

One to One Contacts Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2015

Independent Auditor's Report

To the Shareholders of One to One Contacts Public Company Limited

I have audited the accompanying consolidated financial statements of One to One Contacts Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of One to One Contacts Public Company Limited for the same period.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of One to One Contacts Public Company Limited and its subsidiaries and of One to One Contacts Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Sarinda Hirunprasurtwutti
Certified Public Accountant (Thailand) No. 4799

EY Office Limited
Bangkok: 15 February 2016

One to One Contacts Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2015

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets					
Current assets					
Cash and cash equivalents	7	263,400,910	243,798,056	258,526,649	237,548,224
Temporary investment in trading securities	8	1,300,000	3,320,000	1,300,000	3,320,000
Trade and other receivables	9	329,708,187	209,673,213	340,863,287	219,979,292
Current portion of finance lease receivable	10	37,345,185	-	37,345,185	-
Accrued income	11	140,912,379	148,603,441	140,677,653	148,603,441
Inventories	12	16,799,529	18,049,769	16,799,529	18,049,769
Other current assets	13	21,643,809	12,935,686	21,553,733	12,864,470
Total current assets		<u>811,109,999</u>	<u>636,380,165</u>	<u>817,066,036</u>	<u>640,365,196</u>
Non-current assets					
Investment in subsidiaries	14	-	-	7,468,097	6,718,120
Equipment	15	176,063,397	236,014,813	171,258,797	230,745,678
Intangible assets	16	12,843,619	19,517,182	11,870,738	18,442,257
Deferred tax assets	23	10,415,486	5,451,094	10,415,486	5,451,094
Other non-current assets - deposits		8,126,043	6,586,642	7,646,570	6,148,696
Total non-current assets		<u>207,448,545</u>	<u>267,569,731</u>	<u>208,659,688</u>	<u>267,505,845</u>
Total assets		<u>1,018,558,544</u>	<u>903,949,896</u>	<u>1,025,725,724</u>	<u>907,871,041</u>

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

One to One Contacts Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	135,160,033	64,678,723	134,719,484	64,297,839
Other current liabilities	18	29,024,395	19,466,386	28,999,961	19,415,411
Total current liabilities		<u>164,184,428</u>	<u>84,145,109</u>	<u>163,719,445</u>	<u>83,713,250</u>
Non-current liabilities					
Provision for long-term employee benefits	19	10,212,852	7,992,246	10,212,852	7,992,246
Other non-current liabilities		5,310,890	5,427,890	5,310,890	5,427,890
Total non-current liabilities		<u>15,523,742</u>	<u>13,420,136</u>	<u>15,523,742</u>	<u>13,420,136</u>
Total liabilities		<u>179,708,170</u>	<u>97,565,245</u>	<u>179,243,187</u>	<u>97,133,386</u>
Shareholders' equity					
Share capital	20				
Registered					
280,000,000 ordinary shares of Baht 1 each		<u>280,000,000</u>	<u>280,000,000</u>	<u>280,000,000</u>	<u>280,000,000</u>
Issued and fully paid up					
280,000,000 ordinary shares of Baht 1 each		280,000,000	280,000,000	280,000,000	280,000,000
Share premium		304,418,692	304,418,692	304,418,692	304,418,692
Retained earnings					
Appropriated - statutory reserve	21	17,000,000	13,500,000	17,000,000	13,500,000
Unappropriated		236,983,443	208,464,846	245,063,845	212,818,963
Other components of shareholders' equity		448,239	1,113	-	-
Total shareholders' equity		<u>838,850,374</u>	<u>806,384,651</u>	<u>846,482,537</u>	<u>810,737,655</u>
Total liabilities and shareholders' equity		<u>1,018,558,544</u>	<u>903,949,896</u>	<u>1,025,725,724</u>	<u>907,871,041</u>

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

Directors

One to One Contacts Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2015

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Profit or loss:					
Revenues					
	6				
Services income		845,286,001	634,002,347	841,413,953	631,089,718
Sales		142,889,576	139,877,568	142,889,576	141,069,317
Other income		8,123,004	16,553,278	7,843,742	16,557,433
Total revenues		996,298,581	790,433,193	992,147,271	788,716,468
Expenses					
	6, 22				
Cost of services		721,493,937	518,717,313	717,161,377	515,853,727
Cost of sales		125,375,828	120,424,471	125,375,828	121,616,221
Selling expenses		3,009,384	2,618,604	3,009,384	2,618,604
Administrative expenses		63,422,807	62,716,027	59,922,277	58,860,380
Other expenses		2,341,504	540,620	2,341,504	540,620
Total expenses		915,643,460	705,017,035	907,810,370	699,489,552
Profit before finance cost and income tax expenses		80,655,121	85,416,158	84,336,901	89,226,916
Finance cost		(136,612)	(341,631)	(128,480)	(332,595)
Profit before income tax expenses		80,518,509	85,074,527	84,208,421	88,894,321
Income tax expenses	23	(14,290,009)	(19,089,370)	(14,253,636)	(19,060,244)
Profit for the year		66,228,500	65,985,157	69,954,785	69,834,077
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		447,126	11,372	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		447,126	11,372	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss on defined benefit plan		(763,464)	(1,112,501)	(763,464)	(1,112,501)
Less: Income tax effect	23	152,693	222,500	152,693	222,500
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		(610,771)	(890,001)	(610,771)	(890,001)
Other comprehensive income for the year		(163,645)	(878,629)	(610,771)	(890,001)
Total comprehensive income for the year		66,064,855	65,106,528	69,344,014	68,944,076
Basic earnings per share					
	24				
Profit attributable to equity holders of the Company		0.24	0.26	0.25	0.27
Weighted average number of ordinary share (shares)		280,000,000	255,452,055	280,000,000	255,452,055

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

One to One Contacts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2015

(Unit: Baht)

Consolidated financial statements						
	Issued and fully paid up		Retained earnings		Other components	
					of equity	
					Exchange differences	
share capital	Share premium	Appropriated - statutory reserve	Unappropriated	on translation of financial statements in foreign currency	Total shareholders' equity	
Balance as at 1 January 2014	210,000,000	-	10,000,000	177,668,356	(10,259)	397,658,097
Profit for the year	-	-	-	65,985,157	-	65,985,157
Other comprehensive income for the year	-	-	-	(890,001)	11,372	(878,629)
Total comprehensive income for the year	-	-	-	65,095,156	11,372	65,106,528
Increase in share capital	70,000,000	304,418,692	-	-	-	374,418,692
Dividend paid (Note 25)	-	-	-	(30,798,666)	-	(30,798,666)
Transferred retained earnings to statutory reserve (Note 21)	-	-	3,500,000	(3,500,000)	-	-
Balance as at 31 December 2014	280,000,000	304,418,692	13,500,000	208,464,846	1,113	806,384,651
Balance as at 1 January 2015	280,000,000	304,418,692	13,500,000	208,464,846	1,113	806,384,651
Profit for the year	-	-	-	66,228,500	-	66,228,500
Other comprehensive income for the year	-	-	-	(610,771)	447,126	(163,645)
Total comprehensive income for the year	-	-	-	65,617,729	447,126	66,064,855
Dividend paid (Note 25)	-	-	-	(33,599,132)	-	(33,599,132)
Transferred retained earnings to statutory reserve (Note 21)	-	-	3,500,000	(3,500,000)	-	-
Balance as at 31 December 2015	280,000,000	304,418,692	17,000,000	236,983,443	448,239	838,850,374

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

One to One Contacts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2015

(Unit: Baht)

	Separate financial statements				
	Issued and fully	Retained earnings			Total
	paid up	Appropriated -			shareholders'
share capital	Share premium	statutory reserve	Unappropriated	equity	
Balance as at 1 January 2014	210,000,000	-	10,000,000	178,173,553	398,173,553
Profit for the year	-	-	-	69,834,077	69,834,077
Other comprehensive income for the year	-	-	-	(890,001)	(890,001)
Total comprehensive income for the year	-	-	-	68,944,076	68,944,076
Increase in share capital	70,000,000	304,418,692	-	-	374,418,692
Dividend paid (Note 25)	-	-	-	(30,798,666)	(30,798,666)
Transferred retained earnings					
to statutory reserve (Note 21)	-	-	3,500,000	(3,500,000)	-
Balance as at 31 December 2014	<u>280,000,000</u>	<u>304,418,692</u>	<u>13,500,000</u>	<u>212,818,963</u>	<u>810,737,655</u>
Balance as at 1 January 2015	280,000,000	304,418,692	13,500,000	212,818,963	810,737,655
Profit for the year	-	-	-	69,954,785	69,954,785
Other comprehensive income for the year	-	-	-	(610,771)	(610,771)
Total comprehensive income for the year	-	-	-	69,344,014	69,344,014
Dividend paid (Note 25)	-	-	-	(33,599,132)	(33,599,132)
Transferred retained earnings					
to statutory reserve (Note 21)	-	-	3,500,000	(3,500,000)	-
Balance as at 31 December 2015	<u>280,000,000</u>	<u>304,418,692</u>	<u>17,000,000</u>	<u>245,063,845</u>	<u>846,482,537</u>

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

One to One Contacts Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2015

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities					
Profit before tax		80,518,509	85,074,527	84,208,421	88,894,321
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	15, 16	118,308,970	94,956,121	116,494,260	93,571,618
Allowance for doubtful accounts (reversal)		321,505	(1,760,864)	321,505	(1,760,864)
Cost decrease from debt reduction from supplier		-	(2,000,000)	-	(2,000,000)
Reversal of accounts payable		-	(7,291,245)	-	(7,291,245)
Gain on sales of equipment and intangible assets		(55,531)	(1,569,231)	(55,531)	(1,624,252)
Transfer equipment and intangible assets to cost of sales		1,416,832	1,444,188	1,416,832	1,444,188
Loss on change in value of temporary investment in trading securities	8	2,020,000	540,620	2,020,000	540,620
Provision for legal case		-	58,269	-	58,269
Provision for long-term employee benefits	19	1,457,142	1,252,920	1,457,142	1,252,920
Unrealised (gain) loss on exchange		221,979	(56,611)	(369,935)	(140,884)
Dividend income		(45,000)	-	(45,000)	-
Interest income		(4,315,958)	(2,297,738)	(3,462,150)	(2,294,249)
Interest expenses		-	220,582	-	220,582
Profit from operating activities before changes in operating assets and liabilities		199,848,448	168,571,538	201,985,544	170,871,024
Operating assets (increase) decrease					
Trade and other receivables		(120,686,314)	(46,761,849)	(120,943,421)	(54,083,483)
Finance lease receivable	10	(51,360,000)	-	(51,360,000)	-
Accrued income		7,691,062	(32,238,552)	7,925,788	(32,238,552)
Inventories		1,250,240	(12,406,964)	1,250,240	(12,406,964)
Other current assets		(8,303,298)	1,002,618	(8,284,689)	1,030,903
Other non-current assets		(1,539,401)	499,287	(1,497,874)	(15,674)
Operating liabilities increase (decrease)					
Trade and other payables		69,415,039	3,018,744	69,355,374	2,712,738
Other current liabilities		10,732,547	6,095,472	10,759,365	6,102,035
Other non-current liabilities		(117,000)	3,306,000	(117,000)	3,306,000
Cash flows from operating activities		106,931,323	91,086,294	109,073,327	85,278,027

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

One to One Contacts Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2015

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash flows from operating activities (continued)					
Dividend income from temporary investment in trading securities		45,000	-	45,000	-
Cash paid for acquisition of temporary investment in trading securities	8	-	(3,860,620)	-	(3,860,620)
Cash paid for interest expenses		-	(220,582)	-	(220,582)
Cash received from withholding tax refundable		1,494,911	-	1,494,911	-
Cash paid for income tax		(21,001,147)	(22,992,885)	(20,964,820)	(22,966,534)
Net cash flows from operating activities		87,470,087	64,012,207	89,648,418	58,230,291
Cash flows from investing activities					
Cash received from interest income		4,645,793	2,034,208	3,791,985	2,030,719
Cash received from finance lease receivable	10	12,840,000	-	12,840,000	-
Proceeds from sales of equipment		57,009	2,377,502	57,009	2,377,502
Cash paid for acquisition of equipment and intangible assets		(51,801,086)	(204,036,359)	(51,064,370)	(197,848,313)
Cash paid for investment in subsidiaries	14	-	-	(749,977)	(6,462,966)
Cash flows used in investing activities		(34,258,284)	(199,624,649)	(35,125,353)	(199,903,058)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions		-	144,000,000	-	144,000,000
Repayment of short-term loans from financial institutions		-	(144,000,000)	-	(144,000,000)
Proceed from increase in ordinary shares	20	-	373,523,365	-	373,523,365
Dividend paid	25	(33,544,640)	(30,791,792)	(33,544,640)	(30,791,792)
Net cash flows from (used in) financing activities		(33,544,640)	342,731,573	(33,544,640)	342,731,573
Decrease in translation adjustments		(64,309)	(80,796)	-	-
Net increase in cash and cash equivalents		19,602,854	207,038,335	20,978,425	201,058,806
Cash and cash equivalents at beginning of year		243,798,056	36,759,721	237,548,224	36,489,418
Cash and cash equivalents at end of year	7	263,400,910	243,798,056	258,526,649	237,548,224

Supplement disclosures of cash flows information

Non-cash item

Increase (decrease) in equipment payables		789,800	(295,764)	789,800	(295,764)
Increase in accounts receivable from disposal of equipment and intangible assets		-	-	-	(789,975)
Transfer work in process to equipment and intangible assets		6,825,753	246,375	6,825,753	246,375
Income tax effect from additional ordinary share expenses		-	(895,327)	-	(895,327)
Dividend payables	25	61,366	6,874	61,366	6,874
Offset accounts payable with accounts receivable		-	2,092,177	-	2,092,177

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

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

One to One Contacts Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2015

1. General information

One to One Contacts Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its parent company is Samart Corporation Public Company Limited which was incorporated in Thailand. The Company is principally engaged in providing customer contact center services. Its registered address is at 99/19, Moo 4, Software Park Building, 17th Floor, Chaengwattana Road, Klong Glur, Pak-Kred, Nonthaburi.

2. Basis of preparation

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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 on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

a) The consolidated financial statements include the financial statements of One to One Contacts Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2015</u> Percent	<u>2014</u> Percent
One to One Professional Company Limited	Provide company personnel to perform work regarding providing information, news and information center on-site and off-site	Thailand	100	100
One to One (Cambodia) Company Limited	Provide customer contact center	Cambodia	100	100

- 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 subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

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

The Company and its subsidiaries have adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognise actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company and its subsidiaries already recognise actuarial gains and losses immediately in other comprehensive income.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 *Consolidated and Separate Financial Statements* dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company and its subsidiaries have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the Company's and its subsidiaries' financial statements.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the Company's and its subsidiaries' financial statements.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the Company's and its subsidiaries' financial statements.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards and accounting treatment guidance will not have any significant impact on the financial statements when it is initially applied.

4. Significant accounting policies

4.1 Revenue recognition

Rendering of service

Service income is recognised when services have been rendered taking into account the stage of completion.

Facility rental service and customer service representative outsource are recognised as revenue on a monthly basis, as stipulated in the agreement.

Sales of goods

Sales of goods are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discounts and allowances.

Sales of equipment including designation and installation

Sales of equipment including designation and installation are recognised as income by reference to the stage of completion.

Revenue from sales under finance lease agreement

Finance lease receivable have been recorded based on the contractual value. The difference between the contractual value and the value equivalent to the cash price of the asset is recognised as unearned interest income. Interest income on finance lease is recognised over the term of the lease using the effective interest rate.

Interest income

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

4.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.3 Trade accounts receivable

Trade accounts receivable are stated at the net realisable 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.

4.4 Inventories

Work in process are valued at the lower of cost (under the weighted average method) and net realisable value. Cost includes cost of equipment, wages and related project cost.

4.5 Investment

a) Investment in securities held for trading is stated at fair value. Changes in the fair value of these securities, which is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand, are recorded in profit or loss.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

b) Investment in subsidiaries is accounted for in the separate financial statements using the cost method.

4.6 Equipment and depreciation

Equipment is stated at cost less accumulated depreciation and allowances for loss on impairment of assets (if any).

Depreciation of equipment is calculated by reference to its cost on the straight-line basis over the following estimated useful lives:

Tools and equipment	-	5 years
Office equipment and computer	-	3 years 5 years and 10 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on tools and equipment under installation.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.7 Intangible asset

Intangible asset is carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible asset with finite life is amortised 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 amortisation period and the amortisation method of such intangible asset is reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

Intangible asset, which is computer software, has useful life of 3 years, 5 years and 10 years.

4.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

4.9 Long-term leases

Leases of building which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.10 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of the reporting period.

Gains and losses on exchange are included in determining income.

4.11 Impairment of assets

At the end of each reporting period, the Company and its subsidiaries perform impairment reviews in respect of the equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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.

An impairment loss is recognised in profit or loss.

4.12 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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 treats 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 recognised immediately in other comprehensive income.

Provision for vacation

The Company and its subsidiaries have set up provision for vacation which is calculated in accordance with the Company's policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

4.13 Provisions

Provisions are recognised when the Company and its subsidiaries have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.14 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.15 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 buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgements and estimates

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

5.1 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgements regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

5.2 Allowance for doubtful accounts

In determining an allowance for doubtful accounts, the management needs to make judgements and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.3 Equipment and depreciation

In determining depreciation of equipment, the management is required to make estimates of the useful lives and residual values of the Company's and its subsidiaries' equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review equipment for allowance for diminution in value on a periodical basis and record losses on diminution in value in the period when it is determined that their recoverable amount is lower than the carrying cost. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

5.4 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

5.5 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.

6. Related party transactions

During the years, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised 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. The pricing policies for these related party transactions are summarised as follows:

1. Sales and service prices are determined at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent. However, the pricing policy is subject to change depending on the type of business and market competition at the time being.
2. IT service fees expenses to parent company are charged at the amount stated in the agreement which parent company sets base on cost plus a margin not over 5 percent.
3. Fixed assets are sold and purchased at their net book value plus a margin, depending on the condition of fixed assets.
4. Management fees and rental expenses are charged at the amount stated in the agreement.
5. Other service income and expenses are charged at a mutually agreed price.
6. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.

7. Directors and management's benefit expenses are charged as approved by shareholders' meeting or contractually agreed price.

Significant business transactions between the Company and those related parties are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with parent company</u>				
Service income	2	2	2	2
Management fee expenses	5	5	5	5
IT service fee expenses	8	8	8	8
Other expenses	0.04	0.01	0.04	0.01
<u>Transactions with subsidiary company</u> (eliminate from the consolidated financial statements)				
Sales income	-	-	-	1
Sales of fixed assets	-	-	-	1
<u>Transactions with related companies</u>				
Sales and service income	46	106	46	106
Other income	0.05	-	0.05	-
Purchase of goods and service	11	12	11	12
Purchase of fixed assets	0.03	0.2	0.03	0.2
Rental and utility expenses	12	12	12	12
Other expenses	1	1	1	1

The balances of the accounts as at 31 December 2015 and 2014 between the Company and those related parties are as follows:

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
(Unit: Thousand Baht)				
<u>Trade accounts receivable - related parties (Note 9)</u>				
Parent company	51	50	51	50
Subsidiary companies	-	-	1,275	1,275
Related companies (related by shareholders)	35,997	46,122	35,997	46,122
Total trade accounts receivable - related parties	36,048	46,172	37,323	47,447
<u>Other receivables - related parties (Note 9)</u>				
Subsidiary companies	-	-	10,231	9,352
Total other receivables - related parties	-	-	10,231	9,352
<u>Accrued income - related parties (Note 11)</u>				
Related companies (related by shareholders)	3,415	5,854	3,415	5,854
Total accrued income - related parties	3,415	5,854	3,415	5,854
<u>Deposit - related parties</u>				
Related companies (related by director)	1,897	1,854	1,897	1,854
Total deposit - related parties	1,897	1,854	1,897	1,854
<u>Trade accounts payable - related parties (Note 17)</u>				
Related companies (related by shareholders or director)	5,787	1,299	5,787	1,299
Total trade accounts payable - related parties	5,787	1,299	5,787	1,299
<u>Other payables - related parties (Note 17)</u>				
Parent company	1,714	1,080	1,714	1,080
Related companies (related by shareholders or director)	43	10	43	10
Total other payables - related parties	1,757	1,090	1,757	1,090
<u>Customer deposit - related parties</u>				
Related companies (related by shareholders)	505	505	505	505
Total customer deposit - related parties	505	505	505	505

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2015</u>	<u>2014</u>
Short-term employee benefits	13,807	13,483
Post-employment benefits	94	99
Total	<u>13,901</u>	<u>13,582</u>

Agreements with related parties

Service and management agreements with the parent company

- a) In May 2011, the Company entered into five-year information technology management agreement with Smart Corporation Public Co., Ltd., the parent company. The Company has to pay a monthly service fee of Baht 0.6 million (2014: Baht 0.6 million).
- b) In January 2015, the Company entered into a one-year management agreement with Smart Corporation Public Co., Ltd., the parent company under which the Company has to pay a monthly service fee of Baht 0.4 million (2014: Baht 0.4 million).

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cash	118	80	113	77
Bank deposits	263,283	23,718	258,414	17,471
Bills of exchange	-	220,000	-	220,000
Total	263,401	243,798	258,527	237,548

As at 31 December 2015, bank deposits carried interests between 0.10 and 1.28 percent per annum (2014: Bank deposits and bills of exchange carried interest between 0.30 and 2.00 percent per annum).

8. Temporary investment in trading securities

Common stock	Consolidated and separate financial statements					
	2015			2014		
	Shares	Cost	Fair value	Shares	Cost	Fair value
(Thousand Shares)	(Thousand Baht)	(Thousand Baht)	(Thousand Shares)	(Thousand Baht)	(Thousand Baht)	
Samart I-Mobile Plc.	1,000	3,860	1,300	1,000	3,860	3,320
Less: Change in value		(2,560)			(540)	
Total		1,300			3,320	

Movements of the temporary investment in trading securities account for the year ended 31 December 2015 and 2014 were summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	<u>2015</u>	<u>2014</u>
Balance at beginning of the year	3,320	-
Purchase during the year	-	3,860
Loss on change in value	(2,020)	(540)
Balance as at end of the year	1,300	3,320

9. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Trade accounts receivable - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	1,621	1,612	1,621	1,612
Past due				
Up to 3 months	376	1,286	376	1,286
3 - 6 months	-	3,223	-	3,223
6 - 12 months	-	40,051	-	41,326
Over 12 months	34,051	-	35,326	-
Total trade accounts receivable - related parties	36,048	46,172	37,323	47,447
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	72,923	92,255	72,572	91,934
Past due				
Up to 3 months	69,374	25,467	69,374	25,467
3 - 6 months	33,816	337	33,816	337
6 - 12 months	73,029	44,725	73,029	44,725
Over 12 months	44,778	53	44,778	53
Total	293,920	162,837	293,569	162,516
Less: Allowance for doubtful debts	(375)	(53)	(375)	(53)
Total trade accounts receivable - unrelated parties - net	293,545	162,784	293,194	162,463
Total trade accounts receivable - net	329,593	208,956	330,517	209,910
<u>Other receivables</u>				
Advance payment	115	387	115	387
Other receivables - related parties				
(Note 6)	-	-	10,231	9,352
Other receivables - unrelated parties	-	330	-	330
Total other receivables	115	717	10,346	10,069
Total trade and other receivables - net	329,708	209,673	340,863	219,979

On 2 November 2015, the Company filed a lawsuit with the Civil Court, seeking settlement of a government agency as a trade account receivable (unrelated party) that were past due, totaling Baht 74.6 million for contact center service. The Company's management believes that full settlement will be received. Therefore as at 31 December 2015, the Company has not set aside any allowance for doubtful accounts for such debtor.

10. Finance lease receivable

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
	<u>2015</u>
Finance lease receivable (contractual value)	51,360
Less: Receipts	<u>(12,840)</u>
Finance lease receivable	38,520
Less: Unearned interest income	<u>(1,175)</u>
Finance lease receivable - net of unearned interest income	37,345
Less: Current portion of finance lease receivable	<u>(37,345)</u>
Finance lease receivable - net of current portion	<u><u>-</u></u>

The Company has entered into an agreement to lease contact center service. The agreement is valid for a period of 1 year. Considering conditions stipulated in the agreement, it was found that this agreement constitutes the lease agreement as all the risk and rewards of the assets have been transferred to the lessee. Therefore, it is considered a finance lease receivable.

11. Accrued income

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Accrued income - related parties</u> (Note 6)				
Aged on the basis of record dates				
Up to 3 months	3,415	5,854	3,415	5,854
Total accrued income - related parties	3,415	5,854	3,415	5,854
<u>Accrued income - unrelated parties</u>				
Aged on the basis of record dates				
Up to 3 months	133,555	76,049	133,321	76,049
3 - 6 months	200	25,629	200	25,629
6 - 12 months	-	26,168	-	26,168
Over 12 months	3,742	14,903	3,742	14,903
Total accrued income - unrelated parties	137,497	142,749	137,263	142,749
Total	140,912	148,603	140,678	148,603

12. Inventories

	(Unit: Thousand Baht) Cost	
	Consolidated and Separate financial statements	
	<u>2015</u>	<u>2014</u>
Work in process	16,800	18,050
Total	16,800	18,050

13. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Withholding tax deducted at source	4,161	3,757	4,161	3,757
Prepaid expenses	13,495	7,715	13,407	7,644
Undue input value added tax	1,827	966	1,827	966
Others	2,161	498	2,159	498
Total	<u>21,644</u>	<u>12,936</u>	<u>21,554</u>	<u>12,865</u>

The Company regards withholding tax deducted at source as an asset since it intends to request and has the right to claim for refund of it. However, the net realisable value of tax is subject to the exercise of the claim right by the Company and the results of the Company's tax audit by the Revenue officials.

14. Investment in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(unit: Thousand Baht)			
							Allowance for impairment of investment		Carrying amounts based on cost method-net	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
One to One Professional Company Limited	1.00	0.25	100	100	1,000	250	(35)	(35)	965	215
	Million	Million								
	Baht	Baht								
One to One (Cambodia) Company Limited	200,000	200,000	100	100	6,503	6,503	-	-	6,503	6,503
	USD	USD								
Total					<u>7,503</u>	<u>6,753</u>	<u>(35)</u>	<u>(35)</u>	<u>7,468</u>	<u>6,718</u>

On 23 November 2015, the meeting of the Board of Directors of One to One Professional Company Limited passed a resolution approving to call up the remaining 75% of its registered share capital, or equivalent to Baht 0.75 million. The Company paid for the share subscription for 100,000 ordinary shares at Baht 7.5 each, totaling Baht 0.75 million in December 2015.

15. Equipment

(Unit: Thousand Baht)

Consolidated financial statements

	Office equipment	Tools and equipment	Computer	Motor vehicles	Tools and equipment under installation	Total
Cost						
1 January 2014	40,958	472,823	169,639	4,858	6,322	694,600
Additions	439	55,875	13,390	-	131,437	201,141
Disposals	(2,895)	(4,776)	(5,476)	-	-	(13,147)
Transfer in/(Transfer out)	2,760	126,076	(782)	-	(131,329)	(3,275)
Translation adjustment	19	31	42	-	-	92
31 December 2014	41,281	650,029	176,813	4,858	6,430	879,411
Additions	892	2,284	10,890	-	37,259	51,325
Disposals	(651)	(2,269)	(3,295)	-	-	(6,215)
Transfer in/(Transfer out)	81	(262)	4,665	-	(6,826)	(2,342)
Translation adjustment	168	197	260	-	-	625
31 December 2015	41,771	649,979	189,333	4,858	36,863	922,804
Accumulated depreciation						
1 January 2014	26,793	389,709	152,920	2,315	-	571,737
Depreciation for the year	6,225	69,556	9,763	523	-	86,067
Accumulated depreciation on disposals	(2,887)	(4,292)	(5,159)	-	-	(12,338)
Accumulated depreciation on transfer out	(126)	(1,728)	(234)	-	-	(2,088)
Translation adjustment	5	4	9	-	-	18
31 December 2014	30,010	453,249	157,299	2,838	-	643,396
Depreciation for the year	5,919	91,936	11,219	523	-	109,597
Accumulated depreciation on disposals	(651)	(2,268)	(3,294)	-	-	(6,213)
Accumulated depreciation on transfer out	-	(27)	(217)	-	-	(244)
Translation adjustment	48	55	102	-	-	205
31 December 2015	35,326	542,945	165,109	3,361	-	746,741
Net book value						
31 December 2014	11,271	196,780	19,514	2,020	6,430	236,015
31 December 2015	6,445	107,034	24,224	1,497	36,863	176,063
Depreciation for the year						
2014 (Baht 83.5 million included in cost of services, and the balance in selling and administrative expenses)						86,067
2015 (Baht 107.7 million included in cost of services, and the balance in selling and administrative expenses)						109,597

(Unit: Thousand Baht)

Separate financial statements

	Office equipment	Tools and equipment	Computer	Motor vehicles	Tools and equipment under installation	Total
Cost						
1 January 2014	40,263	472,796	169,639	4,858	6,322	693,878
Additions	223	55,025	10,988	-	129,570	195,806
Disposals	(2,895)	(5,110)	(6,442)	-	-	(14,447)
Transfer in/(Transfer out)	1,915	125,111	(788)	-	(129,463)	(3,225)
31 December 2014	39,506	647,822	173,397	4,858	6,429	872,012
Additions	892	1,593	10,874	-	37,230	50,589
Disposals	(651)	(2,269)	(3,295)	-	-	(6,215)
Transfer in/(Transfer out)	81	(262)	4,665	-	(6,826)	(2,342)
31 December 2015	39,828	646,884	185,641	4,858	36,833	914,044
Accumulated depreciation						
1 January 2014	26,786	389,708	152,920	2,315	-	571,729
Depreciation for the year	5,938	69,237	9,134	523	-	84,832
Accumulated depreciation on disposals	(2,887)	(4,470)	(5,850)	-	-	(13,207)
Accumulated depreciation on transfer out	(126)	(1,728)	(234)	-	-	(2,088)
31 December 2014	29,711	452,747	155,970	2,838	-	641,266
Depreciation for the year	5,542	91,460	10,451	523	-	107,976
Accumulated depreciation on disposals	(651)	(2,268)	(3,294)	-	-	(6,213)
Accumulated depreciation on transfer out	-	(27)	(217)	-	-	(244)
31 December 2015	34,602	541,912	162,910	3,361	-	742,785
Net book value						
31 December 2014	9,795	195,075	17,427	2,020	6,429	230,746
31 December 2015	5,226	104,972	22,731	1,497	36,833	171,259
Depreciation for the year						
2014 (Baht 82.3 million included in cost of services, and the balance in selling and administrative expenses)						84,832
2015 (Baht 106.1 million included in cost of services, and the balance in selling and administrative expenses)						107,976

As at 31 December 2015, certain equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 464.6 million (2014: Baht 437.9 million).

16. Intangible assets

The net book value of intangible asset as at 31 December 2015 and 2014 are presented below.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Computer software - cost	53,147	50,741	51,461	49,514
Less: Accumulated amortisation	(40,304)	(31,224)	(39,590)	(31,072)
Net book value	<u>12,844</u>	<u>19,517</u>	<u>11,871</u>	<u>18,442</u>

A reconciliation of the net book value of intangible assets for the years 2015 and 2014 are presented below.

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Net book value at beginning of year	19,517	25,799	18,442	25,799
Addition	1,265	2,600	1,265	1,747
Transfer in (Transfer out)	682	(11)	682	(61)
Disposal - net book value	-	-	-	(304)
Amortisation for the year	(8,712)	(8,889)	(8,518)	(8,739)
Translation adjustment	92	18	-	-
Net book value at end of year	<u>12,844</u>	<u>19,517</u>	<u>11,871</u>	<u>18,442</u>

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Trade payable - unrelated parties	79,114	13,412	79,114	13,412
Trade payable - related parties (Note 6)	5,787	1,299	5,787	1,299
Other payables - unrelated parties	3,893	1,993	3,759	1,797
Other payables - related parties (Note 6)	1,757	1,090	1,757	1,090
Accrued project cost	10,485	19,204	10,485	19,204
Accrued expenses	<u>34,124</u>	<u>27,681</u>	<u>33,817</u>	<u>27,496</u>
Total trade and other payables	<u>135,160</u>	<u>64,679</u>	<u>134,719</u>	<u>64,298</u>

18. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Value added tax payable	587	6,003	587	5,979
Undue output VAT	23,924	11,313	23,924	11,313
Others	<u>4,513</u>	<u>2,150</u>	<u>4,489</u>	<u>2,123</u>
Total other current liabilities	<u>29,024</u>	<u>19,466</u>	<u>29,000</u>	<u>19,415</u>

19. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2015</u>	<u>2014</u>
Provision for long-term employee benefits at beginning of year	7,992	5,627
Included in profit or loss:		
Current service cost	1,113	963
Interest cost	344	289
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	199	209
Financial assumptions changes	1,877	157
Experience adjustments	(1,312)	747
Provision for long-term employee benefits at end of year	<u>10,213</u>	<u>7,992</u>

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2015</u>	<u>2014</u>
Cost of service	1,212	992
Selling expenses	14	13
Administrative expenses	231	247
Total expenses recognised in profit or loss	<u>1,457</u>	<u>1,252</u>

The Company and its subsidiaries have no long-term employee benefits payment during the next year.

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 22 years (2014: 17 years).

Significant actuarial assumptions are summarised below:

	Consolidated and Separate financial statements	
	<u>2015</u>	<u>2014</u>
	(% per annum)	(% per annum)
Discount rate	3.3	4.3
Salary increase rate	4 - 7	4 - 7
Turnover rate	0 - 24	0 - 24

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

	(Unit: million Baht)	
	Consolidated and Separate financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(1.5)	1.8
Salary increase rate	1.8	(1.5)
	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(1.8)	2.4

20. Share capital

20.1 During 28 April - 2 May 2014, the Company offered 17.57 million new ordinary shares, with a par value of Baht 1 each, at a price of Baht 5.40 per share, to the existing shareholders of Samart Corporation Public Company Limited, in proportion to their shareholding in Samart Corporation Public Company Limited. The Company received share subscription amounting to Baht 94.9 million.

20.2 During 6 - 8 May 2014, the Company offered 52.43 million new ordinary shares, with a par value of Baht 1 each, at a price of Baht 5.40 per share, through the Initial Public Offering. The Company received share subscription amounting to Baht 283.1 million. As a result, the issued and fully paid-up share capital of Baht 280 million (280 million ordinary shares with a par value of Baht 1 per share). The Company registered the increase in its paid up share capital with the Ministry of Commerce on 12 May 2014 and the Stock Exchange of Thailand approved the 280 million ordinary shares with a par value of Baht 1 each as listed securities for trading, effective from 15 May 2014. The Company incurred expenses relating to the share offering totaling Baht 3.58 million (net of income tax of Baht 0.9 million), which were presented as a deduction from the share premium.

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to 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.

During the year 2015, the Company set aside an additional statutory reserve of its net profit of Baht 3.5 million (2014: Baht 3.5 million).

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Salaries and wages and other employee benefits	526,606	393,336	524,982	392,346
Depreciation	109,597	86,067	107,976	84,832
Amortisation	8,712	8,889	8,518	8,739
Rental expenses from operating lease agreements	38,182	36,834	36,024	34,364
Repair and maintenance expenses	44,185	28,829	43,708	28,696
Changes in inventories of finished goods and work in process	1,250	(12,161)	1,250	(12,161)
Purchase equipment and service cost of project for sales	100,818	75,032	100,818	76,167

23. Income tax

Income tax expenses for the years ended 31 December 2015 and 2014 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current income tax:				
Current income tax charge	19,101	21,629	19,065	21,600
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(4,811)</u>	<u>(2,540)</u>	<u>(4,811)</u>	<u>(2,540)</u>
Income tax expense reported in the statement of comprehensive income	<u>14,290</u>	<u>19,089</u>	<u>14,254</u>	<u>19,060</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	<u>2015</u>	<u>2014</u>
Deferred tax relating to actuarial loss on defined benefit plan	<u>153</u>	<u>223</u>

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Accounting profit before tax	<u>80,519</u>	<u>85,075</u>	<u>84,208</u>	<u>88,894</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	16,104	17,015	16,842	17,779
Effects of:				
Non-deductible expenses	298	1,922	298	1,922
Additional expense deductions allowed	(735)	(633)	(735)	(633)
Unrecognised tax losses from subsidiaries	747	764	-	-
Others	(2,124)	21	(2,151)	(8)
Total	<u>(1,814)</u>	<u>2,074</u>	<u>(2,588)</u>	<u>1,281</u>
Income tax expenses reported in the statement of comprehensive income	<u>14,290</u>	<u>19,089</u>	<u>14,254</u>	<u>19,060</u>

The components of deferred tax assets are as follows:

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated and Separate financial statements	
	As at 31 December 2015	As at 31 December 2014
Deferred tax assets		
Allowance for doubtful accounts	75	11
Unrealised loss from revaluation of temporary investment	512	108
Accrued project cost	2,097	3,656
Provision for long-term employee benefits	2,043	1,598
Accrued vacation leave	108	71
Depreciation difference from tax rate	6,416	-
Others	225	7
Total	11,476	5,451
Deferred tax liabilities		
Financial lease	1,060	-
Total	1,060	-
Deferred tax assets - net	10,416	5,451

As at 31 December 2015, the subsidiaries had unused tax losses of USD 0.28 million (equivalent to Baht 9.15 million) and Baht 0.03 million (2014: USD 0.17 million (equivalent to Baht 5.50 million) and Baht 0.07 million) on which deferred tax assets have not been recognised as the subsidiaries believe future taxable profits may not be sufficient to allow unused tax losses. The unused tax losses will expire by 2020.

24. Earnings per share

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

25. Dividends

	Approved by	Total dividends	Dividends per share	Paid on
		(Million)	(Baht)	
2015				
Dividends from 2014 earnings	Annual General Meeting of the shareholders on 29 April 2015	44.8	0.16	
Less: Interim dividend on earnings for the period as from January to June 2014	A meeting of Board of Directors on 7 August 2014	(30.8)	(0.11)	3 September 2014
Dividends from income for the year 2014 paid in 2015		14.0	0.05	13 May 2015
Add: Interim dividend on earnings for the period as from January to June 2015	A meeting of Board of Directors on 10 August 2015	19.6	0.07	9 September 2015
Total dividends for 2015		33.6	0.12	
2014				
Interim dividend on earnings for the period as from January to June 2014	A meeting of Board of Directors on 7 August 2014	30.8	0.11	3 September 2014
Total dividends for 2014		30.8	0.11	

26. 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 organised into business units based on its products and services and have 2 reportable segments as follows:

1. Outsourced Contact Center Services and System Maintenance. Outsourced Contract Center Services consists of fully outsource contact center management service, customer service representative outsourcing service and contact center facility outsourcing service.
2. Turnkey Total Solutions provides convergent and ready-made systems for organizations that want to invest and install systems that are compatible with their businesses in order to improve efficiency in customer service.

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 and 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 year ended 31 December 2015 and 2014.

(Unit: Thousand Baht)

	Outsourced Contact		Turnkey Total		Total reportable		Adjustments and		Consolidated	
	Center Services and System Maintenance		Solutions		segments		eliminations		2015	2014
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Sales and service income										
Revenue from external customers	797,505	578,059	142,890	88,457	940,395	666,516	-	-	940,395	666,516
Revenue from related parties	47,781	55,943	-	52,612	47,781	108,555	-	(1,192)	47,781	107,363
Total sales and service income	845,286	634,002	142,890	141,069	988,176	775,071	-	(1,192)	988,176	773,879
Cost of sales and services	(721,499)	(518,717)	(125,376)	(121,616)	(846,875)	(640,333)	6	1,192	(846,869)	(639,141)
Segment profit	123,787	115,285	17,514	19,453	141,301	134,738	6	-	141,307	134,738
Other income									8,123	16,553
Selling expenses									(3,010)	(2,618)
Administrative expenses									(63,423)	(62,716)
Other expenses									(2,342)	(541)
Finance cost									(137)	(342)
Profit before income tax expense									80,518	85,074
Income tax expenses									(14,290)	(19,089)
Profit for the year									66,228	65,985

Geographic information

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

(Unit: Thousand Baht)

	<u>2015</u>	<u>2014</u>
Revenue from external customers		
Thailand	936,758	663,603
Cambodia	3,637	2,913
Total	940,395	666,516
Non-current assets (Other than financial instruments and deferred tax assets)		
Thailand	183,130	249,188
Cambodia	5,777	6,344
Total	188,907	255,532

Major customers

For the year 2015, the Company and its subsidiaries obtained revenue from one major customer in an amount of Baht 170.3 million, arising from Outsourced Contact Center Services and System Maintenance (2014: One major customer in an amount of Baht 156.2 million, arising from Outsourced Contact Center Services and System Maintenance).

27. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Company and its employees contributed to the fund monthly at the rate of 3 percent to 10 percent of basic salary. The fund, which is managed by Bangkok Bank Public Company Limited, will be paid to the employees upon termination in accordance with the fund rules. During the year 2015, the Company contributed Baht 4.6 million (2014: Baht 3.9 million) to the fund.

28. Commitments and contingent liabilities

The Company has commitments and contingent liabilities other than those disclosed in other notes as follow:

28.1 Operating lease commitments

The Company has entered into several lease agreements in respect of the rental and services. The terms of agreements are generally between 1 and 3 years.

As at 31 December 2015 and 2014, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Currency: Baht				
Payable within				
1 year	35.6	24.1	35.3	24.1
2 - 3 years	39.1	2.8	39.0	2.8
	<u>74.7</u>	<u>26.9</u>	<u>74.3</u>	<u>26.9</u>

	(Unit: Million)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Currency: US dollar				
Payable within				
1 year	0.06	0.06	-	-
2 - 3 years	-	0.06	-	-
	<u>0.06</u>	<u>0.12</u>	<u>-</u>	<u>-</u>

28.2 Guarantees

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 135.2 million (2014: Baht 122.6 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. The details of bank guarantees are as follows:

	(Unit: Million Baht)	
	Consolidated and Separate	
	financial statements	
	<u>2015</u>	<u>2014</u>
Performance guarantees	134.9	122.3
Guarantee electricity use	0.3	0.3
	<u>135.2</u>	<u>122.6</u>

29. Fair value hierarchy

As at 31 December 2015, the Company had the assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Million Baht)	
	Consolidated and	
	separate financial statements	
	<u>Level 1</u>	
Assets measured at fair value		
Held for trade investments		
Equity instruments		1.3

30. Financial instruments

30.1 Financial risk management

The Company's and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, accrued income, investments, and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to its trade accounts receivable, accrued income and other receivable. The Company and its subsidiaries manage the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the majority of sales and services of the Company and its subsidiaries are supplied to creditworthy customers such as state enterprises, government agencies and financial institutions. In addition, it has a large customer base. The Company and its subsidiaries do not anticipate material losses from its debt collection. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, accrued income and other receivables as stated in the statement of financial position.

Interest rate risk

The Company's and its subsidiaries' exposure to interest rate risk relates primarily to its deposit with financial institutions and bills of exchange. However, since most of the Company's and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate, the interest rate risk is expected to be minimal.

As at 31 December 2015 and 2014, significant financial assets and liabilities classified by type of interest rate are summarised in the table below.

(Unit: Million Baht)

	Consolidated financial statements									
	Fixed interest rates within 1 year		Floating interest rate		Non- interest bearing		Total		Effective interest rate (% per annum)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Financial Assets										
Cash and cash equivalent	236.9	220.0	26.4	23.7	0.1	-	263.4	243.7	0.10 - 1.28	0.30 - 2.00
Temporary investment in trading securities	-	-	-	-	1.3	3.2	1.3	3.2	-	-
Trade and other receivables	-	-	-	-	329.7	209.7	329.7	209.7	-	-
Financial lease receivable	37.3	-	-	-	-	-	37.3	-	0.70	-
Accrued income	-	-	-	-	140.9	148.6	140.9	148.6	-	-
	<u>274.2</u>	<u>220.0</u>	<u>26.4</u>	<u>23.7</u>	<u>472.0</u>	<u>361.5</u>	<u>772.6</u>	<u>605.2</u>		
Financial liabilities										
Trade and other payables	-	-	-	-	135.2	64.7	135.2	64.7	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>135.2</u>	<u>64.7</u>	<u>135.2</u>	<u>64.7</u>		

(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates within 1 year		Floating interest rate		Non- interest bearing		Total		Effective interest rate (% per annum)	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Financial Assets										
Cash and cash equivalent	236.9	220.0	21.5	17.5	0.1	-	258.5	237.5	0.10 - 1.28	0.30 - 2.00
Temporary investment in trading securities	-	-	-	-	1.3	3.2	1.3	3.2	-	-
Trade and other receivables	-	-	-	-	340.9	220.0	340.9	220.0	-	-
Financial lease receivable	37.3	-	-	-	-	-	37.3	-	0.70	-
Accrued income	-	-	-	-	140.7	148.6	140.7	148.6	-	-
	<u>274.2</u>	<u>220.0</u>	<u>21.5</u>	<u>17.5</u>	<u>483.0</u>	<u>371.8</u>	<u>778.7</u>	<u>609.3</u>		
Financial liabilities										
Trade and other payables	-	-	-	-	134.7	64.3	134.7	64.3	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>134.7</u>	<u>64.3</u>	<u>134.7</u>	<u>64.3</u>		

Foreign currency risk

The Company's and its subsidiaries' exposure to foreign currency risk arises mainly from advance to subsidiaries and trading transactions that are denominated in foreign currencies.

The balances of financial assets and liabilities denominated in foreign currencies as at 31 December 2015 and 2014 are summarised below.

Foreign currency	Consolidated financial statements		Separate financial statements		Exchange rate as at 31 December	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	-	-	0.2	0.2	35.9233	32.8182
Financial liabilities						
US dollar	0.9	-	0.9	-	36.2538	33.1132

30.2 Fair values of financial instruments

Since the majority of the Company's and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

31. Capital management

The primary objectives of the Company's and its subsidiaries' capital management is to ensure that it has an appropriate financing structure in order to support its business and maximise shareholder value. As at 31 December 2015, the Group's debt-to-equity ratio was 0.2:1 (2014: 0.1:1) and the Company's debt-to-equity ratio was 0.2:1 (2014: 0.1:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 15 February 2016.