

One to One Contacts Public Company Limited and its subsidiaries
Report and consolidated financial statements
31 December 2016

Independent Auditor's Report

To the Shareholders of One to One Contacts Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of One to One Contacts Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of One to One Contacts Public Company Limited for the same period.

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 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond for each matter are described below.

Revenue recognition relating to long-term service contracts

The Group have disclosed its policies on revenue recognition for service provided under long-term service contracts in Note 4.1 to the financial statements. The Group recognised revenue from long-term service contracts of approximately Baht 874 million (or 90% of the Group total revenue) which directly affect profit or loss of the group. In addition, the service contracts side terms are varied. There are therefore risks with respect to amount and timing of the recognition of revenue for long-term service contracts.

I assessed and tested the internal controls of the Group with respect to the revenue cycle, including contract process, by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. On a sampling basis, I selected long-term service contracts made with customers in order to read the contracts to consider the conditions relating to revenue recognition, including making enquiry of the management about the terms of these contracts relevant to revenue recognition. I also examined, on a sampling basis, the accounting transactions related to service revenue accounts during the year and near the end of the accounting period with supporting documents and reviewed credit notes issued after the period-end. In addition, I performed analytical procedures on disaggregated data to detect any irregularities in service revenue throughout the period, particularly for accounting entries made through journal vouchers, and reviewed the disclosures made in the notes to the financial statements with respect to the basis of revenue.

Allowance for doubtful accounts

As discussed in Note 5.2, 9 and 11 to the financial statements, as at 31 December 2016, the Group have outstanding trade and other receivables of approximately Baht 344 million and accrued income of approximately Baht 105 million (or totaling 44% of the Group's total assets), including significant amounts of past due balances. The Group filed a lawsuit against a trade receivable in which the Civil Court ordered that receivable to repay the debts to the Group. However, such receivable appealed against the Court and at present, the case is being considered by the Appeal Court. In determining an allowance for doubtful accounts, the management exercise considerable judgement in estimating the losses that may be incurred in collection of the receivables. Therefore, there is a risk with respect to the amount of the allowance for doubtful accounts.

I have also assessed the allowance for doubtful accounts calculated by the management by reviewing receivable aging report and accrued income aging report, including the basis applied in determining allowance for doubtful accounts, and the past experience of debt collection. I also challenge management as to the follow up of overdue receivables, long outstanding of accrued revenue and any dispute with customers and pending legal cases, including challenge management's assessment as to the possibility in recoverability of the receivable. In addition, I review the subsequent receipt and invoice that the Group issued after the period-end.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

Management is responsible for the preparation and fair presentation of the 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing 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 financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I 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 my independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's report is Mrs. Sarinda Hirunprasurtwutti.

Sarinda Hirunprasurtwutti
Certified Public Accountant (Thailand) No. 4799

EY Office Limited
Bangkok: 16 February 2017

One to One Contacts Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Assets					
Current assets					
Cash and cash equivalents	7	350,138,581	263,400,910	344,967,523	258,526,649
Temporary investment in trading securities	8	960,000	1,300,000	960,000	1,300,000
Trade and other receivables	9	344,418,632	329,708,187	347,659,284	340,863,287
Current portion of finance lease receivable	10	-	37,345,185	-	37,345,185
Accrued income	11	104,858,513	140,912,379	104,723,317	140,677,653
Inventories	12	9,226,332	16,799,529	9,226,332	16,799,529
Other current assets	13	<u>25,551,476</u>	<u>21,643,809</u>	<u>25,435,084</u>	<u>21,553,733</u>
Total current assets		<u>835,153,534</u>	<u>811,109,999</u>	<u>832,971,540</u>	<u>817,066,036</u>
Non-current assets					
Investment in subsidiaries	14	-	-	15,786,497	7,468,097
Equipment	15	117,420,484	176,063,397	114,404,806	171,258,797
Intangible assets	16	26,586,529	12,843,619	25,823,111	11,870,738
Deferred tax assets	23	19,501,027	10,415,486	19,501,027	10,415,486
Other non-current assets		<u>13,289,386</u>	<u>8,126,043</u>	<u>12,813,340</u>	<u>7,646,570</u>
Total non-current assets		<u>176,797,426</u>	<u>207,448,545</u>	<u>188,328,781</u>	<u>208,659,688</u>
Total assets		<u>1,011,950,960</u>	<u>1,018,558,544</u>	<u>1,021,300,321</u>	<u>1,025,725,724</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 2016

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	17	86,769,434	135,160,033	86,064,109	134,719,484
Income tax payable		1,856,621	-	1,846,939	-
Other current liabilities	18	31,360,910	29,024,395	31,243,501	28,999,961
Total current liabilities		119,986,965	164,184,428	119,154,549	163,719,445
Non-current liabilities					
Provision for long-term employee benefits	19	12,166,174	10,212,852	12,166,174	10,212,852
Other non-current liabilities		5,310,890	5,310,890	5,310,890	5,310,890
Total non-current liabilities		17,477,064	15,523,742	17,477,064	15,523,742
Total liabilities		137,464,029	179,708,170	136,631,613	179,243,187
Shareholders' equity					
Share capital					
Registered					
280,000,000 ordinary shares of Baht 1 each		280,000,000	280,000,000	280,000,000	280,000,000
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	20	21,300,000	17,000,000	21,300,000	17,000,000
Unappropriated		268,461,608	236,983,443	278,950,016	245,063,845
Other components of shareholders' equity		306,631	448,239	-	-
Total shareholders' equity		874,486,931	838,850,374	884,668,708	846,482,537
Total liabilities and shareholders' equity		1,011,950,960	1,018,558,544	1,021,300,321	1,025,725,724

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 2016

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Profit or loss:					
Revenues	6				
Services income		874,452,385	845,286,001	867,666,065	841,413,953
Revenues from contract work	21	83,135,754	93,655,459	82,564,298	93,655,459
Revenues from sales		4,545,467	49,234,117	4,545,467	49,234,117
Other income		6,747,560	8,123,004	7,315,613	7,843,742
Total revenues		<u>968,881,166</u>	<u>996,298,581</u>	<u>962,091,443</u>	<u>992,147,271</u>
Expenses	6, 22				
Cost of services		723,202,136	721,493,937	717,936,162	717,161,377
Cost of contract work	21	73,145,177	91,012,961	72,768,226	91,012,961
Cost of sales		2,347,407	34,362,867	2,347,407	34,362,867
Selling expenses		3,069,576	3,009,384	3,069,576	3,009,384
Administrative expenses		64,533,227	63,422,807	61,060,345	59,922,277
Other expenses		340,000	2,341,504	340,000	2,341,504
Total expenses		<u>866,637,523</u>	<u>915,643,460</u>	<u>857,521,716</u>	<u>907,810,370</u>
Profit before finance cost and income tax expenses		102,243,643	80,655,121	104,569,727	84,336,901
Finance cost		(136,797)	(136,612)	(108,547)	(128,480)
Profit before income tax expenses		102,106,846	80,518,509	104,461,180	84,208,421
Income tax expenses	23	(18,728,686)	(14,290,009)	(18,675,014)	(14,253,636)
Profit for the year		<u>83,378,160</u>	<u>66,228,500</u>	<u>85,786,166</u>	<u>69,954,785</u>

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

One to One Contacts Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
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		(141,608)	447,126	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(141,608)	447,126	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial loss on defined benefit plan		-	(763,464)	-	(763,464)
Less: Income tax effect		-	152,693	-	152,693
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	(610,771)	-	(610,771)
Other comprehensive income for the year		(141,608)	(163,645)	-	(610,771)
Total comprehensive income for the year		83,236,552	66,064,855	85,786,166	69,344,014
Basic earnings per share					
Profit attributable to equity holders of the Company	24	0.30	0.24	0.31	0.25
Weighted average number of ordinary share (shares)		280,000,000	280,000,000	280,000,000	280,000,000

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 2016

(Unit: Baht)

Consolidated financial statements						
	Issued and paid up		Retained earnings		Other components of equity	Total
	share capital	Share premium	statutory reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	shareholders' equity
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 20)	-	-	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>236,983,443</u>	<u>448,239</u>	<u>838,850,374</u>
Balance as at 1 January 2016	280,000,000	304,418,692	17,000,000	236,983,443	448,239	838,850,374
Profit for the year	-	-	-	83,378,160	-	83,378,160
Other comprehensive income for the year	-	-	-	-	(141,608)	(141,608)
Total comprehensive income for the year	-	-	-	83,378,160	(141,608)	83,236,552
Dividend paid (Note 25)	-	-	-	(47,599,995)	-	(47,599,995)
Transferred retained earnings						
to statutory reserve (Note 20)	-	-	4,300,000	(4,300,000)	-	-
Balance as at 31 December 2016	<u>280,000,000</u>	<u>304,418,692</u>	<u>21,300,000</u>	<u>268,461,608</u>	<u>306,631</u>	<u>874,486,931</u>

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 2016

(Unit: Baht)

	Separate financial statements				Total shareholders' equity
	Issued and paid up share capital	Share premium	Retained earnings		
			Appropriated - statutory reserve	Unappropriated	
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 20)	-	-	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>
Balance as at 1 January 2016	280,000,000	304,418,692	17,000,000	245,063,845	846,482,537
Profit for the year	-	-	-	85,786,166	85,786,166
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	85,786,166	85,786,166
Dividend paid (Note 25)	-	-	-	(47,599,995)	(47,599,995)
Transferred retained earnings					
to statutory reserve (Note 20)	-	-	4,300,000	(4,300,000)	-
Balance as at 31 December 2016	<u>280,000,000</u>	<u>304,418,692</u>	<u>21,300,000</u>	<u>278,950,016</u>	<u>884,668,708</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 2016

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities					
Profit before tax		102,106,846	80,518,509	104,461,180	84,208,421
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	15, 16	89,336,565	118,308,970	87,373,026	116,494,260
Increase (decrease) in allowance for doubtful accounts		(375,005)	321,505	(375,005)	321,505
Gain on disposal of equipment		(43,599)	(55,531)	(43,599)	(55,531)
Transfer equipment to cost of services		421,074	1,416,832	421,074	1,416,832
Loss on change in value of temporary investment in trading securities	8	340,000	2,020,000	340,000	2,020,000
Provision for long-term employee benefits	19	1,953,322	1,457,142	1,953,322	1,457,142
Unrealised (gain) loss on exchange		(220,787)	221,979	192,004	(369,935)
Dividend income		-	(45,000)	-	(45,000)
Interest income		(4,530,231)	(4,315,958)	(4,522,415)	(3,462,150)
Profit from operating activities before changes in operating assets and liabilities		188,988,185	199,848,448	189,799,587	201,985,544
Operating assets decrease (increase)					
Trade and other receivables		(14,335,440)	(120,686,314)	(7,623,758)	(120,943,421)
Finance lease receivable	10	-	(51,360,000)	-	(51,360,000)
Accrued income		36,053,866	7,691,062	35,954,336	7,925,788
Inventories		7,573,197	1,250,240	7,573,197	1,250,240
Other current assets		(3,854,628)	(8,303,298)	(3,881,351)	(8,284,689)
Other non-current assets		(5,163,343)	(1,539,401)	(5,166,770)	(1,497,874)
Operating liabilities increase (decrease)					
Trade and other payables		(50,176,549)	69,415,039	(50,441,325)	69,355,374
Other current liabilities		2,339,709	10,732,547	2,243,540	10,759,365
Other non-current liabilities		-	(117,000)	-	(117,000)
Cash flows from operating activities		161,424,997	106,931,323	168,457,456	109,073,327

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 2016

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities (continued)					
Dividend income from temporary investment in trading securities		-	45,000	-	45,000
Cash received from withholding tax refundable		-	1,494,911	-	1,494,911
Cash paid for income tax		(26,013,840)	(21,001,147)	(25,913,616)	(20,964,820)
Net cash flows from operating activities		<u>135,411,157</u>	<u>87,470,087</u>	<u>142,543,840</u>	<u>89,648,418</u>
Cash flows from investing activities					
Cash received from interest income		3,355,416	4,645,793	3,347,600	3,791,985
Cash received from finance lease receivable	10	38,520,000	12,840,000	38,520,000	12,840,000
Proceeds from disposals of equipment		54,338	57,009	844,313	57,009
Cash paid for acquisition of equipment and intangible assets		(42,870,801)	(51,801,086)	(42,835,118)	(51,064,370)
Cash paid for investment in subsidiary	14	-	-	(8,318,400)	(749,977)
Cash flows used in investing activities		<u>(941,047)</u>	<u>(34,258,284)</u>	<u>(8,441,605)</u>	<u>(35,125,353)</u>
Cash flows from financing activities					
Dividend paid	25	(47,661,361)	(33,544,640)	(47,661,361)	(33,544,640)
Net cash flows used in financing activities		<u>(47,661,361)</u>	<u>(33,544,640)</u>	<u>(47,661,361)</u>	<u>(33,544,640)</u>
Decrease in translation adjustments		<u>(71,078)</u>	<u>(64,309)</u>	<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		86,737,671	19,602,854	86,440,874	20,978,425
Cash and cash equivalents at beginning of year		263,400,910	243,798,056	258,526,649	237,548,224
Cash and cash equivalents at end of year	7	<u>350,138,581</u>	<u>263,400,910</u>	<u>344,967,523</u>	<u>258,526,649</u>
Supplement disclosures of cash flows information					
Non-cash item					
Increase in equipment payables		2,068,103	789,800	2,068,103	789,800
Transferred equipment under installation to intangible assets		10,438,718	-	10,438,718	-
Transferred work in process to equipment and intangible assets		-	6,825,753	-	6,825,753
Dividend payables	25	-	61,366	-	61,366

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 2016

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 Smart 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>2016</u> Percent	<u>2015</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 services	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

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become 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, 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 and its subsidiaries’ financial statements.

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

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) which is effective for fiscal years beginning on or after 1 January 2017. 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 management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 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.

4.5 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	-	3 years and 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 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.

4.6 Intangible asset

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.

No amortization is provided on computer software under installation.

4.7 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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 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 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 and its subsidiaries' policy and formula, taking into consideration the employee's salary, the number of service years and the unused vacation days.

4.12 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.

4.13 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 and its subsidiaries recognise 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 and its subsidiaries review and reduce 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 and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.14 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 and its subsidiaries apply 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 and its subsidiaries measure 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 and its subsidiaries determine 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 Construction contracts

The Company and its subsidiary recognise contract revenue by reference to the stage of completion of the contract activity, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs. Significant assumptions are required to estimate the total contract cost and the recoverable variation works that will affect the stage of completion. The management is required to make judgement and estimates based on past experience and knowledge of the project engineers.

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.

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 and service prices 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. Management fees and rental expenses are charged at the amount stated in the agreement.
4. Other service income and expenses are charged at a mutually agreed price.
5. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
6. Directors and management's benefit expenses are charged as approved by shareholders' meeting or contractually agreed price.

Significant business transactions between the Company and its related parties were summarised as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Transactions with subsidiary company</u>				
(eliminate from the consolidated financial statements)				
Other income	-	-	1	-
<u>Transactions with parent company</u>				
Service income	1	2	1	2
Cost of service	4	-	4	-
Management fee expenses	5	5	5	5
IT service fee expenses	13	8	13	8
Other expenses	0.1	0.04	0.1	0.04
<u>Transactions with related companies</u>				
Sales and service income	39	46	39	46
Other income	-	0.05	-	0.05
Purchase of goods and service	15	11	15	11
Purchase of fixed assets	0.5	0.03	0.5	0.03
Rental and utility expenses	13	12	13	12
Other expenses	1	1	1	1

The balances of the accounts as at 31 December 2016 and 2015 between the Company and its related parties were as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade accounts receivable - related parties</u> (Note 9)				
Parent company	51	51	51	51
Subsidiary companies	-	-	-	1,275
Related companies (related by shareholders)	17,106	35,997	17,106	35,997
Total trade accounts receivable - related parties	17,157	36,048	17,157	37,323
<u>Other receivables - related parties</u> (Note 9)				
Subsidiary companies	-	-	4,037	10,231
Total other receivables - related parties	-	-	4,037	10,231
<u>Accrued income - related parties</u> (Note 11)				
Related companies (related by shareholders)	2,909	3,415	2,909	3,415
Total accrued income - related parties	2,909	3,415	2,909	3,415
<u>Deposit - related parties</u>				
Related companies (related by director)	1,897	1,897	1,897	1,897
Total deposit - related parties	1,897	1,897	1,897	1,897
<u>Trade accounts payable - related parties</u> (Note 17)				
Related companies (related by shareholders or director)	3,304	5,787	3,304	5,787
Total trade accounts payable - related parties	3,304	5,787	3,304	5,787
<u>Other payables - related parties</u> (Note 17)				
Parent company	7,252	1,714	7,252	1,714
Related companies (related by shareholders or director)	951	43	951	43
Total other payables - related parties	8,203	1,757	8,203	1,757
<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 2016 and 2015, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2016</u>	<u>2015</u>
Short-term employee benefits	9,592	13,807
Post-employment benefits	84	94
Total	<u>9,676</u>	<u>13,901</u>

Agreements with related parties

Long-term rental and service agreements with related companies

- a) The Company entered into office space rental and facility service agreements with Vilailuck International Holding Co., Ltd., a related company, for its operation. This contract will be expired in April 2017. The Company has to pay a monthly rental and service fee approximately Baht 0.8 million.
- b) The Company entered into office space rental and facility service agreements with Palungmit Transport Co., Ltd., a related company, for its operation. This contract will be expired in July 2017. The Company has to pay a monthly rental and service fee approximately Baht 0.3 million.

The commitment under the operating lease agreements with the related parties are disclosed in Note 28.1 to the financial statements.

Service and management agreements with the parent company

- c) In January 2016, the Company entered into a one-year management agreement with Smart Corporation Public Co., Ltd., the parent company. The Company has to pay a monthly service fee of Baht 0.4 million (2015: Baht 0.4 million). Subsequently, on 1 January 2017, the Company extended the service contract for a period of 1 year, expiring on 31 December 2016. The Company has to pay a monthly service fee of Baht 0.4 million.
- d) In May 2016, the Company entered into one-year information technology management agreement with Smart Corporation Public Co., Ltd., the parent company. The Company has to pay a monthly service fee approximately Baht 1.3 million (2015: Baht 0.6 million).

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash	121	118	108	113
Bank deposits	350,018	263,283	344,860	258,414
Total	350,139	263,401	344,968	258,527

As at 31 December 2016, bank deposits carried interests between 0.10 and 1.40 percent per annum (2015: between 0.10 and 1.28 percent per annum).

8. Temporary investment in trading securities

	Consolidated and separate financial statements					
	2016			2015		
Common stock	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	960	1,000	3,860	1,300
Less: Change in value		<u>(2,900)</u>			<u>(2,560)</u>	
Total		<u>960</u>			<u>1,300</u>	

Movements of the temporary investment in trading securities account for the year ended 31 December 2016 and 2015 were summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	<u>2016</u>	<u>2015</u>
Balance at beginning of the year	1,300	3,320
Loss on change in value	<u>(340)</u>	<u>(2,020)</u>
Balance as at end of the year	<u>960</u>	<u>1,300</u>

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade accounts receivable - related parties</u> (Note 6)				
Aged on the basis of due dates				
Not yet due	3,136	1,621	3,136	1,621
Past due				
Up to 3 months	7,583	376	7,583	376
3 - 6 months	5,783	-	5,783	-
6 - 12 months	655	-	655	-
Over 12 months	-	34,051	-	35,326
Total trade accounts receivable - related parties	<u>17,157</u>	<u>36,048</u>	<u>17,157</u>	<u>37,323</u>
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	88,400	72,923	87,755	72,572
Past due				
Up to 3 months	84,512	69,374	84,381	69,374
3 - 6 months	23,682	33,816	23,682	33,816
6 - 12 months	55,934	73,029	55,934	73,029
Over 12 months	74,645	44,778	74,645	44,778
Total	<u>327,173</u>	<u>293,920</u>	<u>326,397</u>	<u>293,569</u>
Less: Allowance for doubtful debts	-	(375)	-	(375)
Total trade accounts receivable - unrelated parties - net	<u>327,173</u>	<u>293,545</u>	<u>326,397</u>	<u>293,194</u>
Total trade accounts receivable - net	<u>344,330</u>	<u>329,593</u>	<u>343,554</u>	<u>330,517</u>
<u>Other receivables</u>				
Advance payment	89	115	68	115
Other receivables - related parties (Note 6)	-	-	4,037	10,231
Total other receivables	<u>89</u>	<u>115</u>	<u>4,105</u>	<u>10,346</u>
Total trade and other receivables - net	<u>344,419</u>	<u>329,708</u>	<u>347,659</u>	<u>340,863</u>

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 approximately Baht 78.4 million (included accrued income amounted to approximately Baht 3.7 million) for contact center service. On 21 November 2016, the Civil Court ordered that such government agency has to repay the full amount of debt, together with interest charged to the Company. Later, on 19 January 2017, the government agency appealed against the Civil Court's verdict, and at present, the case is being considered by the Appeal Court. However, the Company's management believes that full settlement will be received. Therefore as at 31 December 2016, 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>2016</u>	<u>2015</u>
Finance lease receivable (contractual value)	51,360	51,360
Less: Receipts	(51,360)	(12,840)
Finance lease receivable	-	38,520
Less: Unearned interest income	-	(1,175)
Finance lease receivable - net of unearned interest income	-	37,345
Less: Current portion of finance lease receivable	-	(37,345)
Finance lease receivable - net of current portion	-	-

11. Accrued income

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Accrued income - related parties</u> (Note 6)				
Aged on the basis of record dates				
Up to 3 months	2,909	3,415	2,909	3,415
Total accrued income - related parties	2,909	3,415	2,909	3,415
<u>Accrued income - unrelated parties</u>				
Aged on the basis of record dates				
Up to 3 months	84,724	133,555	84,588	133,321
3 - 6 months	3,010	200	3,010	200
6 - 12 months	1,348	-	1,348	-
Over 12 months	12,868	3,742	12,868	3,742
Total accrued income - unrelated parties	101,950	137,497	101,814	137,263
Total	104,859	140,912	104,723	140,678

12. Inventories

	(Unit: Thousand Baht)	
	Cost	
	Consolidated and Separate financial statements	
	<u>2016</u>	<u>2015</u>
Contracts in process	9,226	16,800
Total	<u>9,226</u>	<u>16,800</u>

13. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Prepaid expenses	16,462	13,495	16,419	13,407
Withholding tax deducted at source	4,215	4,161	4,161	4,161
Undue input value added tax	1,661	1,827	1,661	1,827
Others	3,213	2,161	3,194	2,159
Total	<u>25,551</u>	<u>21,644</u>	<u>25,435</u>	<u>21,554</u>

The Company and its subsidiaries have regarded withholding tax deducted at source as an asset since they intend to request and have 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 its subsidiaries and the results of the Company's and its subsidiaries' 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		Allowance for impairment of investment		Carrying amounts based on cost method-net	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)						
One to One Professional Company Limited	1 Million Baht	1 Million Baht	100	100	1,000	1,000	(35)	(35)	965	965
One to One (Cambodia) Company Limited	440,000 USD	200,000 USD	100	100	14,821	6,503	-	-	14,821	6,503
Total					15,821	7,503	(35)	(35)	15,786	7,468

(unit: Thousand Baht)

14.1 Additional share capital

14.1.1 On 10 September 2016, One to One (Cambodia) Company Limited, a subsidiary company, registered an increase of its share capital from USD 200,000 to USD 440,000 with the Ministry of Commerce of Kingdom of Cambodia. The Company paid in share capital of USD 5 per share for 48,000 shares, totalling USD 240,000 or equal to approximately Baht 8.3 million, in September 2016.

14.1.2 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.

14.2 Establishment of subsidiary company

On 8 July 2016, a Meeting of the Board of Directors of the Company passed a resolution approving the joint establishment with Solutions Hub Co., Ltd., of a new company named MyanOne Co., Ltd. in Myanmar to provide contact center service. This new company has an initial registered capital of USD 50,000. The Company will hold 60 percent of share capital in this joint venture company. Subsequently, on 14 December 2016, a Meeting of the Board of Directors of the Company passed a resolution approving the establishment of the above company as a subsidiary instead of the joint establishment. The Company will hold 100 percent of share capital of the Company, with an initial registered capital of USD 50,000. Currently, the Company is in the process of the establishing this subsidiary company.

15. Equipment

(Unit: Thousand Baht)

Consolidated financial statements						
	Office equipment	Tools and equipment	Computer	Motor vehicles	Equipment under installation	Total
Cost						
1 January 2015	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
Additions	934	24,237	2,658	-	9,117	36,946
Disposals	(61)	(235)	(3,850)	-	-	(4,146)
Transfer in/(Transfer out)	-	18,150	16,970	-	(45,980)	(10,860)
Translation adjustment	(14)	(20)	(22)	-	-	(56)
31 December 2016	42,630	692,111	205,089	4,858	-	944,688
Accumulated depreciation						
1 January 2015	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
Depreciation for the year	3,203	68,057	12,874	523	-	84,657
Accumulated depreciation on disposals	(61)	(225)	(3,849)	-	-	(4,135)
Translation adjustment	1	3	1	-	-	5
31 December 2016	38,469	610,780	174,135	3,884	-	827,268
Net book value						
31 December 2015	6,445	107,034	24,224	1,497	36,863	176,063
31 December 2016	4,161	81,331	30,954	974	-	117,420
Depreciation for the year						
2015 (Baht 107.7 million included in cost of services, and the balance in selling and administrative expenses)						109,597
2016 (Baht 83.3 million included in cost of services, and the balance in selling and administrative expenses)						84,657

(Unit: Thousand Baht)

	Separate financial statements					
	Office equipment	Tools and equipment	Computer	Motor vehicles	Equipment under installation	Total
Cost						
1 January 2015	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
Additions	934	24,225	2,658	-	9,093	36,910
Disposals	(61)	(235)	(3,850)	-	-	(4,146)
Transfer in/(Transfer out)	-	18,096	16,970	-	(45,926)	(10,860)
31 December 2016	40,701	688,970	201,419	4,858	-	935,948
Accumulated depreciation						
1 January 2015	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
Depreciation for the year	2,814	67,476	12,080	523	-	82,893
Accumulated depreciation on disposals	(61)	(225)	(3,849)	-	-	(4,135)
31 December 2016	37,355	609,163	171,141	3,884	-	821,543
Net book value						
31 December 2015	5,226	104,972	22,731	1,497	36,833	171,259
31 December 2016	3,346	79,807	30,278	974	-	114,405
Depreciation for the year						
2015 (Baht 106.1 million included in cost of services, and the balance in selling and administrative expenses)						107,976
2016 (Baht 81.6 million included in cost of services, and the balance in selling and administrative expenses)						82,893

As at 31 December 2016, 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 672 million (2015: Baht 464.6 million).

16. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software		Total	Computer software		Total
	Computer software	under installation		Computer software	under installation	
Cost						
1 January 2015	50,741	-	50,741	49,514	-	49,514
Additions	1,265	-	1,265	1,265	-	1,265
Transfer in	682	-	682	682	-	682
31 December 2015	52,688	-	52,688	51,461	-	51,461
Additions	4,003	3,990	7,993	4,003	3,990	7,993
Transfer in/(Transfer out)	13,985	(3,546)	10,439	13,985	(3,546)	10,439
31 December 2016	70,676	444	71,120	69,449	444	69,893
Accumulated amortisation						
1 January 2015	31,224	-	31,224	31,072	-	31,072
Amortisation for the year	8,712	-	8,712	8,518	-	8,518
Translation adjustment	(92)	-	(92)	-	-	-
31 December 2015	39,844	-	39,844	39,590	-	39,590
Amortisation for the year	4,679	-	4,679	4,480	-	4,480
Translation adjustment	10	-	10	-	-	-
31 December 2016	44,533	-	44,533	44,070	-	44,070
Net book value						
31 December 2015	12,844	-	12,844	11,871	-	11,871
31 December 2016	26,143	444	26,587	25,379	444	25,823

As at 31 December 2016, certain intangible assets items have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to approximately Baht 37.2 million (2015: Baht 4.1 million).

17. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Trade payable - unrelated parties	13,654	79,114	13,654	79,114
Trade payable - related parties (Note 6)	3,304	5,787	3,304	5,787
Other payables - unrelated parties	5,706	3,893	5,600	3,759
Other payables - related parties (Note 6)	8,203	1,757	8,203	1,757
Accrued project cost	5,843	10,485	5,843	10,485
Accrued expenses	<u>50,059</u>	<u>34,124</u>	<u>49,460</u>	<u>33,817</u>
Total trade and other payables	<u>86,769</u>	<u>135,160</u>	<u>86,064</u>	<u>134,719</u>

18. Other current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Undue output VAT	22,020	23,924	22,007	23,924
Value added tax payable	6,980	587	6,922	587
Others	<u>2,361</u>	<u>4,513</u>	<u>2,315</u>	<u>4,489</u>
Total other current liabilities	<u>31,361</u>	<u>29,024</u>	<u>31,244</u>	<u>29,000</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>2016</u>	<u>2015</u>
Provision for long-term employee benefits at beginning of year	10,213	7,992
Included in profit or loss:		
Current service cost	1,616	1,113
Interest cost	337	344
Included in other comprehensive income:		
Actuarial loss arising from		
Demographic assumptions changes	-	199
Financial assumptions changes	-	1,877
Experience adjustments	-	(1,312)
Provision for long-term employee benefits at end of year	<u>12,166</u>	<u>10,213</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>2016</u>	<u>2015</u>
Cost of service	1,679	1,212
Selling expenses	20	14
Administrative expenses	254	231
Total expenses recognised in profit or loss	<u>1,953</u>	<u>1,457</u>

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

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 22 years (2015: 22 years).

Significant actuarial assumptions are summarised below:

	Consolidated and Separate financial statements	
	<u>2016</u>	<u>2015</u>
	(% per annum)	(% per annum)
Discount rate	3.3	3.3
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 2016 and 2015 are summarised below:

(Unit: million Baht)

	Consolidated and Separate financial statements			
	Increase 1 %		Decrease 1 %	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount rate	(1.7)	(1.5)	2.1	1.8
Salary increase rate	2.1	1.8	(1.8)	(1.5)

	Increase 20%		Decrease 20%	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	Turnover rate	(2.2)	(1.8)	3.0

20. 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 2016, the Company set aside an additional statutory reserve of its net profit of Baht 4.3 million (2015: Baht 3.5 million).

21. Supplemental disclosure for revenues from contract work

Supplemental disclosure for revenues from the contract work for the years ended 31 December 2016 and 2015 were as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Revenues from the contract work recognised	83,136	93,655	82,564	93,655
Cost of the contract work recognised	(73,145)	(91,013)	(72,768)	(91,013)
Recognised profits	<u>9,991</u>	<u>2,642</u>	<u>9,796</u>	<u>2,642</u>
Cost of the contract work related to future activity recognised as work in progress - beginning balance	-	-	-	-
Cost of the contract work incurred in the year	73,145	91,013	72,768	91,013
The contract work incurred and recognised as contract expenses in the year	<u>(73,145)</u>	<u>(91,013)</u>	<u>(72,768)</u>	<u>(91,013)</u>
Cost of the contract work to future activity recognised as work in progress - ending balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unbilled contract revenue - beginning balance	47,984	27,969	47,984	27,969
Revenues from the contract work recognised	83,136	93,655	82,564	93,655
Progress billings	<u>(114,419)</u>	<u>(73,640)</u>	<u>(113,895)</u>	<u>(73,640)</u>
Unbilled contract revenue - ending balance	<u>16,701</u>	<u>47,984</u>	<u>16,653</u>	<u>47,984</u>

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Salaries and wages and other employee benefits	534,887	526,606	532,636	524,982
Depreciation	84,657	109,597	82,893	107,976
Purchase equipment and service of project for sales	67,711	100,818	67,711	100,818
Rental expenses from operating lease agreements	41,430	38,182	39,118	36,024
Repair and maintenance expenses	45,562	44,185	45,210	43,708
Changes in work in process	7,574	1,250	7,574	1,250
Amortisation expenses	4,679	8,712	4,480	8,518

23. Income tax

Income tax expenses for the years ended 31 December 2016 and 2015 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	27,815	19,101	27,761	19,065
Deferred tax:				
Relating to origination and reversal of temporary differences	(9,086)	(4,811)	(9,086)	(4,811)
Income tax expense reported in the statement of comprehensive income	<u>18,729</u>	<u>14,290</u>	<u>18,675</u>	<u>14,254</u>

The reconciliation between accounting profit and income tax expenses was shown below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	102,107	80,519	104,461	84,208
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by applicable tax rate	20,421	16,104	20,892	16,842
Effects of:				
Non-deductible expenses	129	298	129	298
Additional expense deductions allowed	(2,509)	(735)	(2,346)	(735)
Unrecognised tax losses from subsidiaries	634	747	-	-
Others	54	(2,124)	-	(2,151)
Total	(1,692)	(1,814)	(2,217)	(2,588)
Income tax expenses reported in the statement of comprehensive income	18,729	14,290	18,675	14,254

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

	(Unit: Thousand Baht)	
	Statements of financial position	
	Consolidated and Separate financial statements	
	2016	2015
Deferred tax assets		
Allowance for doubtful accounts	-	75
Unrealised loss from revaluation of temporary investment	580	512
Accrued project cost	1,169	2,097
Provision for long-term employee benefits	2,433	2,043
Accrued vacation leave	143	108
Depreciation difference from tax rate	10,729	6,416
Finance lease	3,847	-
Others	600	225
Total	19,501	11,476
Deferred tax liabilities		
Financial lease	-	1,060
Total	-	1,060
Deferred tax assets - net	19,501	10,416

As at 31 December 2016, the subsidiaries had unused tax losses of USD 0.37 million (equivalent to Baht 12.4 million) and Baht 0.02 million (2015: USD 0.28 million (equivalent to Baht 9.15 million) and Baht 0.03 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 2021.

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 (Million)	Dividends per share (Baht)	Paid on
2016				
Dividends from 2015 earnings	Annual General Meeting of the shareholders on 29 April 2016	44.8	0.16	
Less: 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
Dividends from earnings for the year 2015 paid in 2016		25.2	0.09	18 May 2016
Add: Interim dividend on earnings for the period as from January to June 2016	A meeting of Board of Directors on 8 August 2016	22.4	0.08	2 September 2016
Total dividends for 2016		<u>47.6</u>	<u>0.17</u>	
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		<u>33.6</u>	<u>0.12</u>	

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 2016 and 2015.

(Unit: Thousand Baht)

	Outsourced Contact		Center Services		Turnkey Total		Total reportable		Adjustments and		Consolidated		
	and System		Solutions		segments		eliminations						
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
Sales and service													
income													
Revenue from													
external customers	834,818	797,505	50,031	142,890	884,849	940,395	-	-	884,849	940,395			
Revenue from													
related parties	39,635	47,781	37,650	-	77,285	47,781	-	-	77,285	47,781			
Total sales and													
service income	874,453	845,286	87,681	142,890	962,134	988,176	-	-	962,134	988,176			
Cost of sales and													
services	(723,544)	(721,499)	(75,546)	(125,376)	(799,090)	(846,875)	395	6	(798,695)	(846,869)			
Segment profit	150,909	123,787	12,135	17,514	163,044	141,301	395	6	163,439	141,307			
Other income									6,748	8,123			
Selling expenses									(3,070)	(3,010)			
Administrative													
expenses										(64,533)	(63,423)		
Other expenses										(340)	(2,342)		
Finance cost										(137)	(137)		
Profit before income													
tax expense										102,107	80,518		
Income tax expenses										(18,729)	(14,290)		
Profit for the year										83,378	66,228		

Geographic information

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

	(Unit: Thousand Baht)	
	<u>2016</u>	<u>2015</u>
<i>Revenue from external customers</i>		
Thailand	879,434	936,758
Cambodia	5,415	3,637
Total	<u>884,849</u>	<u>940,395</u>
<i>Non-current assets (Other than financial instruments and deferred tax assets)</i>		
Thailand	153,041	190,777
Cambodia	4,255	6,256
Total	<u>157,296</u>	<u>197,033</u>

Major customers

For the year 2016, the Company obtained revenue from one major customer in an amount of Baht 170.3 million, arising from Outsourced Contact Center Services and System Maintenance (2015: One major customer in an amount of Baht 170.3 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 2016, the Company contributed amounting to Baht 5.2 million (2015: Baht 4.6 million) were recognised as expenses.

28. Commitments and contingent liabilities

The Company and its subsidiaries have 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 2016 and 2015, 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>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Currency: Baht				
Payable within				
1 year	30.6	35.6	30.6	35.3
2 - 3 years	22.2	39.1	22.2	39.0
	<u>52.8</u>	<u>74.7</u>	<u>52.8</u>	<u>74.3</u>

(Unit: Million)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Currency: US dollar				
Payable within				
1 year	0.06	0.06	-	-
2 - 3 years	0.11	-	-	-
	<u>0.17</u>	<u>0.06</u>	<u>-</u>	<u>-</u>

28.2 Guarantees

As at 31 December 2016, there were outstanding bank guarantees of approximately Baht 103.6 million (2015: Baht 135.2 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>2016</u>	<u>2015</u>
Performance guarantees	103.3	134.9
Guarantee electricity use	0.3	0.3
	<u>103.6</u>	<u>135.2</u>

29. Fair value hierarchy

As at 31 December 2016, 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	1.0

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 and other accounts receivables and accrued income. 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 and other accounts receivables and accrued income 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. 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.

As at 31 December 2016 and 2015, 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)	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Financial Assets										
Cash and cash equivalent	285.5	236.9	64.0	26.4	0.6	0.1	350.1	263.4	0.10 - 1.40	0.10 - 1.28
Temporary investment in trading securities	-	-	-	-	1.0	1.3	1.0	1.3	-	-
Trade and other receivables	-	-	-	-	344.4	329.7	344.4	329.7	-	-
Financial lease receivable	-	37.3	-	-	-	-	-	37.3	-	0.70
Accrued income	-	-	-	-	104.9	140.9	104.9	140.9	-	-
	<u>285.5</u>	<u>274.2</u>	<u>64.0</u>	<u>26.4</u>	<u>450.9</u>	<u>472.0</u>	<u>800.4</u>	<u>772.6</u>		
Financial liabilities										
Trade and other payables	-	-	-	-	86.8	135.2	86.8	135.2	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86.8</u>	<u>135.2</u>	<u>86.8</u>	<u>135.2</u>		

(Unit: Million Baht)

	Separate financial statements									
	Fixed interest rates		Floating interest		Non- interest		Total		Effective interest rate	
	within 1 year		rate		bearing				(% per annum)	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Financial Assets										
Cash and cash equivalent	285.5	236.9	59.2	21.5	0.3	0.1	345.0	258.5	0.10 - 1.40	0.10 - 1.28
Temporary investment in trading securities	-	-	-	-	1.0	1.3	1.0	1.3	-	-
Trade and other receivables	-	-	-	-	347.7	340.9	347.7	340.9	-	-
Financial lease receivable	-	37.3	-	-	-	-	-	37.3	-	0.70
Accrued income	-	-	-	-	104.7	140.7	104.7	140.7	-	-
	<u>285.5</u>	<u>274.2</u>	<u>59.2</u>	<u>21.5</u>	<u>453.7</u>	<u>483.0</u>	<u>798.4</u>	<u>778.7</u>		
Financial liabilities										
Trade and other payables	-	-	-	-	86.1	134.7	86.1	134.7	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>86.1</u>	<u>134.7</u>	<u>86.1</u>	<u>134.7</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 2016 and 2015 are summarised below.

Foreign currency	Consolidated		Separate		Exchange rate as at	
	financial statements		financial statements		31 December	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	(Million)		(Million)		(Baht per 1 foreign currency unit)	
Financial assets						
US dollar	-	-	0.1	0.2	35.5660	35.9233
Financial liabilities						
US dollar	0.04	0.9	0.04	0.9	36.0025	36.2538

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 carrying interest at rates closed to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

31. Capital management

The primary objectives of the Company's 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 2016, the Group's debt-to-equity ratio was 0.2:1 (2015: 0.2:1) and the Company's debt-to-equity ratio was 0.2:1 (2015: 0.2:1).

32. Approval of financial statements

These financial statements were authorised for issue by the Company's authorised directors on 16 February 2017.