

Management Discussion and Analysis for the Year 2019

Business Overview

Business overview of One to One Contacts Public Company Limited and its subsidiaries (“the Group”) for the year 2019 compared to the prior year are as follows;

For the year 2019 the Group reported total revenues at THB 790.5 million, increased by THB 72.2 million or 10.1% when compared to the prior year. It mainly increased from the revenue from services and the interest income from lawsuit against a government agency as a trade account receivable. The total cost was reported at THB 672.1 million, increased by THB 70.5 million or 11.7%. The gross profit for the year 2019 was decreased by THB 25.1 million or 23.0% and gross profit margin to revenues was at 11.1%.

The Group reported total net profit for the year 2019 at THB 33.0 million, increased by THB 12.4 million or 60.2%. It resulted from the interest income from lawsuit against a government agency as a trade account receivable at THB 25.6 million which present as other income. Net profit margin was at 4.2% .

Revenues

The structure of revenues for the year ended 31 December 2019 and 2018 are as follows;

<i>Unit: THB million</i>	Y2019	Y2018	% Change
1. Revenue from sales and contract work	11.8	14.9	-21.0%
1.1 Turnkey Total Solutions	11.8	14.9	-21.0%
2. Revenue from services	744.5	696.0	7.0%
2.1 Fully Outsourced Contact Center Management Service	527.5	499.5	5.6%
2.2 Outsourced Contact Center Facility	11.1	28.0	-60.5%
2.3 Outsourced Customer Service Representative	181.8	141.2	28.8%
2.4 Maintenance Service	24.1	27.3	-11.5%
Total	756.3	710.9	6.4%

1. Revenue from sales and from contract work

1.1 Turnkey Total Solutions generated revenue of THB 11.8 million in this year, decreased by THB 3.1 million or 21.0% when compared to the prior year. It was mainly from the economic slowdown, then most of big projects has been postponed.

2. Revenue from services

Revenue from services for this year was totally at THB 744.5 million, increased by THB 48.5 million or 7.0% when compared to the prior year. The details are as follows;

2.1 Revenue from Fully Outsourced Contact Center Management Service for this year was THB 527.5 million, increased by THB 28.1 million or 5.6% when compared to the prior year. It was mainly increased from the customers in the Government and State enterprise sector, expanding the scope of services and customers in the Private sector have growth for both new

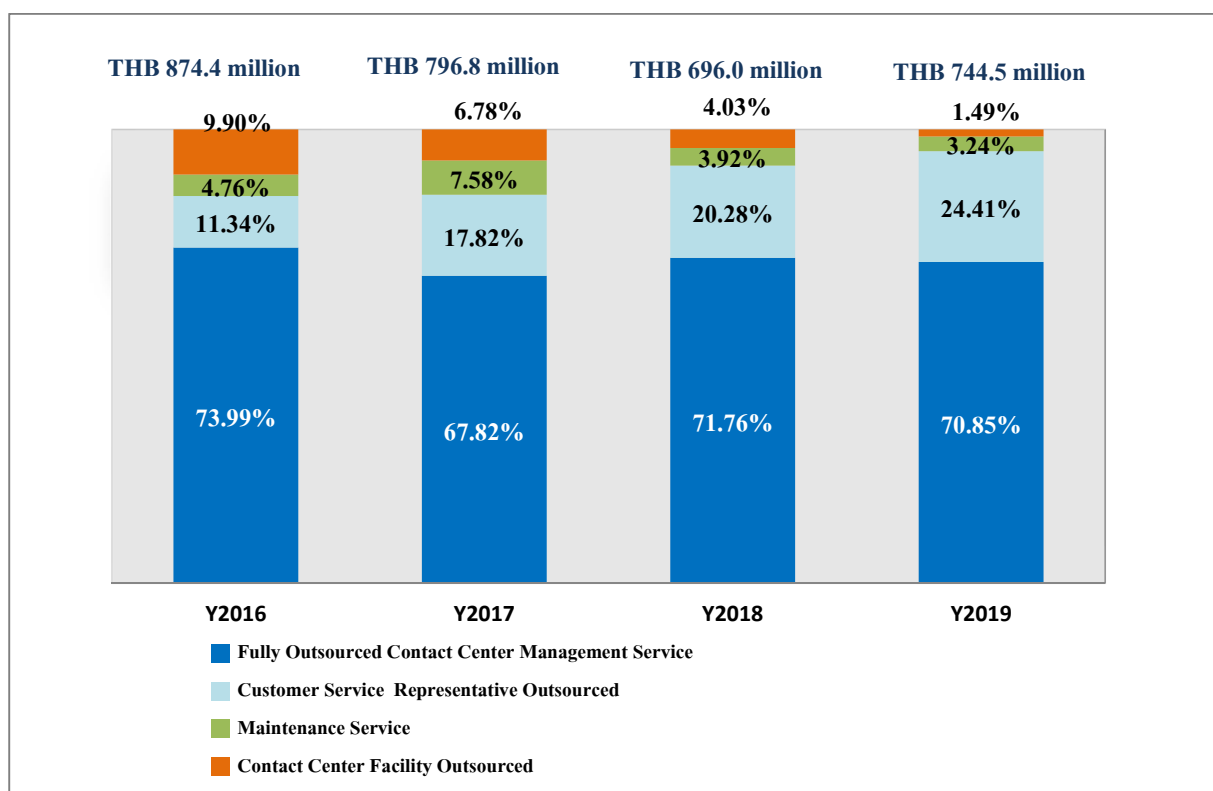
customers and current customers that expand the scope of services in the insurance business using inbound service and retail business.

2.2 Revenue from Contact Center Facility Outsourced for this year was THB 11.1 million, decreased by THB 17.0 million or 60.5% when compared to the prior year. It was mainly decreased from Private sector's customer of insurance since the market trend of insurance outbound telesales services was slowdown which because of the various ways of approach the customer.

2.3 Revenue from Customer Service Representative Outsourced for this year was THB 181.8 million, increased by THB 40.6 million or 28.8% when compared to the prior year. It mainly increased by the customers of Government and State enterprise sector and Private sector.

2.4 Revenue from Maintenance Service for this year was THB 24.1 million, decreased by THB 3.1 million or 11.5% when compared to the prior year. It mainly decreased from end of contract with Government and State enterprise customer.

The structure of revenue from services



Gross Profit

For this year, gross profit margin of the Group was reported at THB 84.2 million and gross profit margin to revenues was at 11.1%, decreased from 15.3% of the prior year. Gross profit margin decreased from the increased of cost of services while the price was remain and from changing the law regarding to the provision of long-term employee benefits from the 300 days to 400 days.

Selling Expenses, Administrative Expenses and Other Expenses

The Group has selling expenses, administrative expenses and other expenses for this year, totally at THB 82.8 million, decreased from the prior year by THB 5.9 million or 6.7%. It was mainly from the relocation costs in prior year.

Net Profit

The Group reported total net profit for this year at THB 33.0 million, increased by THB 12.4 million or 60.2% when compared to the prior year. It resulted from the interest income from lawsuit against a government agency as a trade account receivable at THB 25.6 million which present as other income. Net profit margin was at 4.2%

Financial Position

Total assets

As at 31 December 2019, the Group reported total assets at THB 975.0 million, increased by THB 32.8 million or 3.5% when compared to the end of the prior year. It was mainly increased from current investments in fixed deposit with bank.

Total liabilities

As at 31 December 2019, the Group reported total liabilities at THB 107.5 million, increased by THB 17.0 million or 18.8% when compared to the end of prior year. It increased mainly from trade and other payables and provision for long-term employee benefits.

Financial ratio

The Group reported financial ratio as at 31 December 2019 as follows;

Financial ratio	Y2019	Y2018
Liquidity (times)	9.68	11.02
Debt to Equity (times)	0.12	0.11
Return on Equity (%)	3.84%	2.40%
Return on Assets (%)	3.44%	2.18%
Gross Profit Margin (%)	11.13%	15.38%
EBIT Margin (%)	4.51%	3.91%
Net Profit Margin (%)	4.18%	2.87%