

One to One Contacts Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 31 March 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of One to One Contacts Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of One to One Contacts Public Company Limited and its subsidiaries as at 31 March 2014, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of One to One Contacts Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Siriwan Suratepin

Certified Public Accountant (Thailand) No. 4604

EY Office Limited

(Formerly known as Ernst & Young Office Limited)

Bangkok: 6 May 2014

One to One Contacts Public Company Limited and its subsidiaries

Statement of financial position

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Assets					
Current assets					
Cash and cash equivalents	3	27,151	36,760	26,767	36,489
Trade and other receivables	4	239,173	162,439	246,925	164,549
Accrued income	5	83,606	116,365	83,606	116,365
Inventories		1,143	5,889	1,143	5,889
Other current assets	6	11,086	12,321	10,370	12,279
Total current assets		362,159	333,774	368,811	335,571
Non-current assets					
Investment in subsidiary	7	-	-	377	255
Equipment	8	131,836	122,863	126,106	122,149
Intangible asset	9	24,278	25,799	23,305	25,799
Deferred tax assets		7,417	2,689	7,417	2,689
Other non-current assets - deposits		6,563	7,086	6,133	6,133
Total non-current assets		170,094	158,437	163,338	157,025
Total assets		532,253	492,211	532,149	492,596

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)

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)	31 March 2014 (Unaudited but reviewed)	31 December 2013 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	10	73,586	73,331	71,964	73,256
Income tax payable		7,339	-	7,339	-
Other current liabilities	11	20,330	13,473	20,312	13,418
Total current liabilities		101,255	86,804	99,615	86,674
Non-current liabilities					
Provision for long-term employee benefits	12	7,053	5,627	7,053	5,627
Other non-current liabilities		2,122	2,122	2,122	2,122
Total non-current liabilities		9,175	7,749	9,175	7,749
Total liabilities		110,430	94,553	108,790	94,423
Shareholders' equity					
Share capital					
Registered					
280,000,000 ordinary shares of Baht 1 each		280,000	280,000	280,000	280,000
Issued and fully paid up					
210,000,000 ordinary shares of Baht 1 each		210,000	210,000	210,000	210,000
Retained earnings					
Appropriated-statutory reserve		10,000	10,000	10,000	10,000
Unappropriated		201,910	177,668	203,359	178,173
Other components of shareholders' equity		(87)	(10)	-	-
Total shareholders' equity		421,823	397,658	423,359	398,173
Total liabilities and shareholders' equity		532,253	492,211	532,149	492,596
		-	-	-	-

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

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Directors
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(Unaudited but reviewed)

One to One Contacts Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2014

(Unit: Thousand Baht except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Profit or loss:					
Revenues					
	2				
Sales		49,304	15,427	50,496	15,427
Services income		144,060	171,531	144,060	171,531
Other income		625	1,552	632	1,552
Total revenues		<u>193,989</u>	<u>188,510</u>	<u>195,188</u>	<u>188,510</u>
Expenses					
	2				
Cost of sales		39,353	13,914	40,545	13,914
Cost of services		106,015	125,025	106,015	125,025
Selling expenses		447	881	447	881
Administrative expenses		15,840	13,550	14,908	13,536
Other expenses		545	148	545	162
Total expenses		<u>162,200</u>	<u>153,518</u>	<u>162,460</u>	<u>153,518</u>
Profit before finance cost					
and income tax expenses					
		31,789	34,992	32,728	34,992
Finance cost		(85)	(773)	(80)	(773)
Profit before income tax expenses		<u>31,704</u>	<u>34,219</u>	<u>32,648</u>	<u>34,219</u>
Income tax expenses	13	(6,572)	(6,889)	(6,572)	(6,889)
Profit for the period		<u>25,132</u>	<u>27,330</u>	<u>26,076</u>	<u>27,330</u>
Other comprehensive income:					
Exchange differences on translation of					
financial statements in foreign currency					
		(77)	-	-	-
Actuarial loss on defined benefit plan		(1,113)	-	(1,113)	-
Income tax effect	13	223	-	223	-
Other comprehensive income for the period		<u>(967)</u>	<u>-</u>	<u>(890)</u>	<u>-</u>
Total comprehensive income for the period		<u>24,165</u>	<u>27,330</u>	<u>25,186</u>	<u>27,330</u>
Basic earnings per share					
	14				
Profit attributable to equity holders of the Company		<u>0.12</u>	<u>0.13</u>	<u>0.12</u>	<u>0.13</u>
Weighted average number of ordinary share					
(Thousand shares)					
		<u>210,000</u>	<u>210,000</u>	<u>210,000</u>	<u>210,000</u>

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

(Unaudited but reviewed)

One to One Contacts Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

	Consolidated financial statements				
	Issued and fully paid up share capital	Retained earnings		Exchange differences on translation of financial statements in foreign currency	Other components of equity Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated		
Balance as at 31 December 2012	100,000	-	208,013	-	308,013
Total comprehensive income for the period	-	-	27,330	-	27,330
Balance as at 31 March 2013	<u>100,000</u>	<u>-</u>	<u>235,343</u>	<u>-</u>	<u>335,343</u>
Balance as at 31 December 2013	210,000	10,000	177,668	(10)	397,658
Total comprehensive income for the period	-	-	24,242	(77)	24,165
Balance as at 31 March 2014	<u>210,000</u>	<u>10,000</u>	<u>201,910</u>	<u>(87)</u>	<u>421,823</u>

(Unit: Thousand Baht)

	Separate financial statements			
	Issued and fully paid up share capital	Retained earnings		Total shareholders' equity
		Appropriated - statutory reserve	Unappropriated	
Balance as at 31 December 2012	100,000	-	208,013	308,013
Total comprehensive income for the period	-	-	27,330	27,330
Balance as at 31 March 2013	<u>100,000</u>	<u>-</u>	<u>235,343</u>	<u>335,343</u>
Balance as at 31 December 2013	210,000	10,000	178,173	398,173
Total comprehensive income for the period	-	-	25,186	25,186
Balance as at 31 March 2014	<u>210,000</u>	<u>10,000</u>	<u>203,359</u>	<u>423,359</u>

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

(Unaudited but reviewed)

One to One Contacts Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2014

(Unit: Thousand Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from operating activities					
Profit before tax		31,704	34,219	32,648	34,219
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:					
Depreciation and amortisation	8, 9	16,417	17,828	16,269	17,828
Allowance for doubtful accounts		545	148	545	148
Decrease cost from debt reduction from supplier		(2,000)	-	(2,000)	-
Gain on sales of equipment and intangible asset		(40)	(23)	(94)	(23)
Transfer equipment and intangible asset to cost of sales	8, 9	1,444	-	1,444	-
Allowance for impairment loss on investment in subsidiary		-	-	-	14
Provision for legal case		15	23	15	23
Provision for long-term employee benefits	13	313	167	313	167
Unrealised gain on exchange		(12)	(853)	(67)	(853)
Interest income		(66)	(4)	(66)	(4)
Interest expenses		65	727	65	727
Profit from operating activities before changes in operating assets and liabilities		48,385	52,232	49,072	52,246
Operating assets (increase) decrease					
Trade and other receivables		(77,279)	(25,116)	(82,073)	(25,116)
Accrued income		32,759	(30,521)	32,759	(30,521)
Inventories		4,746	3,164	4,746	3,164
Other current assets		1,235	3,266	1,909	3,266
Other assets		523	173	-	173
Operating liabilities increase (decrease)					
Trade and other payables		1,266	(40,640)	888	(40,654)
Other current liabilities		6,857	(4,115)	6,894	(4,115)
Other non-current liabilities		-	117	-	117
Cash flows from (used in) operating activities		18,492	(41,440)	14,195	(41,440)

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

(Unaudited but reviewed)

One to One Contacts Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2014**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash flows from (used in) operating activities (continued)				
Cash received from repayment of short-term loans				
to employees	-	56	-	56
Cash paid for interest expense	(65)	(705)	(65)	(705)
Cash paid for income tax	(3,738)	(2,807)	(3,738)	(2,807)
Net cash flows from (used in) operating activities	14,689	(44,896)	10,392	(44,896)
Cash flows from investing activities				
Cash received for interest income	66	4	66	4
Proceeds from sales of equipment and intangible asset	50	26	50	26
Cash paid for acquisition of equipment and intangible asset	8, 9	(24,337)	(20,108)	(19,651)
Cash paid for additional purchase of investment in subsidiary	7	-	(122)	-
Cash flows used in investing activities	(24,221)	(19,621)	(20,114)	(19,621)
Cash flows from financing activities				
Decrease in bank overdrafts	-	(149)	-	(149)
Proceeds from short-term loans from financial institutions	73,000	75,000	73,000	75,000
Cash paid to settle short-term loans from financial institutions	(73,000)	(65,000)	(73,000)	(65,000)
Cash paid to settle long-term loans from financial institutions	-	(21,000)	-	(21,000)
Cash paid for repayment of liabilities under finance lease agreement	-	(151)	-	(151)
Net cash flows used in financing activities	-	(11,300)	-	(11,300)
Increase in translation adjustments	(77)	-	-	-
Net decrease in cash and cash equivalents	(9,609)	(75,817)	(9,722)	(75,817)
Cash and cash equivalents at beginning of the period	36,760	80,759	36,489	80,540
Cash and cash equivalents at end of the period	27,151	4,942	26,767	4,723
Supplement disclosures of cash flows information				
Non-cash item				
Increase (decrease) in equipment payable	8	986	(186)	1,249
Increase in accounts receivable from disposal of equipment and intangible asset	8	-	(790)	-

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

One to One Contacts Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2014

1. General information

1.1 Corporate information

One to One Contacts Public Company Limited (“the Company”) is a public limited 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.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2012) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events, and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

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

1.3 Basis of consolidation

These consolidated interim financial statements include the financial statements of One to One Contacts Public Company Limited and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2013 with no structural changes related to subsidiaries during the current period.

1.4 New accounting standards

(a) Accounting standards that became effective in the current accounting year

The Company disclosed the accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations that are effective for fiscal years beginning on or after 1 January 2014, in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effects of the above accounting standards, financial reporting standard, accounting standard interpretations and financial reporting standard interpretations, and believes that they do not have a significant impact on the financial statements.

(b) Accounting standards that will become effective in the future

The Company has disclosed the financial reporting standard that will be effective in the future in the notes to financial statements for the year ended 31 December 2013.

The Company's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Company.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2013.

2. Related party transactions

During the period, the Company 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 determining at market price, if there is unknown market price, sales price will be determined at cost plus a margin not over 15 percent.
2. Price of service provision of the customer contact center is determined by using cost plus method at a rate of not lower 10%.
3. 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.

(Unaudited but reviewed)

4. Fixed assets are sold and purchased at their net book value plus a margin, depending on the condition of fixed assets.
5. Management fees and rental expenses are charged at the amount stated in the agreement.
6. Other service income and expenses are charged at a mutually agreed price.
7. Guarantee fee is charged between the parties at a rate of 0.3 percent per annum.
8. 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: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month		For the three-month	
	periods ended 31 March		periods ended 31 March	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<u>Transactions with subsidiary company</u>				
(eliminate from the consolidated financial statements)				
Sale of fixed assets	-	-	790	-
Sales income	-	-	1,192	-
<u>Transactions with parent company</u>				
Service income	177	177	177	177
Management fees expenses	1,200	1,200	1,200	1,200
IT service fee expenses	1,908	1,908	1,908	1,908
Other expenses	6	59	6	59
<u>Transactions with related companies</u>				
Service income	52,991	12,709	52,991	12,709
Cost of sales and service	1,492	2,730	1,492	2,730
Purchase of fixed assets	-	206	-	206
Rental and utility expenses	2,952	2,220	2,952	2,220
Other expenses	241	234	241	234

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2014 and 31 December 2013 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Trade accounts receivable - related parties</u>				
(Note 4)				
Parent company	63	63	63	63
Related companies (related by shareholders)	44,204	1,325	44,204	1,325
Total trade accounts receivable - related parties	44,267	1,388	44,267	1,388
<u>Other receivables - related parties</u> (Note 4)				
Subsidiary companies	-	-	7,752	2,110
Total other receivables - related parties	-	-	7,752	2,110
<u>Accrued income - related parties</u> (Note 5)				
Related companies (related by shareholders)	4,743	3,976	4,743	3,976
Total accrued income - related parties	4,743	3,976	4,743	3,976
<u>Deposit - related parties</u>				
Related companies (related by director)	1,480	1,480	1,480	1,480
Total deposit - related parties	1,480	1,480	1,480	1,480
<u>Trade accounts payable - related parties</u> (Note 10)				
Related companies (related by shareholders or director)	6,028	8,922	6,028	8,922
Total trade accounts payable - related parties	6,028	8,922	6,028	8,922
<u>Other payables - related parties</u> (Note 10)				
Parent company	692	1,139	692	1,139
Related companies (related by shareholders or director)	98	133	98	133
Total other payables - related parties	790	1,272	790	1,272
<u>Customer deposit - related parties</u>				
Related companies (related by shareholders)	505	505	505	505
Total customer deposit - related parties	505	505	505	505

(Unaudited but reviewed)

Directors and management's benefits

During the period, 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	
	For the three-month	
	periods ended 31 March	
	<u>2014</u>	<u>2013</u>
Short-term employee benefits	4,573	3,908
Post-employment benefits	24	6
Total	<u>4,597</u>	<u>3,914</u>

3. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
Cash	141	164	123	94
Bank deposits	27,010	6,680	26,644	6,479
Bond	-	29,916	-	29,916
Total	<u>27,151</u>	<u>36,760</u>	<u>26,767</u>	<u>36,489</u>

As at 31 March 2014, bank deposits in saving accounts and fixed deposits carried interests between 0.3 and 1.5 percent per annum (31 December 2013: 0.50 and 2.45 percent per annum).

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
<u>Trade accounts receivable - related parties</u>				
(Note 2)				
Aged on the basis of due dates				
Not yet due	44,250	1,352	44,250	1,352
Past due				
Up to 3 months	17	36	17	36
Total trade accounts receivable - related parties	44,267	1,388	44,267	1,388
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	86,740	92,978	86,740	92,978
Past due				
Up to 3 months	73,161	52,236	73,161	52,236
3 - 6 months	20,496	12,375	20,496	12,375
6 - 12 months	14,094	3,465	14,094	3,465
Over 12 months	2,054	1,575	2,054	1,575
Total	196,545	162,629	196,545	162,629
Less: Allowance for doubtful debts	(2,359)	(1,814)	(2,359)	(1,814)
Total trade accounts receivable - unrelated parties - net	194,186	160,815	194,186	160,815
Total trade accounts receivable - net	238,453	162,203	238,453	162,203
<u>Other receivables</u>				
Advance payment	717	97	717	97
Other receivables - related parties				
(Note 2)	-	-	7,752	2,110
Other receivables - unrelated parties	3	139	3	139
Total other receivables	720	236	8,472	2,346
Total trade and other receivables - net	239,173	162,439	246,925	164,549

The Company has transferred its collection rights under certain projects of Fully Outsource Services as collateral for long-term loans from financial institutions. As at 31 March 2014, the balance of the above accounts receivable included the receivables balances of which the collection rights has been transferred to banks totaling Baht 30.4 million (31 December 2013: Baht 30.4 million). However, as at 31 March 2014 the Company has no outstanding liabilities.

(Unaudited but reviewed)

5. Accrued income

(Unit: Thousand Baht)

Consolidated and
Separate financial statements

	31 March 2014	31 December 2013
<u>Accrued income - related parties</u> (Note 2)		
Aged on the basis of record dates		
Up to 3 months	4,743	3,976
Total accrued income - related parties	4,743	3,976
<u>Accrued income - unrelated parties</u>		
Aged on the basis of record dates		
Up to 3 months	57,124	73,693
3 - 6 months	17,974	8,249
6 - 12 months	3,765	7,725
Over 12 months	-	22,722
Total accrued income - unrelated parties	78,863	112,389
Total	83,606	116,365

6. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Withholding tax deducted at source	1,495	1,495	1,495	1,495
Prepaid expenses	5,827	7,711	5,827	7,711
Undue input value added tax	2,843	2,718	2,843	2,718
Others	921	397	205	355
Total	11,086	12,321	10,370	12,279

7. Investment in subsidiaries

Details of investment 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		(unit: Thousand Baht) Carrying amounts based on cost method-net	
	31	31	31	31	31	31	31	31	31	31
	March 2014	December 2013	March 2014	December 2013	March 2014	December 2013	March 2014	December 2013	March 2014	December 2013
			(%)	(%)						
One to One Professional Company Limited	0.25 Million Baht	0.25 Million Baht	100	100	250	250	(35)	(35)	215	215
One to One (Cambodia) Company Limited	5,000 USD	1,250 USD	100	100	162	40	-	-	162	40
Total					<u>412</u>	<u>290</u>	<u>(35)</u>	<u>(35)</u>	<u>377</u>	<u>255</u>

In March 2014, One to One (Cambodia) Company Limited has called up the remaining 75% of its registered capital, equivalent to USD 3,750. As at 31 March 2014, the Company paid for the share subscription in full amounting to totally USD 5,000 (equivalent to approximately Baht 0.16 million).

In addition, on 13 February 2014, the meeting of the Board of Directors of the Company passed a resolution approving the increase of registered capital of One to One (Cambodia) Company Limited from the existing registered capital of USD 5,000 to the new registered capital of USD 200,000 by issuing new 39,000 ordinary shares at a par value of USD 5 each. Currently, the capital increase is in process.

(Unaudited but reviewed)

8. Equipment

Movements of equipment account during the three-month period ended 31 March 2014 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2013	122,863	122,149
Acquisitions during the period - at cost		
Increase (decrease) in accounts payable for purchase of equipment during the period	986	(186)
Cash paid for acquisition of equipment	23,582	20,037
Total	24,568	19,851
Transfer to cost of sales	(1,383)	(1,383)
Disposals during the period - net book value at disposal date		
Increase in accounts receivable from disposal of equipment	-	(471)
Proceeds from disposals of equipment	(50)	(50)
Gain on disposal of equipment	40	79
Total	(10)	(442)
Depreciation for the period	(14,202)	(14,069)
Net book value as at 31 March 2014	<u>131,836</u>	<u>126,106</u>

9. Intangible asset

Movement of intangible asset (computer software) during the three-month period ended 31 March 2014 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 31 December 2013	25,799	25,799
Addition	755	71
Transfer to cost of sales	(61)	(61)
Disposals during the period	-	(304)
Depreciation for the period	(2,215)	(2,200)
Net book value as at 31 March 2014	<u>24,278</u>	<u>23,305</u>

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Trade payable - unrelated parties	16,593	24,610	16,593	24,610
Trade payable - related parties (Note 2)	6,028	8,922	6,028	8,922
Other payables - unrelated parties	4,753	3,912	3,230	3,907
Other payables - related parties (Note 2)	790	1,272	790	1,272
Accrued project cost	29,236	5,653	29,236	5,653
Accrued expenses	16,186	28,962	16,087	28,892
Total trade and other payables	<u>73,586</u>	<u>73,331</u>	<u>71,964</u>	<u>73,256</u>

11. Other current liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Value added tax payable	3,938	475	3,938	475
Undue output VAT	15,018	9,973	15,018	9,973
Others	1,374	3,025	1,356	2,970
Total other current liabilities	<u>20,330</u>	<u>13,473</u>	<u>20,312</u>	<u>13,418</u>

12. Provision for long-term employee benefits

Movement in the provision for long-term employee benefits for the three-month period ended 31 March 2014 are summarised below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements
Balance as at 31 December 2013	<u>5,627</u>
Current service cost	241
Interest cost	72
Actuarial losses on defined benefits plan	<u>1,113</u>
Balance as at 31 March 2014	<u><u>7,053</u></u>

(Unaudited but reviewed)

13. Income tax

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

Income tax expenses for the three-month periods ended 31 March 2014 and 2013 are made up as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2014</u>	<u>2013</u>
Current income tax:		
Interim corporate income tax charge	11,077	5,744
Deferred tax:		
Relating to origination and reversal of temporary differences	<u>(4,505)</u>	<u>1,145</u>
Income tax expense reported in the statements of comprehensive income	<u>6,572</u>	<u>6,889</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2014 and 2013 are as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>2014</u>	<u>2013</u>
Deferred tax relating to actuarial loss on defined benefit plan	<u>223</u>	<u>-</u>

14. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares in proportion to the change in the number of shares as a result of the change in par value from Baht 10 each to Baht 1 each and the distribution of stock dividend amounting to Baht 110,000,000. The number of ordinary shares is adjusted as if the share split and the distribution of stock dividend had occurred at the beginning of the earliest period reported.

(Unaudited but reviewed)

15. Segment information

The Company and its subsidiaries are organised into business units based on its products and services. During the current period, the Company and its subsidiaries have not changed the organisation of their reportable segments.

The following tables present revenue and profit information regarding the Company and its subsidiaries' operating segments for the periods of three months ended 31 March 2014 and 2013, respectively.

(Unit: Thousand Baht)

	Turnkey Total Solutions		Outsourced Contact Center Services and System Maintenance		Total segments		Adjustments and eliminations		Consolidated	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Sales and service income										
Revenue from										
external customers	10,004	15,427	130,192	158,645	140,196	174,072	-	-	140,196	174,072
Revenue from related										
parties	40,492	-	13,868	12,886	54,360	12,886	(1,192)	-	53,168	12,886
Total sales and service										
income	50,496	15,427	144,060	171,531	194,556	186,958	(1,192)	-	193,364	186,958
Cost of sales and										
services	(40,545)	(13,914)	(106,015)	(125,025)	(146,560)	(138,939)	1,192	-	(145,368)	(138,939)
Segment profit	9,951	1,513	38,045	46,506	47,996	48,019	-	-	47,996	48,019
Other income									625	1,552
Selling expenses									(447)	(881)
Administrative expenses									(15,840)	(13,550)
Other expenses									(545)	(148)
Finance cost									(85)	(773)
Profit before income tax										
expense									31,704	34,219
Income tax expenses									(6,572)	(6,889)
Profit for the period									25,132	27,330

16. Commitments and contingent liabilities

As at 31 March 2014, the Company has commitments and contingent liabilities other than those disclosed in other notes as follow:

(Unaudited but reviewed)

16.1 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.

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

(Unit: Million)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2014	2013	2014	2013
Currency: Baht				
Payable within				
1 year	31.0	31.9	31.0	31.9
2 - 3 years	15.9	23.1	15.9	23.1
	<u>46.9</u>	<u>55.0</u>	<u>46.9</u>	<u>55.0</u>
Currency: US dollar				
Payable within				
1 year	0.06	0.06	-	-
2 - 3 years	0.10	0.12	-	-
	<u>0.16</u>	<u>0.18</u>	<u>-</u>	<u>-</u>

16.2 Service agreement with the parent company

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 (2013: Baht 0.6 million).

16.3 Management agreement with the parent company

In January 2014, 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 (2013: Baht 0.4 million).

16.4 Guarantees

a) Bank guarantees

As at 31 March 2014, there were outstanding bank guarantees of approximately Baht 145.2 million (31 December 2013: Baht 135.1 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	
	31 March 2014	31 December 2013
Performance guarantees	144.9	134.8
Guarantee electricity use	0.3	0.3
	<u>145.2</u>	<u>135.1</u>

17. Litigation

In 2010, the Company was sued by a private company for a payment of equipment and call center system installation fee amounting to approximately Baht 1.3 million with interest at the rate of 7.5% per annum. Subsequently on 11 August 2011, the court ruled that the Company shall make such payment and pay for charges and lawyer fee to that company. The Company lodged an appeal with the Court of Appeal, but the Appeal Court's verdict was same as the First Instance Court. However, the Company lodged an appeal with the Supreme Court. Presently, the case is under consideration of the Supreme Court. As at 31 March 2014, the Company has set up a full provision of Baht 2 million for the said payments (31 December 2013: Baht 2 million).

18. Event after the reporting period

In 11 April 2014, the Company was approved by the securities and exchange commission of Thailand to be listed on the MAI and offered its 70 million ordinary shares to the public as follows:

1. Approve the sale of not exceeding 20 million ordinary shares, at a par value of Baht 1 each, at the offering price of Baht 5.4 per share, to the shareholders of Smart Corporation Public Company Limited, whose names appear on the register of shareholders as of 2 April 2014. The subscription period is from 28 April to 2 May 2014.

(Unaudited but reviewed)

2. Approve the sale of not less than 50 million ordinary shares, at a par value of Baht 1 each, at the offering price of Baht 5.4 per share, through the subscription period from 6 to 8 May 2014.

19. Approval of financial statements

These interim financial statements were authorised for issue by the Company's authorised directors on 6 May 2014.