



ANNUAL
REPORT
2011
JAYMART PLC.

Vision

**Quality Beyond intelligent
Wireless Technology**

Mission

- **Leader in Wireless Telecommunication Retailing**
- **Provide the most satisfactory service to the customer**
- **Being good corporate governance with great responsibility towards our shareholders, business partners, employee and society**

Contents

Financial Highlights	2
Message from the Board of Directors	3
Directors and Management Biography	4
General Information	11
Business Operations	13
Risk Factors	18
Shareholders Structure	22
Organizational Structure	23
Good Corporate Governance Report	29
Related Transactions	34
Financial Statements	37
Corporate Social Responsibility of the Company	43

Financial Highlights

Sources : The Company Only

Unit : Million Baht

	2009	2010	2011
Financial Performance			
Total Revenues	5,019.7	5,180.5	5,779.7
Gross Profit	701.3	680.9	745.0
Net Profit	75.4	103.5	144.6
Total Assets	1,650.9	1,236.9	1,476.8
Total Liabilities	1,114.4	659.8	869.5
Shareholders' Equity	536.5	577.1	607.3
Key Financial Ratio			
Gross Profit Margin	1.50%	2.00%	2.50%
Return on Equity (ROE)	14.05%	17.94%	23.81%
Return on Assets (ROA)	4.57%	8.37%	9.80%
Earning per share (EPS)	0.28	0.35	0.48

Sources : Consolidated F/S

Unit : Million Baht

	2009	2010	2011
Financial Performance			
Total Revenues	5,168.6	5,330.0	6,055.6
Gross Profit	754.9	708.1	852.2
Net Profit	90.2	95.0	171.6
Total Assets	1,773.8	1,388.7	1,721.8
Total Liabilities	1,188.2	771.1	1,048.5
Shareholders' Equity	585.6	617.6	673.3
Key Financial Ratio			
Gross Profit Margin	1.74%	1.78%	2.83%
Return on Equity (ROE)	15.40%	15.39%	25.48%
Return on Assets (ROA)	5.08%	6.84%	9.96%
Earning per share (EPS)	0.34	0.32	0.57

Note : ROE: Return On Equity

ROA: Return On Assets

EPS: Earnings Per Share

Message from the Board of Directors

Dear Shareholders,

In the year 2011, the status of the Company is one of the listed companies on the Stock Exchange of Thailand. Although the economic was still slow down due to the impact on political, the Company was still able to maintain a profitable as its net profit of Baht 171.09 million, an increase by 80.02% from year 2011. Thus, the Company must change strategies and plan carefully so that the Company can be overcome obstacles and sustain continuous growth in the future.

The Company is entering in structural reforms to support all opportunities in every product group including Mobile phones, Mobile accessories, Rental space allocated service (IT Junction), Debt collection and low quality debt businesses (JMT).

As the Company had achieved its target in operation including confident and trust from customers continuously, as proof that our policy and way of business operations correct which the Company has focused on quality of service of every employees and passes through the good experience from customers to every products of the Company. The Company supports and promotes every customer to share the opinion and create the team spirit in work.

JMART would like to take this opportunity to sincerely thank all shareholders, customer, business partners, management and all employees in helping support the continuous growth of JMART's business. The Company is committed to operate business with professionally and continues to improve the company's competitiveness and capability, including operating a business with social responsibility policy and being a good exemplary for society so that people in the society have a better quality of life.



(Mr. Pisnu Pong-acha)

Chairman of the Board



(Mr. Adisak Sukumvitaya)

Chairman of the Executive Committee

Directors and Management Biography



Directors and Management Biography

Mr. Pisnu Pong-acha

- Chairman of the Board

Mr. Adisak Sukumvitaya

- Director
- Chief Executive Officer
- Selection and Remuneration Committee

Miss Yuvadee Pong-acha

- Director
- Deputy Chief Executive Officer - Operations
- Managing Director JMT Network Services Co., Ltd.
- Chairman of JMT Plus Co., Ltd.

Mrs. Manee Soonthornvatin

- Director
- Executive Committee
- Chief Information Officer
- Director JMT Network Services Co., Ltd.
- Director JMT Plus Co., Ltd.

Mr. Pracha Tansaenee

- Director

Mr. Phisit Dachanabhirom

- Director (Independent Director)
- Chairman of Auditor Committee
- Selection and Remuneration Committee

Mr. Dej Bulsuk

- Deputy Chairman
- Director (Independent Director)
- Audit Committee

Mr. Suwit Kingkaew

- Director (Independent Director)
- Audit Committee
- Chairman of the Selection and Remuneration Committee

Mrs. Nonglak Laksanapokin

- Executive Committee
- Chief Marketing Officer – Properties Management

Mr. Kittipong Kanokvilairat

- Executive Committee
- Chief Marketing Officer - Products & Sales

Directors and Management Biography

Mr. Pisnu Pong-acha

Chairman of the Board

Age 57

Education

1994 MBA, Rangsit University

Previous Experience

1980-1984	General Manager	Chiang Inn Hotel
Since 1984	Partner Manager	Hahdeng Trading Ltd., Part

Mr. Adisak Sukumvitaya

Director/Chief Executive Officer /Selection and Remuneration Committee

Age 55

Education

1979	B.E. (Economics)	Kasetsart University
1981	MBA (Economics)	Kasetsart University

Seminar

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors Association
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Previous Experience

1981-1984	Research officer	TISCO Securities PCL.
1985-1989	Product Manager	Philips Electronics (Thailand) Ltd.

Miss Yuvadee Pong-acha

Director / Deputy Chief Executive Officer - Operations / MD JMT Network Services Co., Ltd.

Chairman of JMT Plus Co., Ltd.

Age 55

Education

1978	B.E. (Political Science)	Thammasat University
1980	MBA	Bridgeport University, U.S.A.

Seminar

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors Association
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Previous Experience

1981-1990	Deputy Vice President Money Market	TISCO Securities PCL.
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1990-2007	Director, DCEO.	Jaymart PCL.
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Mrs. Manee Soonthornvatin

Director / Executive Committee / Chief Information Officer/Director JMT Network Services Co., Ltd./

Director JMT Plus Co., Ltd.

Age 56

Education

1977	B.E. (Science)	Ramkhamhaeng University
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Seminar

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors Association
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Previous Experience

1993-1997	Manager Support Services	Digital Equipment Corporation (Thailand) Ltd.
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1997-2000	Business Operation Manager	Compaq (Thailand) Co., Ltd.
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Mr. Pracha Tansaene

Director

Age 50

Education

1984	BBA. (Accounting)	Ramkhamhaeng University
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2004	MBA. (Management)	Ramkhamhaeng University
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2007	Ph.D. (HR. Development)	Ramkhamhaeng University
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Seminar

2007	Director Accreditation Program (66/2007)	Thai Institute of Directors Association
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Previous Experience

1999-2002	Technical Advisor (Financial Planing)	PT.Mobikom Telekomindo Jakarta Indonesia Subsidiary Company of Jasmine International Overseas Co.Ltd.
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2002-2002	Chief Operating Officer (C.O.O.)	Yumark Bangkok Co.,Ltd Subsidiary Company of Yumark Enterprise Corporation-Taiwan.
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2002-2009	Chief Financial Officer (C.F.O.)	Jay Mart Public Company Limited
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2009- Present	Associate Dean for Administration & Planning	King Mongkut's University of Technology North Bangkok
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Mr. Phisit Dachanabhirom

Director (Independent Director) / Chairman of Auditor Committee / Selection and Remuneration Committee

Age 71

Education

1964	B.E. (Accounting)	Thammasat University
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Seminar

2004	Director Accreditation Program (13/2004)	Thai Institute of Directors Association
2005	Audit Committee Program (6/2005)	Thai Institute of Directors Association
2007	Director Certification Program (87/2007)	Thai Institute of Directors Association

Previous Experience

1963-2000	Chief Financial Officer Deputy Managing Director Director, Chairman of Audit Committee	Berli Jucker PCL.
2001-Present	Chairman of Executive Committee	Professional Alliance Group Limited.
2003-Present	Director, Chairman of Audit Committee	K-tech Construction Public Company Limited.
2007-Present	Independent Director, Chairman of Auditor Committee	RS. Public Company Limited. K-tech Construction

Mr. Dej Bulsuk

Deputy Chairman / Director (Independent Director) / Audit Committee

Age 61

Education

1973	B.E. (Business Administration)	Thammasat University
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Seminar

2004	Director Accreditation Program	Thai Institute of Directors Association
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Previous Experience

1984-2004	Chairman of the Board	Mcthai Compamy Limited (McDonald' s Thailand)
2004-2006	Honorary Chairman	Mcthai Compamy Limited (McDonald' s Thailand)
2001-2006	Chariman	McDonald House Charities Foundation
Since 2004	Chief Executive Officer	CCC Business Development Co., Ltd.

Mr. Suwit Kingkaew

Director (Independent Director)/Audit Committee/ Chairman of the Selection and Remuneration Committee

Age 61

Education

1974	B.E. (Science)	Kasetsart University
1995	MBA.	Kasetsart University

Seminar

2005	Director Certification Program	Thai Institute of Directors Association
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Previous Experience

1974-1980	Plan and Policy Analyst	Office of the National Economic and Social Development Board
1980-1992	Sale Manager	Charoen Pokphand Industry Co., Ltd.
1992-1994	General Manager	Charoen Pokphand Engineering Co., Ltd.
1994-1996	Assistant Vice President	C.P. Seven Eleven PLC.
1996-2007	Deputy Vice President	C.P. Seven Eleven PLC.
Since 2007	Senior Vice President	CP All PLC.

History Executive Committee

Mr. Adisak Sukumvitaya (As described above)

Miss Yuvadee Pong-acha (As described above)

Mrs. Manee Soonthornvatin (As described above)

Mrs. Nonglak Laksanapokin

Executive Committee / Chief Operating Officer – Properties Management

Age 51

Education

1984	B.E. (Science)	Prince of Songkhla University
1987	M.S. (Science)	Prince of Songkhla University

Seminar

2008	Director Accreditation Program (69/2007)	Thai Institute of Directors Association
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Previous Experience

1994-1997	Operating Manager, Purchase and Human Resources	Technic Telecom Co., Ltd.
1997-1999	Operating Manager, Purchase, Human Resources and Warehouse	M Link Asia Corporation Co., Ltd.

Mr. Kittipong Kanokvilairat

Executive Committee / Chief Marketing Officer – Products & Sales

Age 37

Education

1994	B.E. (Business Administration)	Assumption University
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Seminar

2008	Director Accreditation Program (69/2007)	Thai Institute of Directors Association
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Previous Experience

1995-1996	Marketing Executive	NEC Corporation (Thailand) Limited
1996-2002	Account Manager	Motorola (Thailand) Co., Ltd.
2002-2006	General Manager	Thai Samsung Electronics Co., Ltd.
2007-2011	Chief Marketing Officer	Jay mart PLC.

General Information

JAY MART Public Company Limited

Stock code :	JMART
Head office :	9/121-3, 126-7 UM Tower, 12th Floor, Ramkhamheang Road, Suanluang, Suanluang, Bangkok
Tel :	0-2308-8000
Fax :	0-2308-8117
Registration No. :	0107545000055
Website :	www.jaymart.co.th
Type of business :	Distributing Mobile Phone, Accessory, Providing Space Rental and Utilities Service
Registered Capital :	420,000,000 Baht
Paid-up Capital :	300,000,000 Baht Comprise of 300,000,000 common shares, Par value 1 Baht per share

The Subsidiary Company

JMT Network Services Company Limited

Head Office :	9/143-145 UM Tower, 14th Floor, Ramkhamheang Road, Suanluang, Suanluang, Bangkok
Tel :	0-2308-9999
Fax :	0-2308-9900
Registration No :	0105537028181
Website :	www.jmntnetwork.co.th
Type of business :	Debt Collection Business and Non Performing Loan Management
Registered Capital :	120,000,000 Baht
Paid- up Capital :	120,000,000 Baht Comprise of 1,200,000 common shares, Par value 100 Baht per share

Share Holdings Percentage of JMART : 99.99%

JMT PLUS Company Limited

Head Office : 9/143-145 UM Tower, 14th Floor, Ramkhamheang Road,
Suanluang, Suanluang, Bangkok

Tel : 0-2308-9999

Fax : 0-2308-9900

Registration No : 0105554042308

Website : -

Type of business : Debt Business

Registered Capital : 1,000,000 Baht

Paid- up Capital : 1,000,000 Baht

Comprise of 100,000 common shares, Par value 10 Baht per share

Share Holdings Percentage of JMT : 99.99%

Auditor

Mr. Kosol Yamleemul, Certified Public Accountant Number 4575 or

Mrs. Sumalee Chokdeeanan, Certified Public Accountant Number 3322

Grant Thornton Ltd.

87/1 Capital Tower, All Seasons Place, 18th Floor, Wireless Road, Lumpini, Pathumwan

Bangkok 10330 Tel: 0-2654-3330 Fax: 0-2654-3339

Legal Consultant

Thep Co., Ltd. 1193 EXIM Building, 11th Floor, Room 1107-1108, Phaholyothin Rd., Samsean-nai, Phayathai,

Bangkok 10400 Tel : 0-2278-1683-4

Business Operations

1. Business Operations

1.1 Company Background and Development

Founded on 27 December 1988 by Mr. Adisak Sukumvitaya and Miss. Yuvadee Pong-acha, Jay Mart Public Company Limited was first established with registered capital of Baht 2,000,000, initially selling only electrical appliances through financial installments. The Company later penetrated into wholesaling market with major products including television, VCR, and air conditioner.

The Company currently operates retailing and wholesaling business for mobile phone and related products under all major brands from phone manufacturers and network operators. The Company also operates retail space rental business under the name “IT Junction”, subletting retail spaces to mobile phone retailers.

As for the current corporate structure, the Company holds 99.99% in its subsidiary, JMT Network Services Company Limited (“JMT”), which operates debt collection, provides legal services and auctions bad debt from financial institutions to manage and make collection and, in turn, pursuing new profit opportunities.

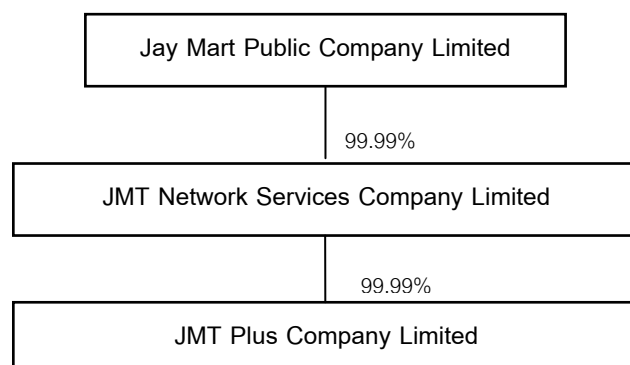
In 2009, the company was listed on the Stock Exchange of Thailand (SET), and offering of increased its share capital amount of 75 million shares to the general investors. As a result, the Company now has the registered capital of Baht 300 million fully paid-up. A group of major shareholders which were also main board directors, namely a group of Mr. Adisak Sukumvitaya and Miss Yuvadee Pong-acha, holds approximately 67.6% of the total shares.

1.2 Business Operations of the Company and its subsidiary

Group Organization Structure

The Company currently operates one subsidiary, JMT Network Services Company Limited (“JMT”), in which the Company holds 99.99% stake and Baht 120 million of paid-up capital.

On 24 March 2011, JMT (Subsidiary) has established JMT Plus Co., Ltd. (“JMT PLUS”) with the registered share capital of Baht 1 million, aims to JMT Plus will be as a debt collector in replacement of JMT. However, JMT should be completed the transfer of business to JMT Plus within year 2012.



Business Operations of the Company and its subsidiary

Jay Mart Public Company Limited

1. Mobile phones, Mobile accessories, and IT-related business (“Mobile Phone Selling”)

The Company engages in wholesale and retail-sales of mobile phones and all related products of major mobile phone producers such as Nokia, Samsung, LG, Blackberry, iPhone, the company initiated its own brand “J-Fone” and oversees its sales and distribution.

The Company acts as the sales agent or distributor of SIM Card (Subscriber Identification Module) packages and prepaid SIM Card of mobile phone operators including GSM, DTAC, GSM1800 and TRUE MOVE through various distribution channels.

As of 31 December 2011 Presently, the Company sells its product in 203 outlets covering Bangkok and its vicinities, as well as major cities in the country such as Chiangmai, Khon-Kaen, Songkla, and Phuket, etc.

The Company sells mobile phones and mobile accessories as sales agents, distributor, or dealer with details of such operation as follow.

Wholesales Business (Wholesaler)

The Company is wholesaler of mobile phones to retail stores both in organized shop and non-organized shop. The Company has focused on sales through Jay Mart in IT Junction which is the retail stores center. The shops in IT junction can buy wholesale price with Jay Mart. In addition, the Company is a major wholesaler of Samsung with Retail Partner level. The Company can sell and distribute Samsung’s mobile at wholesales in Phitsanulok province.

Moreover, the Company may have the right to be sold distributor of some product model as agreed between the Company and mobile phone manufacturer.

Retail Business (Retailers)

The Company orders mobile phones from distributor & dealer of various brands to sell in Company’s retail shop or if there is no distributor & dealer in some brands, the Company will buy direct from manufacturers. The Company is top five major retailers of mobile phones, namely Nokia, Samsung, LG, Blackberry and iPhone.

In addition to be a retailer of new mobile phones, the Company also sells the phone accessories, phone refill cards along with selling the mobile phones.

Apart from a revenue from sales of mobile phones, mobile accessories and technology products as mentioned above, the Company also had revenue from using retailing network, composed of revenue from bill payments or other services through shop or Company’s network (Pay Point) by making agreement with business partner to pay this channel such as financial customers business, utilities and credit cards group.

2. Retail Space Rental Business

The Company operates in retail space provision and management by renting partial commercial space from owner and sublets the area in smaller units to retail renters. This incorporates administrating and supervising operations of the retail space for the length of term until which the contract expires. The Company organizes an “IT Junction” by renting the retail space within the department section for mobile phone or IT-product of major malls and department stores such as Central, Big-C, HomePro, etc. before subletting the space to other retailers in smaller units. Currently, “IT Junctions” had established itself in 27 locations in Bangkok and other provinces.

JMT Services Company Limited (Subsidiary)

3. Debt Collection and Non-Performing Loans Management (“Debt Collecting Business”)

JMT provides debt collection service where non-performing loans becomes inconvenient for creditors to monitor. JMT manages all types of debt such as personal loads, credit card loans, public debt, and service fee debt. Creditor, JMT target customers, will supply JMT with name lists of debtors for further tracking and management.

JMT will perform research on debtors, investigate, and track debtors as well as negotiate on each cases or offering payment options according to the terms and conditions approved by JMT’s customer. JMT will receive management fees in percentage fare with the value of debt JMT is able to recover. As at 31 December 2011, the Company had the assigned debts of the employer to follow-up at amount of Baht 10,140 million, the major employer's creditors are banks and financial institutions and leasing companies.

Apart from Debt Collection Business, JMT manages non-performing loans from financial institutions as well as other hire-purchase business with the policy to reduce the non-performing loan and reduce the cost of debt monitoring and collection. These financial institutions may wish to sell such non-performing loans and terminate their liability on those accounts. Business with debt collection expertise will bid for the NPLs at discount from its full original value. On this respect, JMT’s success in debt collection business is due to its extensive data base, experienced staff, and debt management skills having long operated debt collection for over 17 years. As at 31 December 2011, JMT had net book value of investment in non-performed debt at amount of Baht 359 million.

Apart from the debt collection and non-performed loan management, JMT also had a legal advisor services.

4. Other business

JMT provides professional legal advices relating to debt-related offense by supplying lawyer to represent creditors and place charges against targeted debtors. The company also provided logistics and deliver documents, packages, products transports within Bangkok and vicinity by collecting service fees according to established prices per certain distance.

1.3 Revenue Structure of the Company and Subsidiary

Revenue Structure of the Company and its subsidiary for the Year 2009 – 2011

Unit: Million Baht

Revenue Structure Categorized by Nature of Business	2009		2010		2011	
	Value	%	Value	%	Value	%
<u>Company</u>						
1. Mobile Phones Business						
- Sales of Mobile Devices	4,659	90.13	4,746	89.05	5,363	88.57
- Other Sales Promotions	164	3.17	169	3.16	124	2.05
- Other Sales-related Business ¹	9	0.18	10	0.18	14	0.23
Total Sales Revenue	4,832	93.48	4,925	92.39	5,501	90.84
2. Retail Space Rental						
- IT Junctions	161	3.13	196	3.68	221	3.65
- J-Avenue	11	0.20				
Total Revenue from Retail Space Management	172	3.33	196	3.68	221	3.65
<u>Subsidiary</u>						
3. Debt collection and Non-performing Loans Management						
- Debt-tracking Service	80	1.55	100	1.88	89	1.46
- Debt acquisition and management	54	1.04	74	1.39	215	3.55
- Other related business ²	23	0.45	27	0.51	20	0.33
Total revenue from debt collection and NPL management Business	157	3.04	201	3.78	324	5.34
Other sources of Revenue						
- Interest revenues	4	0.07				
- Other revenues	4	0.08	8	0.15	10	0.16
Total Revenues from other Sources	8	0.15	8	0.15	10	0.16
Total Revenue	5,169	100.00	5,330	100.00	6,056	100.00

Note: 1. Other business involving sales such as phone repair service, Support Hire Purchase.

2. Other business involving debt collecting operations such as legal services and product transport service.

1.4 Business Objectives

Mobile phones, Mobile accessories and Technology products business

The Company has a policy to expand market segmentation in retail market in order to be the business leader in selling mobile phones, mobile accessories and technology products business by targeting to expand market segmentation, redecorate shops to be innovative and meet the high customers' needs with focusing on organizing "Life Demo".

- To increase efficiency and number of distribution channels to reach more customers, there is the main target to expand more branches in Modern Trade and IT Junction.
- To train and develop human resource to continue increase knowledge in products, quality and service standards by having the employees seminar every week.
- To select products with quality and featured-rich to meet the needs of different customers throughout by adding products to meet the changing technology, especially 3G technology and expanding product line of accessories and technology IT.

Retail Space Rental Business

The company aims to operate in space management business in "IT Junction" by increasing its branches with will consider the return on investment and marketing plans in line with current economic conditions. It focuses on department stores, discount store and community mall which have areas for sales, marketing plan and the location for mobile phones and technology customer group.

Debt Collection and Non-Performing Loans Management business

The Company aims to maintain its leader of debt collecting business. It plans to maintain the debt outstanding at the track by main focusing on Bank group by expanding to existing and new customer group. This is because the most of employers has a policy to write off non-performed debts or non-performed debt follow-up by their own.

The Company plans to achieve the goal as follows;

- Focusing on service standards and efficient in debts collection to provide a high customers' satisfaction and no complain with the customers' quality services.
- Developing of information systems and data collection to be up to date every year

Risk Factors

1. Risk Factors

The risk factors that for the company's operation that may significantly affect the company's performance as well as the risk prevention measures can be summarized as followed.

1.1 Risk from mobile phone distribution business

1.1.1 Risk from obsolete inventories

The company must keep adequate inventories to facilitate product distribution, particularly the product that the company represents. As of 31 December 2011 inventories accounted for 29.39% of the company's assets. The company's major products are mobile phone and accessories, which are technology product that rapidly improve and change to respond to diverse consumer's demand. Each model usually has shelf-life of approximately 20-25 days. Therefore, the company may face the risk of obsolete inventories due to the changes in technology and phone manufacturer issue newer and better model, or the changes in consumer's preferences, which may affect sales or impair value of existing inventories.

The company expects minimal impact from this risk factor as the company has regularly study and survey the customers' demand and behavior as well as any technological changes very carefully. The management has been in the mobile phone business for a long time and has good relationship with mobile phone manufacturers. The company also has good information technology that enables the management to review and analyze inventory at all time. Therefore, the company is confident that it can control and mitigate such risk effectively. It is evident from the time of inventory of the company in 2011, the Company has effectively managed inventories, therefore, the inventory turnover day was 38 days less than target (50 days) and The company also applies conservative policy in setting provision for obsolete stocks, which require the company to set full provision for any inventory has low turnover or has been stored for longer than one year As at 31 December 2011, the Company has provided allowance for only Baht 8.49 million, representing 0.16% of revenue from distribution business. Due to the Company has adopted the effective management policies, the average selling time decreased, affected the allowance for obsolete stock also decreased

For the new products, the company and mobile phone manufacturers will discuss and plan the sales budget to determine appropriate level of inventory. In case of the deviation from the estimates, the phone manufacturers usually take responsible through various means such as providing compensation, giving free gifts to promote products sales, etc. The compensation will depend on negotiation which may be compensated for part of the losses, or according to the outstanding inventories.

1.1.2 Risk from reliance on major suppliers

The company mainly buys most mobile phones from the phone manufacturers or dealers of the 5 major brands, Nokia, Samsung, LG, Blackberry and iPhone. The company must rely on these phone manufacturers. During 2011, Nokia, Samsung, LG, Blackberry and iPhone. accounted for 24.8%, 42.0%, 6.1%, 18.1% and 4.1%, respectively, of the company's mobile phone sales. Therefore, the company has weak bargaining power against the phone manufacturers. The company could face the risks of not be able to acquire substitute in case of any conflict with the above suppliers. The company may

also face the risk in case the phone manufacturers decide to directly sell the products by themselves, both retailing and wholesaling.

Although the company is relying on major phone manufacturers, but the company believe such risk is minimal as most of the major phone manufacturers are large multinational firm who are not specialized in Thai distribution channel, which require them to rely on the local distributors and retailers for marketing planning, distribution and market survey. This make the relationship between retailers and manufacturers are more collaborative rather than one relying on another. The company also has good long-term relationship with manufacturers, which should enable the company to do business well with them. The risk of manufacturers conducting their own retailing activities is unlikely as they do not have expertise of the Thai market and cannot identify the suitable location properly. Moreover, this could risk damaging good relationship with large retailers, particularly with the distributors who has a lot of outlets. Therefore, the company believes that the phone manufacturers will not conduct its own retailing activities.

1.1.3 Risk from intense competition in the industry

The company could face risk of the new entrants entering into the mobile phone retailing business. The mobile phone industry does not require huge investment and has fairly simple business structure. The potential new entrants may include big multinational players, operators of the related business, such as mobile phone manufacturers or network operators, or retailers, etc. Therefore, the company may face risk of intense competition that may affect the company's operation. Moreover, the company also faces risk from the substitute products, such as second-hand phone, illegal products, or counterfeit. Due to fast changing technology, some consumers prefer to switch phone frequently, which cause a supply of relatively new used phone in good condition at cheaper price. The illegal and counterfeit products are cheap, which may cause some consumers to buy cheaper substitutes when the economic slowdown, which may risk on sales revenue.

However, the company believes such risk is not significant. There are two barriers to entry to the mobile phone distributing business, which are 1) inability to find suitable location as most suitable locations have all been taken up and 2) lack of trust from the phone manufacturers as the newcomers are not authorized representatives of the phone manufacturers, which put the newcomers at the disadvantage. For the concern that the operators of the related parties may come into the industry, we believe that the phone manufacturers will not conduct their own retailing activities as they are not familiar with the market, cannot find suitable location, and could damage good relationship with large retailers. The network operators usually do some retailing activities in their outlets, but the prime objective is just to support the core network business. Moreover, most wholesalers and distributors currently have their own retailing channels, thus we see very small room for any major entrants into the industry.

1.2 Risk from retail space rental business

1.2.1 Risk from reliance on landlord and contract extension. The company operates retail space rental business for mobile phone and technology products section under the name IT Junction. The company lease space from landlord such as department store or hypermarket such as BigC with short-term lease contract of 1-3 years. Therefore, the company may face risk of not receive contract extension or higher rental expenses once the current contracts expire.

However, for the IT Junction rental business model, the company cannot avoid the risk of contract renewal as it is the normal business practice. The company view short-term contract as the factor that could reduce risk of bad location selection which may risk losses from the rental business. Most of the landlord are satisfied with the company's space and has continued to renew the contract, unless there are landlords that raise rental rate too high that don't justify investment, then the company may refuse to renew the lease.

1.3 Risk from Debt collection and bad debt management business

1.3.1 Risk from lawsuit resulted from debt collection. The company may risk facing lawsuit from the debtor as a result from debt collection, which may cause conflict with the debtor.

The company has never been sued from the debtors under collection process, as the company provides training and ensures that the debt collection personnel treat debtors politely according to the company and employer's standard. The company believes the risk of being sued by the debtors is unlikely.

1.3.2 Risk from operations that lead to bad images in publics

As Company operates the debt collection therefore there is the negotiation with dispute and make the dissatisfaction with the debtors. As well as there is some accelerated debts in business uses use un-appropriate way such as impolite words, creates a nuisance or harassment and step up to threat, as a result, the Company might be accused.

The Company has a strictly policy to follow debt in polite and give honor to debtor. From 8.00 am to 20.00 pm, Monday to Friday is the debt collection calling time and there is other polite measures in comply with the guidelines issued from Bank of Thailand in order not to interfere debtors. As well as there is the strictly polite debt collection process, so far, the Company has gained trust in service quality from employer group in high level. From past, the Company does not get any complain in term of un-appropriated accelerated debts.

1.4 Risk from bad debt management business

The Company operates in buying non-performed loans from leasing companies, finance companies and banks to collect and track debts by our own. The Company considers the quality of debt, outstanding periods and debtors. Now the Company has purchased debts from leasing company and financial institutions totaling 32 contracts with total investments amounting to Baht 655 million. The Company may have risk that the Company cannot collect the debts as plan and have loss in operations.

However, the Company is planning to carefully manage the non-performed loans each time by checking the debts information in detail both information from financial institutions and the existing Company's database including the external information in order to assess the possible collectible amount. As the Company has the long experience in collection debts

and having a large number of debtor information available in Company's databases as well as the Company will buy debts that Company has the collection experiences once or being engaged to follow-up this debt before together with having the regular monitor leading the Company has a confident in following up debt as planned effectively and will get the revenue covered risk which the risk level can be managed.

1.5 Risks of doing business with the low gross profit margin, low net profits and reliance on income from sales promotions

The overall performance of the Company showed the low gross profit margin and net profits. In year 2010 and 2011, the Company had gross margins percentage of 13.28 and 14.07 and net profits percentage of 1.78 and 2.83, respectively. If there is the fluctuation in business such as the reduction of product price or receiving less sales promotion, the Company might get loss from operation suddenly.

The Company realized that the main business operation, selling mobile phones, mobiles accessories has low net profits. In 2011, the Company had gross margin of 9.57% as results from high competition in the industry.

As well as the Company is reliance on the revenue from sales promotion from manufacturers which the Company will have the risk to get the low promotion sales income or not get any revenue affected the gross profit margin percentage decreases. However, in the past, the Company gets the income regularly and lead to maintain the gross profit margin in 2011 of 11.88%.

To manage risk as mentioned, the Company has expanded the higher net profit businesses such as retail space rental business and debt collection which in year 2011, representing the gross profit margin percentage of 16.58 and 47.80, respectively. And there is the distribution ratio of gross profit to the related business; selling mobile phones of 72.84 percent, retail space rental management of 5.20 percent and debt collection of 21.95 percent of total gross profit margin. The Company expects the revenue portion of retail space rental management represents 3.65 percent and debt collection represents 5.34 of total revenue in year 2011 is growing up, the gross profit margin and total net profit margin will increase. In addition, the Company assesses the selling mobile phone and mobile accessory business is in growing phrase in expansion market segment. Therefore if the Company can grow up business as planned, the Company will have the bargaining power with manufacturers affected the high profit margins.

Shareholders Structure

1. Shareholders

As at 31 December 2011 list of shareholders and shares of registered capital and paid by the shareholders of record as follows.

Shareholders	No. of shares	Percent of Total shares
1. Mr. Adisak Sukumvitaya	78,267,146	26.09
2. Miss Yuvadee Pong-acha	70,964,570	23.65
3. Miss Juthamas Sukumvitaya	27,313,132	9.10
4. Mr. Ekachai Sukumvitaya	26,300,000	8.77
5. Mr. Niwes Semvachiravarakorn	7,000,000	2.33
6. Mrs. Waranee Sareviwattana	5,085,200	1.70
7. Mr. Piranart Chokwatana	3,949,500	1.32
8. Mr. Amormwat Thirakhitraporn	3,000,000	1.00
9. Mr. Sompong Chonecadeebumrongkul	2,850,000	0.95
10. Mr. Naphat Panchakunathorn	2,500,000	0.83
11. Mr. Nakorn harnkaivilai	2,500,000	0.83
12. Mr. Somchai Satitanekchai	2,500,000	0.83
13. Miss Tsunyporn Sopajitwatana	2,000,000	0.67
14. Mrs. Maleevan Kuptniratsaikul	1,895,400	0.63
15. Mr. Ekapol Thongsri	1,730,000	0.58
16. Mr. Vichaya Makaapiluk	1,590,800	0.53
17. Miss Pornpit Itthiya	1,523,200	0.51
18. Mrs. Junnipa Sathirapanya	1,500,000	0.50
19. Mr. Weerapan Ngowthammatas	1,490,000	0.50
20. Mr. Pakorn Yuenyongrattanakorn	1,400,000	0.47
Total Paid –up Capital	245,358,948	81.79

Remarks : The information from Jay mart Public Company Limited as of the book closing date on December 30, 2011

Organizational Structure

As of 31 December 2011, the Company's structure comprises of Board of Director and Sub-Committee, the Company's Committee consists of 4 groups, which are ;

1. Board of Directors
2. Selection and Remuneration Committee
3. Audit Committee
4. Executive Committee

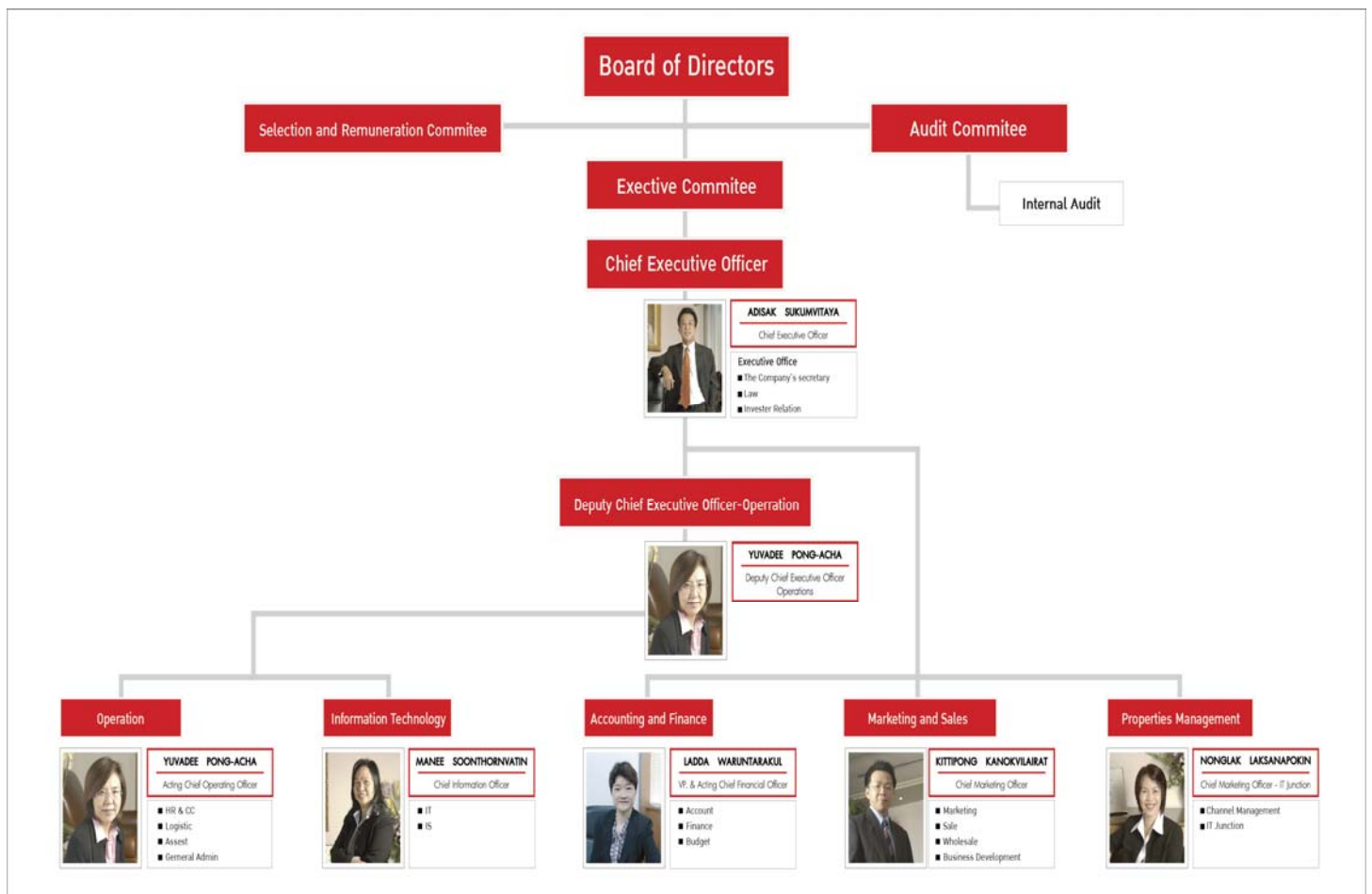


Figure 1's management structure is Jay Mart Public company limited.

Board of Directors

As of 31 December 2011, the Company's Board of Directors comprised of 8 members, which are;

- | | | |
|-----------------|----------------|---|
| 1. Mr. Pisnu | Pong-acha | <i>Chairman of the Board</i> |
| 2. Mr. Adisak | Sukumvitaya | <i>Director</i> |
| 3. Miss Yuvadee | Pong-acha | <i>Director</i> |
| 4. Mrs. Manee | Soonthornvatin | <i>Director</i> |
| 5. Mr. Pracha | Tansaenee | <i>Director</i> |
| 6. Mr. Phisit | Dachanabhirom | <i>Chairman of Audit Committee/Independent Director</i> |
| 7. Mr. Dej | Bulsuk | <i>Audit committee/Independent Director</i> |
| 8. Mr. Suwit | Kingkaew | <i>Audit Committee/Independent Director</i> |

Miss ladda Waruntarakul is the *secretary of the Board of Directors*

Authorized directors according to the Company's certificate

To bind the Company in any obligation, Mr. Adisak Sukumvitaya or Miss. Yuvadee Pong-acha or Mr. Pisnu Pong-acha co-signs with Mrs. Manee Soonthornvatin with the Company's seal.

Scope of responsibilities of the Board of Director

1. To ensure that the business operation is consistent with the country's laws, the Company's objective and regulations, and shareholders resolution.
2. Authority to appoint the Company's directors and/or management. The Board may appoint other person to act on behalf of the Board and remain under the Board's supervision. The Board can cancel, withdraw, change, or amend those authorities as appropriate.
3. Determine goal, guideline, policy, operational plan and the Company's budget. The Board also supervises the management and other persons who are assigned to ensure that the Board's policies are carried out.
4. Review, inspect and approve policies, strategies, business plan and major investment projects proposed by the management.
5. Follow up to ensure that operations are inline with business plan and budget.
6. Approve investment in business expansion, merger with other operators or investment in other businesses.
7. Determine policies, business strategies, and supervise the business operations of the Company and/or subsidiaries.
8. Determine company's regulations.
9. Determine and approve affairs that are crucial to the Company or the activities that may benefit the Company.

Audit Committee

As of 31 December 2011, the Company's Audit Committee comprised of 3 members, which are;

- | | | |
|---------------|---------------|------------------------------------|
| 1. Mr. Phisit | Dachanabhirom | <i>Chairman of Audit Committee</i> |
| 2. Mr. Dej | Bulsuk | <i>Audit Committee</i> |
| 3. Mr. Suwit | Kingkaew | <i>Audit Committee</i> |

Miss Chuleewan Hawichit is the *secretary of the Audit Committee*

Scope of responsibilities of the Audit Committee

1. To ensure that the Company has accurately and adequately disclosed its financial statements.
2. To set out guidance and to ensure that there are suitable and effective internal control and internal audit in the Company.
3. To ensure that the Company is operated in accordance with the laws concerning securities and stock exchange, stipulations of the Stock Exchange and other laws involving Company business.
4. To select and make suggestions of independent persons to be appointed as the Company's auditor together with the audition fee by taking into consideration the credibility, personnel sufficiency, work volume of auditing firm and experience of the personnel to be appointed as Company's auditor, as well as to attend a non-management meeting with an auditor at least once a year;
5. To consider and approve the Connected Transactions and/or Acquisition or Disposition of Assets of the Company or its subsidiaries, and to accurately and completely disclose the Company's information in case of related transactions or the transactions that may lead to conflicts of interests, as well as to approve such transactions to be proposed to the Board of Directors' meeting and/or the shareholders' meeting to be in compliance with the related laws;
6. To conduct other tasks as instructed by the Board of Directors and/or approved by the Audit Committee,
7. To prepare the audit committee activity reports by disclosing on Company's annual report.
8. To comply with the duties and responsibilities as assigned by the Board of Directors and as stipulated in the laws concerning securities and stock exchange, including other related rules and regulations;
9. To have a power to seek independent opinions from external advisors, at the expense of the Company, when necessary;
10. To have a power to request information from any divisions in the Company for supporting their consideration on any matters; and
11. To undertake other matters as assigned by the Board of Directors, with the approval of the audit committee.

Selection and remuneration committee

As of 31 December 2011, the Company's selection and remuneration committee comprised of 3 members, which are;

- | | | |
|---------------|---------------|---|
| 1. Mr. Suwit | Kingkaew | <i>Chairman of the selection and remuneration committee</i> |
| 2. Mr. Adisak | Sukumvitaya | <i>selection and remuneration committee</i> |
| 3. Mr. Phisit | Dachanabhirom | <i>selection and remuneration committee</i> |

Mr. Suphot Wanna is the *secretary of the selection and remuneration committee*

Scope of responsibilities of the selection and remuneration committee

1. Recruit, select and propose candidates to take director positions and propose to directors and shareholders in the event of vacancy, retirement by rotation and other incidents.
2. Recruit, select and propose candidates to take chief executive officer positions in the event of vacancy and determine succession plan for top-level management.
3. Propose appropriate remuneration policy and remuneration and benefits guideline for the Board members, sub-committee, chief executive officer and management and consistent with the Company's performance and market condition.
4. Evaluate the Company's success to determine bonus and annual salary raise.
5. Review salary and benefit structure of the Company.
6. Other activities as assigned by the Company's Board of Directors.

Executive Committee

As of 31 December 2011, the Company's executive committee comprised of 5 members, which are;

- | | | |
|------------------|-----------------|--|
| 1. Mr. Adisak | Sukumvitaya | <i>Chairman of the Executive Committee</i> |
| 2. Miss Yuvadee | Pong-acha | <i>Executive Committee</i> |
| 4. Mrs. Manee | Soonthornvatin | <i>Executive Committee</i> |
| 5. Mrs. Nonglak | Laksanapokin | <i>Executive Committee</i> |
| 6. Mr. Kittipong | Kanokvilairat * | <i>Executive Committee</i> |

Mr. Suphot Wanna is the *secretary of the Executive Committee*

*Mr. Kittipong Kanokvilairat, Chief Marketing Officer and Executive Committee has resigned from company which will be effective on December 31 , 2011.

Scope of responsibilities of the executive committee

1. Consider and determine business policies, directions, strategies, management structure and principle, as well as follow up on the business progress.
2. Determine business plan, budget and management authority and propose the plan for Board approval.
3. Review, follow-up and act to ensure that the Company's policy and guideline are carried out efficiently.
4. Determine employee's remuneration and salary structure.
5. Determine the Company's corporate structure, and consider executive board member and top management appointment.
6. Review and approve budget allocation as approved by the Board.
7. Other activities as assigned by the Company's Board of Directors.

Directors and Executive' remuneration

1) Directors' remuneration

Eight Board of Directors was appointed by the 2/2007 Shareholders' Meeting, dated 26 March 2007. The 5/2007 Board meeting, dated 20 November 2007, resolved to approve directors' remuneration for the amount no more than Baht 5 million. The Chairman of the Audit Committee and the Audit Committees are also eligible for the remuneration as part of the company's Board of Directors.

In 2011, the company pays for the Directors' remuneration in fixed payment.

Name		Position	2011
1. Mr. Pisnu	Pong-acha	<i>Chairman of the Board</i>	540,000
2. Mr. Adisak	Sukumvitaya	<i>Director</i>	300,000
3. Miss Yuvadee	Pong-acha	<i>Director</i>	300,000
4. Mrs. Manee	Soonthornvatin	<i>Director</i>	300,000
5. Mr. Pracha	Tansaenee	<i>Director</i>	300,000
6. Mr. Phisit	Dachanabhirom	<i>Chairman of Audit Committee/Independent Director</i>	540,000
7. Mr. Suwit	Kingkaew	<i>Audit committee/Independent Director</i>	300,000
8. Mr. Dej	Bulsuk	<i>Audit Committee/Independent Director</i>	480,000
Total			3,060,000

2) Executives' remuneration.

Total remuneration for 5 executives for the period ended 31 December 2011 were at Baht 23,498,157.00 which comprised of salary, bonus and other remuneration such as commission, position fees, transportation, social securities, provident funds and other remuneration paid with the salary. Executive refer to Executive Committee and the company's management according to the definition of the Office of Securities Exchange Commission.

Good Corporate Governance Report

To comply with the Code of Best Practices, the Company has determined policies concerning corporate governance to ensure transparency in all level of organization, from operational employees to the Board of Directors. The policies lay a crucial foundation to improve efficiency and effectiveness of business operation that will benefit the Company and shareholders in a long run. Therefore, the Company has completely complied with all 15 Code of Best Practices guideline provided by the Stock Exchange of Thailand.

1. Policies concerning corporate governance

The Company's Board of Directors understands the importance of good corporate governance, internal standard and compliance with the policies of the Stock Exchange of Thailand. The Board appoints Audit Committee to audit and control the Company's affairs to promote good organization culture and business ethics. The Board is confident that good corporate governance practice will help support the Company's operation and is one of the key objectives that will maximize shareholders wealth.

The values that the Company expects every directors and employees to keep in mind in every mission are:

- 1.1 Operate professionally, faithfully and ethically.
- 1.2 Create harmonious and cooperative workplace.
- 1.3 Follow good work practices to develop the Company, nations and society.
- 1.4 Cooperate and be flexible to respond to every situation.

2. Rights and equitable treatments of shareholders

From 2002, after the Company has been converted into the public company limited status, the Company has sent meeting invitation along with documents at least 7 days prior to the meeting to comply with the legal requirement. Moreover, the Company has a policy to treat all shareholders on equitable basis. The shareholders can freely select director, vote on agendas and raised any comments and questions in the meeting according to the meeting regulation. Every shareholder will have equal right to receive complete and accurate information on timely basis. Every shareholder will be able to check out the information.

Moreover, after the Company is listed in the Stock Exchange of Thailand, the Company plan to increase options for the shareholders by appointing independent directors to receive proxy from the shareholders in case the shareholders cannot attend the meeting.

3. Rights of the stakeholders

The Company respects the rights of every stakeholder, whether the internal stakeholders such as employees and management of the Company and subsidiary, or external stakeholders such as customers, trade partners, competitors, creditors, regulators and other related agencies. The Company has complied with relevant laws and regulations to preserve

rights of the above stakeholders. The Company has treated employees fairly by offering appropriate compensation; bought products and services from suppliers and acted according to the contract terms; cared and responsible for customers and keep their confidentiality, etc. The Company's code of ethics also indicates the practices that considered ethical competition that will not seek competitor's confidential information by unethical and inappropriate means. The Company has a policy to operate business and grow with the community.

4. The shareholders meeting

The Company sends meeting invitation and documents concerning relevant agendas to the shareholders at least 7 days prior to the shareholders' meeting. The Company has a policy to give shareholders equal rights to check on business operation, give suggestion or raise questions. The Company records important questions and comments in the shareholders' meeting minutes. Moreover, after the Company is listed in the Stock Exchange of Thailand, the Company has a policy to appoint independent directors to take proxy from the shareholders in case the shareholders cannot participate in the meeting. The Chairman of the Audit Committee and the Chairman of the Board should participate in every Board meeting and Audit Committee meeting according to the good corporate governance practice.

5. Leadership and vision

The Board of Directors comprises of knowledgeable, skilled and experienced personnel in the business that determine policy, vision, strategies, objective, mission, business plan and the Company's budgets. The Board also ensures that the management performs in accordance with the stated policy efficiently and effectively within the scope of laws, the Company's regulation and the shareholders' resolution. The Board will perform duties responsibly and prudently according to the Code of Best Practices to maximize economic value and shareholders' value. Moreover, the Company gave importance to the internal audit system, internal audit process, appropriate risk management measures and traceable system to make sure the operation is in compliance with the law, and the Company has good audit system to maximize benefit for the Company. Moreover, the Board of Directors clearly determines the roles and responsibilities of the Board of Directors, Audit Committee, Executive Committee and Chief Executive Officers.

6. Conflict of Interest

The Board of Directors and management has prudently and ethically eliminate conflict of interest problem under the scope of good ethical guideline for the best interest of the Company. The guidelines are practiced to create transparency and prevent abusing authority for personal gain. The Company has regulations to prevent directors, management and operational employees to use undisclosed insider's information of the Company and subsidiary for personal benefit. Moreover, if there is related transaction or transaction concerning asset acquisition or disposal of the Company or subsidiary, the Company will carry out the transaction according to the criteria and procedures stated by the Stock Exchange of Thailand.

7. Business ethics

The Company is committed to act ethically. Every director, management and employee has obligation to perform duties with accountability within the scope of laws and personal responsibilities. Everyone must prudently act on any transaction and withhold from any action that may damage the Company and society, despite the action may perceived to benefit the Company. The Company provided director and employee code of conduct and code of business ethics for the employee to follow. Both codes were approved by the Board of Directors on 20 November 2007.

8. Balance of power

The Board of Directors consists of 8 directors, which are

8.1 3 executive directors

8.2 2 non-executive director

8.3 3 independent directors and audit committees, or 37.50% of the Board of Directors.

9. Position aggregation or segregation

The Chairman of the Board is not the same person as the Chief Executive Officer to enable balance of power and management audit process. Moreover, more than half of the Board comprises of non-executive director and independent directors to efficiently determine business policy. Moreover, the Company clearly determines scope of responsibilities, duties and responsibilities of the Chief Executive Officer to prevent complete control over the Company.

10. Director and management' s remuneration

The Company set up a committee to consider benefits and remuneration for the management staffs ranked Chief Executive Officer or higher. The remuneration committee will consider fair remuneration to benchmark with the Company in the same industry with similar size. The remuneration will also consider the Company' s performance. The remuneration must be in appropriate level to retain staffs depending on their responsibilities. The Company also discloses remuneration paid to directors and managements as determined by the Office of Securities Exchange Commission and the Stock Exchange of Thailand.

11. Board meeting

The Company requires that the meeting invitation, along with enclosed documents, must be distributed to the directors for consideration at least 7 days prior to the meeting according to the legal requirement. During 2011, the Board met 5 times and made board-certified meeting minutes for every meeting and keep them for further reference from directors and related persons.

12. Audit committee

The Company appointed Audit Committee to oversee corporate governance activities. The Audit Committee comprises of 3 independent directors with one of them is knowledgeable in account or finance. The Audit Committee has scope of responsibilities and authorities as specified in the Responsibilities and Authorities of Audit Committee. Moreover, the Company also appoints other sub-committee to oversee various businesses.

13. Internal audit system

The Company determined duties, responsibilities and authorities of every operator and management in written. The Company ensures that the resources are used to benefit the Company, there is segregation of authorities of the operator, controller and evaluator to ensure appropriate check and balance. The Company has internal audit department to audit, plan, follow-up and coordinate to ensure that the Company's core operations are consistent with the determined guideline and are carried out efficiently. The internal audit department is independent and can perform audit responsibilities independently. The internal audit department reports directly to the Audit Committee.

In 2011, the Company has hired outsource internal auditor is E&Y office Limited under the supervision of the Audit Committee. In every internal audit activities, the auditor must report findings and suggestions directly to the Audit Committee by having internal audit system plan in the company and also subsidiary company in every quarter.

14. Reports of the Board of Directors

The Board of Directors is responsible for the Company's consolidated financial statements of the Company and subsidiaries and any information appears in the annual report. The Board must provide adequate internal audit measures to ensure accurate, complete and adequate financial information to maintain the Company's assets, to understand the weakness and to prevent any fraud or any significant abnormal activities. The Board meeting no. 1/2002, dated 29 March 2002, the Board appointed the Audit Committee to responsible for quality of financial reports and internal audit system.

15. Investors' relation

After the Company is listed in the Stock Exchange of Thailand, the Company shall establish investors relation to ensure accurate, complete, transparent and equal information disclosure on the financial information and other information that may affect the Company's share price. The investors' relation unit will disseminate the Company's information to investors and public via various channels.

However, the Company is preparing corporate governance guideline for the above guideline, which will be reviewed by the Audit Committee before being proposed to the Company's director for final approval. Then the corporate governance guideline will be applied for every director, management and employee of the Company and subsidiaries.

Regulations concerning the usage of insider's information

1. The Company's directors, managements, employees and staffs must preserve the Company's secret and/or insider's information.
2. The Company's directors, managements, employees and staffs must not disclose the Company's secret and/or insider's information or make personal or other people's gain, whether directly or indirectly, and whether being compensated or not.
3. The Company's directors, managements, employees and staffs must not trade, transfer or transferred the Company's securities base on the Company's secret and/or insider's information, and/or engage with any activities that use the Company's secret and/or insider's information that could potentially cause damage to the Company, whether directly or indirectly. The requirement shall cover spouse and immature children of the Company's directors, managements, employees and staffs. Violation shall be deemed a serious offense to the Company.

Related Transactions

During 2011 and 2010, the Company has engaged in related transactions, all of which are considered rationally to ensure highest benefit for the Company and shareholders, as if the transactions are done with the third person to prevent any potential conflict of interest and to comply with the regulations stipulated by the Stock Exchange of Thailand. Details of the related transactions are as followed.

Related person / Nature of business / Relationship	Details of transactions	Transaction value (Baht)		Necessity and rationale of the transactions
		2011	2010	
Mr. Pitsanu Pongatcha has following relationship with Jay Mart Pcl. - Chairman of the Board - Brother of Yuvadee Pongatcha - Holds 0.15% of the Company's paid-up capital.	Rent warehouse No.35 Soi Lumsali, Huamark, Bangkok. The contract is valid for 3 years, starting 1 July 2010 to 30 June 2013 at a rental rate of Baht 70,000 per month.	840,000	840,000	The company does not have enough space to store equipment and decorative items. The warehouse is located near the Company's head office, which make it convenient for relocation. The rental rate is charged at market price when compared to nearby area. The Audit Committee sees that the transaction is conducted at market price.
AEON Thana Sinsap (Thailand) Public Company Limited Operates hire purchase, credit card, personal loan business. The company is located at no. 159, 1-2 floor, Sermmit Tower, Asoke (Sukhumvit 21), Klongton Nua, Wattana, Bangkok 10110. It has following relationship with Jay Mart Pcl. - It has co-director with Jay Mart. Mr. Tej Bulsuk holds	Space rental ITJ Promotional area in Rayong (Rent fee per day)	59,000	42,400	The Company sub-lease area to Aeon. The rental and utility rate is charged at market price when compared with nearby rental space and other lessees. The Audit Committee sees that the transaction is conducted at market price.

Related person / Nature of business / Relationship	Details of transactions	Transaction value (Baht)		Necessity and rationale of the transactions
		2011	2010	
independent director of Jay Mart and Independent director audit committee of AEON Thana Sinsap (Thailand) Pcl.	Referral fees This is fee income for the customers who use hire purchase business through Aeon. The referral fee is collected from Aeon as incurred.	7,047,495	7,074,442	Hire-purchase business through Aeon is normal business practice which incur as actual. The Audit Committee sees that the transaction is conducted at market price.
	Debt collection Debt collection and document delivery service.	25,587,478	25,744,571	Debt collection and document delivery is normal business of JMT, the Company' s subsidiary. The fee is charge at market price, compared to other customers.
JMT Network Services Company Limited Operates debt collection business. Head office is located at 9/143, 144, 145 UM Tower, 14th floor , Ramkamheang, Suan Luang, Bangkok. It has following relationship with Jay Mart Pcl. - Jay Mart Pcl. Hold 99.99% of JMT' s paid-up capital.	Sell mobile phone products.	203,785	314,720	Mobile phone sales is the Company' s normal business operation and is done at market price, which can be compared to other customers.
	Collect management fee for to manage budget, finance and accounting. Give advice for human resource, organization communication and IT function for 1 year. (1 Jan 2011-31 Dec 2011 at Baht 270,000 per month).	3,240,000	1,620,000	The Company provides service for JMT as JMT is the subsidiary. If JMT would conduct all those functions by itself, it will be very costly. The contract is extendable every year with written consent made at least 3 months prior to the expiration. The audit committee deems that the transaction is necessary and rational and should continue in the future. The audit committee will

Related person / Nature of business / Relationship	Details of transactions	Transaction value (Baht)		Necessity and rationale of the transactions
		2011	2010	
	Loan Interest income	4,274,085	11,644	regularly review to ensure that the contract is carried out rationally. According to market interest rates.

Financial Statements

Responsibilities of the Board toward financial reports

Financial statements and consolidated financial statements of Jay Mart Public Company Limited and subsidiary are prepared according to the Board's policy to have financial statements prepared according to generally accepted accounting standard. The Company selects appropriate accounting policies and practices them consistently and prudently. The Company provides adequate and transparent information disclosure in the notes attached to the financial statements to the best interest of investors and shareholders.

The Board has provided appropriate and efficient risk management and internal audit systems to ensure that the disclosed accounting information is accurate, complete and adequate to maintain assets and prevent any fraud or significant abnormality.

Therefore, the Board has formed Audit Committee to review accounting policies, quality of financial statements, quality of internal audit system, internal control, risk management system and information disclosure. The comment of Audit Committee can be found in the Report of the Audit Committee as shown in the Company's annual report.

Financial statements and consolidated financial statements have been audited by the Company's accounting auditor, Grant Thornton Company Limited. During the review process, the Board has provided any necessary data and documents to enable accounting auditors to be able to audit and express comment according to the accounting standard. The accounting auditor's comments are found in the Report of the Accounting Auditor as shown in the Company's annual report.

The Board believes that the Company's internal audit system are in the satisfactory level and should ensure that the financial statements of Jay Mart Public Company Limited and consolidated financial statements of Jay Mart Public Company Limited and subsidiary for the accounting year ended 31 December 2011 are reliable and are prepared according to the generally accepted accounting principles and any relevant laws and regulations.

Mr. Pisnu Pong-acha
Chairman of the Board

Mr. Adisak Sukumvitaya
Chairman of the Executive Committee

Report of the Audit Committee

The Audit Committee of Jay Mart Public Company Limited comprised of 3 independent directors.

- | | | |
|---------------|---------------|------------------------------------|
| 1. Mr. Phisit | Dachanabhirom | <i>Chairman of Audit Committee</i> |
| 2. Mr. Dej | Bulsuk | <i>Audit Committee</i> |
| 3. Mr. Suwit | Kingkaew | <i>Audit Committee</i> |
- Miss Chuleewan Hawichit is the *secretary of the Audit Committee*

During 2011, Audit Committee arranged 4 meetings and has carried out duties according to the relevant guideline, regulation, criteria and law. The committee also determines accounting auditor appointment proposal and remuneration.

The Audit Committee has hired Ernst & Young Corporation Services Limited to be the Company's Internal Auditors. The auditing of such shall cover important working system of the Company; namely, wholesale system, retailed distribution system and revenue collection from the leasing area, and debt auction procedure and debt collection. The Internal Control Division shall perform planning, auditing, and follow-up the results of the internal auditing, namely, general procurement. The results of the internal auditing can be confidently evaluated that the operational system of the Company and its subsidiaries has an efficient internal controlling. The internal control system is good, sufficient, and appropriate with the business situation with high competitiveness. The Audit Committee opined that the Board of Directors and Executives of the Company possess morality and determination to perform their duties to achieve the Company's goal with quality. However, the Audit Committee still determines to improve the Company's internal control system for better performance.

Although there are many factors affecting the Company's operation, the Audit Committee is confident that the Company could manage those factors effectively to result in long – term business growth.



Mr. Phisit Dachanabhirom
Chairman of Audit Committee

Management Discussion and Analysis: MD&A

Operating Result

	Amount (Baht million)		Changes
	2011	2010	YoY(%)
Total revenues	6,055.56	5,330.03	13.61%
Total costs	5,203.36	4,621.97	12.58%
Gross profits	852.20	708.06	20.36%
Sales and Administration expenses	582.30	570.12	2.14%
Earnings before interest and tax	269.89	137.94	95.67%
Net Profits	171.59	95.04	80.55%

Revenue

The Company's total revenues was increased from Baht 5,330.03 million in 2010 to Baht 6,055.56 million in 2011, or increase 13.61%. The increase of revenues is due to the following causes:

1. Sales revenue which is the main revenue for the Company, namely, selling mobile phone and phone accessories was increased from Baht 4,746.42 million in 2010 to Baht 5,363.19 million in 2011, an increase of Baht 616.77 million, or 13.00% due to the increase in selling volume and the expansion of the distribution.
2. Total revenue from debt collection and other services, and debt investment collection from debtor was increased from Baht 201.21 million in 2010 to Baht 323.50 million in 2011, an increase of Baht 122.31 million, or 60.79% due to the Company has more purchased bad debt to manage by self.
3. Rental revenue which is the revenue from retail space rental in the format of the management of wholesale under brand name "IT Junction". In 2011, the Company had the rental revenue of Baht 221.10 million was increased of Baht 25.21, or 12.87% from year 2010 due to the expansion of space for rent increase.
4. Sales promotion revenue which received by phone manufacturers of each brand, i.e. revenue on marketing promotion, revenue on promotion activities and revenue on sales commission was decreased from Baht 168.67 million in 2010 to Baht 124.14 million in 2011 or decreased 44.53 million or 26.40%.

Other revenues was increased from Baht 17.83 million in 2010 to Baht 23.60 million in 2011, an increase of Baht 5.77 million, or 32.33%.

Cost of sales

In 2011 and 2010, the Company had the cost of sales of Baht 5,203.36 million and Baht 4,621.97 million, respectively. The cost of sales was increased in line with the increase of sales revenue.

The cost of sales comprised of cost of mobile phone and accessories that the Company bought from manufacturers and dealers both domestic and foreign. In addition, the costs of leasing retail space, costs of debt acquisition, and costs of hiring a debt collection agency are also included on the cost of sales.

Sales and Administration expenses

In 2011 and 2010, The Company had the sales and administration expenses of Baht 582.30 million and Baht 570.12 million respectively, which was increased of Baht 12.18 million, or 2.14% in comparison with the previous year. The increased in expenses was mainly due to the increased in marketing management and activities.

Net Profit

In 2011 and 2010, the Company had the gross profit of Baht 852.20 million and Baht 708.06 million respectively, which increase by 20.36%. due to the increase in selling volume, the expansion of IT Junction and Company has more purchased bad debt to manage by self to get profit margin increases.

In 2011 and 2010, the Company had the net profit of Baht 171.59 million and Baht 95.04 million, an increase by 80.55%, representing the EPS of Baht 0.57 and Baht 0.32, respectively.

Financial Status

Assets

As of December 31, 2011, the Company had total assets of Baht 1,721.84 million, divided into current assets of Baht 982.48 million, or 57.06% of the total assets and non-current assets of Baht 739.36 million, or 42.94% of total assets. A comparison with the end of 2010, the Company's total assets was increase of Baht 333.13 million, or 23.99%

There are the significant changes of assets in 2011 as the following;

1. Trade accounts receivable - net were Baht 188.94 million, or 10.97% of total assets, which was increase of Baht 10.73 million from the previous year due to the increase in wholesale. The quality of accounts receivable, the Company had the accounts receivable which were not due and less than 3 months, representing 97.24% of total accounts receivable, and there are only 2.76% overdue for more than 3 months.
2. Inventory – net was Baht 506.02 million, or 29.40% of total assets, which was increase of Baht 35.68 million from the previous year due to the increase in distribution according to the increase of sales revenue.
3. Investments in accounts receivable – net was Baht 359.27 million, or 20.87% of total assets, which was increase of Baht 127.43 million from the previous year due to the Company has more purchased bad debt to manage by self.
4. Property, plant and equipment – net was Baht 205.86 million, or 11.96% of total assets, which was increase of Baht 142.66 million from the previous year due to the purchase land and buildings under construction.

Liabilities

As of December 31, 2011, the Company had total liabilities of Baht 1,048.51 million in comparison with the end of 2010, the increase of Baht 277.45 million, or 35.98%, There are the significant changes of liabilities in 2011 as the following;

1. Bank Overdrafts (O/D) and short-term loan from financial institution of Baht 616.55 million, the increase of Baht 40.96 million.

2. Trade accounts payable of Baht 181.31 million, the increase of Baht 95.17 million due to the reduction of orders.
3. Long - term loans of Baht 87.87 million, the increase of Baht 78.06 million due to the purchase land and buildings under construction.

Liquidity

During 2011, the Company had the net increase in cash and cash equivalents of Baht 20.01 million, divided into cash flow details of each activities as the following;

	2011	2010
Cash flow from operating activities	163.39	301.51
Cash flow from investing activities	(159.77)	46.18
Cash flow from financing activities	16.39	(345.12)
Net increase (decrease) in cash and cash equivalents	20.01	2.57

Cash flow from operating activities in 2011, the Company had net cash flow from operating activities of Baht 163.39 million, as a result from increasing in profits from operations and trade accounts payable. In 2010, the Company had net cash flow in from operations of Baht 301.51 million due to decrease of inventories.

Cash flow from investing activities in 2011, the Company had net cash flow from investing activities of Baht 159.77 million, as a result from purchasing land and building under construction. In 2010, the net cash flow in from investing activities showed Baht 46.18 million due to decreasing restricted cash deposits in financial institutions.

Cash flow from financing activities in 2011, the Company had net cash flow from financing activities of Baht 16.39 million, which mainly due to short-term and long-term loans from financial institutions. In 2010, the Company had net cash paid in financing activities of Baht 345.12 million which mainly due to the Company repaid short-term loans and paid dividend.

The Company's current ratio in 2011 increased to 1.07x from 1.29x in 2010 was mainly due to the decrease in short-term loan and accounts payable increase.

Source of funds

The company's main sources of funds comprised of shareholders' funds and short-term loan from financial institution. As of December 31, 2011, The Company's shareholder's equity in amount of Baht 673.33 an increase of Baht 55.68 million, or 9.02% from the year 2010, which was increased in un appropriated retained earnings of Baht 56.18 million. During 2011, the Company had paid the dividend of 2 times to the Shareholders in the total amount of Baht 102 million, divided into the dividend payment of Baht 54 million for the year 2010, and interim dividend payment of Baht 48 million for the year 2011. As of December 31, 2011, the short-term loan from financial institution in amount of Baht 616.55 million, the increase of Baht 40.96 million, or 7.12% from the previous year.

Auditing Fee

The Company and its subsidiaries' 2011 Auditing Fee paid to the auditors, personnel or business concerning the auditors or the office of the auditors from Grant Thornton Limited in the previous year amounted for Baht 2.16 million.

2011 Auditing Fee

1. Financial Statement Auditing Fee

Jay Mart Public Company Limited	Baht 1.51
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2. Financial Statement Auditing Fee

Jay Mart Public Company Limited and its subsidiaries	Baht 2.16
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Corporate Social Responsibility of the Company

The sense of being part of social, the Company has realized that the operation for social is an important part. The Company continues support and participates in charity and many activities which are the useful for social part.

In 2011, the Company has the following social activities:

1. Mangrove planting activities on 23-24 September 2011, KlongKone Mangrove Conservation Center, Samutsongkram Province
2. Delivery ships to Sub District Administration Organization, Tambol Baan Ma, Amphor Bangsai, Ayuthaya for helping flood crisis in year 2011
3. Supporting the purchase of jasmine in Mother's day of The National Council Welfare of Thailand for suffered children

The Company is committed to providing the activities in accordance with the social responsibility policy. The Company believes that this is building the sustainability of the community and social with the young quality people in order to be country in the future. The Company is one of the organization working together to develop future quality of life of young people and Thai society.







REPORT OF INDEPENDENT AUDITOR

To the Shareholders of Jay Mart Public Company Limited

I have audited the accompanying consolidated statements of financial position of Jay Mart Public Company Limited and subsidiaries as at 31 December 2011 and 2010, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. I have also audited Jay Mart Public Company Limited's separate statements of financial position as at 31 December 2011 and 2010, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to express an opinion on these financial statements based on my audits.

I have conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all materials respects, the consolidated financial position of Jay Mart Public Company Limited and subsidiaries as at 31 December 2011 and 2010 and their consolidated results of operations and cash flows for the years then ended, and the separate financial position of Jay Mart Public Company Limited at 31 December 2011 and 2010 and its results of operations and cash flows for the years then ended in conformity with generally accounting principles.

Without modifying my above audit report, I draw attention to information as discussed in Note 2 to the financial statements that effective 1 January 2011, the Company adopted the new and amended accounting and financial reporting standards issued by the Federation of Accounting Professions for the preparation and presentation of financial statements. The financial statements for the year ended 31 December 2010, presented herein for comparative purposes, have been modified and presented in new format to conform with the financial statements for the year ended 31 December 2011.

Mrs. Sumalee Chokdeeanant

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

28 February 2012

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 AND 2010

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2011	2010	2011	2010
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5	50,506,001	30,497,937	46,589,053	25,724,575
Trade accounts receivable	6	188,941,063	178,214,645	180,146,176	168,882,989
Trade account receivable - related company	28	10,111,762	9,397,729	8,440,272	7,239,892
Inventories - net	7	506,019,249	470,337,852	506,019,249	470,337,852
Accrued income	8	151,823,241	186,762,665	140,874,711	172,304,320
Refundable value added tax		7,502,141	5,177,411	6,839,167	3,348,829
Advance payment for purchasing goods	9	25,442,794	9,176,517	25,442,794	9,176,517
Current portion of					
hire purchase receivables - net	10	2,653,305	-	-	-
Loan to subsidiary company	28	-	-	61,000,000	50,000,000
Other current assets		39,479,323	29,050,583	25,030,381	20,569,554
Total Current Assets		982,478,879	918,615,339	1,000,381,803	927,584,528
NON - CURRENT ASSETS					
Hire purchase receivables - net	10	13,861,247	-	-	-
Investments in accounts receivable - net	11	359,272,280	231,846,146	-	-
Restricted deposits with financial institutions	12	3,046,550	18,072,253	2,029,933	17,063,565
Investment in subsidiary company	13	-	-	119,999,800	79,999,800
Property, plant and equipment - net	14	205,857,627	63,196,730	200,294,294	58,751,711
Computer softwares - net	15	10,292,830	10,511,543	9,141,858	8,845,981
Costs of leasehold rights and prepaid rent -	16	38,544,463	41,386,726	38,544,463	41,386,726
Deposits		108,483,787	105,074,979	106,456,903	103,220,430
Total Non - Current Assets		739,358,784	470,088,377	476,467,251	309,268,213
TOTAL ASSETS		1,721,837,663	1,388,703,716	1,476,849,054	1,236,852,741

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011 AND 2010

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2011	2010	2011	2010
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdraft and short - term loans					
from financial institutions	17	616,548,570	575,584,099	472,848,570	475,584,099
Trade accounts payable		181,306,033	86,130,576	180,453,255	85,603,846
Current portion of					
- Liabilities under finance lease	18	127,065	636,778	-	509,713
- Long - term loans	19	26,656,221	1,572,000	26,656,221	1,572,000
Other payable - subsidiary company	28	-	-	34,283	24,800
Accrued expenses	21	41,630,723	39,591,737	32,387,231	31,370,083
Income tax payable		40,325,072	1,452,819	19,379,674	1,452,819
Other current liabilities		9,072,610	8,059,959	7,009,069	5,956,640
Total Current Liabilities		915,666,294	713,027,968	738,768,303	602,074,000
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreements -	18	201,186	328,250	-	-
Long - term loans - net	19	61,213,779	8,234,000	61,213,779	8,234,000
Rental deposits from related company		804,528	804,528	804,528	804,528
Reserve for long - term employee benefits	20	16,153,820	-	14,280,152	-
Other non - current liabilities	22	54,467,191	48,664,942	54,467,191	48,664,942
Total Non - Current Liabilities		132,840,504	58,031,720	130,765,650	57,703,470
TOTAL LIABILITIES		1,048,506,798	771,059,688	869,533,953	659,777,470

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF FINANCIAL POSITION
 AS AT 31 DECEMBER 2011 AND 2010

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2011	2010	2011	2010
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
<u>(CONTINUED)</u>					
SHAREHOLDERS' EQUITY					
Share capital, common share at Baht 1 par value					
Registered 420,000,000 shares					
(31 December 2010 : 300,000,000 shares)	23	420,000,000	300,000,000	420,000,000	300,000,000
Fully paid - up 300,000,000 shares		300,000,000	300,000,000	300,000,000	300,000,000
Premium on share capital	24	52,330,000	52,330,000	52,330,000	52,330,000
Retained earnings					
Appropriated for statutory reserve	25	42,000,000	30,000,000	42,000,000	30,000,000
Unappropriated		279,498,420	235,313,828	212,936,995	194,745,271
Other components of equity	20	(497,755)	-	48,106	-
Total Equity of Company's Shareholders		673,330,665	617,643,828	607,315,101	577,075,271
Non - controlling interests in the subsidiaries		200	200	-	-
TOTAL SHAREHOLDERS' EQUITY		673,330,865	617,644,028	607,315,101	577,075,271
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY					
		1,721,837,663	1,388,703,716	1,476,849,054	1,236,852,741

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit : Baht)					
	Notes	CONSOLIDATED F/S		SEPARATE F/S	
		2011	2010	2011	2010
REVENUES FROM SALES AND SERVICES	28				
Sales		5,363,195,351	4,746,421,788	5,363,399,136	4,746,736,508
Income from debts collection and other services		323,521,162	201,210,160	-	-
Rental income		221,103,452	195,889,650	221,103,452	195,889,650
Total revenues from sales and services		5,907,819,965	5,143,521,598	5,584,502,588	4,942,626,158
COSTS OF SALES AND SERVICES	31				
Costs of sales		(4,850,055,408)	(4,334,079,894)	(4,850,259,192)	(4,334,394,613)
Costs of debts collection and other services		(168,864,627)	(122,671,426)	-	-
Costs of rent		(184,445,227)	(165,216,918)	(184,445,227)	(165,216,918)
Total costs of sales and services		(5,203,365,262)	(4,621,968,238)	(5,034,704,419)	(4,499,611,531)
Gross profit		704,454,703	521,553,360	549,798,169	443,014,627
Sales promotion income		124,140,493	168,672,327	124,140,493	168,672,327
Dividend income	28	-	-	39,999,910	49,759,129
Other income		23,601,699	17,835,660	27,801,421	17,799,052
Management fee income	28	-	-	3,240,000	1,620,000
Income before expenses		852,196,893	708,061,347	744,979,993	680,865,135
Selling expenses	31	(381,816,413)	(380,619,516)	(381,816,413)	(380,619,516)
Administrative expenses	31	(200,489,148)	(189,505,581)	(162,415,871)	(159,144,397)
Total expenses		(582,305,561)	(570,125,097)	(544,232,284)	(539,763,913)
Income before finance cost and income tax		269,891,334	137,936,250	200,747,709	141,101,222
Finance cost		(26,628,541)	(22,331,331)	(21,280,892)	(20,743,663)
Income before income tax		243,262,793	115,604,919	179,466,817	120,357,559
Income tax	26	(71,676,319)	(20,566,422)	(34,837,113)	(16,843,566)
Total income for the year		171,586,474	95,038,497	144,629,704	103,513,993
Other comprehensive income for the year					
Gain (loss) from actuarial assessments	20	(497,755)	-	48,106	-
Total comprehensive income for the year		171,088,719	95,038,497	144,677,810	103,513,993
Income attributable to:					
The Company's shareholders		171,586,474	95,038,497	144,629,704	103,513,993
Non - controlling interests		-	-	-	-
		171,586,474	95,038,497	144,629,704	103,513,993
Comprehensive income attributable to:					
The Company's shareholders		171,088,719	95,038,497	144,677,810	103,513,993
Non - controlling interests		-	-	-	-
		171,088,719	95,038,497	144,677,810	103,513,993
BASIC EARNINGS PER SHARE					
Company's income per share (Unit : Baht)		0.57	0.32	0.48	0.35
Weighted average number of common shares (Shares)		300,000,000	300,000,000	300,000,000	300,000,000

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

(Unit : Baht)

		Paid - up Share Capital	Premium on share capital	Retained Earnings		Other components of equity	Total equity attributable to the Company's shareholders	Non - controlling interests	Total
	Notes			Statutory reserve	Unappropriated	Gain (loss) from acturial assessment			
CONSOLIDATED F/S									
Balance as at 1 January 2010		300,000,000	52,330,000	30,000,000	203,268,707	-	585,598,707	700	585,599,407
Total comprehensive income for the year		-	-	-	95,038,497	-	95,038,497	-	95,038,497
Dividend paid	33	-	-	-	(62,993,376)	-	(62,993,376)	-	(62,993,376)
Decrease in minority interest		-	-	-	-	-	-	(500)	(500)
Balance as at 31 December 2010		300,000,000	52,330,000	30,000,000	235,313,828	-	617,643,828	200	617,644,028
Balance as at 1 January 2011 - as previously reported		300,000,000	52,330,000	30,000,000	235,313,828	-	617,643,828	200	617,644,028
Cumulative effect of change in accounting policy for employee benefits	2	-	-	-	(13,402,202)	-	(13,402,202)	-	(13,402,202)
Balance as at 1 January 2011 - after adjusted		300,000,000	52,330,000	30,000,000	221,911,626	-	604,241,626	200	604,241,826
Total comprehensive income for the year		-	-	-	171,586,474	(497,755)	171,088,719	-	171,088,719
Statutory reserve	25	-	-	12,000,000	(12,000,000)	-	-	-	-
Dividend paid	33	-	-	-	(101,999,680)	-	(101,999,680)	-	(101,999,680)
Balance as at 31 December 2011		300,000,000	52,330,000	42,000,000	279,498,420	(497,755)	673,330,665	200	673,330,865
SEPARATE F/S									
Balance as at 1 January 2010		300,000,000	52,330,000	30,000,000	154,224,654	-	536,554,654	-	536,554,654
Total comprehensive income for the year		-	-	-	103,513,993	-	103,513,993	-	103,513,993
Dividend paid	33	-	-	-	(62,993,376)	-	(62,993,376)	-	(62,993,376)
Balance as at 31 December 2010		300,000,000	52,330,000	30,000,000	194,745,271	-	577,075,271	-	577,075,271
Balance as at 1 January 2011 - after adjusted reported		300,000,000	52,330,000	30,000,000	194,745,271	-	577,075,271	-	577,075,271
Cumulative effect of change in accounting policy for employee benefits	2	-	-	-	(12,438,300)	-	(12,438,300)	-	(12,438,300)
Balance as at 1 January 2011 - after adjusted		300,000,000	52,330,000	30,000,000	182,306,971	-	564,636,971	-	564,636,971
Total comprehensive income for the year		-	-	-	144,629,704	48,106	144,677,810	-	144,677,810
Statutory reserve	25	-	-	12,000,000	(12,000,000)	-	-	-	-
Dividend paid	33	-	-	-	(101,999,680)	-	(101,999,680)	-	(101,999,680)
Balance as at 31 December 2011		300,000,000	52,330,000	42,000,000	212,936,995	48,106	607,315,101	-	607,315,101

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Cash flows from operating activities:				
Income before income tax	243,262,793	115,604,919	179,466,817	120,357,539
Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	33,445,801	36,821,729	30,030,089	31,312,607
Loss (gain) on sales of fixed assets	1,755,366	(105,563)	1,955,844	(107,215)
Unrealized gain on foreign exchange rate	(36,082)	(498,741)	(36,082)	(498,741)
Bad debt and allowance (reversal of allowance) for doubtful	(454,852)	(4,773,022)	1,179,102	(2,829,670)
Allowance (reversal of allowance) for obsolete inventories	(8,494,499)	3,590,676	(8,494,499)	3,590,676
Inventories written off	247,987	4,800,833	247,987	4,800,833
Dividend income	-	-	(39,999,910)	(49,759,129)
Interest income	(2,570,633)	(396,770)	(6,580,619)	(394,416)
Interest expense	26,628,540	22,331,331	21,280,892	20,743,663
Long - term employee benefits expense	1,650,763	-	1,330,234	-
Cash provided from operating activities before changes in operating assets and liabilities	295,435,184	177,375,392	180,379,855	127,216,167
Decrease (increase) in operating assets:				
Trade accounts receivable	(11,905,520)	24,164,346	(12,442,289)	28,202,784
Trade account receivable - related company	(714,033)	484,772	(1,200,380)	(193,528)
Inventories	(27,434,885)	361,255,910	(27,434,885)	361,255,910
Accrued income	34,909,579	(27,806,567)	31,398,963	(25,800,998)
Refundable value added tax	(2,324,730)	21,009,195	(3,490,338)	22,837,777
Advance payment for purchasing goods	(16,266,277)	46,081,994	(16,266,277)	46,081,994
Loan to subsidiary company	(38,472)	-	(11,000,000)	(50,000,000)
Other current assets	(10,858,009)	5,150,646	(4,632,833)	4,122,238
Hire purchase receivables	(16,536,655)	-	-	-
Investments in accounts receivable	(125,770,077)	(116,619,428)	-	-
Other non - current assets	(3,408,809)	(11,681,254)	(3,236,473)	(11,457,851)
Increase (decrease) in operating liabilities:				
Trade accounts payable	95,211,538	(140,636,801)	94,885,491	(135,137,708)
Other payable - subsidiary company	-	-	9,483	16,036
Accrued expenses	2,050,631	6,820,081	1,017,148	5,238,967
Other current liabilities	1,006,756	(2,316,534)	1,008,202	(2,268,113)
Other non - current liabilities	5,802,249	7,698,395	5,802,249	7,698,395
Cash provided from operating activities	219,158,470	350,980,147	234,797,916	377,810,070

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2011 AND 2010

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Cash provided from operating activities (continued)				
Cash received from interest	2,600,479	529,280	6,611,265	520,421
Cash paid for interest	(25,563,449)	(22,632,606)	(20,504,936)	(20,720,244)
Income tax paid	(32,804,065)	(27,366,155)	(16,910,257)	(23,307,399)
Net cash provided from operating activities	163,391,435	301,510,666	203,993,988	334,302,848
Cash flows from investing activities:				
Decrease in restricted deposits with financial institutions	15,025,704	85,108,381	15,033,632	78,573,783
Additional investments in subsidiary company	-	-	(40,000,000)	(40,000,500)
Cash received from dividend	-	-	39,999,910	49,759,129
Proceeds from disposal of fixed assets	1,141,593	157,865	895,827	157,865
Cash paid for purchases of land and building under construction	(175,942,681)	(39,083,641)	(171,877,957)	(36,332,573)
Net cash provided from (used in) investing activities	(159,775,384)	46,182,605	(155,948,588)	52,157,704
Cash flows from financing activities:				
Increase (decrease) in bank overdraft and short - term loans from financial institutions	40,964,471	(277,604,944)	(2,735,529)	(318,604,944)
Repayment of liabilities under finance lease agreements	(636,778)	(2,953,565)	(509,713)	(2,953,565)
Increase (decrease) in long - term loans	78,064,000	(1,572,000)	78,064,000	(1,572,000)
Dividend paid	(101,999,680)	(62,993,376)	(101,999,680)	(62,993,376)
Net cash provided from (used in) financing activities	16,392,013	(345,123,885)	(27,180,922)	(386,123,885)
Net increase in cash and cash equivalents	20,008,064	2,569,386	20,864,478	336,667
Cash and cash equivalents - beginning of the year	30,497,937	27,928,551	25,724,575	25,387,908
Cash and cash equivalents - end of the year	50,506,001	30,497,937	46,589,053	25,724,575
Supplemental cash flows information:				
Non-cash transactions				
Purchases of vehicles under finance lease agreements	-	455,315	-	-
The Company recognises provision for employee benefits as at				
1 January 2011 by adjusting the past service cost with retained earnings	13,402,202	-	12,438,300	-

The accompanying notes form an integral part of these financial statements.

JAY MART PUBLIC COMPANY LIMITED AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2011 AND 2010

1. GENERAL INFORMATION

The Company registered its incorporation in accordance with the Thai Civil and Commercial Code as a limited company in the year 1988. The Company changed its status to a public company and registered the change of its name to “Jay Mart Public Company Limited” (the Company) on 26 March 2002. The Company registered its shares for trading in the Stock Exchange of Thailand in 25 June 2009. The Company’s registered office is located at 9/121 - 3, 126 - 7 UM - Tower, 12th Floor Ramkhamhaeng Road, Suanluang Sub - District, Suanluang District, Bangkok.

The Company is engaged in the trading of mobile phone, and related accessories and space rental and public utilities service. The space rental is for periods of 1 to 3 years. In addition, the Company has a subsidiary engaged in the purchase of non-performing accounts receivable for debts collection, debts collection services and factoring business.

As at 31 December 2011 and 2010, the Company has major shareholders as follows :

<u>Name</u>	Percentage of Shareholding	
	2011	2010
Mr. Adisak Sukumvittaya	26.1	26.1
Miss Yuwadee Pong – acha	23.7	23.7
Miss Jutamas Sukumvittaya	9.1	9.1
Mr. Aekachai Sukumvittaya	8.8	8.8

2. BASIS OF FINANCIAL STATEMENT PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of consolidation

The consolidated financial statements include the separate financial statements of Jay Mart Public Company Limited and following subsidiaries:

Name of Entity	Percentage of shareholding		Type of businesses
	2011	2010	
<u>Subsidiary company</u>			
JMT Network Services Company Limited	99.99%	99.99%	Debt collection business, non-performing receivables management, and leasing and factoring business
<u>Indirect subsidiary</u>			
JMT Plus Company Limited	99.99%	-	Debt collection business

On 24 March 2011, the subsidiary company invested in a new 99.99% owned subsidiary, JMT Plus Co., Ltd., to do debt collection business, with registered share capital of Baht 1 million. This subsidiary company had not yet started its operations.

The percentage of subsidiaries' assets and revenues included in the consolidated financial statements of Jay Mart Public Company Limited and subsidiaries as at 31 December 2011 and 2010, and total revenues for the years ended 31 December 2011 and 2010 are as follows :

Name of Entity	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
	31 December	31 December	For the years ended 31 December	
	2011	2010	2011	2010
<u>Subsidiary company</u>				
JMT Network Services Company Limited	25	20	5	4
<u>Indirect subsidiary</u>				
JMT Plus Company Limited	-	-	-	-

Significant inter - company transactions with subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepared with the same accounting policies as for the separate financial statements for the same accounting transactions or accounting events.

2.2 Basis of financial statement preparation

The accompanying financial statements have been officially prepared in Thai in accordance with the Thai Generally Accepted Accounting Principles under the Accounting Act B.E. 2543 and Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547 and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535. The translation of these financial statements to other language must be in compliance with the official report in Thai.

The financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

During the years 2010 and 2011, the Federation of Accounting Professions has announced the new and amendments to some accounting standards and financial reporting standards, which are effective for the accounting periods beginning on or after 1 January 2011 and 1 January 2013. The Company has adopted those standards which are effective for the accounting periods beginning on or after 1 January 2011 in these the financial statements. The Standards which impact the changes to the financial statements from previous year are as follow :

TAS 1 (Revised in 2009) : Presentation of financial statements

Presentation of financial statements, a set of financial statements comprises statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows and notes to financial statements. The change impacts only presentation with no impact to net income or earnings per share.

TAS 16 (Revised in 2009) : Property, plant and equipment

The significant changes that affect the Company is the determination of depreciation of assets based on segregation of components of assets, if each part is significant with different useful lives, and the estimated present residual value of such assets, if it has useful life under the current condition with expected value at the end of its useful life. In addition, the residual value and useful lives of an asset have to be reviewed at least at the end of each year.

The changes have been applied prospectively in accordance with the transitional provisions of the revised TAS. However, this revised standard does not cause significant impact to the property, plant and equipment of the Company.

TAS 19 : Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and subsidiaries and their employees have jointly established a provident fund plan which monthly contribution are made by employees and by the Company and subsidiaries. The Fund's assets are held in a separate trust fund from the Company's and subsidiaries' assets. The Company's and subsidiaries' contributions to the fund are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans)

The Company and subsidiaries have obligations in respect of the severance payment it must make to employees upon retirement under labour law. The Company and subsidiaries treat these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan and other long-term employee benefits are determined by actuary, using the projected unit credit method.

For the first-time adoption of TAS 19, the Company elected to recognise the transitional liability through an adjustment to the retained earnings as at 1 January 2011 as permitted as an option under this standard.

TAS 24 (Revised in 2009) : Related party disclosures

The significant change is to disclose key management personnel compensation.

The affecting to the statements of financial position as at 31 December 2011 and the statements of comprehensive income for the year ended 31 December 2011 are summarised below:

	(Unit : Baht)	
	31 December 2011	
	CONSOLIDATED F/S	SEPARATE F/S
Statements of financial position		
Retained earnings as at 31 December 2010 – as previously reported	235,313,828	194,745,271
Increase in provision for long – term employee benefit	(13,402,202)	(12,438,300)
Retained earnings as at 1 January 2011 – adjusted	221,911,626	182,306,971
Statement of comprehensive income		
Employee benefit expenses increased	2,751,618	1,841,852
Basic earnings per share decreased (Baht per share)	0.01	0.01

TAS 12 : Income Taxes

This accounting standard requires an entity to identify temporary differences, which are differences between the carrying amount of an asset or liability in the accounting records and its tax base, and to recognize deferred tax assets and liabilities under the stipulated guidelines.

TAS 12 will become effective on 1 January 2013, the management has not currently evaluate the impact on the financial statements for the year.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these consolidated and separate financial statements are set out below:

3.1 Cash and cash equivalents

Cash and cash equivalents represent cash on hand, cash card and deposits with financial institutions with maturities of less than three months without restriction of usage or obligation.

Restricted deposits with financial institutions are presented under non - current assets in the statement of financial position.

3.2 Allowance for doubtful accounts

Trade accounts receivable from sale and services

Trade accounts receivable from sales and services are carried at anticipated realizable value. Allowance for doubtful accounts are based on historical collection experiences and the review of the current status of existing receivables at the year end. Bad debts are written off during the year in which they are identified to be uncollectible.

Receivables under hire purchase agreement

The subsidiary provides the allowance for doubtful accounts based on receivables aging report which is calculated from receivables under hire purchase agreements deducted by deferred hire purchase interest and collaterals. The collaterals are calculated from the cash value as at agreement date, at the rate of 15% - 75% by considering the comparative of repayable opportunity received from receivables and selling of collaterals. In addition, the subsidiary will consider the repayment ability of each debtor for overdue amounts.

The basis used for the provision of allowance for doubtful accounts were calculated by number of instalment periods overdue less with deferred hire purchase interest and collaterals as follows :

Period overdue	Percentage applied
Overdue 1 period	1
Overdue 2 – 3 period	2
Overdue 4 – 6 period	20
Overdue 7 – 12 period	50
Overdue more than 12 period	100

Accounts receivable who are not able to repay, will be written off from the accounts.

3.3 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined by the first - in, first - out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attribute discounts and allowances. Net realizable value is the estimate of the selling price in the ordinary course of business, less necessary costs to make inventories ready for sales. The Company sets up provision for obsolete, slow - moving and defective inventories, where necessary, from the consideration of market situation and the aged inventories as follows :

	Allowance for diminution rate	
	2011	2010
Inventory aged between 90 - 180 days	25	25
Inventory aged between 181 - 270 days	25 – 50	25 - 50
Inventory aged between 271 - 365 days	50 – 75	50 -75
Inventory aged over 1 year	100	100

3.4 Investments in accounts receivable

Investments in accounts receivable are carried at purchase cost less cash collection and net of allowance for impairment (if any). The Company recognizes loss on impairment of investment when there is an indication that the discounted cash flows of future collection to their present values are lower than net book value.

3.5 Investments in subsidiary companies

Investments in subsidiary companies are accounted for in the separate financial statements by the cost method. Such investments refer to investments which the Company has all shareholding and under the control and manage by the Company.

3.6 Buildings and Equipment

Buildings and equipment are stated at costs. Cost is measured by the cash or cash equivalent price of obtaining the asset to bring it to the location and condition necessary for its intended use. Buildings and equipment are presented in the statement of financial position at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

The Company and subsidiaries depreciate its buildings and equipment by the straight – line method over their estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimate useful lives of the assets are as follows :

	<u>Years</u>
Building improvements	10
Office furniture	5
Office equipment	5
Tools and equipment	3 - 5
Vehicles	5

No depreciation is made for land, assets under installation, and building under construction.

The Company and subsidiaries, depreciate computer equipment acquired in the year 2006 onward, by the straight – line method over their estimate useful lives of 3 years.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the cost is written down immediately to its recoverable amount. Estimated recoverable amount is calculated from the anticipated discounted cash flows to their present value from the continuing use of the assets or the amount obtainable from the sale of the assets less any costs of disposal whichever is higher.

Gains and losses on disposal of equipment are determined by reference to their carrying amount compared to the selling price and are taken into account in statement of comprehensive income.

Expenditures for expansion, renewal and betterment are capitalized. Repair and maintenance costs are recognized as an expense when incurred.

3.7 Computer softwares

Computer softwares with specific useful lives are recorded at costs less accumulated amortisation and allowance for impairment (if any). Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the computer softwares for 5 years.

3.8 Leasehold rights cost

Cost of obtaining the leasehold rights is presented at cost less accumulated amortization and allowance for impairment (if any). Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the leasehold rights for 6 to 26 years.

3.9 Hire purchases payable

Liabilities under hire - purchase contracts are presented with the contracted amounts less deferred interest. The hire purchase contracts are for 36 months. The fixed assets acquired under hire purchase agreements are recorded as assets of the Company at their cash price. The Company will register the assets in the name of the Company upon the completion of payments.

3.10 Long - term leases - where Company and subsidiary are the lessee

Leases of equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of leases of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Future lease payments, net of financial charges, are recognized as liabilities under financial lease agreements. The financial expense is charged to statement of comprehensive income over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of comprehensive income on a straight - line basis over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

3.11 Long - term leases - where Company and subsidiaries are the lessor

Assets leased out under operating leases are recorded as assets under “building and equipment” in the statement of financial position. The Company calculates depreciation of these assets over their expected useful lives on a basis consistent with other similar assets. Rental income is recognized to the statement of comprehensive income on a straight - line basis over the lease period.

3.12 Impairment

As at balance sheet date, the Company, and subsidiaries assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiaries make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the income statement. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

3.13 Revenue recognition

3.13.1 Sales are recognized upon delivery of merchandises to customers, net of sales taxes and discounts.

3.13.2 Interest income and other income are recognized on an accrual basis

3.13.3 Rental income and facilities services income are recognized under the term of the agreements.

3.13.4 Sales promotion and incentive income is recognized as income when obtained approval from suppliers.

3.13.5 Dividend income is recognized upon the declaration of the right to receive.

3.13.6 The subsidiary company recognizes services income from debt collection when services are rendered to the customers based on the agreed rates.

Revenues from investments in accounts receivable are recognized based on the amortized value of investments in receivable for each period by using effective interest rates. Estimate recoverable amounts of investments in accounts receivable are calculated from the anticipated discounted cash flows from collections to their present value. The subsidiary company regularly re-assesses its cash flows from collection of investments in accounts receivable and recognizes loss on impairment immediately when there is an indication of significant decrease in cash flows.

In the event of the increase in estimated cash flows, the subsidiary company will re-calculate the new effective interest rates of investments in account receivable from the period of changes with the reversal of loss on impairment before using the new effective rates.

The Subsidiary ceases recognizing income from transferred right of claim contracts when the contract receivables are overdue for more than 3 installment periods except where there is an indication of inability to repay, then the income recognition is ceased immediately.

3.13.7 Interest income receive from receivables under the right of claim transferring agreement is recognized over the period of the loan and ceases recognizing income when the interest is overdue for more than 3 installment period.

3.13.8 The penalty income and follow up fee are recognized as revenues when the amounts are invoiced and the Company and subsidiary ceases to recognize the revenue when the accounts receivable are transferred to the group that cease the recognition of income

3.13.9 Income from hire purchase agreement is recognized by the effective interest rate method over the period of the agreements.

The Company and subsidiary ceases recognizing income from hire-purchase when the contract receivables are overdue for more than 3 installment periods except where there is an indication of inability to repay, then the income recognition is ceased immediately.

3.14 Employee benefits

Short-term employee benefits

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

Management benefit expenses represent benefit expenses that management obtained from the Company such as compensation paid in cash and other benefits as stocks or other privileges including employee stocks option plan or any incentive, etc.

Warrants granted to directors and employees of the company are recognised when they are exercised.

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and subsidiaries have obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company and its subsidiary 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 as income or expenses in statement of comprehensive income.

The defined benefits liability comprises the present value of the defined benefit obligation and actuarial gains (losses).

3.15 Income tax

The computation of corporate income tax in compliance with the Revenue Code, is based on the taxable profit for the year after adding back expenses that are not deductible in determining taxable profit and the deduction of exempted income, according to the Revenue Code.

3.16 Foreign currency translation

The Company and subsidiaries translated foreign currency transactions into Thai Baht for bookkeeping purposes at the exchange rates prevailing at the dates of the transactions. Balances of monetary assets and liabilities, denominated in foreign currency, at the statement of financial position date are translated into Baht at the exchange rates at that date. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities, denominated in foreign currencies, are recognized as gain or loss in the statement of comprehensive income.

3.17 Financial instruments

Financial assets in the statement of financial position include cash and bank balances, investments and trade accounts receivable.

Financial liabilities in the statement of financial position include trade accounts payable, financial leases and borrowings.

The accounting policies for each particular transaction are disclosed under separate sections associated with each item.

3.18 Segment information

Segment information is presented in respect of the Company and subsidiary businesses. The primary format of business segments are based on the Company and subsidiaries management and internal reporting structure.

3.19 Dividend payment

The Company and subsidiaries record dividend payment in the financial statements in the fiscal year in which they are approved by the Shareholders or Board of Directors.

3.20 Related parties

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.

3.21 Use of accounting estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumption that affect the reporting amounts of assets, liabilities, revenues, expenses, and disclosure of contingent assets and liabilities. The actual result may differ from those estimates.

3.22 Basic earnings per share

Basic earnings per share is determined by dividing net income for the year by the weighted average number of common shares paid up during the year.

3.23 Provisions for liabilities and expenses, and contingent assets

The Company and subsidiaries recognize provisions for liabilities and expenses in the financial statements when the Company and subsidiaries have present legal or constructive obligations as a result of past events with probable outflow of resources to settle the obligation, and where a reliable estimate of the amount can be made. The contingent asset will be recognized as a separate asset only when the realization is virtually certain.

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGEMENT AND CAPITAL RISK MANAGEMENT

4.1 Critical accounting estimates, assumption and judgements

4.1.1 Impairment of receivables

The Company sets an allowance for doubtful accounts equal to the estimated collection losses that may be incurred in the collection of receivables. The estimated losses are based on uncertainty in the collection and consider of the management.

4.1.2 Allowance for obsolete, slow-moving and defective inventories

The Company estimates an allowance for obsolete, slow-moving and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnovers and deterioration of each category.

4.1.3 Buildings and equipment and computer software

Management regularly determines the estimated useful lives and residual values for the Company's buildings and equipment and computer software, and will revise the depreciation and amortization charge where useful lives and residual values previously estimated have changed or subject to be written down for impairment or no longer in used.

4.1.4 Leases

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

4.1.5 Impairment of assets

The Company and subsidiaries consider allowances for impairment of assets when there is an indication that an asset may be impaired. When there has been a significant decline in the fair value of assets, the management will determine the estimated receivable amount.

4.1.6 Estimated cash flow collection from Investment in account receivable

Estimated cash flows from collection in the future of investments are calculated with effective interest rate using historical information of debt collection and payment ability from debtors including consideration of the collection period from current situation assessed by management.

4.1.7 Post-employment benefits under defined benefit plans

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. In determining the appropriate discount rate, management selects an interest rate that reflects the current economic situation. The mortality rate is based on publicly available mortality tables for the country. Actual post-retirement costs may ultimately differ from these estimates.

4.2 Capital risk management

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust policy for distribution of dividend to shareholders, or issue new shares or sell assets to reduce debts.

5. CASH AND CASH EQUIVALENTS

The outstanding balances as at 31 December 2011 and 2010 are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Cash on hand	10,000	10,000	-	-
Undeposited collection from sales	15,426,069	14,398,245	15,426,069	14,398,245
Cash cards	-	48,694	-	48,694
Bank deposits - current accounts	33,704,441	15,818,876	30,799,917	11,123,488
Bank deposits - saving accounts	1,365,491	222,122	363,067	154,148
Total	50,506,001	30,497,937	46,589,053	25,724,575

Saving deposits with banks bear interest at the floating rate of depository banks.

6. TRADE ACCOUNTS RECEIVABLE

The aged balances of accounts receivable as at 31 December 2011 and 2010 are as follows :

Ages of receivables	(Unit: Thousand Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Not yet due	152,753,333	116,867,799	144,550,755	108,875,363
Past due				
Less than 3 months	32,110,964	50,927,712	31,581,655	49,626,242
3 - 6 months	1,238,277	9,139,472	1,238,277	9,120,222
6 - 12 months	3,173,002	1,093,286	3,110,002	1,074,786
Over 12 months	842,989	186,376	842,989	186,376
Total	190,118,565	178,214,645	181,323,678	168,882,989
Less : Allowance for doubtful account	(1,177,502)	-	(1,177,502)	-
Net	188,941,063	178,214,645	180,146,176	168,882,989

The balances of accounts receivable classified by type of business are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Trade accounts receivable from sales	153,910,002	162,522,529	153,910,002	162,522,529
Trade accounts receivable from sales under hire purchase agreements	19,972,546	-	19,972,546	-
Trade accounts receivable from rental and services	7,441,130	6,360,460	7,441,130	6,360,460
Trade accounts receivable from debt collection services	8,794,887	9,331,656	-	-
Total	190,118,565	178,214,645	181,323,678	168,882,989
Less : Allowance for doubtful account	(1,177,502)	-	(1,177,502)	-
Trade accounts receivable - net	188,941,063	178,214,645	180,146,176	168,882,989

The Company regularly evaluates risk factors from the collection of receivables.

As at 31 December 2011, the Company has trade accounts receivable under hire purchase financing service, totalling Baht 19.97 million, covering the periods of 6 - 18 months. The interest rate is fixed as indicated in the agreement.

7. INVENTORIES

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2011	2010
Inventories	516,742,513	489,555,615
Less : Allowance for obsolete inventories	(10,723,264)	(19,217,763)
Inventories – net	506,019,249	470,337,852

During the period, the movements in allowance for obsolete inventories are as follows :

	(Unit : Baht)
Balance as at 1 January 2011	19,217,763
Add : Additional provision for obsolete inventories	10,723,264
Less : Reversal of allowance for obsolete inventories	(19,217,763)
Balance as at 31 December 2011	10,723,264

8. ACCRUED INCOME

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Accrued income from sales and services	33,671,793	34,606,718	22,724,528	20,148,837
Accrued subsidy income on goods purchases	66,345,889	106,820,080	66,345,889	106,820,080
Accrued promotion income	51,793,185	45,293,648	51,793,185	45,293,648
Others	12,374	42,219	11,109	41,755
Total	151,823,241	186,762,665	140,874,711	172,304,320

Accrued subsidy income on goods purchases and accrued promotion income are recognized after agreement with suppliers.

9. ADVANCE PAYMENT FOR PURCHASING GOODS

Advance payment for purchasing goods represented cash paid to suppliers for 3 – 7 days in advance before receiving goods in order to get cash discount. Some advance payments are for manufacturers to produce house brand mobile phones for the Company.

10. HIRE PURCHASE RECEIVABLES

	(Unit : Baht)			
	CONSOLIDATED F/S			
	Due within one year		Due to over one year	
	2011	2010	2011	2010
Hire purchase receivables	4,188,811	-	17,011,000	-
Less : Deferred interest	(1,513,403)	-	(3,149,753)	-
Total	2,675,408	-	13,861,247	-
Less : Allowance for doubtful account	(22,103)	-	-	-
Net	2,653,305	-	13,861,247	-

Overdue receivables and allowance for doubtful accounts

(Unit : Baht)

CONSOLIDATED F/S					
As at 31 December 2011					
Receivable under hire purchase	Number of agreements	Receivables net of unrealized interest	Receivables used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	46	14,866,814	-	-	-
Overdue for 1 period	3	707,639	103,889	1	1,039
Overdue for 2 - 3 periods	1	451,882	-	2	-
Overdue for 4 - 6 periods	1	510,320	105,320	20	21,064
Total	51				22,103

As at 31 December 2011, the subsidiary company had receivable for hire purchase financing service for vehicles, totalling Baht 16.54 million, covering the periods of 1 - 6 years. The interest rate is fixed under hire purchase agreements. Hire purchase receivables are stated at outstanding balances net of unearned financial income.

11. INVESTMENTS IN ACCOUNTS RECEIVABLE

The investments in accounts receivable represent the subsidiary's investments from bidding of non-performing receivables of financial institutions and credit service companies at discounted values for debts collection. Under the purchase contracts at the discounted values of receivables, the subsidiary company takes all the risks in the collection without recourse. The investments in accounts receivable as at 31 December 2011 and 2010 are as follow :

(Unit : Baht)

CONSOLIDATED F/S				
	2011		2010	
	No. of contracts	Amount	No. of contracts	Amount
Investments in accounts receivable	606,483	360,633,182	225,783	158,659,846
Cash paid for investments in accounts receivable	-	-	-	76,203,259
Total	606,483	360,633,162	225,783	234,863,105
Less : Allowance for doubtful accounts	-	(1,360,902)	-	(3,016,959)
Net	606,483	359,272,280	225,783	231,846,146

During the period, the Company has movement in investments in accounts receivable as follow :

(Unit : Baht)

Balance as at 1 January 2011	234,863,105
Add : Purchase of accounts receivable	307,755,611
Less : Portion decreased from cash collection during the period	(181,985,534)
Balance as at 31 December 2011	360,633,182

The subsidiary company has assessed the period of collection of investments in accounts receivable to be within 3 - 4 years based on the quality of debtors, and expects to collect cash from debtors from the investments of Baht 268.25 million within one year. The Company amortizes its investment in accounts receivable by computing from the effective interest rate method.

12. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at 31 December 2011 and 2010, the Company's and its subsidiaries' fixed deposits totalling Baht 3.05 million and Baht 18.07 million, respectively, (the Company's portions are Baht 2.03 million and Baht 17.06 million, respectively), have been placed with banks as collaterals for bank overdraft facilities. These fixed deposits bear interest at rates of 2.13 – 2.50 percent per annum and 0.50 - 1.20 percent per annum, respectively.

13. INVESTMENT IN SUBSIDIARY COMPANY

(Unit : Baht)

	Nature of Business	SEPARATE F/S					
		Paid - up capital		Percentage of Shareholding		Cost	
		2011	2010	2011	2010	2011	2010
<u>Subsidiary company</u>							
JMT Network Services Co., Ltd.	Debt collection business, non-performing receivables management, and leasing and factoring business	120,000,000	80,000,000	99.99	99.99	119,999,800	79,999,800
Total						<u>119,999,800</u>	<u>79,999,800</u>

On 18 April 2011 and 1 September 2011, JMT Network Services Co., Ltd. ("Subsidiary") registered the increase for its share capital amounting to Baht 40 million in which the Company invested in all shares increased.

14. PROPERTY, PLANT AND EQUIPMENT

(Unit : Baht)

	CONSOLIDATED F/S			
	2010	Increase	Decrease	2011
Cost				
Land	-	83,754,320	-	83,754,320
Building improvement	18,980,000	-	-	18,980,000
Office furniture	95,374,526	14,136,466	16,265,317	93,245,675
Office equipment	134,803,023	15,956,925	10,510,983	140,248,965
Tools and equipment	2,662,763	19,650	10,000	2,672,413
Vehicles	32,317,788	4,521,270	3,948,136	32,890,922
Assets under installation	118,300	2,052,000	118,300	2,052,000
Building under construction	-	51,835,568	-	51,835,568
Total	<u>284,256,400</u>	<u>172,276,199</u>	<u>30,852,736</u>	<u>425,679,863</u>

(Unit : Baht)

	CONSOLIDATED F/S			
	2010	Increase	Decrease	2011
Less : accumulated depreciation				
Building improvement	14,715,998	1,898,000	-	16,613,998
Office furniture	73,641,493	7,761,238	14,323,289	67,079,442
Office equipment	106,137,825	13,506,802	9,591,339	110,053,288
Tools and equipment	2,639,122	7,687	9,998	2,636,811
Vehicles	23,925,232	3,426,325	3,912,860	23,438,697
Total	221,059,670	26,600,052	27,837,486	219,822,236
Property, plant and equipment – net	63,196,730			205,857,627
Depreciation for the year	25,777,091			26,600,052

(Unit : Baht)

	SEPARATE F/S			
	2010	Increase	Decrease	2011
Cost				
Land	-	83,754,320	-	83,754,320
Building improvement	18,980,000	-	-	18,980,000
Office furniture	94,731,281	14,136,466	16,265,317	92,602,430
Office equipment	109,798,286	13,632,053	9,776,865	113,653,474
Tools and equipment	2,653,163	19,650	10,000	2,662,813
Vehicles	29,197,575	3,215,000	3,478,042	28,934,533
Assets under installation	118,300	2,052,000	118,300	2,052,000
Building under construction	-	51,835,568	-	51,835,568
Total	255,478,605	168,645,057	29,648,524	394,475,138
Less : accumulated depreciation				
Building improvement	14,715,998	1,898,000	-	16,613,998
Office furniture	73,050,831	7,725,781	14,323,289	66,453,323
Office equipment	84,546,857	11,478,619	8,881,377	87,144,099
Tools and equipment	2,630,530	6,934	9,998	2,627,466
Vehicles	21,782,678	3,023,169	3,463,889	21,341,958
Total	196,726,894	24,132,503	26,678,553	194,180,844
Property, plant and equipment – net	58,751,711			200,294,294
Depreciation for the year	23,337,429			24,132,503

As at 31 December 2011 and 2010, a portion of the Company's and its subsidiaries's equipment had been fully depreciated, but are remained in active use. The gross carrying amounts of such assets before accumulated depreciation are totalling Baht 155.1 million and Baht 160.2 million, respectively, (the Company's portions : Baht 135.6 million and Baht 140.9 million, respectively).

15. COMPUTER SOFTWARES

(Unit : Baht)

	CONSOLIDATED F/S			
	2010	Increase	Decrease	2011
Costs	52,385,709	3,784,783	(2,434,680)	53,735,812
Less : Accumulated amortization	(41,874,166)	(4,003,486)	2,434,670	(43,442,982)
Computer softwares – net	10,511,543			10,292,830
Amortization	4,757,851			4,003,486

(Unit : Baht)

	SEPARATE F/S			
	2010	Increase	Decrease	2011
Costs	37,372,532	3,351,200	-	40,723,732
Less : Accumulated amortization	(28,526,551)	(3,055,323)	-	(31,581,874)
Computer softwares – net	8,845,981			9,141,858
Amortization	1,688,391			3,055,323

16. COSTS OF LEASEHOLD RIGHTS AND PREPAID RENT

(Unit : Baht)

	CONSOLIDATED AND SEPARATE F/S			
	2010	Increase	Decrease	2011
Costs of leasehold rights	62,737,179	-	(185,436)	62,551,743
Less : Accumulated amortization	(21,350,453)	(2,656,827)	-	(24,007,280)
Costs of leasehold rights – net	41,386,726	(2,656,827)	(185,436)	38,544,463

As at 31 December 2011 and 2010, the costs of leasehold rights and prepayment and the outstanding balances consisted of :

Periods	Leasehold and Rental Amortisation per month	Costs of leasehold Rights and Prepaid Rent	(Unit : Baht)	
			Outstanding Costs of leasehold Right and Prepayments after amortisation	
			2011	2010
26 years	45,641	14,240,000	7,984,935	8,532,627
25 years	83,500	25,050,000	19,038,000	20,040,000
25 years	15,240	4,571,843	1,970,026	2,152,900
23 years	17,174	4,740,000	2,715,831	2,921,918
21 years	17,857	4,500,000	2,214,544	2,427,983
20 years	8,125	1,949,900	1,462,425	1,559,920
18 years	34,722	7,500,000	3,158,702	3,565,942
6 years	188,197	15,526,174	-	185,436
Total			38,544,463	41,386,726

Leasehold rights of a commercial building have been assigned to the bank as collaterals for long - term loans referred to in Note 19 to the financial statements.

17. BANK OVERDRAFT AND SHORT - TERM LOANS FROM FINANCIAL INSTITUTIONS

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Bank overdraft	-	5,584,099	-	5,584,099
Bills of exchange	95,000,000	335,000,000	85,000,000	235,000,000
Promissory notes from financial institutions	521,548,570	235,000,000	387,848,570	235,000,000
Total	616,548,570	575,584,099	472,848,570	475,584,099

As at 31 December 2011 and 2010, the Company's and its subsidiaries' promissory notes payable and bills of exchange bear interest at the rates of 4.10 – 4.70 percent and 3.10 – 4.00 percent per annum, respectively.

As at 31 December 2011 and 2010, the Company has credit facilities covering letters of credit, forward exchange contracts and other credits totalling Baht 1,686.5 million and Baht 1,971.9 million, respectively, with interest rates ranging from 4.10 – 4.70 percent and 3.10 - 4.00 percent per annum, respectively.

As at 31 December 2011 and 2010, the Company and its subsidiaries have bank overdraft credit lines totalling Baht 28.0 million and Baht 23.0 million (the Company's portion is Baht 21.0 million). Short - term loans from financial institutions are collateralized mostly by the pledges of fixed deposits of the Company and its subsidiaries. During the years 2011 and 2010, the interest rates on bank overdraft are 4.13 – 7.88 percent per annum and 3.00 – 6.40 percent per annum, respectively.

18. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Liabilities under financial lease and hire – Purchase agreements				
Due within one year	127,065	640,591	-	513,526
Due over 1 year but not over 5 years	201,186	328,250	-	-
Total	328,251	968,841	-	513,526
Less : Deferred interest	-	(3,813)	-	(3,813)
	328,251	965,028	-	509,713
Less : Current portion	(127,065)	(636,778)	-	(509,713)
Balance due after one year	201,186	328,250	-	-

The Company entered into financial lease agreements for the leases of equipment for use in its operations, with repayment schedules of 48 months.

19. LONG - TERM LOANS

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2011	2010
Loan carrying interest at fixed deposit rate + 2.50 per annum, with principal repayment of Baht 131,000 per month (exclusive of interest), from February 2006 to February 2018. (During the period, the Company repaid the whole remaining amount.)	-	9,806,000
Loan carrying interest at MLR – 2.375 per annum, with grace period for principal repayment for one year (with monthly payment of interest), from March 2011 to March 2021	87,870,000	-
<u>Less</u> : Current portion	(26,656,221)	(1,572,000)
Long - term loans - net	61,213,779	8,234,000

As at 31 December 2010, the long - term loan is collateralized by the mortgages of the leasehold rights on commercial buildings. During the period, the Company paid interest on long - term loans at the interest rates of 4.00 – 4.75 percent per annum.

As at 31 December 2011, the long - loan from bank is collateralized by the mortgage of the Company's land with carrying value as at 31 December 2011 of Baht 83.75 million.

The movements in long - term loans are as follows :

	(Unit: Baht)
Balance as at 1 January 2011	9,806,000
Add : Additional borrowing	87,870,000
Less : Repayment during the period	(9,806,000)
Balance as at 31 December 2011	<u>87,870,000</u>

20. EMPLOYEE BENEFIT OBLIGATIONS

	(Unit : Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
Balance as at 1 January 2011	-	-
Effect of change in accounting policy for employee		
Past service benefits obligation	13,402,202	12,438,300
Balance as at 1 January 2011 - adjusted	<u>13,402,202</u>	<u>12,438,300</u>
Employee benefit expenses		
Current service costs	1,650,763	1,330,234
Interest on obligation	603,100	559,724
Loss (gain) from actuarial	497,755	(48,106)
Balance as at 31 December 2011	<u>16,153,820</u>	<u>14,280,152</u>

As at 31 December 2011, the Company and its subsidiaries have actuarial losses totalling Baht 0.50 million (the Company's portion is gain Baht 0.05 million) which is recognized as other comprehensive income to statement of changes in shareholder's equity.

Principal actuarial assumptions of the Company and its subsidiaries estimated by using discount rate of 4.50 percent per annum and normal retirement age of 60 years.

21. ACCRUED EXPENSES

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Accrued services expenses	6,881,145	5,756,150	907,557	1,680,882
Accrued rental and utilities expenses	6,989,370	3,605,845	6,989,370	3,605,845
Accrued property tax	3,161,975	2,650,195	3,161,975	2,650,195
Accrued sale promotion expenses	651,201	1,107,951	651,201	1,107,951
Payables for equipment and supplies	3,440,622	3,006,275	3,258,826	2,721,371
Accrued commission	7,302,407	10,598,515	4,500,000	7,051,453
Others	13,204,003	12,866,806	12,918,302	12,552,386
Total	41,630,723	39,591,737	32,387,231	31,370,083

22. OTHER NON - CURRENT LIABILITIES

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2011	2010
Tenant rental deposits	54,264,491	48,460,542
Deposits from employees	199,000	200,200
Others	3,700	4,200
Total	54,467,191	48,664,942

Tenant deposits are deposited for possible damages. The Company will repay for those deposits upon the termination of the rent.

23. SHARE CAPITAL

At the ordinary meeting on 8 April 2011, the shareholders had the following significant resolutions:

1. Increase the registered share capital from Baht 300 million (300,000,000 shares at par 1 Baht) to Baht 420 million (420,000,000 shares at par 1 Baht) for offering to investors of 45,000,000 shares, to reserve for the potential exercise of warrants for 69,000,000 shares and the exercise for ESOP warrant for 6,000,000 shares. The Company registered the additional authorized share capital with the Department of Business Development on 20 April 2011
2. Issue the share capital warrants No 1 of 69,000,000 shares, exercise price Baht 1 per share.

3. Issue the ESOP warrants of 6,000,000 shares, exercise price Baht 1 per share.

As at 30 December 2011, the Company had give ESOP schemes for the directors and employees of the Company for 6,000,000 shares. The warrants are in registered form, non-transferable, and no offering price. The terms of the warrants do not exceed 2 years and 1 month since date of warrants issuance and maturity date is on 30 December 2013.

24. PREMIUM ON SHARE CAPITAL

	(Unit : Baht)
Cash received from initial public offer	135,000,000
Less : Value of share capital on 75 million shares at Baht 1 per share	(75,000,000)
Less : Expenses for initial public offering	(7,670,000)
Premium on share capital – net	<u>52,330,000</u>

25. STATUTORY RESERVE

Under the Public Companies Act B.E. 1992, the Company is required to set aside as a statutory reserve at least 5 percent of its net income, after deduction of deficit (if any), until the reserve reaches 10 percent of the registered capital. The reserve is not distributable for dividends.

26. INCOME TAX

	(Unit : Million Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Net income	171.58	95.04	144.63	103.51
Income tax	71.68	20.56	34.84	16.84
Net income before tax	<u>243.26</u>	<u>115.60</u>	<u>179.47</u>	<u>120.35</u>
Add : Items not yet allowable as expenses under				
Revenue Code	28.82	4.96	4.18	5.83
Less : Tax exempted transactions	(9.94)	(40.79)	(44.30)	(58.82)
Net taxable income	<u>262.14</u>	<u>79.77</u>	<u>139.35</u>	<u>67.36</u>
Income tax for the year	<u>71.68</u>	<u>20.56</u>	<u>34.84</u>	<u>16.84</u>
Tax rate (%)	<u>25 - 30</u>	<u>25 - 30</u>	<u>25</u>	<u>25</u>

27. PROVIDENT FUND

On 30 April 2002, the Company and subsidiary and their employees jointly established a provident fund plan as approved by the Ministry of Finance in accordance with the Provident Fund Act B.E. 2530. The fund is contributed to by employees and the Company and its subsidiaries at the rate of 3 percent of staff salaries. The provident fund will be paid to the employee upon termination of employment in accordance with the rules of the fund. The fund is managed by TISCO Asset Management Company Limited.

During the years ended 31 December 2011 and 2010, the Company and subsidiary contributed a total of Baht 2.0 million and Baht 1.8 million (the Company's portion : Baht 1.8 million and Baht 1.7 million), respectively, to the fund.

28. RELATED PARTY TRANSACTIONS

During the year, the Company had significant business transactions with its related persons and parties (related by way of common shareholding and/or management). Such transactions have been concluded on the terms and bases determined by the Company and related parties, the bases of which may be different from the bases used for transactions with unrelated parties. Significant transactions with related parties are summarised below :

		(Unit: Million Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
		For the years ended 31 December			
Transaction with related parties	Pricing policy	2011	2010	2011	2010
Sale income	Market price	-	-	0.2	0.3
Rental income	Market price	0.1	-	0.1	-
Debt collection and messenger services income	Market price	25.6	25.7	-	-
Sale promotion income	As agreed by suppliers	7.0	7.1	7.0	7.1
Management fee income	Baht 270,000 per month in year 2011 (Baht 135,000 in year 2010)	-	-	3.2	1.6
Dividend income	Based on net profit	-	-	40.0	49.8
Interest revenue	Market price	-	-	4.3	-
Office and land rental	Market price	0.8	0.8	0.8	0.8

				(Unit : Baht)	
		CONSOLIDATED F/S		SEPARATE F/S	
		For the years ended 31 December			
		2011	2010	2011	2010
<u>Key management personnel compensation</u>					
Short-term employee benefits		30,645,362	31,873,591	26,558,157	29,164,813
Post-employment benefits		990,310	-	990,310	-
Total		31,635,672	31,873,591	27,548,467	29,164,813

As at 31 December 2011 and 2010, the significant outstanding balances are separately presented in the statements of financial position as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
<u>Trade account receivable – related company</u>				
AEON Thanasinsub PCL	10,111,762	9,397,729	8,440,272	7,239,892
<u>Loan to subsidiary company</u>				
JMT Network Services Company Limited	-	-	61,000,000	50,000,000
<u>Other payable – subsidiary company</u>				
JMT Network Services Company Limited	-	-	34,283	24,800
<u>Rental deposit from related company</u>				
AEON Thanasinsub PCL	804,528	804,528	804,528	804,528

The movement in loan to subsidiary company are as follows :

	(Unit : Baht)
Balance as at 1 January 2011	50,000,000
Add : Addition during the period	641,000,000
Less : Payment during the period	(630,000,000)
Balance as at 31 December 2011	61,000,000

Loan to subsidiary company carrying interest at 4.00 – 4.50 percent per annum with periods of principal repayment are between 1 – 3 months.

29. COMMITMENTS

As at 31 December 2011, the Company and its subsidiaries had outstanding commitments as follows:

Commitments with related parties

- 29.1 The Company has agreements to provide management, accounting, tax filing and debt collection services for JMT Network Services Company Limited (subsidiary). The subsidiary can renew the agreement on an annual basis, with advance written notice at least 3 months before the expiration of the agreements. The contract period is for 1 year with service charge of Baht 270,000 per month.
- 29.2 The Company entered into a building space rental contract with a director for a warehouse rental with a monthly rental at market rate of Baht 70,000 for 3 years starting from 1 July 2010.

Commitments with third parties

- 29.3 The Company has outstanding commitments of approximately Baht 17.63 million (the Company portion : Baht 17 million) arising from outstanding bank guarantees issued by banks on behalf of the Company in respect of certain performance bonds as required in the ordinary courses of businesses of the Company.
- 29.4 The Company has outstanding commitments in respect of service agreements which are payable in the future totaling approximately Baht 3.62 million.
- 29.5 The Company and its subsidiaries have commitments under long - term lease and service agreements, mainly relating to the rental of space for retail shops, office buildings and warehouses, with minimum future rental and service fees payable under the agreements (not include the changes that may incur upon renewal) as follows:

Year	(Unit : Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
Not over 1 year	178,658,684	172,645,966
Over 1 year but not over 5 years	119,264,776	118,283,887
Over 5 years	20,448,297	20,448,297
Total	318,371,757	311,378,150

- 29.6 The Company has commitments relating to building construction agreements with the several companies which are payable in the future totaling approximately Baht 137.04 million.

30. FINANCIAL INSTRUMENTS

Credit risk

As the Company's customers are represented by individual persons and retailers from trading business, the Company provides credit terms for certain customers with stable financial status. Whereas most of customers of subsidiary company are represented by financial institutions and companies with stable financial status. The Company and subsidiary company, therefore do not expect the significant loss from collection from credit granting more than amounts provided in the accounts.

Interest rate risk

The interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's and its subsidiary's operations and their cash flows. The Company's and its subsidiary's exposure to interest rate risk relates primarily to their deposits with financial institutions, bank overdrafts and loans as follows :

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2011			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	-	-	50	50
Restricted deposits with financial institutions	-	3	-	3
Bank overdrafts and short - term loans from financial institutions	616	-	-	616

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2010			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	-	-	30	30
Restricted deposits with financial institutions	-	18	-	18
Bank overdrafts and short - term loans from financial institutions	576	-	-	576

(Unit : Million Baht)

	SEPARATE F/S			
	As at 31 December 2011			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	-	-	47	47
Restricted deposits with financial institutions	-	2	-	2
Bank overdrafts and short - term loans from financial institutions	473	-	-	473

(Unit : Million Baht)

SEPARATE F/S

	As at 31 December 2010			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	-	-	26	26
Restricted deposits with financial institutions	-	17	-	17
Bank overdrafts and short - term loans from financial institutions	476	-	-	476

Financial instruments as of 31 December 2011 and 2010 with fixed interest rates, and the periods of time from the statement of financial position date to their maturity dates are as follows :

(Unit : Million Baht)

CONSOLIDATED F/S

	As at 31 December 2011				Interest Rate
	At call	1 - 6 months	6 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Restricted deposits with financial institutions	-	3	-	3	2.13%
Bank overdrafts and short - term loans from financial institutions	-	616	-	616	4.10% - 4.70%

(Unit : Million Baht)

CONSOLIDATED F/S

	As at 31 December 2010				Interest Rate
	At call	1 - 6 months	6 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Restricted deposits with financial institutions	-	18	-	18	0.50% - 1.20%
Bank overdrafts and short - term loans from financial institutions	6	570	-	576	3.00% - 6.40%

(Unit : Million Baht)

SEPARATE F/S

	As at 31 December 2011				Interest Rate
	At call	1 - 6 months	6 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Restricted deposits with financial institutions	-	2	-	2	2.13%
Bank overdrafts and short - term loans from financial institutions	-	473	-	473	4.10% - 4.70%

(Unit : Million Baht)

	SEPARATE F/S				
	As at 31 December 2010				
	At call	1 - 6 months	6 - 12 months	Total	Interest Rate
<u>Financial assets/ liabilities</u>					
Restricted deposits with financial institutions	-	17	-	17	0.50% - 1.20%
Bank overdrafts and short - term loans from financial institutions	6	470	-	476	3.00% - 6.40%

The Company and subsidiaries do not use any derivative financial instruments to hedge risks.

The details of long - term loans are presented in Note 19 to the financial statements. Since such long - term loans are immaterial, the Company does not use any financial instrument to hedge interest rate risk.

Fair values of financial instruments

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments :

Cash and cash equivalent - the carrying values approximate their fair values due to the relatively short - term maturity of these financial instruments.

Long - term loans - the carrying values are not materially different from the fair value since the loans carry interest at the rates close to market rates.

31. EXPENSES BY NATURE

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2011	2010	2011	2010
Salaries, wages and other employee compensation	211,509,664	208,864,933	154,655,459	156,590,278
Depreciation	26,600,052	25,777,091	24,132,503	23,337,429
Amortization	6,845,749	9,713,246	5,897,586	6,643,785
Assets written-off	2,499,612	1,333,045	2,491,685	1,331,393
Loss on exchange rate	-	1,210,411	-	1,210,411
Allowance (reverse) for decline value of inventories	(8,494,499)	3,590,676	(8,494,499)	3,590,676
Inventories written-off	247,987	4,800,832	247,987	4,800,832
Promotion expenses	60,179,393	52,367,743	60,179,393	52,367,743
Rental expenses	292,323,512	269,790,779	282,440,434	261,706,042
Advertising expenses	3,860,603	3,569,422	3,855,396	3,522,476
Changes in finished goods	(27,186,898)	366,056,742	(27,186,898)	366,056,742
Purchases of finished goods	4,885,940,589	3,964,747,195	4,885,940,589	3,964,747,195
Others	331,345,059	280,271,220	194,777,068	193,470,442
Total	5,785,670,823	5,192,093,335	5,578,936,703	5,039,375,444

32. FINANCIAL INFORMATION BY SEGMENT

The Company's segmental financial information as presented in the consolidated financial statements for the years ended 31 December 2011 and 2010, are as follows :

(Unit : Million Baht)

	CONSOLIDATED F/S					
	For the years ended 31 December 2011					
	Debt					
	Trading business	collection business	Rental business	Other	Elimination	Total
Revenues	5,363	324	221	195	(48)	6,055
Cost of sales and services	(4,850)	(169)	(184)	-	-	(5,203)
Gross profit	513	155	37	195	(48)	852
Selling expenses						(382)
Administrative expenses						(200)
Financial costs						(26)
Income tax						(72)
Net income for the year						172
Trade accounts receivable - net	172	9	8	-	-	189
Buildings and equipment - net	196	5	5	-	-	206
Computer software - net	9	1	-	-	-	10
Leasehold rights - net	34	-	4	-	-	38
Other assets	876	411	53	120	(181)	1,279
Total assets	1,287	426	70	120	(181)	1,722

(Unit : Million Baht)

CONSOLIDATED F/S						
For the years ended 31 December 2010						
	Debt					
	Trading business	collection business	Rental business	Other	Elimination	Total
Revenues	4,746	201	196	239	(52)	5,330
Cost of sales and services	(4,334)	(123)	(165)	-	-	(4,622)
Gross profit	412	78	31	239	(52)	708
Selling expenses						(380)
Administrative expenses						(190)
Financial costs						(22)
Income tax						(21)
Net income for the year						95
Trade accounts receivable - net	163	9	6	-	-	178
Buildings and equipment - net	55	4	4	-	-	63
Computer software - net	9	2	-	-	-	11
Leasehold rights - net	36	-	5	-	-	41
Other assets	777	267	52	130	(130)	1,096
Total assets	1,040	282	67	130	(130)	1,389

33. APPROPRIATION OF NET INCOME

Details of dividends declared and payments in the years 2011 and 2010 consist of the following :

	Approved by	Qualified ordinary share (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)
a) Dividend	Board of Directors' meeting on 9 August 2011	300,000,000	0.16	48.00
b) Dividend	Annual General Meeting of the shareholders on 8 April 2011	300,000,000	0.18	54.00
c) Dividend	Board of Directors' meeting on 10 August 2010	300,000,000	0.06	18.00
d) Dividend	Annual General Meeting of the shareholders on 9 April 2010	300,000,000	0.15	45.00

34. EVENT AFTER THE REPORTING PERIOD

34.1 On 4 January 2012, the Company established a new 99.99% owned subsidiary, JAS Asset Co., Ltd., to do space rental and public utilities service, with registered share capital of Baht 1 million. This subsidiary company had not yet started its operations.

34.2 On 20 February 2012, the subsidiary company entered into an agreement to purchase non performing receivables from a credit service company of Baht 303.86 million.

34.3 At the meeting of the Board of Director of subsidiary company on 24 February 2012, the Board approved to submit at the ordinary shareholders meeting for approval the following significant resolutions:

34.3.1 Dividend payment from net income after tax for the year 2011 at Baht 45 per share. The Company has paid interim dividend at Baht 20. The remaining dividend is Baht 25 per share for 1,200,000 shares for a total amount of Baht 54 million.

34.3.2 To approve the Company to register its shares for trading in the Stock Exchange of Thailand and change the par value from Baht 100 par value to Baht 1 par value. Increasing the registered share capital from Baht 120 million to Baht 300 million by issuing 180,000,000 common shares for an initial public offering, existing shareholders of company and existing shareholders of parent company.

34.4 At the meeting of the Board of Director of company on 28 February 2012, the Board approved to submit at the ordinary shareholders meeting for approval to pay dividend payment from net income after tax for the year 2011 at Baht 0.40 per share. The Company has paid interim dividend at Baht 0.16. The remaining dividend is Baht 0.24 per share for 300,000,000 shares for a total amount of Baht 72 million.

35. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 28 February 2012.