) as of April 27, 2021 and paying dividend on May 17, 2021.
- The Company paid dividend for the year 2020 performance in the amount of 0.14 baht per share, or a total amount of 95.20 million baht or equivalent to the dividend payment rate of 73.0 percent.

# MANAGEMENT STRUCTURE

## 1. Management Structure




### Board of Directors

The Company's Board of Directors comprises the following 7 members;

| | Name | | Position |
|---|---|---|---|
| 1. | Mr. Anotai | Adulbhan | Chairman of the Board of Directors |
| 2. | Mr. Soontorn | Dentham | Vice Chairman of the Board and Chief Executive Officer |
| 3. | Mr. Anuphan | Kitnitchiva | Independent Director |
| 4. | Mr. Patara | Yongvanich | Chairman of Audit Committee and Independent Director |
| 5. | Mr. Thanachart | Numnonda | Audit Committee and Independent Director |
| 6. | Mr. Patai[1] | Padungtin | Independent Director |
| 7. | Mr. Pana[2] | Janviroj | Audit Committee and Independent Director |
| 8. | Ms. Piyaporn[3] | Phanachet | Audit Committee and Independent Director |

[1] Mr. Pana Janviroj was appointed as Audit Committee by the Meeting of Company's BOD No.2/2020 on May 12, 2020 in place of Mr. Patai Padungtin.

[2] Mr. Pana Janviroj was appointed as Independent Director on February 25, 2020 and Audit Committee on May 12, 2020. He resigned from Audit Committee and Independent Director on November 13, 2020.

[3] Ms. Piyaporn Phanachet was appointed as Audit Committee and Independent Director on February 3, 2021, to replace Mr. Pana Janviroj.

**Authorized Directors**

The authorized directors are Mr. Soontorn Dentham and Mr. Anotai Adulbhan had jointly signed and affixed the Company's seal.

**Board of Directors**

The Board of Directors comprise of experts who are knowledgeable, capable and experienced. Specific expertise that is beneficial to the Company does not have prohibited qualifications as follows:

1. Directors are authorized to manage the Company in compliance with objectives, regulations and resolutions of shareholders' meeting.
2. The Board of Directors may authorize one or more directors or any party on their behalf.

**Authority of Board of Directors**

1. Directors are authorized to manage the Company in compliance with objectives, regulations and resolutions of shareholders' meeting.
2. The Board of Directors may authorize one or more directors or any party on their behalf.
3. The Board of Directors has to organize one meeting within three months at the Company's headquarter or at any branch offices or adjacent provinces.
4. The Board of Directors has to organize the ordinary meeting of shareholders within four months after the end of fiscal year, and call on the extraordinary shareholders' meeting any time upon proper grounds.

## Audit Committee

The audit committee of the Company comprises the following 3 members;

| | Name-Surname | | Position |
|---|---|---|---|
| 1. | Mr. Patara | Yongvanich | Chairman of Audit Committee |
| 2. | Mr. Thanachart | Numnonda | Audit Committee |
| 3. | Mr. Pana[1] | Janviroj | Audit Committee |
| 4. | Ms. Piyaporn[2] | Phanachet | Audit Committee |

[1] Mr. Pana Janviroj was appointed as Independent Director on February 25, 2020 and Audit Committee on May 12, 2020. He resigned from Audit Committee and Independent Director on November 13, 2020.
[2] Ms. Piyaporn Phanachet was appointed as Audit Committee and Independent Director on February 3, 2021, to replace Mr. Pana Janviroj.

## Nomination and Remuneration Committee

The Board of Directors passed a resolution to modify the structure by the Nomination and Remuneration Committee No. 2/2020 on May 12, 2020, total following 3 members;

| | Name-Surname | | Position |
|---|---|---|---|
| 1. | Mr. Anuphan | Kitnitchiva | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Anotai | Adulbhan | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Thanachart | Numnonda | Member of the Nomination and Remuneration Committee |

## The Attendance of the Board of Directors, Audit Committee and Nomination and Remuneration Committee in 2020

| | Name-Surname | | Numbers of Meeting Attendance / Number of Total Meeting | | |
|---|---|---|---|---|---|
| | | | BOD | AC | NRC |
| 1. | Mr. Anotai | Adulbhan | 4/4 | - | 1/1 |
| 2. | Mr. Soontorn | Dentham | 4/4 | - | - |
| 3. | Mr. Aunphan | Kitnitchiva | 4/4 | - | 1/1 |
| 4. | Mr. Patara | Yongvanich | 4/4 | 4/4 | - |
| 5. | Mr. Thanachart | Numnonda | 4/4 | 4/4 | 1/1 |
| 6. | Mr. Patai[1] | Padungtin | 4/4 | 2/4 | - |
| 7. | Mr. Pana[2] | Janviroj | 2/4 | 1/4 | - |

[1]Mr. Pana Janviroj was appointed as Audit Committee by the Meeting of Company's BOD No.2/2020 on May 12, 2020 in place of Mr. Patai Padungtin.
[2]Mr. Pana Janviroj was appointed as Independent Director on February 25, 2020 and Audit Committee on May 12, 2020. He resigned from Audit Committee and Independent Director on November 13, 2020.

## Executive Committee

The Executive Committee of the Company has the total number of 7 persons, consisting of;

| | Name-Surname | | Position |
|---|---|---|---|
| 1. | Mr. Soontorn | Dentham | Chairman of Executive Committee |
| 2. | Ms. Chuenchom | Techarungkiat | Executive Committee |
| 3. | Ms. Bee Bee | Lim | Executive Committee |
| 4. | Mrs. Sasithorn | Hirunsak | Executive Committee |
| 5. | Ms. Hathaichanok | Suwanjang | Executive Committee |
| 6. | Mr. Kawin[1] | Praisuwan | Executive Committee |
| 7. | Mr. Somsak | Tantitanawat | Executive Committee |

[1] Mr. Kawin Praisuwan was appointed as the Executive Committee on May 12, 2020, replaced Mr. Sayan Wairangkoon who resigned on April 30, 2020.

## Executive

The Executive of the Company has the total number of 7 persons, consisting of;

| | Name-Surname | | Position |
|---|---|---|---|
| 1. | Mr. Soontorn | Dentham | Vice Chairman and Chief Executive Officer |
| 2. | Ms.Chuenchom | Techarungkiat | Chief Operation Officer - HR Solutions |
| 3. | Ms. Bee Bee | Lim | Chief Operation Officer - Commercial and International Business |
| 4. | Mrs. Sasithorn | Hirunsak | Chief Operation Officer - Financial Solutions |
| 5. | Ms. Hathaichanok | Suwanjang | Chief Technology Officer |
| 6. | Mr. Kawin[1] | Praisuwan | Chief Financial Officer and Company Secretary |
| 7. | Mr. Somsak | Tantitanawat | Managing Director of Tiger Soft (1998) Co.,Ltd. |

[1] Mr. Kawin Praisuwan was appointed as the Executive on May 12, 2020, replaced Mr. Sayan Wairangkoon who resigned on April 30, 2020.

## Authority of the Executive

1. Making decision of the Company's significant transactions, setting up a mission, objectives, guidelines, policies which includes overseeing the Company's overall operation, outputs, customers' relation and to be responsible to the Board of Directors.
2. Setting up organization structure under his/her scope of responsibilities, appointment and process of work together with internal controls.
3. Setting up an efficient system and process of work together with internal controls.
4. Approvals of expenditure for projects or investments according to limits approved by the Board of Directors.
5. Hiring, appointing, dismissing, setting up remuneration rates, rewards, annual increase and bonus to his/her subordinates.
6. Act as a Company's representative in any related business dealing with the external parties to an utmost benefit to the Company.
7. Managing the Company's general business.

The power was given to the executive in approval of any business operation specified by the Board of Directors, except any acts which have conflict of interests to the Company or any acts which require approval from the shareholders in any related transactions or acquiring and disposing of the Company's assets which have to be in line with the SET's regulations. The Company is considering to specify the authority of the individual executive to comply with the Company's business operation.

## Company Secretary

In the Board of Directors Meeting No.2/2020 on May 12, 2020, the Board of Directors passed a resolution to appoint Mr. Kawin Praisuwan as the Company Secretary to comply with the Securities and Exchange Act (No.4), B.E. 2008 and Good Corporate Governance of the company with the main responsibilities as follows;

1. Supervise and provide suggestions to Directors and Managements about the compliance in laws, requirements, regulations, and rules of the Company and monitor for the accurate and regular practice.
2. Responsible in arranging the meeting of the Company's Board of Directors and Shareholders' Meeting as well as coordinating to have the practice according to the meeting's resolution.
3. Supervise the disclosure and report the information in the responsible area according to the regulations and rules of the Securities Exchange of Thailand and Securities and Exchange Commission as well as the relevant laws.
4. Prepare and store the following documents
   - 4.1 Director registration
   - 4.2 Invitation to the board meeting and minutes of the meeting of shareholders
   - 4.3 Invitation to the Shareholders' Meeting and Minutes of Shareholders' Meeting
   - 4.4 Company's Annual Report
   - 4.5 Report on The stakeholders of Directors and Managements

## Remuneration of Directors and Executives

### Remuneration of Directors

The Company's Board of Directors had fixed the clear remuneration policy. There are Nomination and Remuneration Committee established to contemplate and fix the remuneration which is subject to yearly revision. Remuneration of Director, company has defined by suitability, duty, responsibility assigned and in line with the Company's financial status and operation results, performance of committee and sub-committee. The remuneration shall be comparable to the listed companies of similar business size in the same industry and shall be enough to attract the qualified directors to perform the duties in the target direction.

The company sought the approval of remuneration of the directors from the shareholders' meeting for year 2020 hold on April 27, 2020.

| Position | The amount of meeting allowance (Baht/Person/Time) |
|---|---|
| Chairman of the Board of Directors | 35,000 |
| Director | 25,000 |
| Chairman of Audit Committee | 30,000 |
| Audit Committee | 25,000 |
| Chairman of Nomination and Remuneration Committee | 5,000 |
| Member of the Nomination and Remuneration Committee | 5,000 |

Remarks:

1. The directors meeting allowances for the year, 2020 are equal to the directors' meeting allowance for the year, 2019. (The company will pay the said meeting allowances only for the Chairman of the Board of Directors, Non-Executive Directors, Independent Directors who hold positions in the Board of Directors, Audit Committee and the Nomination and Remuneration Committee attending the meeting).
2. Other compensation: No compensation other benefits.

## The remuneration of the Board of Directors for the year 2020

| | Name-Surname | | The remuneration of the Board of Director (Unit: Baht) | | | Total |
|---|---|---|---|---|---|---|
| | | | Board of Directors (BOD) | Audit Committee (AC) | The Nomination and Remuneration Committee (NRC) | |
| 1. | Mr. Anotai | Adulbhan | 140,000 | - | - | 140,000 |
| 2. | Mr. Soontorn | Dentham | - | - | - | - |
| 3. | Mr. Anuphan | Kitnitchiva | 100,000 | - | - | 100,000 |
| 4. | Mr. Patara | Yongvanich | 100,000 | 120,000 | - | 220,000 |
| 5. | Mr. Thanachart | Numnonda | 100,000 | 100,000 | - | 200,000 |
| 6. | Mr. Patai[1] | Padungtin | 100,000 | 50,000 | - | 150,000 |
| 7. | Mr. Pana[2] | Janviroj | 50,000 | 25,000 | - | 75,000 |
| | Total | | 590,000 | 295,000 | - | 885,000 |

[1] Mr. Pana Janviroj was appointed as Audit Committee by the Meeting of Company's BOD No.2/2020 on May 12, 2020 in place of Mr. Patai Padungtin.

[2] Mr. Pana Janviroj was appointed as Independent Director on February 25, 2020 and Audit Committee on May 12, 2020. He resigned from Audit Committee and Independent Director on November 13, 2020.

## Executives Remuneration

The remuneration of 7 executives in the year 2020 amounted to 36 million baht in comparison to year 2019 with an amount of 28 million baht. Such remuneration includes salaries, bonuses, contributions to the provident fund.

## Personnel

Number of Personnel
As of December 31, 2020 and 2019, the Company has a total of 582 employees, and 541 employees respectively (excluding 7 executives) as follows

| Division | Number of Employees (Persons) | |
|---|---|---|
| | 31 December 2019 | 31 December 2020 |
| 1. Human Resources Solutions (HR Solutions) | | |
| · Human Resource Management and Payroll Outsourcing (HPO) | 172 | 176 |
| · Distribution and Resources Management System Solution (HRS) | 12 | 6 |
| 2. Management, Accounting and Finance Solutions (Financial Solution) | | |
| · Enterprise Resource Planning (ERP) | 35 | 44 |
| · Accounting and Finance Outsourcing | 27 | 30 |
| 3. International Business | 20 | 20 |
| 4. Technology | | |
| · Design & Development and Quality Assurance | 44 | 54 |
| · Deployment | 10 | 12 |
| · IT Infrastructure & Security | 11 | 12 |
| 5. Solution Delivery | 11 | 15 |
| 6. Tiger Soft | 156 | 165 |
| 7. Accounting and Finance | 9 | 8 |
| 8. Human Resources and Administration (HR and Admin) | 35 | 34 |
| 9. Marketing | - | 6 |
| Total | 541 | 582 |

## Labor Dispute

-None-

## Employees Remuneration

### Cash Remuneration

In the year 2020, the Company paid compensation to employees (Excluding executive) in the amount of 290 million baht and 252 million baht in 2019, which are compensation in the form of salaries, bonus, overtime, contributions to the provident fund and other welfares

## Human Resources Development Policy

The Company and its subsidiaries place an importance in the human resources development by supporting and providing opportunities for all employees at all levels to develop additional knowledge and capabilities, to be appropriated with the positions and the assigned responsibilities and for the progress of oneself and the Companies in the future. The trainings are arranged for the employees regularly, which can be divided as follows;

- **Internal Training** by organizing the special training related to the Company's service such as Growth Mindset, Risk Management courses, to be used in risk analysis and also risk management. Accordingly, the Company has complied with the quality standard requirements (ISO27001). For each Department of organization, we has provided SQL Basic & exercise course, timeline video framework course, developing our Software. Additionally, the Company also established the fundamental of HR knowledge for HR solution, such as income tax calculation, labor law, provident fund, social security and Microsoft excel applications, English program to increase the strength of every employee in company. This is to develop the English language of employees of all levels to be even better. In addition, there are also training courses for human resource development of the Company such as Leadership Development Program and New Gen Leadership Program for executive level employees as well. As mentioned above, the Company has the trainers, recruiting from personnel who have expertise in the company and also invite relevant speakers to give and share their experience and knowledge. So that our employees can apply and develop into their daily work.

- **External training** by sending employees to attend various training related to the Company's services to increase the efficiency of service such as Compensation and Benefits Strategies Amid & After The COVID-19 Crisis, Workforce Analytics for Managers & Executives, Financial Analysis for Non-Finance, Tax Benefits and Accounting Effects, courses. TAS 12 (revised 2018) Deferred Tax course, How to choose THE RIGHT SUCCESSOR course and Digital HR Forum, etc. to those courses increase the potential of the Company's employees.

- In addition, the Company also provides online - learning channels (E-Learning) to allow all employees to easily access learning resources on the Company's application system, which offers various training courses such as Advance Presentation Skill, Grow your organization with Lean Management, Chinese language courses for sales, Easy Design Thinking courses, Marketing for Non Marketer courses. Those courses allow employees to spend their free time as benefit and strength more capability continuously. Next step, the Company has a plan to establish Learning Center to serve the high demand of human resource as the company's organic and in-organic business growth.

HUMANICA

# CORPORATE MANAGEMENT AND GOVERNANCE

CG

## CORPORATE GOVERNANCE POLICY

The Company's Board has established the policy on corporate governance, business ethics, and work performance practices. The policy is reviewed annually or as appropriate so as to keep up with current situations and business environment while conforms to guidelines set forth by the SET, SEC, and relevant governance agencies. In so doing is to uplift the Company's corporate governance (CG) practices to meet international standards, to better create long-term good performances: to better take on all changes, create value, and responsive to shareholders, stakeholders, and society.

The Board of Directors has specified and supervised the consideration and resolution for review and amend the corporate governance policy for creating sustainable business value. This aims at building up confidences of shareholders and stakeholders seen as essence for long-term business value and returns to shareholders. The Company's Board, as the leader of the organization, has implemented and appropriately performed its duties attaching to the following 8 principles.

### Principle 1:
**Establish Clear Leadership Role and Responsibilities of the Board**

The Board of Directors should understand and be aware of their leadership's role and responsibilities to ensure that the organization adopts good corporate governance by setting objectives and goals for the business, approving vision and mission, core values, directions, policies and strategies, and allocating vital resources for use in Company business operations. The Board of Directors will also reconsider and review the Company's vision, mission and strategies on a regular basis such that Management and employees have unified aims and direction going forward. In addition, the Board of Directors should review and approve business plans implemented by the Management and closely monitor them through regular performance evaluations and reporting of operational results.

The Board of Directors monitors that Directors and Executives perform their duty of care with loyalty and ensure that the operations are properly carried out in accordance with the laws, rules, regulations and resolutions of shareholders' meetings as well as in line with Company's policies or guidelines (such as investments and transactions that have significant impact on the business, related party transactions, property acquisitions / dispositions, dividend payments, etc.)

The Board of Directors has a good understanding of their roles and responsibilities, which are clearly defined and separated from those of the Management, Chairman of the Board and Chief Executive Officer to provide a balance of power and transparency in management

### Principle 2:
**Define Objectives that Promote Sustainable Value Creation**

The Board of Directors is responsible for overseeing that the business has clear, suitable and sustainable objectives in designing the business model and communicating the Company's values and vision to everyone to drive the Company as a whole in a unified direction.

HUMAN's vision, mission, core values and objectives are:

**Vision**
We are a happy family of good attitude talents who share the same meaningful dreams and walk our values together to deliver world-class products and services to meet even unrecognized needs of our clients as well as their employees

**Mission**
We help employees of our clients work better and live happier

**Core Values**
1. **Excellence:** We are passionate about meeting even the unrecognized needs of our customers and delivering values for our shareholders. We are committed to excellence and innovation.
2. **Teamwork:** We work together as a team. We respect each other and celebrate our diversity.
3. **Integrity:** We act with integrity and we are accountable for all of our actions, including safety, protecting the environment and supporting our communities.
4. **Openness:** We uphold our values and communicate honestly and openly.

**Objectives**

1. Encourage most companies to digitalize their HR & Payroll processes with Humanica as we strive to provide a versatile solution, combining the flexibility for both technology and services.
2. Develop our Humatrix software to be generally accepted as one of the best HR Systems in Asia within 5 years.
3. Expand our eco-system to include end-to-end modules for HR solution and Finance & Accounting through partnership with like-minded partners.
4. Be among the market leading service providers for one stop back office support service provider, including finance & accounting outsourcing services in Thailand.
5. Expend business to strategic countries in Asia in five years by Merger & Acquisition, organic growth or the establishment of business partnerships.
6. Build B-B-C digital business and expand the reach to our virtual community

The Company includes our vision, mission and core values, and the objectives of the Company in the orientation of new employees and always communicate them to employees during Company events.

In defining such objectives, the Board of Directors has taken into account environmental conditions, changing factors, adoptions of innovation and suitable technologies, the needs of customers and stakeholders as well as the business readiness, expertise and competitiveness while displaying the attributes of corporate governance, accountability, integrity and transparency. The Board of Directors has defined both financial and non-financial objectives suitably consistent with the business environment and potential while being mindful of setting goals that may lead to unlawful acts or unethical conduct.

## Principle 3:
## Strengthen Board Effectiveness

The Board of Directors regularly determine and review the Board Structure, in term of size, composition, and proportion of independent Directors so as to ensure its leadership in achieving the main objectives.

### Principle 3.1: Board Structure

The Board of Directors has entrusted the Nomination and Compensation Committee (NC) to make consideration and proposal on the Board Structure, in term of size, composition, and the proportion of independent Directors as suitable for its determination and review.

The NC shall ensure that the Board of Directors consists of fully qualified Directors in accordance with the law and related rules with diversified qualifications on the aspects of specific skills, experiences, competencies and characteristics necessary for successful attainment of the Company's objectives and can foster understanding and respond to the needs of stakeholders.

The proportion of the Board of Directors shall consist of not less than 1/3 non-executive Directors that reflect and appropriate balance of power. In the current structure of the Board of Directors, there are 5 non-executive Directors among a total of 7 Directors, which is appropriate to its size, category and business complications in accordance with the Corporate Governance Code.

### Principle 3.2: Board Chairman and Board's Operating Elements

The Board of Directors, under the leadership of the Chairman, perform their duties in overseeing the Company with impartiality and transparency, take into account the best interests of the Company and refrain from giving any advantages to any persons. The Board Chairman and Chief Executive officer (CEO) must not be the same person and their duties shall clearly be divided:

**The main duties of the Chairman and CEO are as follows:**

Roles of the Chairman

The Chairman has the duties pursuant to the law and is the leader of the Board of Directors for the following operation:

- Monitor controls and keep follow-ups to ensure that the Board has efficiently discharged their duties to attain the Company's objectives:
- Oversee that all Directors have participated in enhancing the creation of an organizational culture with ethics and good corporate governance;
- Ensure important matters are included in the meeting agenda and jointly determine the agenda with the CEO;
- Allow ample time for the management to propose the matters and allocate sufficient time for Directors to discuss important matters, prudentially and thoroughly. Empower Directors to use their prudential discretion; and provide ample opportunities for discussions and expression of opinions independently.

Roles of the CEO

- The CEO is appointed by the Board of Directors, and chairs the Management Committee;
- The CEO is responsible for management of the Company in general and shall report to the Board of Directors.

## THE BOARD Of DIRECTORS

### Qualification

The Board of Directors of fully qualified members, free from prohibited characteristics, under the Public Limited Companies Act B.E. 2535, Securities and Exchange Act B.E. 2535, as well as relevant rules and notifications determined by the Stock Exchange of Thailand (SET), the Securities and Exchange Commission (SEC) and other governing bodies, and has diversified skills, professions, specializes expertise, useful experience, and knowledge and understanding of the Company business and limit the number of listed companies in which each director can hold a position to no more than 5 companies without exception.

### Term of Office

The Company requires that term of directorship be in accordance with its Articles of Association and consistent with the Public Limited Companies Act B.E. 2535 and that one third of the Directors shall retire by rotation at each Annual General Meeting of the Shareholders

### Roles and Responsibilities of the Board of Directors

Roles and responsibilities of the Board of Directors set forth under the Charter of Board of Directors are as follows:

1. Consider and approve important issues on Company operations, such as vision, mission strategy, goals, plans, financial budget, and risk management;
2. Follow up and care to ensure the Management Committee carry out the established policies and work plans with efficiency and effectiveness;
3. Ensure long-term business continuity, staff development and Management succession plan;
4. Provide and approved corporate governance policy in writing and review of the policy and its implementation at least once a year;
5. Promote the production of the Code of Business Conduct in writing for Directors. Executives, and all employees to understand the standards of the Code of Business Conduct used by the Company in its operations, with monitoring to ensure that the Code of Business Conduct is strictly followed;
6. Carefully consider any potential conflicts of interests to ensure a clear guideline towards the overall interests of the Company and shareholders when it comes to transactions with potential conflicts of interests. The Board shall ensure full compliance with procedural and disclosure requirements for transactions with potential conflicts of interest;
7. Establish risk management policy covering the whole organization, to be implemented by Management with regular reporting to the Board of Directors. The effectiveness of risk management should be reviewed at least once a year, and disclosing significant changes in risk factors, including issuing early warning and disclosing irregular transactions;
8. Give opinions about the sufficiency of internal control and risk management in the annual report;
9. Outline clear procedures for whistle blowers or interested parties to “blow the whistle” through established procedures or by reporting directly to the Company; and
10. Provide a regulatory mechanism of monitoring the operation of subsidiaries or investment of the Company; consider appointing suitable persons as subsidiaries’ Directors to promote control in accordance with Company’s policies in line with applicable laws and rules.

## COMMITTEES

### 1. AUDIT COMMITTEE

Structure of the Audit Committee (AC) comprises 3 independent Directors, appointed by the Board of Directors and selected from the list of non-executive Directors with the approval of the Board of Director.

#### Qualification

All members of the AC shall, in the judgment of the Board, be financially literate, which at a minimum means being familiar with basic finance and accounting practices. At least one member of the AC shall, in the judgment of the Board, have accounting or adequate financial management expertise.

#### Term of office

1. Term of office
   The Term of office for members of AC including the Chairman shall be three years. In the case that a member of the AC leaves for reasons other than normal expiration of term of office, the Board shall appoint a fully qualified person to fill in as a replacement. In this respect, such person shall assume the remaining term of office of the replaced member.
2. Term of Office Re-election
   Upon completing term of office, a member of Audit Committee shall be eligible for re-election with total time in office not exceeding 9 years.
3. Resignation prior to Completing Term of Office
   If any of the Audit Committee members desire to relinquish his term of office prior to the normal expiration of his term of office, his resignation shall be made in writing stating reason for the resignation. Such resignation must be submitted to the Chairman of the Board.

### Roles and Responsibilities of the Audit Committee

Roles and Responsibilities of the AC set forth under the Charter of AC are as Follows:

1. Review the Company and the entities of the Group's financial reporting processes to ensure their accuracy and adequacy while coordinating with external auditors and members of the Management Committee responsible for preparing financial reports. The AC may suggest issues to be reviewed or audited by external auditors during their audit of the Company and the entities of the Group.
2. Review internal control and internal audit processes including business operations and IT framework to ensure that they are suitable and efficient.
3. Decide on the organization and qualification of individuals of the Internal Auditor of the Company and to determine the degree of independence from the Management, as well as to appoint or dismiss the Internal Auditor.
4. Review related party transactions or transactions that may lead to conflicts of interest, including the accuracy and completeness of the Company's disclosure of such information, to ensure that they comply with the laws and SET regulations, and are reasonable and for optimal benefit for the Company.
5. Perform any other tasks as assigned by the Company's Board of Directors, with the approval of the AC.

### Meetings of the Audit Committee

The AC meeting is to be arranged at least once every quarter, and set up in advance for the whole year.

The AC reports its findings and gives its suggestions to the Board of Directors on significant issues found. Occasionally, the Chairperson of AC may call for a special meeting of the AC or invite any Executives of the Company to join and consider a particular financial matter. If it is found or suspected that there is a transaction or any acts which may materially affect the Company's financial and operating results, the AC shall report to the Board of Directors within the period of time that the AC deems fit.

## 2. NOMINATION AND COMPENSATION COMMITTEE

Nomination and Compensation Committee (NC)'s structure consists of, at least 3 Directors and, at least one of them must be an independent Director.

### Qualification

Members of the NC shall possess knowledge and experience and shall be well-versed in the Company's business as well as having management experience with leading companies displaying good corporate governance.

### Term of Office

Term of office of the members and Chairman of the NC is 3 (three) years or the remaining team of the directorship, whichever is earlier.

### Roles and Responsibilities of the Nomination and Compensation Committee

The roles and responsibilities of the NC set forth under the Charter of the NC are as follows:

1. Review the structure and the composition of the Board annually and submit the structure to the Board for consideration and/or to the Annual General Meeting (AGM) for approval;
2. Recruit qualified candidates to be the Company's directors by the transparent mechanism, including considering candidates proposed by retail investors for Board of Director consideration;
3. Review with the CEO the succession plans including proposing the succession name list annually;
4. Review and recommend to the Board the remuneration of each member of the Board, its Committees and Chairman;
5. Review the performance of the CEO and recommend his/her remuneration to the Board for approval; and
6. Carry out such other duties as may be assigned by the Board of Directors.

### Meetings of Nomination and Compensation Committee

The NC shall meet to consider the criteria and method for nominating Directors and independent Directors. Additionally, the NC must regularly review criteria and methods of nomination to be suitable with the Company's business.

## 3. MANAGEMENT COMMITTEE

The Management Committee comprises the 7 highest Managers or Operations, Technology, Commercials, Finance, Human Resources, and one Director as the CEO to perform as the Management Committee Chairman.

### Qualification

The Management Committee (MC) shall possess knowledge and experience in business, management and be good leaders with skills in determining business strategies while also possessing high responsibility and competency to drive and manage the Company to achieve goals, vision and mission.

**Roles and responsibilities of the Management Committee**
The MC must report on performance, clarify and give recommendations to the Board of Directors on significant issues, market development, goal and strategy; and must immediately report to the Board of Directors of the Company

The MC is crucial in driving the Company to achieve good performance, corporate governance, and attract talented personnel to work with.

**Duties of MC are as follows:**

1. Organize, carry out and supervise business operations of the Company and Group for the accomplishment of the business and budget plan of each year
2. Understand the resolution of the Board of Directors and prepare the business operations by implementing Company's policies and continuing development of such policies;
3. Prepare the Company budget and business plan;
4. Implement designated strategies of the Company in order to improve the sustainability of the Company and the Group;
5. Develop, care for and review the performance of personnel assigned in their care;
6. Act with integrity in assessing the operation of the Company and report to the Board of Directors in a timely manner in the event of any irregularity affecting the Company or the Group;
7. Review risk management processes and impact mitigation measures, and assess work plan in carrying out the business and corporate governance risk of the Group and report its findings to the Board of Directors; and
8. Define the remuneration policies and structure throughout the Group to be appropriate, fair and competitive with the market based on performance and values of the Company.

**Meetings of the Management Committee**
The Management Committee holds meetings at least once every quarter but not less than 6 times a year and may call for additional meetings as necessary. The Management Committee shall consider significant issues regarding safety, occupational health, operations, business administration, finance and accounting, risk management, important financial transactions, Company's plan and Company's budget. The Management Committee should further propose any significant issues to the Board of Directors for acknowledgement and/or approval.

**4. Investment Committee**
The Investment Committee (IC) shall consist of 3 Independent Directors appointed by the Board of Directors based on Nomination and Compensation Committee (NC) recommendation. The Committee shall be chaired by a Board member appointed by the Board.

**Qualification**
The members of the IC as a whole shall possess knowledge, expertise and experience on investment strategy, risk management and securities analysis to provide an independent and objective review of investment opportunities and performance.

**Term of office**
The term of office for members of IC including the Chairman shall be 3 years or the remaining term of the board directorship, whichever is earlier. Upon completing term of office, a member of Investment Committee shall be eligible for re-election.

**Roles and Responsibilities of the Investment Committee**
The roles and responsibilities of the IC set forth under the Charter of the IC are as follows:

1. Formulate the overall investment policy and investment strategy of the Company
2. Prepare the Company's investment plan and annual investment budget for presentation to the Board of Directors
3. Review major acquisitions, investments, divestments and funding requests proposed by Management to ensure that they are in line with the Company's investment policy and strategy and target specified in investment plan based on suitable return on investment and effective management to control risk factors at acceptable level
4. Monitor, follow up and evaluate performance of the approved investment and report to the Board of Directors
5. Review the Company's investment portfolio allocation and performance
6. Perform tasks assigned by the Board of Directors

**Meetings of the Investment Committee**
Investment Committee meetings will be held or called as the Committee considers appropriate based on the business needs.

**Principle 3.3: Nomination of the Directors**
When nominating independent Directors, Directors and CEO; the Board of Directors shall ensure that the process of nominating candidates is transparent. The NC is assigned to screen and select candidates who are fully qualified with the right knowledge, expertise and records of accomplishment useful for the Company's business operation and possess a good understanding of the business, goals, business plans as determined by the Board of Directors.
Subsequently, the NC shall propose the candidates for the Board of Directors' consideration. In the case of directorship, NC shall, with the approval of the Board of Directors, propose the candidates to the shareholders with adequate information about the candidates to support their decision-making

Election of each Director is made by the majority of votes of shareholders during shareholders' meeting. Every year, the Board of Directors shall invite the shareholders and Directors to propose suitable candidate for NC's consideration.

The nominated Directors must meet the qualifications of the Company's AOA, laws, regulations of SET, SEC and Capital Market Supervisory Committee.

**Principle 3.4: Remuneration of the Directors**
In determining remuneration (either in cash or in kind) of Directors, the Board of Directors has assigned the NC to carry out a transparent process and propose its recommendations to the shareholders' for approval during the AGM. The policy, basis of calculation and criteria for remuneration payment for each Director position must be proposed to shareholders' approval. The proposed remuneration shall be suitable and sufficient to predispose the Board of Directors to lead the Company to achieve both short-term and long-term goals, without making excessive remuneration payment.

The NC evaluates the performance of the CEO in accordance with the norm and criteria agreed with the CEO, based on Company's operating results, achieved performance of long-term strategic objectives, and management development. The results of the evaluation are tabled to the Board of Directors for approval on an annual basis, and are communicated to CEO by the NC.

Remuneration of the CEO is in accordance with the criteria approved by the Board of Directors within a framework.

**Principle 3.5: Meetings of the Board of Directors**
Board Meeting schedule is determined yearly in advance and communicated to individual Directors, allowing them to spare time to attend the meetings.

The Chairman and CEO shall jointly consider and ensure that important matters are included in the meeting agenda, and give each Director the opportunity and freedom to propose agenda matters beneficial to the Company. The Notices of Meeting and supporting document will be sent to Directors at least 7 days in advance.

The number of meetings of the Board of Directors is determined to suit the duties and responsibilities of Company Directors and the nature of Company business. The Company provides its performance report regularly to the Board to enable the Board to provide timely supervision of the Management's performance. Most of Directors shall attend not less than 3/4 of all Board Meetings held in a year.

The Chairman shall allocate enough time for the Management to propose matters and discuss crucial problems in a careful and thorough manner and shall promote careful exercise of discretion. In this connection, all Directors should pay attention to all issues brought to the meeting, including corporate governance issues. Directors having interest, whether directly or indirectly, will not be eligible to vote and will have to leave the meeting during the consideration of the relevant agenda.

At every meeting, there should be at least 2/3 of the number of Directors present to form a quorum for a Board of Directors' meeting. The resolution passed by the Board of Directors needs the majority of the number of Directors attending the meeting.

All Directors shall have a good understanding of their roles, responsibilities and the nature of Company business, and all of them have dedicated reasonable time and effort in the carrying out their duties. To ensure that the Company has a strengthened Board of Directors, all its members are free to express their opinions independently, committed to keeping themselves updated at all time, and are committed to performing their duties with honesty and integrity in best interests of the Company with fairness towards all the shareholders.

**Principle 3.6: Corporate Governance for Subsidiaries and Associated Companies**
The Board of Directors will appoint qualified candidates for the primary corporate governance of subsidiaries and associated companies. The appointment shall be determined according to shareholding proportion of subsidiaries and associated companies.

The Directors and/or Executives appointed by the Board of Directors shall have the duty to manage and administrate the businesses of subsidiaries and/or associated companies to be in line and in compliance with the Company's policies and direction. The scope of duties and responsibilities of the appointed Directors and Executives shall be clearly determined and reviewed from time to time.
In making decisions for key business operations of the Subsidiaries, the Directors of the subsidiaries are required to seek approval from the Board of Directors before implementing any plans. Approvals from the Board of Directors is also necessary for significant activities, such as the change in share capital and cessation of subsidiaries' businesses. The Company has set up suitable and comprehensive monitoring and internal control mechanism within the subsidiaries such that any significant transactions of the subsidiaries are to be resolved by the Board or the Company shareholder meetings.

**Principle 3.7: Evaluation of the Board of Directors**
The Board of Directors and Board Committee conducts a self-evaluation at least once a year to jointly consider their achievements, problems and corrective actions.

The Company Secretary prepares and reviews the evaluation form for correction and completeness and in compliance with the criteria required by the regulators. Subsequently, the Company Secretary will summarize the result of the evaluation on the performance of the Board of Directors as well as the strength and improvement areas before proposing to the Board of Directors for its considerations. The Board of Directors will review the result of the evaluation in order to improve their performance.

The results of each key area are calculated in percentage, whereby 85 percent or more = excellent, more than 75 percent = very good, more than 65 percent = good, more than 50 percent = average, and less than 50 percent = need improvement. It can be concluded from the evaluation results that the Board of Directors and Committees have performed their duties in accordance with the Corporate Governance Code and the Code of Business Conduct of the Company with most of the performance are determined to be at the level of excellent.

**Principle 3.8: Development of the Board of Directors and the Executives**
The Board of Directors promotes and facilitates training for those involved in corporate governance, such as Directors. Audit Committee members, Nomination and Compensation Committee members, Executives, the Company Secretary, and personnel whose functions and related to continuous corporate governance, including attendance of such training courses organized by the Thai Institute of Directors (IOD), other courses by other entities, and in-house training.

Following the subsequent appointment of a new Director, the Company will have important documents and useful information such as the Directors Manual, Organizational Standard Operating Procedures (SOP), and Code of Business Conduct delivered to him / her. In addition, the new Director's orientation will include an introduction to the nature of business, policies, and business operational guidelines of the Company to get the new Director acquainted with the Company's policy and corporate governance.

The Board of Directors has made available a leadership development program and the CEO has reported to the Board of Directors on the results of the regular implementation of the program along with consideration of a succession plan.

The Board of Directors requires CEO to provide a development and succession plan annually, with consultation with the Nomination and Compensation Committee, in preparation for its succession planning of key management position.

**Principle 3.9: The Board and Company Secretary Operations**
The Board ensures meeting agendas are provided in advance to enable Directors to manage their time for participation in the meetings.

The Board of Directors has access to additional information from the CEO, Company Secretary, or other delegated Executives within the established policy and, where necessary, the Board of Directors may seek independent opinions from third party consultants or professionals.

The Board of Directors has appointed a Company Secretary to perform duties in providing legal advice and regulatory requirements as well as overseeing the Board's activities and coordinating among Board of Directors to ensure that the Board's resolutions are complied with.

## Principle 4:
## Ensure Effective CEO and People Management

### Principle 4.1: CEO Nomination and Development of Key Executives

The Board has entrusted the Nomination and Compensation Committee (NC) to carry out actions on the nomination and development of the CEO and key executives to ensure that they possess necessary knowledge, skills and experience to drive the organization to achieve its objectives.

**Nomination of the CEO**

The NC has been entrusted by the Board of Directors to make considerations on the nomination rules and procedures in nominating persons possessing the qualifications to hold the position of CEO the Company's top management positions. NC shall review and recommend the list of potential candidates subject to appropriate qualification and experience for consideration and approval of the Board of Directors.

**Key Executives Development and People Management**

The Board of Directors supports and enhances the ongoing in-house training and development program for Directors, Executives and personnel relating to corporate governance including the training and development programs in various fields that increase knowledge and experience useful to performing their corporate duties.

### Principle 4.2: Appropriate Remuneration Structure and Performance Evaluation

The Board of Directors, under the recommendation of the Nomination and Compensation Committee, has defined the remuneration structure that motivates the CEO, key executives and other personnel of all levels to perform their duties in alignment with the objectives of the organization and business in the long term.

The Board of Directors, at the recommendation of the Management Committee, has approved the appropriate combination of salary and other short-term remuneration, such as bonuses, and long-term remuneration and ensured that the Management Board has clearly defined and communicated policies relating to the performance evaluations to the whole organization.

The CEO's performance evaluation is conducted every year by the NC, which is entrusted to conduct such evaluation and submit the result of the evaluation and suggested remuneration to the CEO to the Board of Directors for approval.

The Board of Directors has considered and given its approval on the criteria in the performance evaluation and the remuneration structure of the CEO and monitoring the CEO to ensure that he/she conducts the performance evaluations of key executives in alignment with said performance evaluation principles.

### Principle 4.3: Effective Human resources management and development programs

All Employees are the most valuable resource in driving the Company towards its objectives, thus, they are the most important factor contributing to the corporate success of the Company. Our employees are required to carry out their duties in alignment with our corporate commitment and culture. Our employees shall thrive to achieve excellence on their work by collaborating as a team, doing what is right, challenging current convention and constantly innovating. As all times, adhere to the highest standards ethically and to care for our environment and communities, as we would care for our future.

In order to motivate our employees, the Company has defined a remuneration administration scheme based on the principle of impartiality and equity, taking into consideration factors such as competency and accountability of each position, labor market rates and the Company's pay scale. We reply upon workforce analytics tools such as performance appraisal, labor market surveys and corporate compensation structure to determinate comprehensive and competitive remunerations appropriate for the work scope and responsibility. We strive to pay competitively to boost morale and enthusiasm of the employee to work toward achieving the objectives of the Company. We offer bonus payments to all employees which is tie to the achievement of the Company's annual performance target.

Apart from the salaries and bonuses, we provide other welfares to all employees to help lessen their burdens on the expenses in their lives and sustain their financial well-being such as provident fund contributions, free transport buses, life insurances, and health insurances including OPD & IPO except for providing by Social Security Fund, etc.

The Company periodically reviews and alters its welfare scheme to align with the economic and social situation and allow flexibility to suit employee's need that may change overtime. We offer scheme such as the ability to select percentage of provident fund to contribute into their accounts, flexible working hours, etc.

Furthermore, Company provide on-going trainings to educate the Company's employees in financial planning and the Company encourages all employees to participate in ownership of the Company by giving them the right to buy during the Initial Public Offering (IPO) when listed in SET.

The Company and the subsidiaries place an important in the human resources development by encouraging and giving the opportunity to employees in all levels to develop their abilities appropriate for their positions and the assigned responsibilities, as well as, for the progress of oneself and contributes to the Company in the future. We arranged trainings for the employees regularly, which can be divided as follows:

1. **In-house training**
   Providing training on matters relevant with the service of the Company, such as project management and coding for software development as well as the soft skill development courses such as New Manager Program. Trainings are provided by the Company's specialists and supplement with external trainers lecturers tailored specifically to our need, to pass on knowledge, experiences, and suggestions to the enable our employees to apply what they learn in carrying out their duties.

2. **Public training**
   Identify suitable courses offered by training specialist or training center and send our employees to attend these seminars or courses in the matters relevant with the service of the Company. This is to enhance the performance and knowledge of our employees in new area of technology such as Big Data, Cloud Computing, as well as, to consistently update on compliance matters such as labor legislation, to increase the potential of the employees in our Company.

In the future, the Company will establish Learning Center, which will support the development of the personnel in the Company and its subsidiaries and be well prepared to support the growth of the Company.

## Principle 5
## Nurture Innovation and Responsible Business

### Principle 5.1: Innovation Creation

The Company understands the importance of innovation in our industry. We constantly bring new products and business ideas in a commercially viable manner to stay ahead of our competitors and create value for stakeholders. In addition, the Company wishes to embrace innovative activities as part of its overall business strategy.

Innovation project are typically riskier than most other kinds of investment and likely to require a long-term productive governance framework for innovation, promoting a more cooperative and flexible business culture that embraces risk-taking and uncertainty as an intrinsic aspect of our business activity.

The board sees themselves as less of a controller, and more as an advisor and source of tangible and intangible resources. They also have a key role to play in ensuring that creativity and experimentation is guided with professional management and a strong focus on the commercially viable innovations.

### Principle 5.2: Business Operations with Corporate Social and Environmental Responsibilities

The Company sees the importance of the continuous care of all stakeholders. The Company encourages co-operation and trust between the Company and all groups of stakeholders continuously at all times, be it its employees, communities around the business establishments, shareholders, customers, suppliers, creditors, government, competitors and auditors.

The Company realizes the importance of ensuring that all stakeholders' rights are properly observed and engage various groups of stakeholder in manner in line with the rules and regulations of SET, SEC as well as related laws.

1. **Shareholders**
   The Company respects the rights of its shareholders and recognizes its duty in ensuring fair treatment of all shareholders as well as the fundamental rights stipulated by laws and the Articles of Association of the Company, such as the rights to attend the Annual General Meeting of Shareholders, the opportunity to propose agenda items in advance, election of directors, receive Company's information, including financial information, etc. The Company is committed to conduct the business with transparency and to create long-term growth and returns to the shareholders.

2. **Customers**
   The Company is committed to continuously creating innovative technology to offer products and services that meet the true needs of its customers in terms of both quality and fair price. The Company provides maintenance services and updates for software and other services as agreed with our customers. The Company continuously upgrade its information on security measures to meet industry's standards and appoint third parties to certify its data centers or process management.

3. **Suppliers/Business Partners**
   The Company adheres to a framework of fair and transparent trade competition and strictly complies with the trading terms and conditions agreed upon. The Company determines appropriate and fair sale prices, taking into account the reasonableness, quality, and entailed services. In addition, regulations regarding procurement and operations are clearly established, including refrain from demanding benefits from suppliers and avoid purchasing products from suppliers that violate human right or laws.

4. **Creditors**
   The Company treats creditors fairly and complies strictly with all agreed terms and payment schedules. In the case, any event that might significantly impacts the Company's financial position, the Company shall promptly inform its lenders and will together work out potential solutions to minimize damages to all parties.

5. **Competitors**
   The Company abides by the framework of international fair trade and competition and will not damage the reputation of competition through false accusations.

6. **Communities**
   The Company carries out its business in fairness for every stakeholder and is committed to be a socially responsible Company by cultivating and encouraging its employees to be conscious of becoming a good and responsible citizen who strives for the betterment of their communities and society.

7. **Employees**
   The Company consider its employees a valuable asset and treats them fairly about work opportunities, remuneration, training and development, and quality and safety of working environment. The Company establishes an employee benefits management policy with clear practice guidelines. The benefits include provident fund, annual check-ups, reimbursement of medical expenses at certain amount for each level, group health insurance (IPD), group accident insurance, etc.

   The Code of Business Conduct applies to all employees who works for the Company and its subsidiaries. Violating the standards will subject an employee to severe disciplinary action, including immediate termination. In addition, the Company also relies on each employee to report any violations of the law or any of these standards in accordance with the Company procedures.

**Principle 5.3: Resource Allocation and Management**
The Board of Directors ensure that in attaining business objectives, the Management has reviewed, developed, and supervised the efficient and effective use of resources by always taking into account the internal and external factors.

**Principle 5.4: Corporate Level Information Technology Management**
The Board has established a framework for governance of enterprise information technology (IT) aligned with the Company's business needs and in compliance with the relevant laws, regulatory requirements and standards relating to the use of technology. The Board has overseen the Management Committee in carrying out measures of risk management covering IT management risks, such as business continuity plan, incident management and asset management, etc.

The Management Committee has implemented policies and measures on IT security that was accredited with ISO/IEC 270001:2013 under the category of the information security management system applicable for system and network administration for our industry.

The code of business conduct requires employees to be mindful of the intellectual property rights of the Company and others, including using the name, trademarks, logos or printed materials.

## Principle 6
**Strengthen Effective Risk Management and Internal Control**

**Principle 6.1: Risk Management and Internal Control**
The Board has monitored controls to ensure that the Company has risk management and internal control systems to enable it to achieve its objectives effectively while in compliance with the relevant laws up to both domestic and international standards. Thus, an appropriate and adequate internal control is defined for Company's business operations align with the relevant laws, rules, regulations and requirements to reduce operational risks.

In addition, the Board of Directors engage the services of qualified independent internal auditor to carry out internal control audit as determined by the Audit Committee and approved by the Board of Directors.

The Board of Directors places importance in evaluating risk management consistently and look out for early warning signals and keeps tabs to ensure that Management Committee regularly review its risk management policy, at least, once a year

**Principle 6.2: Formation of the Audit Committee**
The Board of Directors has set up the Audit Committee that can perform their duties effectively and independently. All Committee members are Independent Directors fully qualified in accordance with the criteria prescribed by SET and SEC.

The Board has defined the role and duties of the Audit Committee in the Charter of Audit Committee.

**Principle 6.3: Management and Monitoring Conflicts of Interest**
The Board of Directors has set up procedure in managing conflicts of interest that might occur between the Company, the Management and Directors, including preventing the inappropriate use of Company's assets, information, and any transactions between related parties.

**Monitoring the Use of Insider Information**
The Company's Code of Business Conduct set preventive measures for a Director, an Executive or an employee may use insider information to exploit benefits for themselves or for the benefit of another person. In this respect, the Board of Directors has implemented the Blackout Period Policy where Directors, Executives and any employees perceived having insider information are prohibited from trading the Company's shares during the period of 30 days before the disseminations of the significant financial information to the public. Directors and Executives must declare changes to their shareholding in accordance with the requirements of SEC under Section 59 of the Security and Exchange Act, B.E. 2535 within 3 days from the date of the change. The Company Secretary shall be notified accordingly such that a summary on the number of the securities held by the Directors and Executives can be submitted to the Board of Directors as needed.

**Possible Conflict of Interest Transaction**
The Company places importance in monitoring controls over possible conflict of interest transaction. The Board therefore oversees to ensure that possible conflict of interest transactions are managed and monitored through practical guidelines and procedures so that such transactions are undertaken in accordance with the guidelines with proper disclosure as required by law.

In the situations whereby employees think that conflicts may arise and in might or even appear to impair their judgment, they must immediately inform their supervisor to resolve the situation in a fair and transparent manner. In the event of such situation, the affected personnel shall refrain from participating in any decision marking or procuring a product or services.

**Report Preparation on Conflict of Interest**
The Board has set up guidelines that Directors must declare his/her interest prior to the consideration of Board meeting agenda and such interests must be documented in the Minutes of Meeting every time. In addition, the Board of Directors also ensures that the Directors having significant interest must not participate in the meeting of such agenda. Moreover, Directors and Executives shall report their own interests and those of related persons whenever there is a change. The Company Secretary shall prepare report to advise the Board of Directors during each Board of Directors' Meeting.

**Principle 6.4: Policy and Practical Procedures of Anti-Bribery and Anti-Corruption**
The Code of Business Conduct of Directors and Employees incorporates the policy and procedures of Anti-Bribery and Anti-Corruption with established guidelines as follows:

1. All directors, executives and employees shall be responsible for and is to strictly comply with this standard operating procedure.
2. Establish procedural guidelines on the recording of financial information and internal control measures by assigning the Finance and Accounting Department to monitor strict controls, review documentary evidences, substantiating business reasons in disbursing money to the third persons.
3. Assign Internal Auditor to audit internal control system regularly and to check any irregularities that may lead to corruption.
4. If any information or complaints bearing reasonable ground indicate the presence of corruption or a violation of the law or Company's code, the HR department shall take action to improve or correct the situation immediately. The complainant or informant can be assured of confidentiality of his/her reporting or whistle blowing.
5. The Company communicates the guidelines on anti-bribery and anti-corruption constantly and regularly both through training and online media. Training on Anti Bribery and Anti-Corruption is also included as a part of a new employee's orientation and communicated to contractors and suppliers at the beginning of business relation establishment.

**Principle 6.5: Mechanism for Handling Complaints and Actions in case of Whistle Blowing**
The Board has established a mechanism and process for handling complaints and whistle blowing by having multiple channels in place to record, track, resolve, and report complaints and feedback of stakeholders.

The Board of Directors has monitored controls to ensure that the Company has clear whistle blowing guidelines including processes on information verification, operations and reporting to the Board as well as oversight to ensure that the appropriate whistle blower protection measures are in good faith. In addition, the Company has set up protections of the informants and whistle blowers including persons whom the complaints are lodged against.

The Company also set up alternate channel to enable all groups of stakeholders to make their reports or lodge their complaints on matter that may cause damages to the Company directly to the Board of Directors. There will be persons assigned to receive the reports or complaints, carry out the investigation and report to the Company's Board of Directors to settle complaints lodged with clear policy protecting people giving information.

## Principle 7
## Ensure Disclosure and Financial Integrity

### Principle 7.1: Financial Report Preparation and Significant Information Disclosure

The Board of Directors is responsible in ensuring the quality in financial report preparation process so that information stated in the financial report is accurate and in accordance with the generally acceptable accounting standard and that duly audited by independent auditors. The Board takes into its considerations factors such as adequacy of the internal control system, observations of the auditors and comments of Audit Committee to determine the quality of the financial report preparation.

The Board is also responsible for approving the disclosure of financial information in accordance with relevant rules, standards and practical guideline. The Board has monitored controls over disclosed information, such as financial statements and annual reports to adequately reflect the Company's financial status and operational result. The Board also conduct management discussions and analysis or MD&A to supplement the quarterly financial statement disclosure to enable the investors to understand changes occurring to the Company's financial statements and operational result.

### Principle 7.2: Financial Liquidity and Solvency

The Board has monitored controls to ensure that the Management regularly assesses the Company's financial status and submits relevant reports to the Board on a regular basis. The Board shall jointly collaborate with the Management to find remedial solutions to correct any adverse situation in a timely manner should there be any indicative signal of a problem with financial liquidity and solvency.

### Principle 7.3: Remedial Actions to Solve Financial Problems

In approving any transactions or presenting any recommendations to shareholders, the Board ensures that such transactions will not affect the continuity of the business operations or its solvency.

The Board must monitor controls to ensure that Company has plans or other mechanisms to solve financial problems closely monitored to ensure that operations are carried on with due care and in compliance with the requirements in disclosing information in a manner impartial to various group of stakeholders. The Management should also monitor the follow-up actions to solve problems and regularly report the latest situation. The Board must ensure that any decision made in solving financial problems to be carried out in a reasonable manner.

### Principle 7.4: Sustainability Report Preparation

The Board consider the need to disclose information in accordance with domestic and international laws, ethical code, anti-corruption policy, fair treatments of employees and stakeholders, respects of human rights, social and environmental responsibilities when defining its policy. Such policy shall be disclosed in the annual report.

The Board of Directors has monitored controls to ensure that the Management has appointed a person to be responsible for investor relations, performs duties in communicating with shareholders and other stakeholders in an appropriate and timely manner.

The appointed person undertakes to communicate with third parties; including investors, institutional investors, analysts, and government agencies with equality and fairness and the Company gives such parties opportunities to visit our Executives where appropriate. The information provided is information disclosed to the public, which is accurate, not misleading and sufficient for investors to make investment decisions. The Board must ensure that the communication and information disclosed to the public is appropriate, equal, timely, and communicated through proper channels.

### Principle 7.5: Person responsible for Investor Relations

The Company regularly had meetings with individual investors, institutional investors, and securities analysts in person or via calls. We also publish our information through the Company's website on a regular basis. Investors can direct their enquiries to the CEO or designated person looking after Investor Relations.

### Principle 7.6: Application of IT Technology for Use Information Disseminations

Apart from disseminating information such as Annual Registration Statement (Form 56-1) and annual report through capital market channel in accordance with the established criteria, the Company will regularly disclose information in Thai and English through the Company's website at www.humanica.com according to Corporate Governance Code for Listed Companies.

## Principle 8
## Ensure Engagement and Communication with Shareholders

### Principle 8.1: Participating in Decision Making

The Company's Board of Directors is aware of and places importance on the rights of our shareholders (including institutional shareholders) and the Company shall not perform any acts in manner likely to violate the rights of our shareholders. The Company adopts the policy of encouraging, and facilitating our shareholders to exercise their fundamental rights such as participating in shareholders' meetings, casting ballots during meeting in person or by proxy. Allowing shareholders to appoint or remove Directors fix Directors' remunerations, appoint auditor, and vote on other significant matters such as allocation of dividends, stipulations or revision of Articles of Association, capital decrement of increment, etc.

The Board of Director ensures that the shareholders can take part in making important decisions and issues specified by laws. Issues affecting the direction of the business operation are listed in the meeting agenda and proposed for the shareholders' approval.

The Company's Board of Directors supports shareholders' participation by allowing minority shareholders to propose the meeting agenda prior to the shareholders' meeting. The Board will consider including such proposed matters as the meeting agenda. If the Board reject any request, they shall provide an explanation at the shareholders' meeting. Additionally, the Board provides a mechanism allowing minority shareholders suggest to candidate to participate in the nominations and appointments of Directors. The threshold of eligible shareholding is set at five percentages (5%) of the Company's total number of the eligible voting shares. The Board shall disclose such criteria to shareholders in advance before the date of the shareholders' annual general meeting. The Company will also encourage and allow allowing shareholders to submit questions before AGM by specifying the criteria for question submission in advance and disseminating such criteria on the Company's website.

The Board of Directors shall ensure that the Notices of Shareholders' Meeting contain correct, complete and adequate information. The notice must clearly specify the meeting agenda and be forwarded to the shareholders along with related document. The said information should be uploaded to the Company's website, at least 30 days before the date of the meeting. Such Notices of Shareholders' meeting and relevant documents shall be made entirely in English and disseminated altogether along with the Thai versions every time.

### Principle 8.2: Actions on Shareholders Meeting Date

The Board of Directors ensures that information, date, time, and place of meeting, as well as, the meeting agendas are provided with adequate supportive explanations and reasons on each agenda specified in the Notices of Shareholders' Meeting to enable the shareholders to understand and study the information of the Company prior to the meeting.

The Board has monitored controls to ensure the shareholders' meeting is carried out in an orderly manner with transparency, efficiency and facilitation to shareholders to be able to exercise their rights.

The Board of Directors shall not limit the opportunity of any shareholders in attending meeting or cause undue burden on shareholders to attend meeting. The Company shall send Proxy Letters along with the Notices of Meeting, to allow shareholder to appoint their proxies to represent them in the meeting. The Board will not ask shareholders or proxies to produce any documents or evidences of identification that exceed applicable legal and regulatory requirements.

The Board of Directors provides the opportunity for shareholders unable to attend meeting themselves to appoint the independent Directors or other persons as the proxies to participate and cast their votes in the meeting and encourages the shareholders to use Form B Proxy Letter and nominate the independent Directors as their options in delegating their proxies.

All Directors, relevant Executives and Directors of committees should attend the meeting to answer questions from shareholders on Company-related matters.

The Company conducts the meetings in a transparent manner. At the start of the meeting the Chairman of the Board shall assign the Company Secretary to explain number of attendance, proportion of shareholders attending the meeting themselves and by proxies, steps and methods in displaying result of the ballots including giving shareholders the opportunity to discuss issues and make inquiries on the issues. The ballot result on each agenda showing number of votes in agreement, disagreement or abstained from voting should be displayed. The Board ensures that copies of the shareholders' minutes of meeting will be submitted to the Stock Exchange of Thailand with 14 days from the shareholders' meeting date and ensure that the Minutes of Shareholders' Meeting consists of following information, at least:

1. Name of Directors and Management in attendance and proportion of attending and non-attending Directors.
2. Method of vote casting and counting, meeting resolutions and vote casting result ("approved", "disapproved" and "abstained from voting") on each agenda
3. Issues of inquiries and replies in the meeting including names of inquirers (where possible) and repliers.

HUMANICA

# CORPORATE SOCIAL RESPONSIBILITY

CSR

# CORPORATE SOCIAL RESPONSIBILITY

Humanica has always been initiating projects and finding new ways to create a positive impact on the Society, Economy, and Environment we operate in. The Company is constantly adhering to the concept of sustainability as a guiding principle as we expand our environmental and social footprints towards meeting expectations of all stakeholders and the contributing in whatever way we can to manage environment challenges happening in today's world.

In 2020, the Company had contributed activities according to environmental and social responsibility as follows:

## ENVIRONMENTAL ASPECT

- Green Building (LEED: Leadership in Energy and Environmental Design)
  The Company shares the passion in sustainability with our landlord, MPK Progress Company Limited, as it is honored to be certified LEED[1] v.4 standard for Building and Construction. This, in addition to obtaining the long lease for our head offices, is an investment we have made with the future in mind. We encourage our employees to save energy and be aware of the waste created, along with creating positive and healthy working environment.

  1LEED (Leadership in Energy and Environmental Design) is an internationally recognized green building certification system, verifying that a building was designed and built using strategies aimed at improving energy saving, water efficiency, CO2 emissions reduction and etc. It is developed by the U.S. Green Building Council (USGBC).

We give our full commitment with the green building standard and sustainability excellence, in line with regulations as follows:

- Energy and Atmosphere (EA)
  To further enhance our energy saving measures via solar power in 2019, the Company has collaborated with the building owner to obtain additional solar panels on our rooftop in 2020 which were mindfully installed by our landlord, to generate even more green energy for utilizing in our operations.

  In effect, the amount of Solar energy generated for our full year of energy consumption increased from 19% in 2019 up to 22% in 2020. The green energy produced by our Solar System in 2020 contributed a total of 105 MWh, 22% of our full year consumption of 471 MWh. From the additional solar panels installed in 2020, the amount of energy saved by the Company is equivalent to the annual energy needs of 58 people.

- Location and Transportation (LT)
  The Company understands the importance of reducing carbon emissions and pollution from transportation, and therefore has expanded the employee shuttle services to include both BTS (National Stadium) and MRT (Hua Lamphong) stations.

  Furthermore, the Company's shuttle services are fully electric vehicles, with a range of over 300 kilometers for a single charge. Considering the Stations are both less than 2 kilometers away from the Office, a single charge is sufficient for an entire week of service for both vans. This is important as it allows the vans to charge with our Solar panels on the weekends, when energy consumption is significantly reduced.

  The Company also continues to provide charging stations in our parking facilities to encourage our employees to use EV.

  In collaboration with our building owner, other initiative include:

- Integrative Process (IP)
  We designed the building to be as environmentally-friendly as possible, by creating maximum energy efficiency. Lighting has been an important aspect in our office design, we have carefully considered this design process to provide employees with a sufficient and comfortable level of lighting, whilst minimizing the amount of lights required in all areas.

- Water Efficiency (WE)
  We improve water efficiency by using water flow management that is designed for a suitable water usage, being able to limit and reduce the water consumption to the water waste management.

  We also uses rainwater to be the water reserves for watering plants around the building with the use of sprinklers to control and create a more water efficiency.

- Materials and Resources (MR)
  In 2020, while performing building improvement works, we make effort to select environment-friendly materials together with the reusable materials for constructions. The Company also continues to provide the waste separation area to efficiently reuse, recycle, and reduce construction waste.

- Indoor Environment Quality (IEQ)
  The Company takes into account of physical and mental health of our employees. We design every aspect to promote a positive indoor environment from the suitable and most comfortable lights, and thermal comfort with climate control. Ventilation has also been a key area of focus to as the PM2.5 situation in Thailand still remains hazardous towards employees' health and wellness. In 2020, the Company has, therefore, installed Air Cleaning Filters to help regulate the air-quality and further reduce the PM2.5 levels indoors.

- Innovation in Design (ID)
  The Company focuses on increasing the efficiency of the green building design and adapting new methods to minimize negative environmental impact and to obtain the sustainable building.

## SOCIAL ASPECT

The Company is committed to give back to the society, promoting and supporting various projects and activities throughout the year 2020. Despite the crisis of Covid-19, we continued to find a way to generate the supports for people, community, and society. In the year 2020, the Company and its employees had donated for amount of 1,138,000 baht in total, for various organizations such as Thai Red Cross for Queen Savang Vadhana Memorial Hospital, Rajavithi Hospital, Foundation of Genius Orphanage, Thai with Disability Foundation, Mahidol University.

The major activities that the Company had participated and supported in details summarized as follows.

- Expand Educational Opportunities for Students
  The Company donated resources and clothes for Students at Watmaneesrisophon School in Lopburi, on 22 February 2020. Donating 40,000 baht in total with 10,000 from the Company and 30,000 baht from employees' participation.

  Also on 20 September 2020, the Company sponsored scholarships and educational materials for Ban Khlong Nok Krathung School, Nakhon Pathom. The Company donated 100,000 baht and supported to improve the school landscape environments, bathroom, and vegetable garden, along with an additional donation of 102,249 baht from our employees.

- Covid-19 Pandemic
  In light of to the Covid-19 crisis, the Company was quick to respond by donating the TD2617B Thermal Camera with real-time multi-user tracking system, worth over 400,000 baht, to the Faculty of Medicine Siriraj Hospital, Faculty of Medicine Ramathibodi Hospital, King Chulalongkorn Memorial Hospital, and National Blood Centre, Thai Red Cross Society. This type of industry leading Thermal Camera system is widely used today in department malls, airports, and hotels, in security checkpoints where large crowds arrive and enter the premises at the same time.

  The Company and employees also gathered to produce and donate 1,000 face shields to the King Chulalongkorn Memorial Hospital, National Blood Centre on 14 May 2020, to help aid with the supply shortage in hospitals during the early stage of the pandemic.

- Blood Donation for Thai Red Cross
  With the pandemic and its impact on public health, the Company and employees donated blood to the Thai Red Cross on 11-14 February, 14 May, and 3 December with over 30% of our employees participating in the activity throughout 2020.

- Virtual Run Charity supported Thai Red Cross for Queen Savang Vadhana Memorial Hospital at Si Racha, Chon Buri
  The Company participated in the virtual run activity, tracking employees' running distances, with the accumulated distances to be calculated as donations for Thai Red Cross. The activity took place from 1 September-31 October 2020, and every tracked kilometer would converted into a 10 baht donation. With a total distance of over 5,000 kilometers, the Company and our employees donated 50,000 baht to promote healthy and sustainable living together.

# INTERNAL CONTROL AND RISK MANAGEMENT

## OPINIONS ABOUT THE INTERNAL CONTROL SYSTEM OF THE BOARD OF DIRECTORS

On a yearly basis, the Board of Directors assessed the internal control system of the Company together with the Audit Committee from the report of the effectiveness of internal control from internal auditors and the report of the Audit Committee including the questioning of information from the Executive division. It can be concluded that from the evaluation of the internal control system of the Company in various aspects, consisting of 5 components consisting of;

1. Control Environment
2. Risk Assessment
3. Control Activities
4. Information and Communication
5. Monitoring Activities

The Board of Directors had considered that the Company had the adequate and appropriate internal control system by which the Company had provided the adequate number of personnel in the operation of such system effectively and able to lead the business operation of the Company to be in accordance with the good corporate governance and transparency. Moreover, the Company had provided the monitoring activities to monitor the performance of the Company and the subsidiary from the improper or unauthorized usage from the Directors or Managements. Also, there is the adequate monitoring system in terms of doing the transaction with the person that may have conflicts or the related person.

## OPERATION ABOUT THE INTERNAL CONTROL SYSTEM OF THE COMPANY

The Company has the Audit Committee to review the Company in having the appropriate and effective internal control system and internal audit as well as to review the operations of the Company to be in accordance with the laws on securities and stock exchange, the requirements of the Stock Exchange of Thailand and laws relating to the business of the Company. The Audit Committee will have a meeting together at least every quarter. To consider and operate to have the accurate financial report and the complete and sufficient information disclosure, including to the consideration of connected the related party transaction or the transaction that may have the conflicts of interest to be in accordance with the laws and requirements of the Capital Market Supervisory Board. And the stock market in the meeting, the auditor will attend the meeting make comments from the audit of the Company.

For the efficiency of the internal control system of the Company, the Company had employed ACM Consulting Company Limited for the year 2015 to 2019 and IA Signature Company Limited for the year 2020 to audit the internal control system of the Company. The internal auditor had prepared the evaluation result and examined the internal control system of the Company and directly reported to the Audit Committee simultaneously. The Company has improved the operating systems in various departments according to the recommendations of the internal auditors thoroughly.

## OPINIONS ABOUT THE INTERNAL CONTROL SYSTEM OF THE INTERNAL AUDITOR

From year 2020, IA Signature Company Limited, the independent internal audit office, had examined and monitored the management system in the main areas of the Company and its subsidiary, which consist of the giving a confident on the internal control system, substantive test in order to know the details of the cause, amount and impact of Program Development and Data Privacy, in accordance with the Personal Data Protection Act 2019: Personal Data. Protection Act (PDPA) . In 2020, the internal auditor completed on Program Development and the remaining of Data Protection is expected to be completed in 2021 and assessment of the adequacy of the internal control system (According to the SEC assessment form - COSO ICIF). The Company has continuously revised, improved and developed the quality of the internal control system according to the recommendations of the Internal auditors and has already reported the progress to the Audit Committee.

## HEAD OF THE INTERNAL AUDIT AND HEAD OF COMPLIANCE OF THE COMPANY

The Company had employed the outsource, which is IA Signature Company Limited, in auditing the internal control of the Company and the subsidiary in 2021 and IA Signature Company Limited had assigned Mr. Sutee Tanwanichkul as the Head of Internal Audit. The qualifications of the Head of Internal Audit are as follows;

| | |
|---|---|
| **Internal Auditor** | IA Signature Company Limited |
| | Mr.Sutee Tanwanichkul , Managing Director |
| **Education Degree** | B.Acct.(1st Class honor) ,Dhurakijpundit University |
| | MBA (Marketing), Dhurakijpundit University |
| | M.ACCT, Kasetsart University |
| **Certificate** | Certified Professional Internal Auditors of Thailand (No.17), The Institute of Internal Auditors of Thailand (IIAT) |
| **Work Experiences** | |

- Chief internal auditor for leading companies in various businesses
- Financial accounting executives in the automobile business
- Expert Committee for the 2020-2021 agenda of the Institute of Internal Auditors of Thailand (IIAT)
- Special Lecturer, Mahidol University
- Special lecturer of the Institute of Internal Auditors of Thailand(IIAT), OMEGAWORLDCLASS Institute and The Stock Exchange of Thailand (SET)

# RELATED PARTY TRANSACTIONS

## RELATED PARTY TRANSACTION

Related party transactions are defined as transactions which are similar to or competitive with one another or have any other connection that may cause a conflict of interest between the Company and the person concerned related party transactions between the Company and all related persons or all companies. The Company will comply normal trade policy and business conditions in accordance with predefined processes in and appropriately, transparently and correctly according to the rule, by considering the benefits of the Company's stakeholders including adequate disclosure of information in accordance with the regulations of the Stock Exchange of Thailand and the office of the Securities and Exchange Commission.

## OPERATIONAL AND MEASURES FOR APPROVING RELATED PARTY TRANSACTIONS

The Company has established measures for entering into connected transactions with persons who may have conflicts. The Audit Committee will be provided to give an opinion on the necessity of entering into the transaction, reasonability and the price suitability of that item by considering various conditions to be in accordance with the normal course of business operations at the market price which can be compared with prices incurred with third parties. In the event that the Audit Committee has no expertise in the consideration of any connected transactions that will provide with special expertise, such as auditors, property appraisers, law offices, etc. that are independent from the company and the persons who may have conflicts give opinions on the said transactions in order to be used in the decision of the audit committee for the audit committee to present to the meeting of the board of directors or shareholders as the case may be.

In the event that a related transaction occurs, the benefit of the Company, subsidiaries and shareholders will be taken into account. Through the process of consideration under the company's regulations and subsidiaries and through the relevant committees, the Company and subsidiaries. There may be future connected transactions. The Company therefore approves the principle for the management to approve the said transaction. If those transactions have a trade agreement in the same way that a reasonable person would do with a general contracting party in the same situation with a bargaining power that does not influence the status of a director, executive or other concerned the Company will prepare a summary report of the transaction to be reported to the board of directors' meeting as requested by the Company's board of directors.

Furthermore, the Audit Committee shall examine related party transactions that may occur in the future with persons with potential conflicts of interest or stakeholders and gives opinions on the necessity and rationale of such transactions. In the case where the Audit Committee does not have the expertise in considering such transactions, the company will have independent experts or its auditors give opinions on the transactions on which the company and its subsidiaries or the shareholders, whichever is applicable, will base their decisions and when the Audit Committee approved the opinions in related party transaction and must be propose to the Company's Board of Directors for approval as unanimous vote. In any case, the Company will always disclose such transactions in its audited financial statements.

## INFORMATION DISCLOSURE

In the year 2020, there were related transactions between the Company and its subsidiaries or related parties which has been disclosed in the notes to the annual financial statement as at December 31, 2020 (item 4).

# REPORT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The financial statements of Humanica Public Company Limited and its subsidiaries have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547. The presentation of the financial statements has been made in compliance with the stipulations of the Notification of the Department of Business Development dated October 11, 2016, issued under the Accounting Act B.E. 2543. The Company has chosen with careful consideration its accounting policies, which are proper to its business operations, and has always strictly adhered to these policies in all material respect. All material information has been sufficiently disclosed in the notes to the financial statements.

The Board of Directors of the Company is held accountable for correctness, completeness and timelines of the aforementioned financial statements, including financial data as shown in the annual report. The Board has also adopted effective internal control system which provides a reasonable basis and assurance that the financial data reported are accurate, complete and adequate to protect assets and prevent possible misappropriation including other operational irregularities in the operations of the Company.

The Audit Committee, consisting of 3 independent directors performing its duties in compliance with The Stock Exchange of Thailand guidelines under the Best Practice Guidelines for Audit Committees, assists the Board of Directors by overseeing internal and external audit matters on its behalf, and operates under a written charter adopted by the Committee and the Board of Directors. The report of the Audit Committee and the report of the independent auditor appear in this annual report.

**Mr. Anotai Adulbhan**
Chairman of the Board of Directors

**Mr. Soontorn Dentham**
Vice Chairman and Chief Executive Officer

# NOMINATION AND REMUNERATION COMMITEE'S REPORT

The Board of Directors passed a resolution to change the structure of the Nomination and Remuneration Committee from the Meeting of the Board of Directors No.2/2020 on May 12, 2020, total 3 members consist of;

| | | |
|---|---|---|
| 1. | Mr. Anuphan Adulbhan | Chairman of the Nomination and Remuneration Committee |
| 2. | Mr. Anotai Kitnitchiva | Member of the Nomination and Remuneration Committee |
| 3. | Mr. Patara Yongvanich | Member of the Nomination and Remuneration Committee |

During the year 2020, the Nomination and Remuneration Committee had a total of 1 meeting and reported the results of each meeting to the Board of Directors with the summary as follows:

1. To consider the renewal of qualified persons to be appointed as the Company's directors in place of the directors who are retried by rotation to propose to the Board of Directors.
2. To consider the annual performance and the bonus rate for the year 2020 and the rate of salary increase for the year 2021 for the Chief Executive Officer and to propose to the Board of Directors.
3. To consider the budget for the employees' annual bonus payment in 2020, and salary increase, promotion, budget for position adjustments and budget for salary increases for special cases for the year 2021 to propose to the Board of Directors.
4. To consider the criteria and practices regarding employment of retired employees.
5. To consider self-assessment of the Nomination and Remuneration Committee for the year 2020 in accordance with the criteria specified by the Company.
6. Considering and approving the determination of remuneration of directors, meeting allowances for 2020 and directors' gratuity for the year 2020.
7. To consider the performance evaluation of the year 2020 of the Chief Executive Officer. To present to the Board of Directors Approve.

**Mr. Anotai Kitnitchiva**
Chairman of the Nomination and Remuneration Committee

# REPORT OF THE AUDIT COMMITTEE

The Audit Committee comprises 3 independent directors and performed its duties as assigned by the Board of Directors under a written Charter adopted by the Audit Committee and approved by the Board of Directors and in compliance with the regulations of the Stock Exchange of Thailand (SET).

In 2020, the Audit Committee held 4 meetings. In the meetings, the Audit Committee discussed with the Management, the Internal Audit and the Company's External Auditors as appropriate and/or necessary. The Audit Committee's main activities are summarized below;

**1. Financial Reports Review**

The Audit Committee reviewed quarterly, annually and consolidated financial statements for the year 2020 of Humanica Public Company Limited and subsidiaries, including connected party transactions and items with potential conflicts of interest with the Management and the Internal Auditor and External Auditor. The Audit Committee discussed with the External Auditor on the accuracy and completeness of the financial statements, significant adjustment which affected to the financial statements, adequacy and suitability of account recording methods, audit scope, accuracy and adequacy of information disclosure as well as the External Auditors' independence. These were to ensure that the financial statements were prepared in conformity with legal requirements and generally accepted accounting principles, reliable and timely, and information was sufficiently disclosure.

**2. Internal Audit Oversight**

The Audit Committee reviewed and approved an Internal Audit annual plan 2020 including the budget to support the plan. The Audit Committee reviewed the audit performance, audit findings and recommendation on a monthly basis. The Audit Committee provided recommendations and monitored corrective actions for significant aspects for good governance and adequate internal control where the improvements were required, the Audit Committee was satisfied that management had taken appropriate remedial actions.

**3. Internal Control Effectiveness Review**

The Audit Committee reviewed the internal control system together with Internal Auditor and External Auditor on a quarterly basis by reviewing stewardship of properties, resource assumption, prevention or reduction of errors or damage, losses, waste, or corrupt practices, operations, credibility of financial reports, and compliance with relevant laws and regulations. The Company's External Auditor agreed that no significant issues or shortcomings were found.

**4. Risk Management Review**

The Audit Committee reviewed the Company's risk management mechanism of the risks arising from both internal and external. The Audit Committee also reviewed the efficiency and suitability of risk management processes regularly and provided recommendations for improvement.

**5. Appointment of the External Auditors for 2020**

The Audit Committee recommended the appointment of auditors as listed below;

| | | |
|---|---|---|
| 1. | Ms. Wimolporn Boonyusthian | Certified auditor No. 4067 or |
| 2. | Mr. Choopong Surachutikarn | Certified auditor No. 4325 or |
| 3. | Ms. Juntira Juntrachaichoat | Certified auditor No. 6326 |

from Deloitte Touche Tohmatsu Jaiyos Company Limited as the Company's External Auditors for 2020, including the audit fee which has been proposed to the Board of Directors for consideration and approved at the annual shareholders' meeting 2020.

The Audit Committee performed its duties and responsibilities stated in its Board-approved charter with competence, experience, care, prudence, and adequate independence for the equitable benefit of stakeholders. Whilst reviewing the quarterly and annual financial statements for 2020, and the above-mentioned assessments performed by the External and Internal Auditors, the Audit Committee did not note noncompliance of the Company's activities with the Securities and Exchange Act and with rules and regulations of the Stock Exchange of Thailand.

For and on behalf of the Audit Committee
Humanica Public Company Limited

**Mr. Patara Yongvanich**
Chairman of the Audit Committee

## Management's Discussion and Analysis Consolidated Financial Statements For Year Ended December 31, 2020

### Overall Group Performance

Table 1: Overall Financial Performance

Unit: million baht

| | Jan-Dec 2019 (Restated) | % | Jan-Dec 2020 | % | Change | % YoY |
|---|---|---|---|---|---|---|
| Total Revenues | 613.86 | 100.0 | 740.34 | 100.0 | 126.48 | 20.6 |
| Cost of sales and services | (335.26) | (54.6) | (384.96) | (52.0) | (49.70) | 14.8 |
| Gross Profit | 278.60 | 45.4 | 355.38 | 48.0 | 76.78 | 27.6 |
| SG&A | (121.85) | (19.8) | (160.25) | (21.6) | (38.40) | 31.5 |
| Operating Profit | 156.75 | 25.5 | 195.13 | 26.4 | 38.38 | 24.5 |
| Share of Profit in Associates | 1.93 | 0.3 | 0.93 | 0.1 | (1.00) | 51.8 |
| Interest Expense | (0.43) | (0.1) | (8.36) | (1.1) | (7.93) | (1,844.2) |
| EBT | 158.25 | 25.8 | 187.70 | 25.4 | 29.45 | 18.6 |
| Tax | (14.53) | (2.4) | (22.84) | (3.1) | (8.31) | (57.2) |
| Net Profit After Tax | 143.72 | 23.4 | 164.86 | 22.3 | 21.14 | 14.7 |

### Total Revenues

Total Revenues, including sales and service revenue and other income, increased by 126.48mb or 20.6% to 740.34mb (FY 2019: 613.86mb). Of which, sales and services grew by 120.29mb or 20.1% and other income increased by 6.19mb or 43.2%.

**Sales and Services revenue:**

For the FY 2020, The Humanica Group of Companies ("HUMAN" or the "Company") delivered sales and service revenue of 719.81mb (FY 2019: 599.52mb), an increase of 120.29mb or 20.1%. Revenue from HR Solutions contributed 117.05mb or 23.6% to our growth YoY while Financial Solutions revenue contributed 3.24mb or 3.1% growth YoY. The growth in HR Solutions is largely because of the consolidation of the result of our subsidiary, Tiger Soft (1998) Company Limited ("TigerSoft") only from July 2019 in last financial year. On a year-over-year basis, TigerSoft contributed an increase of 80.50mb to HUMAN's sales and service revenue, together with an organic growth of 36.54mb or 8.5%, bringing an increase of 117.04mb to HR Solutions.

Our overall recurring revenue grew by 32.91mb or 7.3% (18.44mb or 4.2% excluding TigerSoft) while non-recurring revenue grew by 88.06mb or 59.0% (22.02mb or 24.3% excluding TigerSoft).

**Other Income:**

Other income increased by 6.19mb or 43.2% to 20.53mb (FY 2019: 14.34mb). We reported increase in dividend income from our investment portfolio and increase in interest income from additional investment in convertible notes by combined 2.77mb or 33.2%. Our other non-recurring income also increased by 4.35mb, largely from additional government grants received by our overseas subsidiaries. This was partially offset by unfavorable change in realized & unrealized gain / loss on investment.

### Cost of Sales and Services

Overall cost of sales and services increased by 49.70mb or 14.8%to 384.96mb (FY 2019: 335.26mb), 52.88mb of which came from the consolidation of TigerSoft and additional amortization of software (know-how) from fair value adjustment from purchase price allocation on TigerSoft's acquisition (2H 2019 vs. FY 2020 impact). Excluding the effect of the consolidation of TigerSoft, HUMAN managed to slightly lower cost of sales and services, in line with our mid-term target to improve gross margin.

## Gross Profit

We reported gross profit margin of 48.0%, an improvement from 45.4% in FY 2019, and achieved a gross profit of 355.38mb (FY 2019: 278.60mb), an increase of 76.78mb or 27.6%. The consolidation of TigerSoft and related purchase price allocation effect contributed an incremental gross profit of 27.99mb. (FY 2020: 55.52mb vs. 2H 2019: 27.53mb). Excluding the impacts from the consolidation of TigerSoft and related purchase price allocation, HUMAN's gross profit would grow 48.79mb or 19.4%, at a rate higher than its organic growth in total revenue.

## Selling and Administration Expense

Selling and administration expense ("SG&A") closed at 160.25mb (FY 2019: 121.85mb), an increase of 38.40mb or 31.5%, with SG&A% of total revenues inching up to 21.6% (FY 2019: 19.8%). The consolidation of TigerSoft along with additional amortization of customer relationship from fair value adjustment from purchase price allocation on TigerSoft's acquisition added 29.59mb to the overall SG&A increase (FY 2020 vs. 2H 2019 impact). Excluding these impacts, SG&A would increase by 8.81mb or 8.8%. These increases are mainly attributed to increase in staff cost, one-offs in professional fees, and expenses related to office space expansion, partially offset by favorable FX gain / loss included as part of SG&A.

## Interest Expense

Increase in interest expense was mainly a result of the adoption of TFRS16 Leases this year.

## Net profit after Tax

The net profit after tax closed at 164.86mb (FY 2019: 143.72mb), growing by 21.14mb or 14.7% with overall net profit margin inching down to 22.3% (FY 2019: 23.4%) mainly due to TFRS 16 adoption and FV adjustment effect from the acquisition of TigerSoft. Excluding the impacts from the consolidation of TigerSoft's result, additional amortization from software (know-how) and customer relationship (net of tax), and TFRS16 adoption, the Company would report net profit after tax of 168.31mb (net profit margin of 28.4%), an increase of 30.62mb or 22.1% from FY 2019 (net profit after tax of 137.88mb and net profit margin of 25.2%).

## 1. Revenue Structure

Table 2: The break down revenue by business entities.

Unit: million baht

| | Type of Revenue | Jan-Dec 2019 | | Jan-Dec 2020 | |
|---|---|---|---|---|---|
| | | Million Baht | % | Million Baht | % |
| 1. | HR Solutions | | | | |
| | 1.1 Human Resources and Payroll Outsourcing services | 257.09 | 41.9 | 266.41 | 36.0 |
| | 1.2 Income from software and human resources system | 212.30 | 34.6 | 269.93 | 36.5 |
| | 1.3 Income from sales of hardware | 25.66 | 4.2 | 75.76 | 10.2 |
| | **Total revenues from HR solutions** | **495.05** | **80.6** | **612.10** | **82.7** |
| 2. | Financial Solutions | | | | |
| | 2.1 Enterprise Resource Planning (ERP) | 81.44 | 13.3 | 85.36 | 11.5 |
| | 2.2 Accounting & Finance Outsourcing | 23.03 | 3.8 | 22.35 | 3.0 |
| | Total revenue from financial solutions | 104.47 | 17.1 | 107.71 | 14.5 |
| 3. | Other income[1] | 14.34 | 2.3 | 20.53 | 2.8 |
| | **Total revenues** | **613.86** | **100.0** | **740.34** | **100.0** |

[1]Other income consist mainly of interest income, dividend income and realized & unrealized gain on investment.

In Table 2, The Company's revenue structure comprises 2 business units, HR Solutions and Financial Solutions with HR Solutions representing 82.7% of our revenue, Financial Solutions representing 14.5% and other income representing a small 2.8%.

## HR Solutions

Revenue from HR Solutions closed at 612.10mb (FY 2019: 495.05mb), increasing by 117.05mb or 23.6%. This increase came from both the consolidation of TigerSoft's result and organic growth of existing business in HR technology and services in Thailand and overseas markets. In FY 2020, we have completed significant projects, both upgrading projects from existing clients and implementation projects for new clients, contributing to higher recurring revenue base going forward.

Revenue from SMEs were slower than our expectation due to the impact of Covid, but we saw a pick up in the hardware sales as TigerSoft was agile in offering advance clocking devices that incorpoarte temperature control during the Covid era. 4Q 2020 also showed sign of recovery in software sales and implementation revenue at TigerSoft.

## Financial Solutions

Revenue from Financial Solutions contributed 107.71mb (FY 2019: 104.47mb), increasing by 3.24mb or 3.1%. Business in the ERP segment were largely soft during the year due to Covid situation however started to pick up pace in 4Q 2020.

With the ability to offer both SAP Business One and Oracle Netsuit for the more cloud savvy customers, we believe we will be well-positioned to pick up businesses when the market condition improves next year.

## The recurring and non-recurring income:

Table 3: The break down revenue by recurring & non-recurring revenue

Unit: million baht

| HR Solutions | Jan-Dec 2019 | % | Jan-Dec 2020 | % | %YoY |
|---|---|---|---|---|---|
| Revenues-Recurring | 383.13 | 77.4 | 414.59 | 67.7 | 8.2 |
| Revenues-Non Recurring | 111.92 | 22.6 | 197.51 | 32.3 | 76.5 |
| Total Revenues | 495.05 | 100.0 | 612.10 | 100.0 | 23.6 |

| Financial Solutions | Jan-Dec | % | Jan-Dec | % | %YoY |
|---|---|---|---|---|---|
| Revenues-Recurring | 66.45 | 63.6 | 67.91 | 63.0 | 2.2 |
| Revenues-Non Recurring | 38.02 | 36.4 | 39.80 | 37.0 | 4.7 |
| Total Revenues | 104.47 | 100.0 | 107.71 | 100.0 | 3.1 |
| | | | | | |
| Grand Total Recurring | 449.58 | 75.0 | 482.50 | 67.0 | 7.3 |
| Grand Total Non- Recurring | 149.94 | 25.0 | 237.31 | 33.0 | 58.3 |
| Grand Total Revenues | 599.52 | 100.0 | 719.81 | 100.0 | 20.1 |

Overall, the Company's recurring revenue proportion decreased from 75.0% in FY 2019 to 67.0% this year, while non-recurring revenue proportion increased from 25.0% in FY 2019 to 33.0% this year. The change in the composition of revenue between recurring and non-recurring income is due to the consolidation of TigerSoft's result (2H 2019 vs. FY 2020 impact). Tiger's business model is heavily weighted on non-recurring revenue from the on-premises sales of its software and the sales of hardware.

Recurring revenue reported an overall growth of 32.92mb or 7.3%, driven by organic growth in our existing business in HR technology and services and the consolidation of TigerSoft's recurring revenue, and revenue increase from Financial Solutions. With respect to overall recurring revenue base, HR Solutions continued its year-on-year growth momentum by 8.2% while Financial Solutions maintained moderate growth of 2.2%.

Non-recurring revenue reported overall growth of 87.37mb or 58.3%, from both the aforementioned consolidation of TigerSoft's result and organic growth of 21.06mb or 23.0% mainly from implementation and outsourcing revenue in HR Solutions.

## 2. Financial position

Table 4: Overall Financial position

Unit: million baht

| Assets | As of Dec 31, 2019 (Restated) | % | As of Dec 31, 2020 | % | Change YoY | % YoY |
|---|---|---|---|---|---|---|
| **Cash** | 159.47 | 11.6 | 246.80 | 15.5 | 87.33 | 54.8 |
| Current financial assets | 83.07 | 6.0 | 227.77 | 14.3 | 144.70 | 174.2 |
| Trade & Other receivable | 114.24 | 8.3 | 118.44 | 7.4 | 4.20 | 3.7 |
| Current contract assets | 24.58 | 1.8 | 30.35 | 1.9 | 5.77 | 23.5 |
| Inventory | 9.42 | 0.7 | 14.98 | 0.9 | 5.56 | 59.0 |
| Other current Asset | 4.50 | 0.3 | 15.07 | 0.9 | 10.57 | 234.9 |
| Non-current financial assets | 558.38 | 40.6 | 392.29 | 24.6 | (166.09) | (29.7) |
| Right to use assets | - | - | 128.83 | 8.1 | 128.83 | - |
| Non-Current asset | 421.93 | 30.7 | 417.13 | 26.2 | (4.80) | (1.1) |
| Total Assets | 1,375.59 | 100.0 | 1,591.66 | 100.0 | 216.07 | 15.7 |
| **Liabilities** | | | | | | |
| Current liability | 116.20 | 8.4 | 151.10 | 9.5 | 34.90 | 30.0 |
| Non-Current liability | 65.44 | 4.8 | 173.70 | 10.9 | 108.26 | 165.4 |
| Total liabilities | 181.64 | 13.2 | 324.80 | 20.4 | 143.16 | 78.8 |
| Shareholders' equity | 1,193.95 | 86.8 | 1,266.86 | 79.6 | 72.91 | 6.1 |
| Total liabilities and Shareholders' equity | 1,375.59 | 100.0 | 1,591.66 | 100.0 | 216.07 | 15.7 |

### (a) Total assets

Total assets as of December 31, 2020 stand at 1,591.66mb, an increase of 216.07mb or 15.7%. The increase was mainly due to the adoption of TFRS 16 Leases, which gave rise to right to use assets from office lease agreement. Cash and financial assets also increased by 65.94mb YoY.

Total Liabilities

Total liability as of December 31, 2020 was 324.80mb, increasing by 143.16mb or 78.8%, mainly due to recognition of liabilities under finance lease agreement according to TFRS16.

### (b) Shareholders' equity

Total shareholder's equity as of December 31, 2020 was 1,266.86mb, increasing by 72.91mb or 6.1% YoY, mainly from profits during the period, less dividend payment.

## 3. Cash Flow Statement

Unit: million baht

| | Jan-Dec 2019 | Jan-Dec 2020 |
|---|---|---|
| Net cash provided by (used in) | | |
| Cash Flow from Operating (CFO) | 200.06 | 240.77 |
| Cash Flow from Investing (CFI) | (62.03) | (45.75) |
| Cash Flow from Financing (CFF) | (87.48) | (108.39) |
| Decrease in translation adjustments | (2.41) | 0.69 |
| Net increase (decrease)in cash and cash equivalents | 48.14 | 87.32 |

### Cash Flow from Operating Activities

CFO for the FY 2020 was 240.77mb. The management will consider using the surplus CFO in investment or any other activities to create better value for the Company.

### Cash Flow from Investing Activities

CFI for the FY 2020 was -45.75mb mainly due to Capex spending (PP&E and software) and additional investment in financial assets.

### Cash Flow from Financing Activities

CFF for the FY 2020 was -108.39mb, mainly due to dividend payment of 81.60mb and finance lease payment (principal & interest) of 24.61mb. The Company has no current plan for financing project as we still have ample funds from IPO fund raising for a working capital and other investment plans.

Please be informed accordingly,

Yours sincerely,

Mr. Soontorn Dentham
Chief Executive Officer

**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, 2020, 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, 2020, and its financial performance and its 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 Group acquired the entire business of Tiger Soft (1998) Co., Ltd. on July 1, 2019, 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 report dated November 2, 2020 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 "Business Combination". As a result, the consolidated statement of financial position as at December 31, 2019, 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.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organization") DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

## 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 |
|---|---|
| **Business acquisition**<br><br>In 2019, the Group acquired the entire business of Tiger Soft (1998) Co., Ltd. for a total of Baht 125 million. As at December 31, 2019, 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 2020, 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 2, 2020 from the independent appraiser and other necessary information obtained from the business acquisition date in accordance with Thai Financial Reporting Standard No. 3 "Business Combination".<br><br>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.<br><br>Details of the business acquisition were disclosed in the Note 11 to the financial statements. | Key audit procedures included:<br><br>- Examining the terms and conditions of the agreement and inquire with management as to the nature and objectives of the acquisition.<br><br>- 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.<br><br>- Involving our valuation specialist to evaluate the financial parameter applied to the discount rate, identification of the intangible assets, valuation methodology and mathematical accuracy.<br><br>- Assessing the rationale of goodwill recognized from the business combination.<br><br>- Considering the presentation and related disclosures in the consolidated financial statements. |

| Key Audit Matters | Audit Responses |
|---|---|
| **Goodwill**<br><br>The Group has goodwill of Baht 108.62 million as at December 31, 2020. We have focused on the consideration of the impairment of goodwill of certain subsidiaries 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.<br><br>Accounting policies of goodwill and details of goodwill were disclosed in the Notes 3.9 and 16 to the financial statements, respectively. | Key audit procedures included:<br><br>- 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.<br><br>- 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.<br><br>- Considering the presentation and related disclosures. |

## Other Information

Management is responsible for the other information. The other information comprises information in the annual report but does not include the consolidated and separate financial statements and our auditor's report thereon, 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 management and those charged with governance for correction of the misstatement.

## 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 the 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 and the Company 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 and the Company'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 the 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
**DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.**

**BANGKOK**
February 24, 2021

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2020

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|---|---|---|---|---|
| | | As at December 31, 2020 | As at December 31, 2019 "Restated" | As at December 31, 2020 | As at December 31, 2019 |
| **ASSETS** | | | | | |
| **CURRENT ASSETS** | | | | | |
| Cash and cash equivalents | 5.1 | 246,798 | 159,474 | 105,736 | 74,780 |
| Trade and other current receivables | 6 | 118,442 | 114,232 | 73,554 | 65,799 |
| Current contract assets | 33 | 30,350 | 24,584 | 24,064 | 18,045 |
| Inventories | 7 | 14,979 | 9,417 | - | - |
| Other current financial assets | 8 and 33 | 227,768 | 83,068 | 224,768 | 83,068 |
| Loan to subsidiary | 4 | - | - | 14,500 | - |
| Other current assets | | 15,067 | 4,500 | 9,135 | 4,344 |
| Total Current Assets | | 653,404 | 395,275 | 451,757 | 246,036 |
| **NON-CURRENT ASSETS** | | | | | |
| Restricted bank deposits | 9 | 864 | 1,050 | 756 | 700 |
| Other non-current financial assets | 8 and 33 | 392,294 | 558,382 | 392,294 | 558,382 |
| Investment in associates | 10 | 28,565 | 24,634 | 25,700 | 22,700 |
| Investment in subsidiaries | 11 | - | - | 250,619 | 252,865 |
| Long-term loan to subsidiary | 4 | - | - | - | 13,000 |
| Building improvement and equipment | 12 | 44,647 | 40,106 | 37,645 | 29,787 |
| Right-of-use assets | 13 | 128,831 | - | 119,630 | - |
| Goodwill | 11 and 16 | 108,619 | 108,619 | - | - |
| Other intangible assets other than goodwill | 11 and 14 | 176,162 | 200,992 | 93,001 | 101,593 |
| Computer software under development | 15 | 34,194 | 27,433 | 32,178 | 27,482 |
| Deferred tax assets | 11 and 23 | 10,979 | 5,550 | 8,101 | 1,635 |
| Other non-current assets | 17 | 13,093 | 13,544 | 10,769 | 9,186 |
| Total Non-current Assets | | 938,248 | 980,310 | 970,693 | 1,017,330 |
| **TOTAL ASSETS** | | 1,591,652 | 1,375,585 | 1,422,450 | 1,263,366 |

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

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

AS AT DECEMBER 31, 2020

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|---|---|---|---|---|
| | | As at December 31, 2020 | As at December 31, 2019 "Restated" | As at December 31, 2020 | As at December 31, 2019 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | | | |
| **CURRENT LIABILITIES** | | | | | |
| Trade and other current payables | 11, 18, and 33 | 58,542 | 48,499 | 37,824 | 37,567 |
| Current contract liabilities | 33 | 47,817 | 47,168 | 32,668 | 33,654 |
| Current portion of lease liabilities | 19 | 20,237 | 1,237 | 13,579 | 1,213 |
| Corporate income tax payable | | 10,551 | 7,245 | 3,044 | - |
| Other current liabilities | | 13,954 | 12,055 | 8,931 | 7,436 |
| Total Current Liabilities | | 151,101 | 116,204 | 96,046 | 79,870 |
| **NON-CURRENT LIABILITIES** | | | | | |
| Lease liabilities | 19 | 117,388 | 2,640 | 114,630 | 2,640 |
| Deferred tax liabilities | 11 and 23 | 16,644 | 19,358 | - | - |
| Non-current provisions for employee benefits | 11 and 20 | 39,666 | 38,706 | 25,324 | 23,005 |
| Other non-current liabilities | | - | 4,735 | - | 3,922 |
| Total Non-current Liabilities | | 173,698 | 65,439 | 139,954 | 29,567 |
| **TOTAL LIABILITIES** | | 324,799 | 181,643 | 236,000 | 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 | 21 | 34,000 | 22,710 | 34,000 | 22,710 |
| Unappropriated | 11 | 258,775 | 176,176 | 164,078 | 119,933 |
| Other components of shareholders' equity | | (8,756) | 13,452 | (5,897) | 17,017 |
| Total equity attributable to owners of the parent | | 1,265,622 | 1,193,941 | 1,186,450 | 1,153,929 |
| Non-controlling interests | | 1,231 | 1 | - | - |
| **TOTAL SHAREHOLDERS' EQUITY** | | 1,266,853 | 1,193,942 | 1,186,450 | 1,153,929 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | 1,591,652 | 1,375,585 | 1,422,450 | 1,263,366 |

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

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|---|---|---|---|---|
| | | 2020 | 2019 "Restated" | 2020 | 2019 |
| **REVENUES** | | | | | |
| Revenue from sales and rendering services | 27 and 33 | 719,824 | 599,527 | 415,899 | 380,432 |
| Other income | 33 | 9,431 | 6,001 | 29,073 | 32,696 |
| Total Revenues | | 729,255 | 605,528 | 444,972 | 413,128 |
| **EXPENSES** | | | | | |
| Cost of sales and rendering services | 11 | 384,966 | 335,262 | 221,730 | 222,635 |
| Selling expenses | | 29,186 | 19,106 | 11,249 | 10,445 |
| Administrative expenses | 11 | 131,062 | 102,745 | 91,283 | 78,729 |
| Total Expenses | | 545,214 | 457,113 | 324,262 | 311,809 |
| **Profit from operating activities** | | 184,041 | 148,415 | 120,710 | 101,319 |
| Finance income | 33 | 11,096 | 8,336 | 28,233 | 25,500 |
| Finance cost | | (8,369) | (430) | (7,574) | (405) |
| Share of profit from investment in associates | | 931 | 1,934 | - | - |
| **Profit before income tax expense** | | 187,699 | 158,255 | 141,369 | 126,414 |
| Income tax expense | 11 and 23 | (22,841) | (14,524) | (10,872) | (7,215) |
| **PROFIT FOR THE YEAR** | 11 | 164,858 | 143,731 | 130,497 | 119,199 |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | | | |
| **Components of other comprehensive income that will be reclassified to profit or loss** | | | | | |
| Exchange differences on translation of financial statements in foreign currencies | | 706 | (2,425) | - | - |
| Gain (loss) on changes in value of available-for-sale investments, net of income tax | | (19,567) | 17,300 | (19,567) | 17,300 |
| **Total components of other comprehensive income (loss) that will be reclassified to profit or loss, net of tax** | | (18,861) | 14,875 | (19,567) | 17,300 |
| **Components of other comprehensive income (loss) that will not be reclassified to profit or loss** | | | | | |
| Acturial gain (loss), net of income tax | | 2,468 | (2,548) | (729) | (2,214) |
| **Total components of other comprehensive income (loss) that will not be reclassified to profit or loss, net of tax** | | 2,468 | (2,548) | (729) | (2,214) |
| **Other comprehensive income (loss) for the year net of tax** | | (16,393) | 12,327 | (20,296) | 15,086 |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 148,465 | 156,058 | 110,201 | 134,285 |

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

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|---|---|---|---|---|
| | | 2020 | 2019 "Restated" | 2020 | 2019 |
| **PROFIT ATTRIBUTABLE TO:** | | | | | |
| Owners of the parent | 11 | 165,754 | 143,731 | 130,497 | 119,199 |
| Non-controlling interests | | (896) | - | - | - |
| **PROFIT FOR THE YEAR** | | 164,858 | 143,731 | 130,497 | 119,199 |
| **TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:** | | | | | |
| Owners of the parent | 11 | 148,465 | 156,058 | 110,201 | 134,285 |
| Non-controlling interests | | - | - | - | - |
| **TOTAL COMPREHENSIVE INCOME FOR THE YEAR** | | 148,465 | 156,058 | 110,201 | 134,285 |
| **Earnings per share** | | | | | |
| Basic earnings attributable to owners of the Company per share (Baht) | 25 | 0.24 | 0.21 | 0.19 | 0.18 |

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

# STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

### FOR THE YEAR ENDED DECEMBER 31, 2020

**CONSOLIDATED FINANCIAL STATEMENTS**

UNIT : THOUSAND BAHT

| | Notes | Issued and paid-up share capital | Share premium on ordinary shares | Capital reserve for share-based payment transactions | Capital deficit from changes in shareholding in subsidiaries | Retained earnings | | Other components of shareholders' equity | | | | Total equity attributable to owners of the Company | Equity attributable to non-controlling interests of the subsidiaries | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Appropriated 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 as previously reported** | | 340,000 | 649,124 | 5,145 | (12,666) | 16,751 | 122,712 | (1,140) | - | (283) | (1,423) | 1,119,643 | 1 | 1,119,644 |
| Effect from business acquisition | | - | - | - | - | - | (160) | - | - | - | - | (160) | - | (160) |
| **Balance as at January 1, 2019 as restated** | | 340,000 | 649,124 | 5,145 | (12,666) | 16,751 | 122,552 | (1,140) | - | (283) | (1,423) | 1,119,483 | 1 | 1,119,484 |
| Profit for the year | | - | - | - | - | - | 143,731 | - | - | - | - | 143,731 | - | 143,731 |
| Other comprehensive income (loss) for the year | | - | - | - | - | - | (2,548) | (2,425) | - | 17,300 | 14,875 | 12,327 | - | 12,327 |
| Total comprehensive income (loss) for the year | | - | - | - | - | - | 141,183 | (2,425) | - | 17,300 | 14,875 | 156,058 | - | 156,058 |
| Dividends paid | 26 | - | - | - | - | - | (81,600) | - | - | - | - | (81,600) | - | (81,600) |
| Transfer unappropriated retained eainings to legal reserves | 21 | - | - | - | - | 5,959 | (5,959) | - | - | - | - | - | - | - |
| **Balance as at December 31, 2019** | | 340,000 | 649,124 | 5,145 | (12,666) | 22,710 | 176,176 | (3,565) | - | 17,017 | 13,452 | 1,193,941 | 1 | 1,193,942 |
| **Balance as at January 1, 2020 as previously reported** | | 340,000 | 649,124 | 5,145 | (12,666) | 22,710 | 179,421 | (3,565) | 17,017 | - | 13,452 | 1,197,186 | 1 | 1,197,187 |
| Effect from business acquisition | 11 | - | - | - | - | - | (3,245) | - | - | - | - | (3,245) | - | (3,245) |
| Effect of changes in accounting policies derived from initial application of new financial reporting standards | 2.4 | - | - | - | - | - | 3,920 | - | (17,017) | 17,017 | - | 3,920 | - | 3,920 |
| **Balance as at January 1, 2020 as restated** | | 340,000 | 649,124 | 5,145 | (12,666) | 22,710 | 180,096 | (3,565) | - | 17,017 | 13,452 | 1,197,861 | 1 | 1,197,862 |
| Profit for the year | | - | - | - | - | - | 165,754 | - | - | - | - | 165,754 | (896) | 164,858 |
| Other comprehensive income (loss) for the year | | - | - | - | - | - | 2,468 | 706 | - | (19,567) | (18,861) | (16,393) | - | (16,393) |
| Total comprehensive income (loss) for the year | | - | - | - | - | - | 168,222 | 706 | - | (19,567) | (18,861) | 149,361 | (896) | 148,465 |
| Dividends paid | 26 | - | - | - | - | - | (81,600) | - | - | - | - | (81,600) | - | (81,600) |
| Transfer unappropriated retained eainings to legal reserves | 21 | - | - | - | - | 11,290 | (11,290) | - | - | - | - | - | - | - |
| Profit (loss) on disposal of investment in equity as measured at fair value through other comprehensive income | | - | - | - | - | - | 3,347 | - | - | (3,347) | (3,347) | - | - | - |
| Non-controlling interest of the subsidiaries from business acquisition | | - | - | - | - | - | - | - | - | - | - | - | 2,126 | 2,126 |
| **Balance as at December 31, 2020** | | 340,000 | 649,124 | 5,145 | (12,666) | 34,000 | 258,775 | (2,859) | - | (5,897) | (8,756) | 1,265,622 | 1,231 | 1,266,853 |

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

# STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

SEPARATE FINANCIAL STATEMENTS

UNIT : THOUSAND BAHT

| | Notes | Issued and paid-up capital | Share premium on ordinary shares | Capital reserve for share-based payment transactions | Retained earnings | | Other components of shareholders' equity | | | Total shareholders' equity |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Appropriated Legal reserve | Unappropriated | Surplus (deficit) on changes in value of available-for-sale investments | 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 | 90,507 | (283) | - | (283) | 1,101,244 |
| Profit for the year | | - | - | - | - | 119,199 | - | - | - | 119,199 |
| Other comprehensive income (loss) 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 undappropriated retained eainings to legal reserves | 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 |
| **Balance as at January 1, 2020 as previously reported** | | 340,000 | 649,124 | 5,145 | 22,710 | 119,933 | 17,017 | - | 17,017 | 1,153,929 |
| Effect of changes in accounting policies derived from initial application of new financial reporting standards | 2.4 | - | - | - | - | 3,920 | (17,017) | 17,017 | - | 3,920 |
| **Balance as at January 1, 2020 as restated** | | 340,000 | 649,124 | 5,145 | 22,710 | 123,853 | - | 17,017 | 17,017 | 1,157,849 |
| Profit for the year | | - | - | - | - | 130,497 | - | - | - | 130,497 |
| Other comprehensive income (loss) for the year | | - | - | - | - | (729) | - | (19,567) | (19,567) | (20,296) |
| Total comprehensive income (loss) for the year | | - | - | - | - | 129,768 | - | (19,567) | (19,567) | 110,201 |
| Dividends paid | 26 | - | - | - | - | (81,600) | - | - | - | (81,600) |
| Transfer undappropriated retained eainings to legal reserves | 21 | - | - | - | 11,290 | (11,290) | - | - | - | - |
| Profit (loss) on disposal of investment in equity as measured at fair value through other comprehensive income | | - | - | - | - | 3,347 | - | (3,347) | (3,347) | - |
| **Balance as at December 31, 2020** | | 340,000 | 649,124 | 5,145 | 34,000 | 164,078 | - | (5,897) | (5,897) | 1,186,450 |

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

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|---|---|---|---|---|
| | | 2020 | 2019 "Restated" | 2020 | 2019 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Profit before income tax expense | | 187,699 | 158,255 | 141,369 | 126,414 |
| Adjustments to reconcile profit before income tax expense to net cash provided by (used in) operating activities | | | | | |
| Depreciation and amortization | | 78,006 | 55,262 | 50,387 | 39,494 |
| Allowance for doubtful accounts (Reversal) | | 1,144 | (829) | 952 | 985 |
| Allowance for diminution in value of inventories (Reversal) | | 1,933 | (524) | - | - |
| Loss on write-off of equipment | | 288 | 625 | 278 | 625 |
| Loss on write-off of computer software | | 553 | - | - | - |
| Long-term employee benefit expenses | | 2,556 | 7,428 | 3,002 | 5,960 |
| Gain on disposal of other current and non-current financial assets | | (2,851) | (4,849) | (2,851) | (4,849) |
| Share of profit from investment in associates | | (931) | (1,934) | - | - |
| Unrealized loss on foreign exchange rates | | 3,633 | 2,588 | 3,650 | 2,453 |
| Dividend income | | (5,799) | (5,275) | (22,800) | (22,274) |
| Interest expenses | | 8,369 | 430 | 7,574 | 405 |
| Interest income | | - | - | (5,433) | (3,226) |
| Profit from operating activities before changes in operating assets and liabilities | | 274,600 | 211,177 | 176,128 | 145,987 |
| Operating assets (increase) decrease | | | | | |
| Trade and other current receivables | | (3,153) | (2,180) | (1,096) | 13,447 |
| Current contract assets | | (5,766) | (2,221) | (6,019) | (2,466) |
| Inventories | | (7,495) | - | - | - |
| Other current assets | | (5,796) | 2,541 | (5,577) | (3,108) |
| Other non-current assets | | (6,587) | (5,560) | (2,193) | (3,220) |
| Operating liabilities increase (decrease) | | | | | |
| Trade and other current payables | | 9,356 | (10,168) | 4,577 | (1,917) |
| Current contract liabilities | | 649 | 26,419 | (986) | 12,905 |
| Other current liabilities | | 1,899 | (8,664) | 1,495 | 824 |
| Other non-current liabilities | | (813) | 3,172 | - | 2,359 |
| Employee benefit obligations paid | | (1,744) | - | (1,744) | - |
| Cash received from operating activities | | 255,150 | 214,516 | 164,585 | 164,811 |
| Cash paid for interest expenses | | - | (430) | - | (405) |
| Cash paid for income tax expense | | (15,564) | (18,720) | (7,515) | (9,182) |
| Refund income tax expense | | 492 | 4,689 | 326 | 3,750 |
| Net cash provided by operating activities | | 240,078 | 200,055 | 157,396 | 158,974 |

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

## HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

UNIT : THOUSAND BAHT

| | Notes | Consolidated Financial Statements | | Separate Financial Statements | |
|---|---|---|---|---|---|
| | | 2020 | 2019 "Restated" | 2020 | 2019 |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| (Increase) decrease in restricted bank deposits | | 186 | 3,839 | (56) | 4,189 |
| Cash paid for other current and non-current financial asstes | | (488,691) | (679,920) | (485,509) | (679,920) |
| Cash received from sales of current and non-current financial asstes | | 481,801 | 732,100 | 481,801 | 732,100 |
| Cash paid for acquisition of building improvement and equipment | | (25,447) | (5,006) | (24,154) | (3,377) |
| Cash received from sales of equipment | | 99 | - | - | - |
| Cash paid for development/acquisition of computer software | | (15,991) | (19,202) | (13,388) | (18,603) |
| Cash paid for short-term loan to related party | | - | - | (3,500) | - |
| Cash received from short-term loan to related party | | - | - | 2,000 | 7,000 |
| Dividends received | | 5,781 | 5,275 | 22,817 | 22,274 |
| Cash paid for acquisition of entire business | | (3,000) | (99,111) | (5,754) | (125,000) |
| Net cash used in investing activities | | (45,262) | (62,025) | (25,743) | (61,337) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Repayments of lease liabilities | 5.2 | (18,216) | (5,880) | (11,524) | (5,743) |
| Repayment of interest expenses for lease liabilities | | (8,369) | - | (7,573) | - |
| Dividends paid | | (81,600) | (81,600) | (81,600) | (81,600) |
| Net cash used in financing activities | | (108,185) | (87,480) | (100,697) | (87,343) |
| Exchange differences from translation of financial statements | | 693 | (2,411) | - | - |
| Net increase in cash and cash equivalents | | 87,324 | 48,139 | 30,956 | 10,294 |
| Cash and cash equivalents as at January 1, | | 159,474 | 111,335 | 74,780 | 64,486 |
| **Cash and cash equivalents as at December 31,** | 5.1 | 246,798 | 159,474 | 105,736 | 74,780 |

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

HUMANICA PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

FOR THE YEAR ENDED DECEMBER 31, 2020

## 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 (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.

## 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 The Group's financial statements have been prepared in accordance with the Thai Accounting Standard (TAS) No. 1 "Presentation of Financial Statements", which was effective for financial year beginning on or after January 1, 2020 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. 3) B.E. 2562" dated December 26, 2019.

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, 2020 | December 3 2019 |
| **Subsidiaries held directly by the Company** | | | | |
| 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 |
| Benix Limited | Provide insurance brokerage | Thailand | 51.00 | - |
| **Subsidiary held by Humanica Asia Pte. Ltd.** | | | | |
| 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 statement 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 associates under the cost method.

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

During 2020 year, 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. However, the new standards which become effective for fiscal year and involve changes to key principles are summarised below:

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.

Group of Financial Instruments Standards

During 2020 year, 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 and/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 in value of available-for-sale investments | 17,017 | (17,017) | - |
| Gain 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 and other comprehensive income.

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 as 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 as 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 as at December 31, 2019 | 3,221 | 3,197 |
| Lease liabilities recognized as 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 lease 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.

2.5 Thai Financial Reporting Standard No.16 "Leases"

TFRS 16 has been amended for the Rent Concessions related to COVID-19, which is effective from June 1, 2020 with earlier application permitted. The amendment permits lessees, as a practical expedient, not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications. In addition, the revised TFRS 16 also added the requirements for the temporary exception arising from interest rate benchmark reform, which an entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. This revised TFRS 16 has been announced in the Royal Gazette on January 27, 2021.

2.6 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, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Conceptual Framework for Financial Reporting

The revised conceptual Framework for Financial Reporting consisted of the revised definitions and recognition criteria of asset an liability as well as new guidance on measurement, derecognition of asset and liability, presentation and disclosure. In addition, this Conceptual Framework for Financial reporting clearly clarifies management's stewardship of the entity's economic resources, prudence, and measurement uncertainty of financial information.

Definition of Business

The revised Thai Financial Reporting Standard No. 3 "Business Combinations" clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 "Presentation of Financial Statements" and Thai Accounting Standards No. 8 "Accounting Policies, Changes in Accounting Estimates and Errors", including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures".

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 significant impact 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's names 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

Investment in an associates is accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries and associates are accounted for in the separate financial statements using the cost method.

Policies applicable prior to January 1, 2020

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 amotized 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.

3.6 Building improvement and equipment

Building improvement and equipment are stated at cost less accumulated depreciation and allowance for diminution in value (if any). The Company and its subsidiaries recognised in the statement profit or loss during the financial period in which they are incurred.

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

| | |
|---|---|
| Building improvement | 5 years |
| Office equipment | 5 years |
| Computers | 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 are depreciated over their estimated useful lives.

3.7 Right-of-use assets and lease liability

The Company and its subsidiaries 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 as follows.

a) Policies applicable from January 1, 2020

The Company and its subsidiaries as lessee

The Company and its subsidiaries assesses whether a contract is or contains a lease, at inception of the contract. The Company and its subsidiaries recognizes a right-of-use asset and corresponding lease liability with respect to all lease arrangements in which it is the lease, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company and its subsidiaries recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leases assets are consumed.

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

Whenever the Company and its subsidiaries 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" ("TAS 37"). 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 Company and its subsidiaries expects to exercise a purchase option, the related right-of-use 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 statement of financial position.

The Company and its subsidiaries applies Thai Accounting Standard No. 36 "Impairment of Assets" ("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 line "Other expenses" in profit or loss.

Depreciation of right-of-use assets is calculated by costs using the straight-line method over the term of the lease, as follows:

| | |
|---|---|
| Office building | 2 - 30 years |

b) Policies applicable prior to January 1, 2020

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.

3.8 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 recognized in 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 developed computer software | 10 years |
| Trademark | 15 years |
| Customer relationship | 7 years |

3.9 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 there is an indicator that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired from 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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 Thai 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 exchange rates ruling at statement of financial position date.

b. Shareholders' equity is translated to Thai Baht at the exchange rates on the transaction date.

c. Revenues and expenses are translated to Thai Baht at average 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 or 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 Financial instruments

Policies applicable from January 1, 2020

Financial assets and financial liabilities are recognized in the Company and its subsidiaries' statement of financial position when The Company and its subsidiaries becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities is initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

**Financial assets**

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

*Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortized cost;

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI);

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Company and its subsidiaries may make the following irrevocable election/designation at initial recognition of a financial asset;

- The Company and its subsidiaries may irrevocable elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (2) below); and
- The Company and its subsidiaries may irrevocable designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (3) below).

(1) Amortized cost and effective interest method

The effective interest method 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 - interest income" line item.

(2) Equity instruments designated as at FVTOCI

On initial recognition, the Company and its subsidiaries 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.

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

Subsequently, they are 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.

The Company and its subsidiaries has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of TFRS 9 (see Note 2.4).

(3) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (1) to (2) above) are measured at FVTPL. Specifically;

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the "other gains and losses" line item. Fair value is determined in the manner described in Note 2.4.

*Impairment of financial assets*

The Company and its subsidiaries recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVTOCI, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expect credit losses is updated at each reporting period date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company and its subsidiaries always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company. The Company and its subsidiaries' historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(1) Write-off policy

The Company and its subsidiaries writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. Financial assets written off may still be subject to enforcement activities under The Company and its subsidiaries' recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

(2) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the asset's gross carrying amount at the reporting date.

If the Company and its subsidiaries has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company and its subsidiaries measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

**Financial liabilities**

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

*Financial liabilities at FVTPL*

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if;

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company and its subsidiaries manages together and has 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.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if;

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company and its subsidiaries' documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and TFRS 9 permits the entire combined contract to be designated as at FVTPL.

*Financial liabilities measured subsequently at amortized cost*

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

*Derecognition of financial liabilities*

The Company and its subsidiaries derecognizes financial liabilities when, and only when, the Company and its subsidiaries' obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company and its subsidiaries exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company and its subsidiaries accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between; (1) the carrying amount of the liability before the modification; and (2) the present value of cash flows after modification should be recognized in profit or loss as the modification gain or loss within other gains and losses.

3.22 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 entirely, 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.

3.23 Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards 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.

**Economic useful lives of building improvement and equipment 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 economic useful lives and residual values of the building improvement and equipment and intangible assets and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review building improvement and equipment and intangible assets are subject to if there is an indication they may be impaired and impairment losses are recoded in the 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

For the years ended December 31, 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.

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | | Pricing policy |
|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | |
| **Transactions with subsidiaries** | | | | | |
| (eliminated from the consolidated financial statements) | | | | | |
| Service income | - | - | 5,994 | 5,249 | As agreed |
| Management fee | - | - | 16,741 | 14,640 | Contract price |
| Financial income - dividend income | - | - | 17,000 | 17,000 | As announcement |
| Finance income - interest income | - | - | 216 | 315 | At rate of 0.9 - 1.8 percent p.a. |
| Rental income | - | - | 3,516 | 3,516 | As agreed |
| Other income | - | - | 4,321 | 1,199 | As agreed |
| Service expense | - | - | 2,341 | 1,518 | As agreed |
| Software development cost | - | - | - | 1,265 | As agreed |
| Other expense | - | - | 500 | 4 | As agreed |
| **Transactions with related parties** | | | | | |
| Service income | 847 | 720 | 292 | 720 | Market rate |
| Rental income | 561 | - | 561 | - | Contract price |
| Other income | 379 | - | 379 | - | Contract price |
| Software rental expense | 8,262 | 8,078 | 8,262 | 8,078 | Contract price |
| Other expense | 1,812 | - | 1,812 | - | Market price |

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Trade receivables - related parties** (Note 6) | | | | |
| Associates | 26 | 16 | - | - |
| Related party | 161 | - | 106 | - |
| | 187 | 16 | 106 | - |
| **Other receivables - related parties** (Note 6) | | | | |
| Subsidiaries | - | - | 5,825 | 2,356 |
| Related party | 50 | - | 50 | - |
| | 50 | - | 5,875 | 2,356 |
| **Contract asset - related party** | | | | |
| Subsidiaries | - | | 2,101 | - |
| Associates | - | 74 | - | - |
| Related party | 6 | - | 6 | - |
| | 6 | 74 | 2,107 | - |
| **Interest receivables - related party** (Note 6) | | | | |
| Subsidiaries | - | - | 86 | 20 |
| | - | - | 86 | 20 |
| **Loan to subsidiary** (Note 4.1) | | | | |
| Subsidiaries | - | - | 14,500 | 13,000 |
| | - | - | 14,500 | 13,000 |
| **Trade payables - related party** (Note 18) | | | | |
| Related party | 1,462 | - | 1,462 | - |
| | 1,462 | - | 1,462 | - |
| **Other payables - related party** (Note 18) | | | | |
| Subsidiaries | - | - | 899 | 124 |
| | - | - | 899 | 124 |

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| **Contract liabilities – related party** | | | | |
| Related party | 1,914 | - | 1,914 | - |
| | 1,914 | - | 1,914 | - |
| **Accrued expenses - related party** (Note 18) | | | | |
| Related party | 662 | 653 | 662 | 653 |
| | 662 | 653 | 662 | 653 |

Unit: Thousand Baht

4.1 On November 25, 2020, the Company entered into a loan agreement to provide a loan to Humanica FAS Limited (Subsidiary) totaling Baht 3.50 million. The loan carries interest at the rate of 0.90 percent per annum, has no collateral and is repayable at call. However, Humanica FAS Limited has plan to repay the loan within one year, the Company classified them as current asset in the financial statements.

During the years 2020 and 2019, movements of loans to related party were as follows:

Unit: Thousand Baht

| | | Separate financial statements | | | |
|---|---|---|---|---|---|
| **Loans to** | **Related by** | **Balance as at January 1, 2020** | **Increase during the year** | **Decrease during the year** | **Balance as at December 31, 2020** |
| Humanica FAS Limited | Subsidiary | 13,000 | 3,500 | (2,000) | 14,500 |
| Total | | 13,000 | 3,500 | (2,000) | 14,500 |

Unit: Thousand Baht

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

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.

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Short-term benefits | 32.8 | 25.0 | 21.8 | 15.8 |
| Post-employment benefits | 3.6 | 3.0 | 3.4 | 2.7 |
| Total | 36.4 | 28.0 | 25.2 | 18.5 |

## 5. CASH AND CASH EQUIVALENTS

### 5.1 Cash and cash equivalents

Cash and cash equivalents as at December 31, consisted of :

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Cash on hand | 695 | 671 | 450 | 541 |
| Deposits at financial institutions | 279,717 | 217,856 | 120,760 | 124,839 |
| Cheques in transit | 462 | - | - | - |
| Less Deposits in the Company and its subsidiaries' name for customer accounts | (34,076) | (59,053) | (15,474) | (50,600) |
| Total | 246,798 | 159,474 | 105,736 | 74,780 |

As at December 31, 2020, bank deposits in savings accounts carries interest at the rate of 0.05 to 0.45 percent per annum (2019: 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, 2020 | Financing cash flows | Non-cash change | Balance as at December 31, 2020 |
| Lease liabilities | 3,877 | (18,216) | 151,964 | 137,625 |
| Total | 3,877 | (18,216) | 151,964 | 137,625 |

Unit: Thousand Baht

| | Consolidated Financial Statements | | | |
|---|---|---|---|---|
| | Balance as at January 1, 2019 | Financing cash flows | Non-cash change | Balance as at December 31, 2019 |
| Lease liabilities | 9,757 | (5,880) | - | 3,877 |
| Total | 9,757 | (5,880) | - | 3,877 |

Unit: Thousand Baht

| | Separate Financial Statements | | | |
|---|---|---|---|---|
| | Balance as at January 1, 2020 | Financing cash flows | Non-cash change | Balance as at December 31, 2020 |
| Lease liabilities | 3,853 | (11,524) | 135,880 | 128,209 |
| Total | 3,853 | (11,524) | 135,880 | 128,209 |

Unit: Thousand Baht

| | Separate Financial Statements | | | |
|---|---|---|---|---|
| | Balance as at January 1, 2019 | Financing cash flows | Non-cash change | Balance as at December 31, 2019 |
| Lease liabilities | 9,596 | (5,743) | - | 3,853 |
| Total | 9,596 | (5,743) | - | 3,853 |

## 6. TRADE AND OTHER CURRENT RECEIVABLES

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Trade receivables - related parties | | | | |
| Age on the basis of due dates | | | | |
| Not due yet | 63 | - | 23 | - |
| Past due | | | | |
| Up to 3 months | 124 | 16 | 83 | - |
| Total trade receivables - related parties (see Note 4) | 187 | 16 | 106 | - |
| Trade receivables - others | | | | |
| Age on the basis of due dates | | | | |
| Not yet due | 63,305 | 52,683 | 31,648 | 30,208 |
| Past due | | | | |
| Up to 3 months | 42,933 | 44,732 | 30,110 | 22,388 |
| 3 - 6 months | 3,136 | 3,560 | 1,117 | 1,558 |
| 6 - 12 months | 1,741 | 4,786 | 813 | 2,554 |
| Over 12 months | 3,015 | 4,524 | 2,737 | 4,316 |
| Total | 114,130 | 110,285 | 66,425 | 61,024 |
| Less: Allowance for doubtful debts | (3,663) | (2,520) | (3,386) | (2,434) |
| Total trade receivables - others | 110,467 | 107,765 | 63,039 | 58,590 |
| Total trade receivables | 110,654 | 107,781 | 63,145 | 58,590 |
| Other receivables | | | | |
| Other receivables - related parties (see Note 4) | 50 | - | 5,875 | 2,356 |
| Other receivables - others | 1,320 | 357 | 561 | 346 |
| Advance payments for services | 2,169 | 2,593 | 2,169 | 2,593 |
| Advance payments to customers | 372 | 147 | - | 8 |
| Advance payments to employees | 344 | - | 205 | - |
| Prepaid expenses - others | 3,533 | 3,354 | 1,513 | 1,886 |
| Interest receivables - related party (see Note 4) | - | - | 86 | 20 |
| Total other receivables | 7,788 | 6,451 | 10,409 | 7,209 |
| Total | 118,442 | 114,232 | 73,554 | 65,799 |

## 7. INVENTORIES

Inventories as at December 31, consisted of:

Unit: Thousand Baht

| | Consolidated financial statements | |
|---|---|---|
| | 2020 | 2019 |
| Finished goods | 17,236 | 9,437 |
| Goods in transit | - | 304 |
| | 17,236 | 9,741 |
| Less: Allowance for diminution in value | (2,257) | (324) |
| Total | 14,979 | 9,417 |

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

| | Unit: Thousand Baht | |
|---|---|---|
| | Consolidated financial statements | |
| | 2020 | 2019 |
| Allowance for diminution in value of inventories at beginning of the years | 324 | - |
| Allowance for diminution in value of inventories transferred from business acquisition | - | 848 |
| Adjustment of net realizable value for the year | 1,933 | (524) |
| Allowance for diminution in value of inventories at end of the years | 2,257 | 324 |

As at December 31, 2020 and 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 December 31, consist of:

Unit: Thousand Baht

| Financial Assets | Fair Value As at December 31, 2020 | | Fair Value As at December 31, 2019 | | |
|---|---|---|---|---|---|
| | Consolidated Financial Statements | Separate Financial Statements | Consolidated/ Separate Financial Statements | 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 | 116,015 | 116,015 | - | Level 2 | Net asset value of investment units of the last working day of the reporting period |
| Non-Marketable debt instruments | 59,550 | 59,550 | - | Level 3 | Recoverable amount |
| Financial assets at amortized cost | | | | | |
| Held-to-maturity debt instruments | 52,203 | 49,203 | 29,885 | Level 3 | 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** | 227,768 | 224,768 | 83,068 | | |

Unit: Thousand Baht

| Financial Assets | Fair Value As at December 31, 2020 Consolidated Financial Statements | Fair Value As at December 31, 2020 Separate Financial Statements | Fair Value As at December 31, 2019 Consolidated/ Separate Financial Statements | 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 | 215,449 | 215,449 | - | 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 | 29,416 | 29,416 | - | 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 | 126,744 | 126,744 | - | 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 | 20,685 | 20,685 | - | Level 3 | Discounted 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 | Level 3 | Cost less allowance for impairment |
| **Total other non-current financial assets** | 392,294 | 392,294 | 558,382 | | |
| **Total other financial assets** | 620,062 | 617,062 | 641,450 | | |

As at December 31, 2020, the held-to-maturity debt instruments are unsubordinated convertible bonds valued at USD 2.00 million as follows:

1) Convertible bonds issued on September 6, 2018 with value of USD 1 million was extended for maturity date from September 13, 2020 to April 27, 2021 with an interest rate increase from 8% per annum to 12% per annum commencing from September 13, 2020 until maturity date.

2) Convertible bonds issued on April 27, 2020 with value of USD 1 million will mature on April 27, 2021 with an interest rate of 8% per annum.

The conversion conditions are as specified in the agreement.

## 9. RESTRICTED BANK DEPOSITS

As at December 31, 2020 and 2019, 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 ASSOCIATES

Investment in associates as at December 31, is as follows:

Unit: Thousand Baht

| Company's name | Nature of business | Country of incorporation | Shareholding percentage | | Cost | | Consolidated financial statements Carrying amounts based on equity method | | Separate financial statements Cost | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Conicle Company Limited | Consulting, design and sales software | Thailand | 20 | 20 | 22,700 | 22,700 | 26,124 | 24,634 | 22,700 | 22,700 |
| Human Chess Capital Company Limited | Intermediate between borrowers and lenders through an online platform | Thailand | 50 | - | 3,000 | - | 2,441 | - | 3,000 | - |
| Total | | | | | 25,700 | 22,700 | 28,565 | 24,634 | 25,700 | 22,700 |

Financial information of associates is as follows:

Unit: Million Baht

| Company's name | Paid-up Capital | | Total Assets | | Total Liabilities | | Total Revenues for the Years | | Profit (Loss) for the Years | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Conicle Company Limited | 2.64 | 2.64 | 77.86 | 58.50 | 31.67 | 17.72 | 58.99 | 33.84 | 7.45 | 9.62 |
| Human Chess Capital Company Limited | 6.00 | - | 5.64 | - | 0.76 | - | - | - | (1.12) | - |

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 assessment, another investor, holding another 50% shares of such company, has direct control over such company. Therefore, the Company classified such investment as investment in an associate. The Company made a full payment for these share subscriptions on May 18, 2020.

## 11. INVESTMENTS IN SUBSIDIARIES

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

Unit: Thousand Baht

| Company's name | Paid-up capital | | Percentage of shareholding | | Cost | | Dividend income | |
|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 (%) | 2019 (%) | 2020 | 2019 | 2020 | 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 | 17,000 | 17,000 |
| Humanica FAS Limited | Baht 1 million | Baht 1 million | 99.98 | 99.98 | 29,999 | 29,999 | - | - |
| Humanica Asia Pte. Ltd. | SGD 0.2 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 | 125,000 | 130,000 | - | - |
| Benix Limited | Baht 4 million | - | 51.00 | - | 2,754 | - | - | - |
| **Subsidiary 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 | | | | | 250,619 | 252,865 | 17,000 | 17,000 |

On August 13, 2019, the Board of Directors' meeting of the Company passed a resolution to acquire Tiger Soft (1998) Co., Ltd., a provider of human resource and payroll software and sales of advance access control devices, in total consideration of Baht 130.00 million. The Company paid for the business acquisition in amount of Baht 125.00 million with the remaining of Baht 5.00 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. Subsequently on July 22, 2020, the Company entered into the supplementary agreement in order to agree the term for waiving the remaining balance of Baht 5.00 million because the offset and the adjustment to the share price exceeded such remaining balance. As a result, the investment in subsidiary and the purchase consideration decreased by Baht 5.00 million.

During 2020, the Group obtained other relevant factors since the business acquisition date and 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 2, 2020 from the independent appraiser. The Group applied Thai Financial Reporting Standard No. 3 "Business Combinations" to recognize this business combination transaction. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business acquisition date:

| | **Unit : Thousand Baht** |
|---|---|
| | **"Restated"** |
| Cash and cash equivalents | 25,889 |
| Trade and other current receivables | 15,217 |
| Inventories | 10,571 |
| Other current assets | 3,227 |
| Building improvements and equipment | 8,360 |
| Software | 39,847 |
| Customer relationship asset | 13,864 |
| Trademarks | 9,096 |
| Deferred income tax assets | 2,944 |
| Other non-current assets | 721 |
| Trade and other current payables | (517) |
| Accrued expenses | (19,989) |
| Corporate income tax payable | (2,878) |
| Other current liabilities | (11,390) |
| Non-current provisions for employee benefits | (12,601) |
| Deferred income tax liabilities | (12,592) |
| **Identifiable assets and liabilities - net** | **69,769** |
| Consideration transferred | 125,000 |
| **Goodwill** | **55,231** |

Based on the information from the purchase price allocation report of an independent appraiser dated November 2, 2020 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 55.23 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, 2019, has been restated accordingly.

The effects of the restatement on the consolidated statement of financial position as at December 31, 2019 were as follows:

**Unit : Thousand Baht**

| | Balances as previously reported | Effect of the restatement | Balances as restated |
|---|---|---|---|
| Assets | | | |
| Goodwill | 53,388 | 55,231 | 108,619 |
| Other intangible assets other than goodwill | 142,052 | 58,940 | 200,992 |
| Deferred tax assets | 6,278 | (728) | 5,550 |
| Unallocated costs of business acquisition | 110,634 | (110,634) | - |
| Total assets | 1,372,776 | 2,809 | 1,375,585 |
| Liabilities and shareholders' equity | | | |
| Trade and other current payables | 53,499 | (5,000) | 48,499 |
| Corporate income tax payable | 4,367 | 2,878 | 7,245 |
| Deferred tax liabilities | 7,542 | 11,816 | 19,358 |
| Non-current provisions for employee benefits | 42,346 | (3,640) | 38,706 |
| Unappropriated retained earnings | 179,421 | (3,245) | 176,176 |
| Total liabilities and shareholders' equity | 1,372,776 | 2,809 | 1,375,585 |

The effects of the restatement on the consolidated statement of profit or loss and other comprehensive income for the year ended December 31, 2019 were as follows:

**Unit: Thousand Baht**

| | Balances as previously reported | Effect of the restatement | Balances as restated |
|---|---|---|---|
| Cost of sales and rendering services | 332,393 | 2,869 | 335,262 |
| Administrative expenses | 101,594 | 1,151 | 102,745 |
| Income tax expense | 15,299 | (775) | 14,524 |
| Profit for the period | 146,976 | (3,245) | 143,731 |
| Profit attributable to: | | | |
| Owners of the parent | 146,976 | (3,245) | 143,731 |
| Total comprehensive income attributable to: | | | |
| Owners of the parent | 159,303 | (3,245) | 156,058 |

As at September 30, 2020, the Company invested in 20,400 ordinary shares of GL Broker Company Limited at the price of Baht 135 per share, totaling Baht 2.75 million or 51% of total paid-up share capital. Based on the Company's assessment, therefore, the Company has a direct control over such company. The Company presented the investment in such company as an investment in subsidiary. The Company made a full payment for these shares on September 10, 2020. Subsequently on October 26, 2020, GL Broker Company Limited registered to change the name to Benix Limited.

## 12. BUILDING IMPROVEMENT AND EQUIPMENT

Building improvement and equipment as at December 31, consist of :

Unit: Thousand Baht

| | Consolidated financial statements | | | | |
|---|---|---|---|---|---|
| | Building improvement | Office equipment | Computers | Vehicles | Total |
| **Cost:** | | | | | |
| As at January 1, 2019 | 17,111 | 20,173 | 90,658 | 5,600 | 133,542 |
| Additions | 155 | 1,332 | 3,913 | - | 5,400 |
| Transfer from business acquisition | 1,080 | 2,558 | 3,863 | 9,210 | 16,711 |
| Disposals/write-off | - | (1,941) | (226) | (401) | (2,568) |
| Translation adjustment | (174) | (63) | (94) | - | (331) |
| As at December 31, 2019 | 18,172 | 22,059 | 98,114 | 14,409 | 152,754 |
| Additions | 9,535 | 6,625 | 9,925 | - | 26,085 |
| Transfer from business acquisition | 305 | 170 | 40 | - | 515 |
| Disposals/write-off | (678) | (251) | (3,129) | - | (4,058) |
| Transfer in (out) | - | 478 | (478) | - | - |
| Translation adjustment | 42 | 15 | 23 | - | 80 |
| As at December 31, 2020 | 27,376 | 29,096 | 104,495 | 14,409 | 175,376 |
| **Accumulated depreciation:** | | | | | |
| As at January 1, 2019 | 3,120 | 11,584 | 66,883 | 742 | 82,329 |
| Depreciation for the year | 3,512 | 2,753 | 15,468 | 1,814 | 23,547 |
| Depreciation on transfer from business acquisition | 644 | 1,452 | 2,166 | 5,211 | 9,473 |
| Depreciation on disposals/write-off | - | (1,940) | (226) | (400) | (2,566) |
| Translation adjustment | (70) | (24) | (41) | - | (135) |
| As at December 31, 2019 | 7,206 | 13,825 | 84,250 | 7,367 | 112,648 |
| Depreciation for the year | 4,718 | 3,210 | 10,909 | 2,402 | 21,239 |
| Depreciation on transfer from business acquisition | 295 | 160 | 40 | - | 495 |
| Depreciation on disposals/write-off | (466) | (217) | (3,014) | - | (3,697) |
| Transfer in (out) | - | 280 | (280) | - | - |
| Translation adjustment | 23 | 8 | 13 | - | 44 |
| As at December 31, 2020 | 11,776 | 17,266 | 91,918 | 9,769 | 130,729 |
| **Net book value:** | | | | | |
| As at December 31, 2020 | 15,600 | 11,830 | 12,577 | 4,640 | 44,647 |
| As at December 31, 2019 | 10,966 | 8,234 | 13,864 | 7,042 | 40,016 |

**Depreciation for the years ended December 31,**

| | | |
|---|---|---|
| 2020 (Baht 4.79 million included in cost of sales and services, and the remaining balance in administrative expenses) | **Thousand Baht** | 21,239 |
| 2019 (Baht 7.24 million included in cost of sales and services, and the remaining balance in administrative expenses) | **Thousand Baht** | 23,547 |

Unit: Thousand Baht

| | Separate financial statements | | | | |
|---|---|---|---|---|---|
| | Building improvement | Office equipment | Computers | Vehicles | Total |
| **Cost:** | | | | | |
| As at January 1, 2019 | 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 |
| Additions | 9,529 | 6,954 | 8,356 | - | 24,839 |
| Disposals/write-off | (373) | - | (2,725) | - | (3,098) |
| As at December 31, 2020 | 23,409 | 24,321 | 90,917 | 5,600 | 144,247 |
| **Accumulated depreciation:** | | | | | |
| As at January 1, 2019 | 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 |
| Depreciation for the year | 3,990 | 2,505 | 9,088 | 1,120 | 16,703 |
| Depreciation on disposals/write-off | (171) | - | (2,649) | - | (2,820) |
| As at December 31, 2020 | 8,768 | 13,263 | 81,588 | 2,983 | 106,602 |
| **Net book value:** | | | | | |
| As at December 31, 2020 | 14,641 | 11,058 | 9,329 | 2,617 | 37,645 |
| As at December 31, 2019 | 9,304 | 6,609 | 10,137 | 3,737 | 29,787 |

**Depreciation for the years ended December 31,**

| | | |
|---|---|---|
| 2020 (Baht 3.82 million included in cost of sales and services, and the remaining balance in administrative expenses) | **Thousand Baht** | 16,703 |
| 2019 (Baht 5.18 million included in cost of sales and services, and the remaining balance in administrative expenses) | **Thousand Baht** | 20,195 |

As at December 31, 2020, the Company and its subsidiaries had net book value of vehicles and equipments acquired under hire-purchase and finance lease agreements amounted to Baht 2.62 million. (2019: Baht 3.8 million) (The Company only 2020 : Nil, 2019: Baht 3.7 million).

As at December 31, 2020 and 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 of those assets amounted to approximately Baht 86 million and Baht 73 million, respectively. (The Company only amounted approximately Baht 72 million and Baht 67 million, respectively).

## 13. RIGHT-OF-USE ASSETS

The net book value of right-of-use assets as at December 31, are as follows:

| | | Unit: Thousand Baht |
|---|---|---|
| | **Consolidated financial statements Office Building** | **Separate financial statements Office Building** |
| **Cost:** | | |
| As at January 1, 2020 | - | - |
| Effect from adoption TFRS 16 | 124,978 | 121,192 |
| Increase | 27,869 | 14,689 |
| Decrease | (1,707) | - |
| Translation adjustment | (9) | - |
| **As at December 31, 2020** | 151,131 | 135,881 |
| **Accumulated Amortization:** | | |
| As at January 1, 2020 | - | - |
| Effect from adoption TFRS 16 | (210) | - |
| Increase | (23,133) | (16,251) |
| Decrease | 1,040 | - |
| Translation adjustment | 3 | - |
| **As at December 31, 2020** | (22,300) | (16,251) |
| **Net book value:** | | |
| As at December 31, 2020 | 128,831 | 119,630 |
| **Amortization for the year ended December 31,** | | |
| 2020 **Thousand Baht** | 23,133 | 16,251 |

## 14. OTHER INTANGIBLE ASSETS

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

Unit: Thousand Baht

| | Consolidated financial statements | | | | Separate financial statements |
|---|---|---|---|---|---|
| | Computer software | Tradename "Restated" | Customer relationship "Restated" | Total | Computer software |
| **Cost:** | | | | | |
| As at January 1, 2019 | 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 | 42,264 | 9,096 | 13,864 | 65,224 | - |
| Disposals/write-off | (12,704) | - | - | (12,704) | (12,559) |
| Translation adjustment | (273) | - | - | (273) | - |
| As at December 31, 2019 | 237,358 | 29,574 | 57,511 | 324,443 | 185,284 |
| Additions | 1,477 | - | - | 1,477 | 1,008 |
| Transfer in | 7,833 | - | - | 7,833 | 7,833 |
| Disposals/write-off | (1,336) | - | - | (1,336) | - |
| Translation adjustment | 68 | - | - | 68 | - |
| As at December 31, 2020 | 245,400 | 29,574 | 57,511 | 332,485 | 194,125 |
| **Accumulated Amortization:** | | | | | |
| As at January 1, 2019 | 81,975 | 4,028 | 16,580 | 102,583 | 76,327 |
| Amortization for the year | 20,095 | 1,365 | 6,235 | 27,695 | 19,299 |
| Amortization on transferred from business acquisition | 4,315 | - | 999 | 5,314 | - |
| Amortization on disposals/write-off | (12,078) | - | - | (12,078) | (11,935) |
| Translation adjustment | (63) | - | - | (63) | - |
| As at December 31, 2019 | 94,244 | 5,393 | 23,814 | 123,451 | 83,691 |
| Amortization for the year | 24,053 | 1,365 | 8,216 | 33,634 | 17,433 |
| Amortization on disposals/write-off | (782) | - | - | (782) | - |
| Translation adjustment | 20 | - | - | 20 | - |
| As at December 31, 2020 | 117,535 | 6,758 | 32,030 | 156,323 | 101,124 |
| **Net book value:** | | | | | |
| As at December 31, 2020 | 127,865 | 22,816 | 25,481 | 176,162 | 93,001 |
| As at December 31, 2019 | 143,114 | 24,181 | 33,697 | 200,992 | 101,593 |

| | | Consolidated financial statements | Separate financial statements |
|---|---|---|---|
| **Amortization for the years ended December 31,** | | | |
| 2020 | Thousand Baht | 33,634 | 17,433 |
| 2019 | Thousand Baht | 27,695 | 19,299 |

## 15. COMPUTER SOFTWARE UNDER DEVELOPMENT

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Net book value at beginning of the years | 27,433 | 12,033 | 27,482 | 12,099 |
| Development of computer software | 14,594 | 15,400 | 12,529 | 15,383 |
| Transfer out | (7,833) | - | (7,833) | - |
| Net book value at end of the years | 34,194 | 27,433 | 32,178 | 27,482 |

## 16. GOODWILL

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

Unit: Thousand Baht

| | 2020 | 2019 "Restated" |
|---|---|---|
| Professional Outsourcing Solutions Limited | 19,679 | 19,679 |
| Humanica FAS Limited | 33,709 | 33,709 |
| Tiger Soft (1998) Co., Ltd. | 55,231 | 55,231 |
| | 108,619 | 108,619 |

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, Humanica FAS Limited and Tiger Soft (1998) Co., Ltd.

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

| | Professional Outsourcing Solutions Limited | | Humanica FAS Limited | | Tiger Soft (1998) Co., Ltd. | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Growth rate | 4% - 6% | 4% - 6% | 4% - 6% | 4% - 6% | 4% - 6% | - |
| Pre-tax discount rate | 11% | 6% | 11% | 6% | 11% | - |

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, 2020.

## 17. OTHER NON-CURRENT ASSETS

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Deposits | 12,047 | 9,687 | 9,983 | 7,791 |
| Withholding tax deducted at source | 1,046 | 3,857 | 786 | 1,395 |
| Total | 13,093 | 13,544 | 10,769 | 9,186 |

## 18. TRADE AND OTHER CURRENT PAYABLES

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| Trade payables - related parties (see Note 4) | 1,462 | - | 1,462 | - |
| Trade payables - others | 8,153 | 3,315 | 5,890 | 2,485 |
| Other payables - related parties (see Note 4) | - | - | 899 | 124 |
| Other payables - others | 3,058 | 5,791 | 2,732 | 2,207 |
| Accrued expenses - related parties (see Note 4) | 662 | 653 | 662 | 653 |
| Accrued expenses - others | 45,207 | 38,740 | 26,179 | 32,098 |
| Total | 58,542 | 48,499 | 37,824 | 37,567 |

## 19. LEASE LIABILITIES

Lease Liabilities as at December 31, consisted of:

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Lease Liabilities | 170,255 | 4,217 | 160,403 | 4,193 |
| Less Deferred interest | (32,630) | (340) | (32,194) | (340) |
| | 137,625 | 3,877 | 128,209 | 3,853 |
| Less Portion due within one year | (20,237) | (1,237) | (13,579) | (1,213) |
| Lease Liabilities - net of current portion | 117,388 | 2,640 | 114,630 | 2,640 |

The Group entered into several lease agreements for rental of building 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 2 and 30 years.

Future minimum lease payments required under lease liabilities were as follows:

Unit: Thousand Baht

| | Consolidated Financial Statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | | 1 - 5 years | | Over 5 years | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Total future minimum lease payments | 28,016 | 1,427 | 109,765 | 2,790 | 32,474 | - | 170,255 | 4,217 |
| Deferred interest | (7,779) | (190) | (23,220) | (150) | (1,631) | - | (32,630) | (340) |
| Present value of future Minimum lease payments | 20,237 | 1,237 | 86,545 | 2,640 | 30,843 | - | 137,625 | 3,877 |

Unit: Thousand Baht

| | Separate Financial Statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | | 1 - 5 years | | Over 5 years | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Total future minimum lease payments | 20,998 | 1,403 | 106,930 | 2,790 | 32,475 | - | 160,403 | 4,193 |
| Deferred interest | (7,419) | (190) | (23,144) | (150) | (1,631) | - | (32,194) | (340) |
| Present value of future Minimum lease payments | 13,579 | 1,213 | 83,786 | 2,640 | 30,844 | - | 128,209 | 3,853 |

## 20. NON-CURRENT PROVISIONS FOR EMPLOYEES BENEFITS

Non-current provisions for employees benefits, which represents compensation payable to employees after they retire as at December 31, were as follows:

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| **Non-current provisions for employees benefits at beginning of the years** | 38,706 | 15,134 | 23,005 | 13,919 |
| Acquisition of a subsidiary | - | 12,601 | - | - |
| Included in profit or loss: | | | | |
| Current service cost | 4,945 | 3,586 | 2,638 | 2,504 |
| Interest cost | 846 | 588 | 514 | 453 |
| Past service cost | - | 3,612 | - | 3,361 |
| Included in other comprehensive income: | | | | |
| Actuarial (gain) loss arising from | | | | |
| Financial assumptions changes | 973 | 3,185 | 911 | 2,768 |
| Payments for employee benefits | (1,744) | - | (1,744) | - |
| Increase (decrease) from transfer of employees | (4,060) | - | - | - |
| **Non-current provisions for employees benefits at end of the years** | 39,666 | 38,706 | 25,324 | 23,005 |

The Company and its subsidiaries expect that it will pay for long-term employee benefits of Baht 0.45 million during the next year in the consolidated and separate statements of financial position Baht 0.14 million. (2019: The consolidated and separate statements of financial position of Baht 1.20 million).

As at December 31, 2020, the weighted average duration of the liabilities for long-term employee benefits of the Company and its subsidiaries is 20 years (2019: 20 years).

Significant actuarial assumptions are summarized below:

| | Consolidated/Separate financial statements | |
|---|---|---|
| | 2020 | 2019 |
| | (% per annum) | (% per annum) |
| Discount rate | 1.61 - 1.87 | 1.22 - 2.50 |
| 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 non-current provisions for employees benefits as at December 31, are summarized below:

Unit: Thousand Baht

| | Consolidated financial statements | | | | Separate financial statements | | | |
|---|---|---|---|---|---|---|---|---|
| | Increase 1% | | Decrease 1% | | Increase 1% | | Decrease 1% | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Discount rate | (4,811) | (4,402) | 5,739 | 5,257 | (2,076) | (1,898) | 2,439 | 2,230 |
| Future salary increase rate | 6,193 | 5,248 | (5,277) | (4,495) | 2,816 | 2,366 | (2,427) | (2,051) |
| | Increase 20% | | Decrease 20% | | Increase 20% | | Decrease 20% | |
| Turnover rate | (4,761) | (3,916) | 6,255 | 5,093 | (2,516) | (2,046) | 3,484 | 2,804 |

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

For the years ended December 31, significant expenses by nature are as follows:

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 |
| Salary and wages and other employee benefits | 321,311 | 272,571 | 198,149 | 183,131 |
| Depreciation | 21,239 | 23,547 | 16,703 | 20,196 |
| Amortization | 56,767 | 27,695 | 33,684 | 19,299 |
| Rental expenses from operating lease agreements | 4,681 | 31,435 | 3,835 | 25,455 |
| License fees | 10,042 | 11,006 | 9,990 | 11,006 |
| Maintenance expenses | 22,408 | 19,456 | 21,089 | 19,454 |

## 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:

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| **Current income tax:** | | | | |
| Current income tax charge | (25,885) | (18,684) | (11,145) | (8,988) |
| Adjustment in respect of income tax expenses of previous years | (218) | 235 | (283) | 12 |
| **Deferred tax:** | | | | |
| Deferred tax relating to origination and reversal of temporary differences | 3,262 | 3,925 | 556 | 1,761 |
| **Income tax expenses reported in the statement of comprehensive income** | (22,841) | (14,524) | (10,872) | (7,215) |

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| Deferred tax on loss (gain) from the change in value of available-for-sale investments | 5,728 | (4,325) | 5,728 | (4,325) |
| Deferred tax on actuarial gain | (617) | 637 | 182 | 554 |
| | 5,111 | (3,688) | 5,910 | (3,771) |

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| Accounting profit before income tax | 187,699 | 158,255 | 141,369 | 126,414 |
| Applicable income tax rate | 20 | 20 | 20 | 20 |
| Accounting profit before income tax expenses multiplied by income tax rate | 37,539 | 31,651 | 28,274 | 25,283 |
| Adjustment in respect of income tax expenses of previous years | 218 | (235) | 283 | (12) |
| Differences in tax rate in the Group | (729) | (417) | - | - |
| Effects of: | | | | |
| Promotional privileges (see Note 24) | (14,778) | (14,262) | (14,778) | (14,262) |
| Exemption of income | (2,870) | - | (3,400) | (3,400) |
| Non-deductible expenses | 2,699 | 2,011 | 350 | 407 |
| Others | 762 | (4,224) | 143 | (801) |
| Total | (14,187) | (16,475) | (17,685) | (18,056) |
| Income tax expenses reported in the statement of comprehensive income | 22,841 | 14,524 | 10,872 | 7,215 |

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

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

Unit: Thousand Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| **Deferred tax assets** | | | | |
| Allowance for doubtful accounts | 717 | 490 | 677 | 490 |
| Non-current provisions for employees benefit | 7,849 | 8,469 | 5,065 | 4,601 |
| Unrealized loss (gain) on changes in value from other current and non-current financial assets | 1,155 | (4,254) | 1,155 | (4,254) |
| Others | 1,258 | 845 | 1,204 | 798 |
| Total | 10,979 | 5,550 | 8,101 | 1,635 |
| **Deferred tax liabilities** | | | | |
| Fair value of intangible assets arise from business acquisition | (15,947) | (18,999) | - | - |
| Others | (697) | (359) | - | - |
| Total | (16,644) | (19,358) | - | - |
| **Deferred tax assets (liabilities) - net** | (5,665) | (13,808) | 8,101 | 1,635 |
| **Presentation in the statement of financial position** | | | | |
| Deferred tax assets | 10,979 | 5,550 | 8,101 | 1,635 |
| Deferred tax liabilities | (16,644) | (19,358) | - | - |

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

**2020**

Unit: Thousand Baht

| | Consolidated Financial Statements | | | |
|---|---|---|---|---|
| | As at January 1, 2020 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | As at December 31, 2020 |
| **Deferred tax assets - net** | | | | |
| Allowance for doubtful accounts | 490 | 227 | - | 717 |
| Non-current provisions for employees benefits | 8,386 | (537) | - | 7,849 |
| Unrealized loss (gain) on changes in value from other current and non-current financial assets | (4,254) | (319) | 5,728 | 1,155 |
| Others | 928 | 947 | (617) | 1,258 |
| Deferred tax assets - net | 5,550 | 318 | 5,111 | 10,979 |

**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 "Restated" |
| **Deferred tax assets - net** | | | | |
| Allowance for doubtful accounts | 290 | 200 | - | 490 |
| Non-current provisions for employees benefits | 3,027 | 5,359 | - | 8,386 |
| Unrealized loss (gain) on changes in value from other current and non-current financial assets | 71 | - | (4,325) | (4,254) |
| Others | 500 | - | 428 | 928 |
| Deferred tax assets - net | 3,888 | 5,559 | (3,897) | 5,550 |

**2020**

Unit: Thousand Baht

| | Separate Financial Statements | | | |
|---|---|---|---|---|
| | As at January 1, 2020 | Items as recognized in profit or loss | Items as recognized in other comprehensive income | As at December 31, 2020 |
| **Deferred tax assets - net** | | | | |
| Allowance for doubtful accounts | 490 | 187 | - | 677 |
| Non-current provisions for employee benefits | 4,601 | 464 | - | 5,065 |
| Unrealized loss (gain) on changes in value from other current and non-current financial assets | (4,254) | (319) | 5,728 | 1,155 |
| Others | 798 | 224 | 182 | 1,204 |
| Deferred tax assets - net | 1,635 | 556 | 5,910 | 8,101 |

**2019**

Unit: Thousand Baht

| | Separate 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 "Restated" |
| **Deferred tax assets - net** | | | | |
| Allowance for doubtful accounts | 290 | 200 | - | 490 |
| Non-current provisions for employee benefits | 2,784 | 1,817 | - | 4,601 |
| Unrealized loss (gain) on changes in value from other current and non-current financial assets | 71 | - | (4,325) | (4,254) |
| Others | 500 | 298 | - | 798 |
| Deferred tax assets - net | 3,645 | 2,315 | (4,325) | 1,635 |

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

**2020**

Unit: Thousand Baht

| | Consolidated Financial Statements | | | |
|---|---|---|---|---|
| | As at January 1, 2020 | Items as recognized in profit or loss | Items as recognized in in other comprehensive income | As at December 31, 2020 |
| **Deferred tax liabilities - net** | | | | |
| Fair value of intangible assets arise in business acquisition | (18,999) | 3,052 | - | (15,947) |
| Others | (359) | (108) | (230) | (697) |
| Deferred tax liabilities - net | (19,358) | 2,944 | (230) | (16,644) |

**2019**

Unit: Thousand Baht

| | Consolidated Financial Statements | | | |
|---|---|---|---|---|
| | As at January 1, 2019 | Items as recognized in profit or loss | Items as recognized in in other comprehensive income | As at December 31, 2019 "Restated" |
| **Deferred tax liabilities - net** | | | | |
| Fair value of intangible assets arise in business acquisition | (8,703) | (10,296) | - | (18,999) |
| Others | (684) | 325 | - | (359) |
| Deferred tax liabilities - net | (9,387) | (9,971) | - | (19,358) |

## 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.

Unit: Thousand Baht

| | Promoted operations | | Non-promoted operations | | Total | |
|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| **Sales and service income** | | | | | | |
| Domestic | 151,228 | 124,205 | 256,943 | 242,892 | 408,171 | 367,097 |
| Export | 6,118 | 9,737 | 1,610 | 3,598 | 7,728 | 13,335 |
| **Total sales and service income** | 157,346 | 133,942 | 258,553 | 246,490 | 415,899 | 380,432 |

## 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 | |
|---|---|---|---|---|
| | 2020 | 2019 "Restated" | 2020 | 2019 |
| Profit for the year (Thousand Baht) | 164,858 | 143,731 | 130,497 | 119,199 |
| Weighted average number of ordinary shares (Thousand shares) | 680,000 | 680,000 | 680,000 | 680,000 |
| Earnings per share (Baht per share) | 0.24 | 0.21 | 0.19 | 0.18 |

## 26. DIVIDENDS PAID

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.

On April 27, 2020, 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, 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.

On August 11, 2020, a meeting of the Company's Board of Directors approved an interim dividends from income of the year 2020 amounting to Baht 40.80 million or Baht 0.06 per share. Such dividends were paid to the shareholders on September 10, 2020.

## 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

5) Life and non-life insurance broker

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,

Unit: Thousand Baht

| | Human resource management system services | | Enterprise resource planning services | | Accounting and financing services | | Sales of advance access control devices | | Life and non-life Insurance broker | | Consolidated Financial statements | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 "Restated" |
| Sales and service income from external customers | 536,336 | 469,392 | 85,357 | 81,444 | 22,354 | 23,031 | 75,764 | 25,660 | 13 | - | 719,824 | 599,527 |
| Total revenue | 536,336 | 469,392 | 85,357 | 81,444 | 22,354 | 23,031 | 75,764 | 25,660 | 13 | - | 719,824 | 599,527 |
| Segment profit (loss) | 148,142 | 122,507 | 2,426 | 6,131 | 8,135 | 8,396 | 32,851 | 15,100 | (1,130) | - | 190,424 | 152,134 |
| Unallocated income (expenses): | | | | | | | | | | | | |
| Other incomes | | | | | | | | | | | 9,431 | 6,001 |
| Finance incomes | | | | | | | | | | | 11,096 | 8,336 |
| Loss from purchasing share over par value | | | | | | | | | | | (541) | - |
| Allowance for doubtful account (Reversal) | | | | | | | | | | | - | 1,900 |
| Amortization of intangible assets from purchase of subsidiaries | | | | | | | | | | | (15,273) | (11,620) |
| Share of gain from investments in associates | | | | | | | | | | | 931 | 1,934 |
| Finance costs | | | | | | | | | | | (8,369) | (430) |
| Profit before income tax expenses | | | | | | | | | | | 187,699 | 158,255 |
| Income tax expenses | | | | | | | | | | | (22,841) | (14,524) |
| Profit for the year | | | | | | | | | | | 164,858 | 143,731 |

## Disaggregation of revenue

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

Unit: Thousand Baht

| | Human resource management system services | | Enterprise resource planning services | | Accounting and financing services | | Sales of advance access control devices | | Life and non-life Insurance broker | | Consolidated Financial statements | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 "Restated" |
| **For the years ended December 31,** | | | | | | | | | | | | |
| **Timing of revenue recognition** | | | | | | | | | | | | |
| At a point in time | | | | | | | | | | | | |
| - Revenue from sales of software | 59,296 | 42,138 | 16,399 | 19,347 | - | - | - | - | - | - | 75,695 | 61,485 |
| - Revenue from sales of goods | - | - | 89 | - | - | - | 75,764 | 25,660 | - | - | 75,853 | 25,660 |
| - Monthly service income | 373,671 | 353,006 | - | - | 22,249 | 21,026 | - | - | - | - | 395,920 | 374,032 |
| - One-time service income | 30,998 | 32,117 | - | - | 105 | 2,005 | - | - | 13 | - | 31,116 | 34,122 |
| Overtime | | | | | | | | | | | | |
| - Service income from software implementation | 39,139 | 23,756 | 23,210 | 17,622 | - | - | - | - | - | - | 62,349 | 41,378 |
| - Other service income | 33,232 | 18,375 | 45,659 | 44,475 | - | - | - | - | - | - | 78,891 | 62,850 |
| Total Revenues | 536,336 | 469,392 | 85,357 | 81,444 | 22,354 | 23,031 | 75,764 | 25,660 | 13 | - | 719,824 | 599,527 |

For the years ended December 31, 2020 and 2019, 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 based on locations of the customers.

| | Unit : Thousand Baht | |
|---|---|---|
| | 2020 | 2019 "Restated" |
| **Revenue from external customers** | | |
| Thailand | 645,738 | 525,159 |
| Singapore | 58,603 | 57,464 |
| Japan | 2,127 | 6,254 |
| Malaysia | 13,208 | 10,650 |
| Others | 148 | - |
| Total | 719,824 | 599,527 |

## 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 Company and its subsidiaries' fund policy. The Company's contributions for the year 2020 amounting to approximately Baht 13.37 million (2019: Baht 8.70 million) (The Company only 2020: Baht 7.95 million, 2019: Baht 5.20 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 in 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 agreement commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, equipment, motor vehicles and other service agreements. The terms of the agreements are generally between 1 and 21 years.

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

Unit: Million Baht

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | As at December 31, 2020 | As at December 31, 2019 | As at December 31, 2020 | As at December 31, 2019 |
| Payable: | | | | |
| Up to 1 year | 7 | 20 | 6 | 17 |
| In over 1 year and up to 5 years | 15 | 76 | 14 | 74 |
| Over 5 years | 393 | 65 | 393 | 65 |

29.3 Guarantees

As at December 31, 2020, there were outstanding bank guarantees of approximately Baht 0.90 million (2019: Baht 1.10 million) (The Company only 2020 : Baht 0.80 million, 2019 : Baht 0.70 million) issued by the Company and its subsidiaries and a bank on behalf of the Company and its subsidiaries in respect of contractual performance. Such bank guarantees are secured by the Company's fixed deposit (see Note 9).

29.4 Facility Agreements

The Company entered into unsecured Credit Facility Agreements for bank overdrafts. As at December 31, 2020, the amounts that have not been drawn down are in amount Baht 25 million.

## 30. CLASSES AND CATEGORIES OF FINANCIAL INSTRUMENTS AND THEIR FAIR VALUES

The following table combines information about:

- classes of financial instruments based on their nature and characteristics;
- the carrying amounts of financial instruments;
- fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- fair value hierarchy levels of financial assets and financial liabilities for which fair value was disclosed.

Fair value hierarchy levels 1 to 3 are based on the degree to which the fair value is observable:

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.

Unit : Thousand Baht

| As at December 31, 2020 | Consolidate Financial Statements | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Carrying value | | | | | | | | | | Level | | | |
| | Financial assets | | | | | Financial liabilities | | | Non- | Total | Fair value | | | |
| | FVTPL - derivatives designated in hedge relationships | FVTPL - mandatorily measured | FVTOCI | FVTPL - designated | Amortized cost | FVTPL - designated | FVTPL - mandatorily measured | Amortized cost | financial assets and non-financial liabilities | | 1 | 2 | 3 | Total |
| Cash and cash equivalents | | | | | 246,798 | | | | | 246,798 | | | | |
| Trade and other current receivables | | | | | 118,442 | | | | | 118,442 | | | | |
| Current contract assets | | | | | 30,350 | | | | | 30,350 | | | | |
| Other current financial assets | | 175,565 | | | 52,203 | | | | | 227,768 | | 116,015 | 111,753 | 227,768 |
| Other current assets | | | | | 15,067 | | | | | 15,067 | | | | |
| Restricted bank deposits | | | | | 864 | | | | | 864 | | | | |
| Other non-current financial assets | | 244,865 | 147,429 | | | | | | | 392,294 | 342,193 | 29,416 | 20,685 | 392,294 |
| Other non-current assets | | | | | 12,047 | | | | 1,046 | 13,093 | | | | |
| Trade and other current payables | | | | | | | | 58,542 | | 58,542 | | | | |
| Current contract liabilities | | | | | | | | 47,817 | | 47,817 | | | | |
| Lease liabilities | | | | | | | | 137,625 | | 137,625 | | | | |
| Other current liabilities | | | | | | | 11 | 42 | 13,901 | 13,954 | | | | |

Unit : Thousand Baht

| As at December 31, 2020 | Seperate Financial Statements | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Carrying value | | | | | | | | | | Level | | | |
| | Financial assets | | | | | Financial liabilities | | | Non- | Total | Fair value | | | |
| | FVTPL - derivatives designated in hedge relationships | FVTPL - mandatorily measured | FVTOCI | FVTPL - designated | Amortized cost | FVTPL - designated | FVTPL - mandatorily measured | Amortized cost | financial assets and non-financial liabilities | | 1 | 2 | 3 | Total |
| Cash and cash equivalents | | | | | 105,736 | | | | | 105,736 | | | | |
| Trade and other current receivables | | | | | 73,554 | | | | | 73,554 | | | | |
| Current contract assets | | | | | 24,064 | | | | | 24,064 | | | | |
| Other current financial assets | | 175,565 | | | 49,203 | | | | | 224,768 | | 116,015 | 108,753 | 224,768 |
| Loan to subsidiary | | | | | 14,500 | | | | | 14,500 | | | | |
| Other current assets | | | | | 9,135 | | | | | 9,135 | | | | |
| Restricted bank deposits | | | | | 756 | | | | | 756 | | | | |
| Other non-current financial assets | | 244,865 | 147,429 | | | | | | | 392,294 | 342,193 | 29,416 | 20,685 | 392,294 |
| Other non-current assets | | | | | 9,983 | | | | 786 | 10,769 | | | | |
| Trade and other current payables | | | | | | | | 37,824 | | 37,824 | | | | |
| Current contract liabilities | | | | | | | | 32,668 | | 32,668 | | | | |
| Other current liabilities | | | | | | | 11 | 42 | 8,878 | 8,931 | | | | |
| Lease liabilities | | | | | | | | 128,209 | | 128,209 | | | | |

## 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 lease liabilities. The financial risks associated with these financial instruments and how the Company and its subsidiaries 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 lease liabilities. 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, 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 | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | | | | |
| | 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 | - | - | 133,624 | 113,174 | 246,798 | 0.05 - 0.45 |
| Trade and other current receivables | - | - | - | 118,442 | 118,442 | - |
| Current contract assets | - | - | - | 30,350 | 30,350 | - |
| Other current financial assets | - | - | - | 227,768 | 227,768 | - |
| Restricted bank deposits | 864 | - | - | - | 864 | 0.20 - 1.25 |
| Other non-current financial assets | - | - | - | 392,294 | 392,294 | - |
| | 864 | - | 133,624 | 882,028 | 1,016,516 | |
| **Financial liabilities** | | | | | | |
| Trade and other current payables | - | - | - | 58,542 | 58,542 | - |
| Current contract liabilities | - | - | - | 47,817 | 47,817 | - |
| Lease liabilities | 20,237 | 117,388 | - | - | 137,625 | 5.80 - 7.55 |
| | 20,237 | 117,388 | - | 106,359 | 243,984 | |

Unit: Thousand Baht

| | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|
| | 2020 | | | | | |
| | 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 | - | - | 71,422 | 34,314 | 105,736 | 0.05 - 0.45 |
| Trade and other current receivables | - | - | - | 73,554 | 73,554 | - |
| Current contract assets | | | | 24,064 | 24,064 | - |
| Other current financial assets | - | - | - | 224,768 | 224,768 | - |
| Restricted bank deposits | 756 | - | - | - | 756 | 0.20 |
| Other non-current financial assets | - | - | - | 392,294 | 392,294 | - |
| Loan to subsidiary | 14,500 | - | - | - | 14,500 | 0.95 - 1.80 |
| | 15,256 | - | 71,422 | 748,994 | 835,672 | |
| **Financial liabilities** | | | | | | |
| Trade and other current payables | - | - | - | 37,824 | 37,824 | - |
| Current contract liabilities | - | - | - | 32,668 | 32,668 | - |
| Lease liabilities | 13,579 | 114,630 | - | - | 128,209 | 5.80 - 7.55 |
| | 13,579 | 114,630 | - | 70,492 | 198,701 | |

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 |
| Trade and other current receivables | - | - | - | 114,232 | 114,232 | - |
| Current contract assets | - | - | - | 24,584 | 24,584 | - |
| Other current financial assets | 29,886 | - | - | 53,182 | 83,068 | 8.00 |
| Restricted bank deposits | 1,050 | - | - | - | 1,050 | 0.90 |
| Other non-current financial assets | - | - | - | 558,382 | 558,382 | - |
| | 34,718 | - | 93,218 | 812,854 | 940,790 | |
| **Financial liabilities** | | | | | | |
| Trade and other current payables | - | - | - | 48,499 | 48,499 | - |
| Current contract liabilities | - | - | - | 47,168 | 47,168 | - |
| Lease liabilities | 1,237 | 2,640 | - | - | 3,877 | 5.80 - 7.55 |
| | 1,237 | 2,640 | - | 95,667 | 99,544 | |

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 |
| Trade and other current receivables | - | - | - | 65,799 | 65,799 | - |
| Current contract assets | - | - | - | 18,045 | 18,045 | - |
| Other current financial assets | 29,886 | - | - | 53,182 | 83,068 | 8.00 |
| Restricted bank deposits | 700 | - | - | - | 700 | 0.90 |
| Other non-current financial assets | - | - | - | 558,382 | 558,382 | - |
| Loan to subsidiary | - | 13,000 | - | - | 13,000 | 1.80 |
| | 34,368 | 13,000 | 39,239 | 727,167 | 813,774 | |
| **Financial liabilities** | | | | | | |
| Trade and other current payables | - | - | - | 37,567 | 37,567 | - |
| Current contract liabilities | - | - | - | 33,654 | 33,654 | - |
| Lease liabilities | 1,213 | 2,640 | - | - | 3,853 | 5.80 – 7.55 |
| | 1,213 | 2,640 | - | 71,221 | 75,074 | |

### 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 | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| USD | 0.14 | - | 0.01 | - | 30.0371 | 30.1540 |
| JPY | 0.60 | 0.20 | - | - | 0.2907 | 0.2759 |

| Foreign currency | Separate financial statements | | | | | |
|---|---|---|---|---|---|---|
| | Financial assets | | Financial liabilities | | Average exchange rate | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| | (Million) | (Million) | (Million) | (Million) | (Baht per 1 foreign currency unit) | |
| USD | 0.11 | - | 0.01 | - | 30.0371 | 30.1540 |
| JPY | 0.60 | 0.20 | - | - | 0.2907 | 0.2759 |
| MYR | 0.10 | - | - | - | 7.4357 | 7.3222 |
| SGD | 0.07 | - | - | - | 22.6632 | 22.3245 |

31.2 Foreign currency risk

The Company and its subsidiaries has foreign currency risk relating to expense, purchasing goods and revenue from sales and rendering services. However, the Company and its subsidiaries has not utilize hedge accounting to hedge their financial asset and liabilities in foreign currencies since the Company and its subsidiaries' financial asset and liabilities in foreign transaction is no significant amount that immaterial.

31.3 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, 2020, the Group's debt-to-equity ratio was 0.26 : 1 (2019: 0.15 : 1) and the Company was 0.20 : 1 (2019 : 0.09 : 1).

## 33. 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 December 31, 2020 and certain reclassifications were made to the statement of profit or loss and other comprehensive income for the year ended December 31, 2019 to conform to the classifications used in the statement of profit or loss and other comprehensive income for the year ended December 31, 2020 as follows:

| Items | Previous presentation | Reclassified to | Consolidated Financial Statements | Separate Financial Statements |
|---|---|---|---|---|
| | | | Unit: Thousand Baht | |
| **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 year ended December 31, 2019** | | | | |
| Dividend income | Dividend income | Finance income | 5,275 | 22,274 |
| Finance income | Other income | Finance income | 3,061 | 3,226 |
| Other income | Other income | Revenue from sales and services rendering | 674 | 674 |

## 34. EVENTS AFTER THE REPORTING PERIOD

34.1 On January 5, 2021, Humanica FAS Company Limited, a subsidiary, invested in Humanica EEC Limited for 2,099,997 of total shares in amount of Baht 5.25 million or 70% of total issued and paid-up share capital.

34.2 On January 5, 2021, the Extraordinary General Meeting of Shareholders of Conicle Co., Ltd., an associate, passed a resolution to issue 6,271 new ordinary shares at Baht 100 per share on January 26, 2020 for the capital increased from Baht 2.64 million to Baht 3.26 million. On January 26, 2021, the Company paid for the share increase of 1,255 shares in amount of Baht 17.70 million and Conical Co., Ltd. registered to the Ministry of Commerce.

34.3 On February 3, 2021, the Extraordinary General Meeting of Shareholders of Humanica FAS Company Limited, a subsidiary, passed a resolution to issue 1,900,000 new ordinary shares at Baht 10 per share. On February 4, 2021, the Company paid for the share increase in amount of Baht 19.00 million. Humanica FAS Co., Ltd. registered to the Ministry of Commerce for the capital increased from Baht 1.00 million to Baht 20.00 million on February 9, 2021.

34.4 On February 3, 2021, the Extraordinary General Meeting of Shareholders of Benix Limited, a subsidiary, passed a resolution to issue 460,000 new ordinary shares at Baht 100 per share. On February 11, 2021, the Company paid for the share increase in amount of Baht 6.89 million. Benix Limited registered to the Ministry of Commerce for the capital increased from Baht 4.00 million to Baht 50.00 million on February 17, 2021.

34.5 On February 24, 2021, the Board of Directors' meeting passed resolution to propose the following matters for an approval by the Annual General Meeting of shareholders of the Company:

34.5.1 The payment of a dividend for the year 2020 at Baht 0.14 per share. However, since the Board of Directors previously approved an interim dividend from income of the year 2020 at Baht 0.06 per share, totalling Baht 40.80 million, there are the remaining dividend payable at Baht 0.08 per share, totalling Baht 54.40 million.

34.5.2 The issuance and offering warrants to purchase the Company's ordinary shares of 10,000,000 units in which allocated to directors, executives and employees of the Company No.1 (Human-WA) according to "The first securities offering to directors, executives and employees (ESOP)" scheme.

34.5.3 To increase the Company's capital for another Baht 5,000,000 from the registered capital of Baht 340,000,000 to Baht 345,000,000 by issuing 10,000,000 new ordinary shares at a par value of Baht 0.50 per share.

34.5.4 The allocation of 10,000,000 new ordinary shares at Baht 0.50 per share to reverse the exercise of the warrants to purchase the Company's ordinary shares issued to directors, executives and employees of the Company No.1 (Human-WA).

34.6 On February 24, 2021, the Board of Directors' meeting passed a resolution to approve the loan to CXA Group Pte. Ltd. with conditions as follows:

a) Loan amount Baht 3.38 million
b) The interest rate is 3.8 percent per year
c) Loan period for 6 months
d) CXA Group Pte. Ltd. pledged 33,750 shares of Benix Limited as collateral in case of the default of loan.

## 35. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorised for issuing by the Company's authorised directors on February 24, 2021.

# INFORMATION OF DIRECTORS, MANAGEMENT AND COMPANY SECRETARY

## Name-Last Name Mr. Anotai Adulbhan

**Position** Chairman of the Board

**Age (Year)** 48

**Educational Background**

- Master of Business Administration, Kellogg School of Management, Northwestern University, U.S.A.
- Bachelor of Engineering, Chulalongkorn University

**Training Course**

- Director Accreditation Program (DAP), Batch 122/2015
- Role of Chairman Program (RCP), Batch 46/2020

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2014 - Present | - | Director | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2018 - Present | - | Director | AAA Assets Company Limited<br>Investment |
| 2018 - Present | - | Director | Pharma Management Company Limited<br>Investment |
| 2019 - Present | - | Director | NForce Security Company Limited<br>Cyber Security Distrubutor |
| 2019 - Present | - | Director | Relationship Republic Company Limited<br>Marketing Consultant and Software Service |
| 2020 - Present | - | Director | Can Innovation Company Limited<br>Consultant and Furniture Supply Service |
| 2020 - Present | - | Director | Mungmee Ecommerce Company Limited<br>Central market online trading |
| 2017 - Present | - | Director | Rojukiss International Public Company Limited<br>Beauty product trading |
| 2012 - Present | - | Director | Selic Corp Public Company Limited<br>Industrial Adhesive |
| 2009 - Present | - | Director | Lakeshore Capital Partners Company Limited<br>Business and Management Consultant |

## Name-Last Name Mr. Soontorn Dentham

**Position** Vice Chairman of the Board and Chief Executive Officer

**Age (Year)** 63

**Educational Background**

- Bachelor of Accountancy, Thammasat University
- Higher Diploma in Auditing , Chulalongkorn University

**Training Course**

- Director Certification Program (DCP), Batch 219/2016
- Executive Program: Strategic Planning- Sasin & University of Michigan
- E Business Program-University of Melbourne
- Leading in a Disruptive World Program-Stanford University
- Role of the Chairman Program (RCP) Batch 46/2020

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2003 - Present | - | Founder, Vice Chairman of the Board and Chief Executive Officer | Humanica Public Company Limited<br>Corporate Software and Payroll Service<br>Payroll Service |
| 2018 - Present | - | Director | Conicle Company Limited<br>Corporate Software |
| 2016 - Present | - | Director | Humanica Asia Pte. Ltd.<br>Payroll Service |
| 2016 - Present | - | Director | Professional Outsourcing Solution Limited<br>Payroll Service |
| 2016 - Present | - | Director | Humanica FAS Limited<br>Accounting Service |
| 2018 - Present | - | Director | ReadyPlanet Company Limited<br>Website Services |
| 2020 - Present | - | Director | Tiger Soft (1998) Company Limited<br>Corporate Software and Payroll Service |
| 2020 - Presen | - | Director | Pragma and Will Group Company Limited<br>Business consulting and management service |
| 2020 - Presen | - | Director | Human Chess Capital Company Limited<br>Financial Service |
| 2020 - Presen | - | Director | Benix Limited<br>Insurance service |
| 2021 - Present | - | Director | Digital Assets Management Company Limited<br>Financial Service |
| Jan 1, 2021 - Feb 25, 2021 | - | Director | DV 8 Corporation Public Company Limited<br>Media service , Innovation and renewable energy |

## Name-Last Name Mr. Anuphan Kitnitchiva

**Position** Independent Director

**Age (Year)** 58

**Educational Background**

- Doctor of Philosophy, National Institution of Development Administration
- Master of Law, Thammasat University
- Bachelor of Law, Thammasat University

**Training Course**

- Executive Education Capital Market Academy, The Stock Exchange of Thailand (CMA. 29) 2019
- The Advanced Certificate on Promotion of Peaceful Society 8th, King Pachadhipok Institute 2017/2018
- Successful Formulation & Execution of Strategy (SFE), Batch 26/2016
- Role of the Chairman Program (RCP), Batch 38/2016
- Advanced Audit Committee Program (AACP), Batch 17/2014
- Director Certification Program (DCP), Batch 130/2010

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2020 - Present | - | Independent Director | Rojukiss International Public Company Limited<br>Distribute skin care products |
| 2014 - Present | - | Independent Director | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2014 - 2018 | - | Chairman of the Audit Committee | TOT Public Company Limited<br>Telecommunication |
| 2014 - Present | - | Chairman of the Audit Committee | Thai Poly Acryllic Public Company Limited<br>Manufacture and Distribute Acryllic |
| 2004 - Present | - | Director and Managing Director | Dherakupt Law Office Company Limited<br>Legal and Tax Consultant |

## Name-Last Name Mr. Patara Yongvanich

**Position** Chairman of Audit Committee and Independent Director

**Age (Year)** 45

**Educational Background**

- Master of Business Administration, Cornell University, U.S.A.
- Master of Industrial Engineering, Stanford University, U.S.A.
- Bachelor of Mechanical Engineering,Cornell University, U.S.A.

**Training Course**

- Director Accreditation Program (DAP), Batch 134/2017

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2020 - Present | - | Director | Ngern Tid Lor Public Company Limited<br>Financial Services |
| 2019 - Present | - | Director | Relationship Republic Company Limited<br>CRM Consulting |
| 2014 - Present | - | Chairman of Audit Committee and Independent Director | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2013 - Present | | Director | Rhipe Technology (Thailand) Company Limited<br>Software Distribution |

## Name-Last Name Mr. Thanachart Numnonda

**Position** Audit Committee and Independent Director

**Age (Year)** 55

**Educational Background**

- Doctor of Electrical and Electronic Engineering, The University of Auckland, N.Z.
- Master of Electrical and Electronic Engineering, The University of Auckland, N.Z.
- Bachelor of Electrical Engineering, Khon Khaen University

**Training Course**

- Director Accreditation Program (DAP), Batch 121/2015
- Advanced Audit Committee Program (AACP), Batch 25/2016
- Director Certification Program (DCP), Batch 242/2017
- Role of the Chairman Program (RCP), Batch 41/2017
- Financial Statements for Directors (FSD), Batch 35/2018
- Strategic Board Master Class (SBM), Batch 5/2018
- Risk Management Program for Corporate Leader (RCL), Batch 19/2020

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2015 - Present | - | Audit Committee and Independent Director | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2016 - Present | - | Chairman of the Board and Chairman of Audit Committee | Siameast Solutions Public Company Limited<br>Industrial Products |
| 2015 - Present | - | Audit Committee and Director | Vintcom Technology Public Company Limited<br>Computer Hardware |
| 2019 - Present | - | Member of University Council | Khon Kaen University<br>Educational Institution |
| 2013 - Present | - | Member of University Council | Ubon Ratchathani University<br>Educational Institution |
| 2013 - Present | - | Director | IMC Outsourcing (Thailand) Company Limited<br>Data Storage Service and Marketing Consultant |
| 2017 - 2019 | - | Chairman of Audit Committee and Director | Thanachart Bank Public Company Limited<br>Commercial Bank |
| 2015 - 2017 | - | Association President | The Association of Thai ICT Industry<br>Government Sector |

## Name-Last Name Mr. Patai Padungtin

Position Independent Director

Age (Year) 41

Educational Background

- Bachelor of Engineering (Civil Engineering), Chulalongkorn University

Training Course

- Director Accreditation Program (DAP), Batch 158/2019

Work Experiences in the Past 5 Years

| | | | |
|---|---|---|---|
| 2019 - Present | - | Independent Director | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2018 - Present | - | Director | Builk One Group Company Limited<br>Enterprise Solutions for Construction and Real Estate Industry |
| 2011 - Present | - | Director | Builk Asia Company Limited<br>B2B Construction Material E-commerce |

## Name-Last Name Ms. Piyaporn Phanachet

**Position** Audit Committee and Independent Director

**Age (Year)** 54

**Educational Background**

- Master of Science in Real Estate Development, Massachusetts Institute of Technology (MIT), USA
- MBA, University of New Hampshire, USA
- BA in Accounting, Chulalongkorn University,Thailand

**Training Course**

- Executive Coaching Certification & Leadership Intensive, Berkeley Executive Coaching Institute, UC Berkeley
- Director Certification Program (DCP) Year 2017, Thai Institute of Directors
- Role of the Chairman Program (RCP) Year 2018, Thai Institute of Directors
- E: Engage Empower and Execute Year 2019, SAEC Institute

**Work Experiences in the Past 5 Years**

| | | |
|---|---|---|
| 2021 - Present | - Audit Committee and Independent Director | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| | - Chief Executive Officer | TCM Corporation Public Company Limited<br>Manufacturer and distributor of carpets to Domestic and International market / Invest in related businesses |
| 2020 - Present | - Director and Executive Director | TCM Corporation Public Company Limited<br>Manufacturer and distributor of carpets to Domestic and International market / Invest in related businesses |
| 2008 - Present | - Vice Chairman of the Board, CPMG | TMA, Thailand Management Association.<br>Research and Consulting |
| 2020 - Present | - Director and Treasurer | 100 Tonson Foundation<br>Exhibition Location Service |
| 2021 - Present | - Director | Vechachai Company Limited<br>Investment in other companies |
| | - Director | Carpets International Thailand Public Company Limited<br>Manufacturer and distributor of carpets and floor coverings |
| | - Director | TCMC HK (2017) Limited<br>Distributor of carpets and floor coverings |
| | - Director | Royal Thai HK (2017) Limited<br>Distributor of carpets and floor coverings |
| | - Director | Anderry Limited<br>Holding company |
| | - Director | Onsen Limited<br>Holding company |
| | - Director | Royal Thai Americas (2017) Trading Limited<br>Distributor of carpets and floor coverings |
| | - Director | Royal Thai Carpets (Foshan) Limited<br>Distributor of carpets and floor coverings |
| | - Director | T.C.H. Suminoe Company Limited<br>Manufacturer and distributor of textiles and carpets for use as seat covers and interior for cars and buses. |
| | - Director | TCM Living Limited<br>Investment in furniture companies |
| | - Director | TCMC Furniture Limited<br>Investment in furniture companies |
| | - Director | Manor (2016) Holding Limited<br>Investment in other companies |
| | - Director | James Alexander Company Limited<br>Manufacturing and Exporting furniture |
| 2018 - 2020 | - Director and Executive Director | U city Public Company Limited<br>Property Development |
| 2017 - 2020 | - Chief Executive Officer | U city Public Company Limited<br>Property Development |
| 2019 - 2020 | - Director | U Hospitality Holding Company Limited<br>Property Investment |
| 2019 - 2020 | - Director | Vienna International Assets Company Limited<br>Hotel and Condominium Service |
| 2019 - 2020 | - Director | Vienna House Diplomat Prague RE Company Limited<br>Hotel Service |
| 2018 - 2020 | - Director | U Global Hospitality Holding Company Limited<br>Investment in shares and Hotel |
| 2018 - 2020 | - Director | GES Assets Company Limited<br>Hotel and Condominium Service |
| 2019 - 2020 | - Director | Khonkaenburi Company Limited<br>Hotel and Resort Service |
| 2018 - 2020 | - Director | Unison One Company Limited<br>Office Building for Rent |
| 2018 - 2020 | - Director | Muangthong Assets Company Limited<br>Hotel and Resort Service |
| 2019 - 2020 | - Director | Prannakiri Assets Company Limited<br>Buy and Sell Property |
| 2018 - 2020 | - Director | Siam Paging and Communication Company Limited<br>Buy and Sell Property |
| 2018 - 2020 | - Director | Tanatong Food and Beverage Company Limited<br>Food and Berverage |
| 2019 - 2020 | - Director | BTS Land Company Limited<br>Hotel and Condominium Service |
| 2018 - 2020 | - Director | Nine Square Property Company Limited<br>Property Development |
| 2018 - 2020 | - Director | Mak8 Company Limited<br>Buy and Sell Property |
| 2018 - 2020 | - Director | Tanayong Property Management Company Limited<br>Building and Management Service |
| 2019 - 2020 | - Director | Ratburana Property Company Limited<br>Property Development |
| 2018 - 2020 | - Director | Thana City Goft & Sports Club Company Limited<br>Golf and Sport Club |
| 2018 - 2020 | - Director | Absolute Hotel Services Company Limited<br>Hotel and Condominium Service |
| 2018 - 2020 | - Director | Keystone Estate Company Limited<br>Rental and Real Estate Operation |
| 2019 - 2020 | - Director | Keystone Management Company Limited<br>Building and Management Service |
| 2018 - 2020 | - Director | BTS Sansiri Holding One Company Limited<br>Property Investment |
| 2018 - 2020 | - Director | BTS Sansiri Holding Two Company Limited<br>Property Investment |
| 2018 - 2020 | - Director | BTS Sansiri Holding Three Company Limited<br>Property Investment |
| 2019 - 2020 | - Director | BTS Sansiri Holding Four Company Limited<br>Property Investment |
| 2018 - 2020 | - Director | BTS Sansiri Holding Five Company Limited<br>Property Investment |
| 2018 - 2020 | - Director | BTS Sansiri Holding Six Company Limited<br>Property Investment |
| 2019 - 2020 | - Director | BTS Sansiri Holding Seven Company Limited<br>Property Investment |
| 2018 - 2020 | - Director | BTS Sansiri Holding Eight Company Limited<br>Property Investment |
| 2018 - 2020 | - Director | BTS Sansiri Holding Nine Company Limited<br>Property Investment |

| | | | |
|---|---|---|---|
| 2018 - 2020 | - | Director | Novu Line Agency Company Limited<br>Buy and Sell Property |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Eleven Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Twelve Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Fourteen Company Limited<br>Property Investment |
| 2019 - 2020 | - | Director | BTS Sansiri Holding Fifteen Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Sixteen Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Seventeen Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | Ratchada Alliance Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Nineteen Company Limited<br>Property Investment |
| 2019 - 2020 | - | Director | BTS Sansiri Holding Twenty Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Twenty One Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Twenty Two Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Twenty Three Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | BTS Sansiri Holding Twenty Four Company Limited<br>Property Investment |
| 2019 - 2020 | - | Director | BTS Sansiri Holding Twenty Five Company Limited<br>Property Investment |
| 2018 - 2020 | - | Director | Siriphat Three Company Limited<br>Property Investment |
| 2017 - 2020 | - | Director | BTS Sansiri Holding Thirteen Company Limited<br>Property Investment |
| 2017 - 2020 | - | Chairman of the Corporate Governance Committee | Recoup Tour AS<br>Travelling Service |
| 2017 - 2020 | - | Director | Kamkoog Property Company Limited<br>Hotel and Condominium Service |
| 2017 - 2020 | - | Director | Greenwood Park Company Limited<br>Property Development |
| 2017 - 2020 | - | Director | Suriyawong Holding Company Limited<br>Property Development |
| 2017 - 2020 | - | Director | Park Opera Company Limited<br>Entertainment & Theater Service |
| 2017 - 2020 | - | Director | Richee Property Management Company Limited<br>Property Management |
| 2017 - 2020 | - | Director | Park Gourmet Company Limited<br>Food Service and Restaurant |
| 2017 - 2020 | - | Director | Project Green Company Limited<br>Property Development |
| 2017 - 2020 | - | Chairman of the Corporate Governance Committee | Vienna House Hotel Management Company Limited<br>Hotel and Resort Service |
| 2017 - 2020 | - | Director | Mo Chit Land Company Limited<br>Property Development |
| 2010 - 2017 | - | Member of Assets Committee | Soneva Resort<br>Hotel and Resort Service |
| 2013 - 2016 | - | Advisor | Office of Property Management, Chulalongkorn University<br>Rental Property Service |

## Name-Last Name Miss Chuenchom Techarungkiat

**Position** Chief Operation Officer - HR Solutions

**Age (Year)** 47

**Educational Background**

- Master of Technology Management, Thammasat University
- Bachelor of International Relations, Thammasat University

**Training Course**

- N/A

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2011 - Present | - | Chief Operations Officer - HR Solutions | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2017 - Present | - | Director | Professional Outsourcing Solution Limited<br>Outsourcing Payroll Service |
| 2017 - Present | - | Director | Humanica FAS Co.,Ltd<br>Accounting Service |

## Name-Last Name Sasithorn Hirunsak

**Position** Chief Operations Officer - Financial Solutions

**Age (Year)** 53

**Educational Background**

- Bachelor of Accountancy, Thammasat University

**Training Course**

- N/A

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2004 - Present | - | Chief Operations Officer - Financial Solutions | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2017 - Present | - | Director | Humanica FAS Limited<br>Accounting Service |

## Name-Last Name Ms. Bee Bee Lim

**Position** Chief Operation Officer - Commercial and International Business

**Age (Year)** 50

**Educational Background**

- Bachelor of Management Studies, University of London, U.K.

**Training Course**

- N/A

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2017 - Present | - | Chief Operations Officer - Commercial and International Business | Humanica Public Company Limited<br>Corporate Software and Payroll Service |
| 2017 - Present | - | Director | Humanica Asia Pte. Ltd.<br>Payroll Service |
| 2017 - Present | - | Director | Humanica Snd. Bhd.<br>Payroll Service |
| 2015 - 2016 | - | Director | Tricor Humatrix Asia Pte. Ltd.<br>Payroll Service |
| 2004 - 2014 | - | Senior Manager | Tricor Singapore Pte. Ltd.<br>Payroll Service |

## Name-Last Name Hathaichanok Suwanjang

**Position** Chief Technology Officer

**Age (Year)** 41

**Educational Background**

- Master of Science in Software Engineering: Computer Engineering, Chulalongkorn University
- Bachelor of Science in Business Information Technology: Commerce and Accountancy. Chulalongkorn University

**Training Course**

- Corporate Innovation Bootcamp Through Design Thinking at RISE.
- CMMi at ITPC
- Software Project Management at Software Park.
- Agile Development Methodology at Chulalongkorn University.
- Microsoft SQL Server 2008 at Microsoft Thailand.
- OO Analysis & Design Using UML at CCP.
- OOAD and Design Patterns .NET at GreatFriend.
- Developing Microsoft ASP.NET Web Application Using Visual Studio .Net C# at CTT Training Center
- Oracle Developer Tools

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2003 - Present | - | Chief Technology Officer | Humanica Public Company Limited<br>Corporate Software and Payroll Service |

## Name-Last Name Mr. Somsak Tantitanawat

**Position** Managing Director

**Age (Year)** 55

**Educational Background**

- Master of Business Administration University of the Thai Chamber of Commerce
- Bachelor of Engineering (Electronics Engineering)

King Mongkut's Institute of Technology Ladkrabang Graduation Ceremony

**Training Course**

- N/A

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 1998 - Present | - | Managing Director | Tiger Soft (1998) Company Limited |

## Name-Last Name Mr. Kawin Praisuwan

**Position** Chief Financial Officer

**Age (Year)** 44

**Educational Background**

- Master of Science, Taxation, Baruch College
- Master of Business Administration, Accountancy, Baruch College
- Bachelor of Arts, Economics, Fairleigh Dickinson University

**Training Course**

- e-learning CFO's Orientation Course

**Work Experiences in the Past 5 Years**

| | | | |
|---|---|---|---|
| 2020 - Present | - | Chief Financial Officer | Humanica Public Company Limited |
| 2014 - 2020 | - | Department Manager - Group Financial Controlling | Thai Union Group Public Company Limited |

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