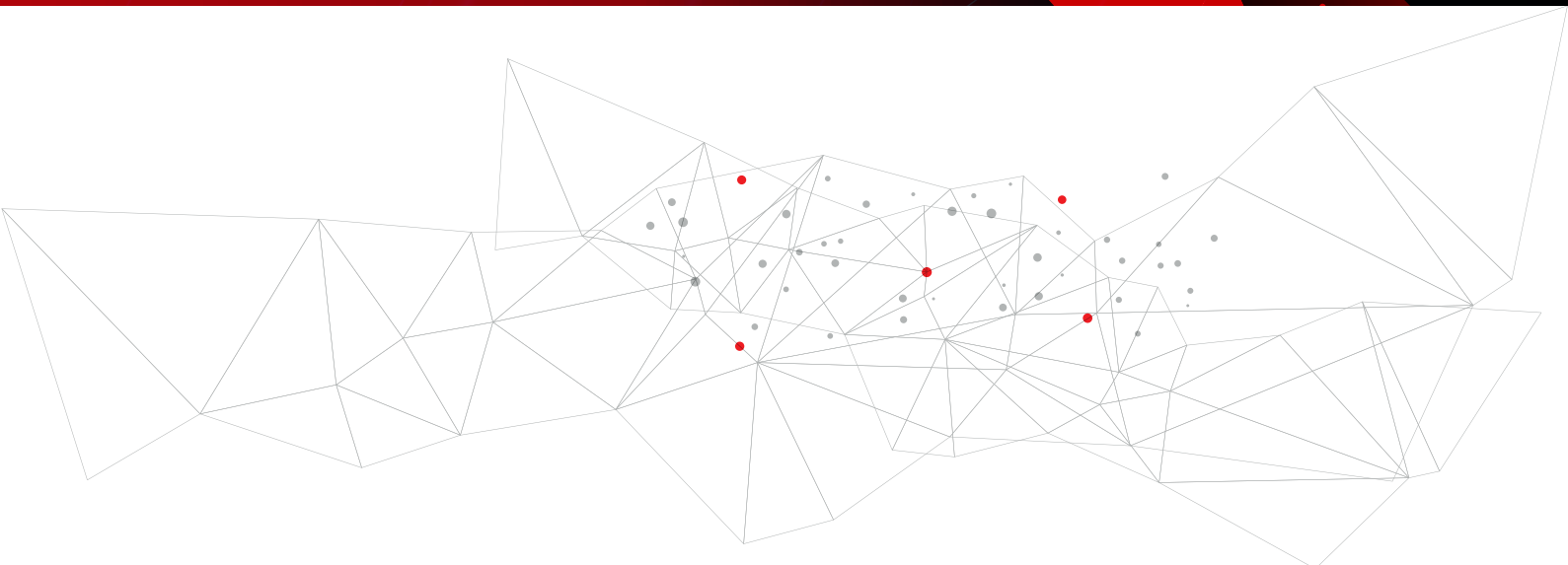


JAYMART PUBLIC COMPANY LIMITED

ANNUAL REPORT

2019



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Financial Highlights

Summary of Key Financial Data

Unit: Million Baht

	2017	2018	2019
Financial Performance			
Sale and Services Revenues	12,634	12,562	11,335
Gross Profit	2,546	2,885	3,242
Net Profit Attribute to Equity Shareholders of the Company	490	(277)	534
Total Assets	16,444	19,444	20,373
Total Liabilities	11,780	14,740	15,140
Shareholders' Equity	4,664	4,704	5,232
Key Financial Ratio^{1/}			
Profitability Ratio			
Gross Profit Margin	20.15%	22.97%	28.60%
Net Profit Margin to Total Revenues	3.70%	-2.15%	4.71%
Return on Equity (ROE)	11.33%	-5.91%	10.76%
Earnings Per Share (Baht/Share) (EPS)	0.67	(0.38)	0.59
Efficiency Ratio			
Return on Asset (ROA)	3.33%	-1.55%	2.69%
Financial Policy Ratio			
Interest Bearing D/E Ratio	2.31	2.64	2.50

1/ All of key financial ratio calculation based on Net Profit Attributed to Equity Shareholders of the Company

Message from the Board of Directors

Dear Shareholders,

2019 was the year that the Company achieved the highest operating results throughout the 30th anniversary of its founding. In which it had the highest net profit from the consolidated financial statements. Whereby after 2018, the Company tried to adjust the management strategy and controlling operating costs at an appropriate level of business operations as well as cooperate with trade partners and doing business together between Jaymart Group resulting in a net profit in the Company and its subsidiaries.

The operations in 2019, the mobile distribution, a business of the core company, has adjusted the operating strategy and focused on management to create net profits as well as cost control and inventory management along with to be the alliance with AIS allowing the Company to have promotions that could compete with the market. Therefore, under the aforementioned operation, the businesses could return to net profit in the year 2019. Also, the personal loan business under the operation of J Fintech Company Ltd. returned to have a strong net profit as a result of the quality control of personal loans and collection control, allowing the Company to be able to control the increase in the provisioning rate was quite good in the past year. This success has been well supported by JMT Network Services Public Company Limited, which has co-operated in collecting for J Fintech until able to have statistics on debt collection according to the Company's goals.

The year 2020 is considered a challenging year for the Company's operations. The Board and Management are aware of the economic, political, and foreign factors that affect the Company's performance in the near future. Therefore, maintaining the competitiveness and controlling costs at the appropriate level is the most important strategy that Jaymart Group has been upheld and managed under the current economic conditions. The Company hopes this year shall be another year that the administration of the Board and Management will lead the business in the group to grow continually and steadily in the future as well as it is still determined to create synergy between the companies in the group to achieve its goals.

On this occasion, Jaymart would like to thank the shareholders, customers, business partners, management, and employees, which has contributed the Company to grow the business continuously. Jaymart would like to assure that we shall conduct the business professionally and regularly improve the organization's capabilities along with the implementation of the social responsibility policy and sustain a good role model for society to generate a better quality of life.



(Mr. Pisnu Pong-acha)
Chairman of the Board



(Mr. Adisak Sukumvitaya)
Chief Executive Officer

Directors Profile

Mr. Pisnu Pong-acha

Age 65

Position in the Company Chairman of the Board

Education

1994 Master of Business Administration, Rangsit University

Previous Experience

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

Prohibited Qualification

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past



Mr. Adisak Sukumvitaya

Age 63

Position in the Company Director and Chief Executive Officer

Education

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

Director Program

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors Association
2013	Executive Program (CMA15)	Capital Market Academy, SET

Previous Experience

1990 - Present	Director and Chief Executive Officer	Jaymart PCL.
2004 - Present	Chairman of the Executive Committee	Jaymart PCL.
2016 – Present	Chairman of the Board	Jaymart Mobile Co., Ltd
2016 – Present	Chairman of the Board	Singer Thailand PCL
2016 – Present	Chairman of the Board	SG Capital Co., Ltd
2012 - Present	Chairman of the Board	JMT Network Services PCL.
1993 - 2011	Director	JMT Network Services PCL.
2013 - Present	Chairman of the Board	J Asset Management Co. Ltd
2013 - Present	Chairman of the Board	Jaymart Insurance Broker Co., Ltd
2012 - Present	Chairman of the Board	JAS Asset PCL.
2017 – Present	Director	J Ventures Co., Ltd

Prohibited Qualification

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past



Miss Yuvadee Pong-acha

Age 64

Position in the Company Director and Deputy Chief Executive Officer - Operations
Executive Committee, Nomination and Remuneration Committee

Education

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



Director Program

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors Association
2018	Board Nomination and Compensation Program (6/2018)	Thai Institute of Directors

Previous Experience

1990 – Present	Director	Jaymart Pcl
2004 – Present	Executive Director and Vice President	Jaymart Pcl
2016 – Present	Director	Jaymart Mobile Co., Ltd
2007 – Present	Director	JMT Network Services Pcl
2017 – Present	Director	J Ventures Co., Ltd
2007 – 2011	Managing Director	JMT Network Services Pcl
2011 – Present	President	J Fintech Co., Ltd.
2012 – Present	Director and Chairman of the Executive Director	JAS Asset Pcl
2013 – Present	Director	J&P (Thailand) Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd.
2013 – Present	Director	Jaymart Holding Co., Ltd.
1981 – 1990	Deputy Director of Money Market Department	TISCO Securities Pcl
2002 – Present	Director	T.A.S. Asset Co., Ltd.

Prohibited Qualification

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mrs. Manee Soonthornvatin**Age 64****Position in the Company** Director, Executive Committee and Chief Operating Officer**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

2002 – Present	Director	Jaymart PCL.
2004 – 2018	Executive Committee	Jaymart PCL.
2000 – 2017	Chief Information Officer	Jaymart PCL.
1994 – 2012	Director	JMT Plus Co., Ltd.
1994 – 2012	Director	JMT Network Services PCL.
2013 – Present	Director	J Asset Management Co., Ltd.
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd.
2011 – Present	Director	J Fintech Co., Ltd
2012 – Present	Director	JAS Asset PCL.
1993-1997	Support Services Manager	Digital Equipment Corporation (Thailand)
1997-2000	Business Operation Manager	Compaq (Thailand) Co., Ltd

**Prohibited Qualification**

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mr. Phisit Dachanabhirom

Age 78

Position in the Company Director (Independent Director), Chairman of Auditor Committee
Nomination and Remuneration Committee

Education

1964	B.E. (Accounting)	Thammasat University
	B.E. (Commerce)	Thammasat University
	CPA No.966	

**Director Program**

2004	Director Accreditation Program	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 Chairman of Audit Committee	Berli Jucker PCL.
Present	President of Berli Jucker Employee Corporative	
2001 - Present	Chairman of Executive Committee	Professional Alliance Group Limited.
2007 - Present	Independent Director, Chairman of Auditor Committee RS. PCL.	
2013 - Present	Director	Donmuang Tollway PCL.

Prohibited Qualification

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mr. Suwit Kingkaew

Age 70

Position in the Company Director (Independent Director) and Audit Committee
Chairman of the Nomination and Remuneration Committee

Education

1974	Agricultural Economics B.E. (Science)	Kasetsart University
1995	Master of Business Administration	Kasetsart University
2010	Justice Executive Program	Justice Institute, Court of Justice

**Director Program**

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.
2019-2020	Deputy Vice President	C.P. Seven Eleven PLC.
2020-Present	Advisor to the Executive Committee	CP All PLC.
2020-Present	Director	CP All PLC.

Prohibited Qualification

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

Mr. Somsak Nontakanok

Age 63

Position in the Company Director (Independent Director)

Education

1978	B.E. (Accounting)	Thammasat University
1981	Certificate of Accounting	Thammasat University
1987	Master of Accounting	Thammasat University
1999	MBA (Finance)	Manchester University, UK
2008	CAIA	Chartered Alternative Investment Analyst
2010	FRM	Global Association of Risk Professional

**Seminar**

2015	CGI 5/2015 Corporate Governance for Capital Market Intermediaries, Thai IOD
1999	Company Director Course, Singapore Institution of Directors

Previous Experience

2010 – 2013	Lecturer	Mahidol University
2013 – Present	Lecturer	Siam University
2013 – Present	Independent Committee / Audit Committee, APPLE WEALTH SECURITIES PCL.	

Prohibited Qualification

- 1 No criminal record offenses in crimes against property, which was done in bad faith
2. Never enter into any transaction that may be controversial with the interest of the company in the past

General Information

Jay Mart Public Company Limited

Stock Symbol:	JMART
Head office:	187, 189 Jaymart Bldg., Ramkhamhaeng Rd., Ratpatthana, Sapansoong, Bangkok 10240
Telephone:	0-2308-8000
Fax:	0-2308-8117
Registration No. :	0107545000055
Website:	www.jaymart.co.th
Type of business:	Holding Company invest in potential business
Registered Capital:	906,612,007 Baht
Paid-up Capital:	906,608,710 Baht Comprise of 906,608,710 common shares Par value 1 Baht per share

Subsidiary and Associated Companies

Jaymart Mobile Co., Ltd.

Head office:	187 Jaymart Bldg., Ramkhamhaeng Rd., Ratpatthana, Sapansoong, Bangkok 10240
Telephone:	0-2308-9000
Fax:	0-2308-8162
Registration No:	0105559154546
Type of business:	Distributing mobile phone, accessories and other related equipment
Registered Capital:	480,000,000 baht
Paid-up Capital:	480,000,000 baht Comprise of 48,000,000 Common shares Par value 10 Baht per share

Shareholdings Percentage of JMART: 99.99%

J Fintech Co., Ltd.

Head office:	189 Jaymart Bldg. Fl 3-4 ., Ramkhamhaeng Rd., Ratpatthana, Sapansoong, Bangkok 10240
Telephone:	0-2308-9000
Fax:	0-2308-8162
Registration No:	0105554042308
Type of business:	Leasing and Consumer Lending
Registered Capital:	1,220, 000,000 baht
Paid-up Capital:	1,220,000,000 baht Comprise of 122,000,000 Common shares Par value 10 Baht per share

Share Holdings Percentage of JMART: 95.65% (Both Direct and Indirect)

J Ventures Co., Ltd.

Hear Office: 191 Jaymart Bldg., Ramkhamhaeng Rd., Ratpatthana, Sapansoong, Bangkok 10240

Tel: 0-2308-9000

Fax: 0-2308-8088

Registration No: 0105555000676

Website: www.jventures.co.th

Type of business: Software Development and Invest in Started-up business

Registered Capital: 100,000,000 Baht

Paid-up Capital: 75,250,000 Baht Comprise of 100,000 common shares, Par value 10 Baht per share and 9,900,000 common shares, Par value 7.50 Baht per share.

Share Holdings Percentage of JMART: 80.00%

JMT Network Services Public Company Limited

Head Office: 187 Fl. 4-6 Jaymart Bldg., Ramkhamhaeng Rd., Ratpatthana, Bangkok

Tel: 0-2308-9999

Fax: 0-2308-9900

Registration No: 00107555000074

Website: www.jmntnetwork.co.th

Type of business: Debt Collection Business, Non-Performing Loan Management and Leasing Services and Consumer Lending

Registered Capital: 554,994,295 Baht

Paid- up Capital: 443,995,436 Baht
Comprise of 887,990,872 common shares
Par value 0.50 Baht per share

Share Holdings Percentage of JMART: 55.81%

JAS Asset Public Company Limited

Head Office: 187 Jaymart Bldg., Ramkhamhaeng Rd., Ratpatthana, Sapansoong, Bangkok 10240

Tel: 0-2308-9000

Fax: 0-2308-8088

Registration No: 0105555000676

Website: www.jasasset.co.th

Type of business: Property Development

Registered Capital: 1,081,905,778 Baht

Paid- up Capital: 793,807,290 Baht
Comprise of 793,807,290 common shares
Par value 1 Baht per share

Share Holdings Percentage of JMART: 74.97%

Bean and Browns Co., Ltd.

Hear Office: 87, The JAS Ramintra, 3rd Floor, Room No. A 304, Ladplaklao Road, Anusaowaree, Bangkok, 10220

Tel: 0-2053-3958

Fax: -

Registration No: 0105560101035

Website: -
Type of business: Food and Beverage
Registered Capital: 58,000,000 Baht
Paid-up Capital: 58,000,000 Baht Comprise of 58,000,000 common shares
Share Holdings Percentage of JMART: 70.34%

SINGER THAILAND PUBLIC COMPANY LIMITED

Hear Office: CAT Telecom Tower, 17 Floor,, 72 Charoen Krung Rd., Bang Rak, Bangkok 10500
Tel: 02 352 4777
Fax: 0 2352 4799
Registration No: 0107537000050
Website: www.singerthai.co.th
Type of business: Distribution and Sales of home appliances. Sewing Machines, and commercial appliances and other products
Hire Purchase - Installment Payments services
After sales services, Maintenance or repairs of appliances
Registered Capital: 702,000,000 Baht
Paid-up Capital: 401,505,235 Baht Comprise of 401,505,235 common shares
Share Holdings Percentage of JMART: 30.3%

Auditor

EY Office Limited

193/136-137 Lake Ratchada Office Complex, 33rd Fl., Ratchadapisek Road, Klongtoey, Bangkok 10110

Tel: 0-2264-0777 0-2661-9190 Fax: 0-2264-0789-90

Mrs.Nonglak Pumnoi	Registration No.4172
Ms. Rungnapa Lertsuwankul	Registration No.3516
Ms. Rattana Jala	Registration No.3734
Ms. Pimjai Manitkajohnkit	Registration No.4521
Ms. Wanwilai Petsang	Registration No.5315
Ms. Rosaporn Decharkom	Registration No.5659
Ms. Sumana Punpongsanon	Registration No.5872

Legal Advisor

Thep Co., Ltd

1193 EXIM Building, 11th Floor, Room 1107-1108, Phaholyothin Rd, Samsennai, Phayathai Bangkok 10400

Telephone: 0-2278-1683-84

Fax: 0-2271-2367, 0-2271-2587

Investor Relations

Mr. Panya Chutisiriwong

Tel: 02 308 8196

Email: panya@jaymart.co.th

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. In 1992, the company started mobile phone retail business by installment and wholesale.

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.

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 at 1.80 baht/share to the public investors. Presently, as of 31 December 2019 the Company has register capital of 906,612,007 shares and Paid-up capital of 906,608,710 shares.

As for the current corporate structure, the Company holds 55.81% in its subsidiary, JMT Network Services Public 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. Moreover, the company own 74.97 % in JAS Asset Public Company Limited ("JAS Asset") which engages in rental space for IT and mobile retailer under the brand "IT Junction" and Community Mall name "The Jas" and "The Jas Urban". The company has acquired a major stake in Singer Thailand Public Company Limited 30.26% which engages in direct sale business under brand "Singer". In 2016, the company invested in J Fintech Co., Ltd (former JMT Plus Co., Ltd) to expand to personal loan business and the company own 95.65%. (Direct and indirect), the company invested in Bean&Browns Co., Ltd to expand to Food and Beverage and the company own 70.34%.

The Company aims to apply technology to its business by foresee that there will be disrupt in financial and retail. So, the Company is preparing to change its business to coup with the disruption and turn it to be a sustainable growth. In the year of 2017 the Company established a subsidiary "J Ventures Co., Ltd." with registered capital of 100 million Baht by holding shareholding for 80.00%. This subsidiary will engage in process of Digitalization of Jaymart Group which already begin last year and a company that has issued and offered digital tokens "Jfin" to bring money from the issuance and offering to develop the Decentralized Digital Lending Platform (DDLPL).

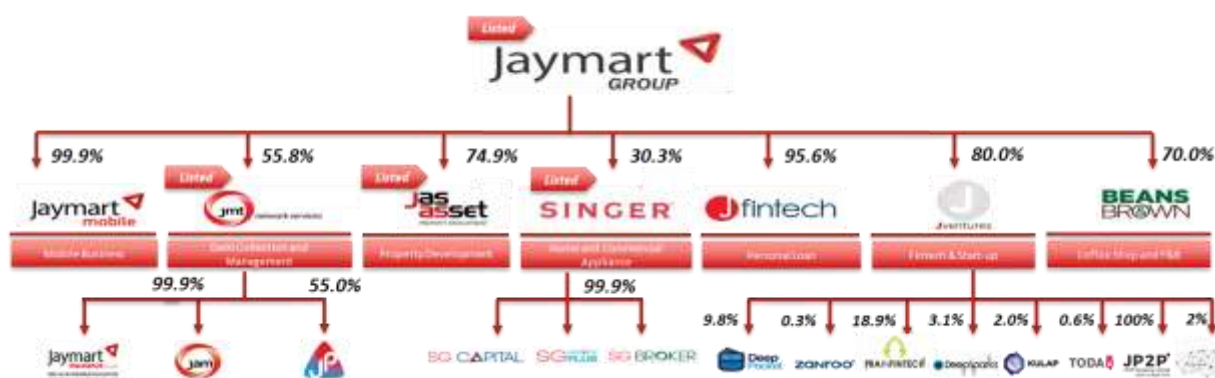
Currently, the company's business has rapidly grown by positon itself to be a leader in Retail Business with an extensive distribution network. The Company distribution network covers both Bangkok and upcountry area in Thailand. By strategy of "The Power of Synergy" which aim at to operate business together. Furthermore, the shareholder has resolved to approve the business reorganization of the company to be a Holding Company. And the core business of the Holding Company is Jaymart Mobile Co., Ltd which the company holds 99.99% of total paid-up share.

1.2 Vision and Mission

- Vision:** Be the leading in Retail Business with Synergy and Innovative Technology to Sustainable Growth
- Mission:**
1. We strive to deliver a sustainable growth by focusing on retail business using Synergy and sharing resources among our group.
 2. We engage in good corporate governance to conduct our business and take care of shareholders and stakeholders to bring a worthy return. Together with being a part of social responsibility and social development

1.3 Business Operations of the Company and its subsidiary

Group Organization Structure as of 31 December 2019



Currently, there are 6 subsidiaries carrying out their business as follows:

1. Jaymart Mobile Co., Ltd ("Jaymart Mobile") in which the company holds shares accounting for 99.99 percent with the paid-up capital of 480 million Baht as of 31 December 2019. The Company engages in mobile and accessories both retail and wholesale. Jaymart mobile is a core company of the Jaymart.
2. JMT Network Services Public Company Limited ("JMT") in which the company holds shares accounting for 55.81 percent with the fully-paid registered capital of 443.9 million baht. JMT engages in Debts management and collection and insurance broker.
3. JAS Asset Public Limited Company in which the company holds shares accounting for 74.97 per cent with the fully-paid registered capital of 793.8 million baht.
4. J Fintech Co., Ltd in which the company holds shares accounting for 95.65 percent with the fully-paid registered capital of 1,220 million baht, engages Leasing and consumer lendings
5. J Ventures Co., Ltd which the company holds shares accounting for 80.00 per cent with registered capital of 100 million baht, engage in software development and investing in Started-up business.
6. Beans and Brown Co., Ltd which the company holds share 70.34 per cent of the fully-paid registered capital of 58 million baht, engages food and beverage and Coffee Brand "Casa Lapin" and "Rabb Coffee"

Subsidiary that the company holds shares indirectly (holding shares by JMT Network Services Public Limited Company).

7. Jaymart Insurance Broker Co., Ltd. (JMT holds 99.99% of total shares) in which the fully-paid registered capital of 15 million baht, the company commercially runs an insurance broker.
8. J Asset Management Co., Ltd (JMT holds 99.99% of total shares) in which the fully-paid registered capital of 300 million baht, the company commercially runs an non-performing debt management business.
9. JP Insurance PCL Co., Ltd (JMT holds 55% of total shares) in which the fully-paid registered capital of 572 million baht, the company operating a non-life insurance business.

Subsidiary that the company holds shares indirectly (holding shares by J Ventures Co., Ltd).

10. J P2P Co., Ltd. in which the registered capital of 5,000,000 Baht Conduct business by conduct electronic commerce business. In which J Ventures holds 100.00%.

Associated Company

11. Singer Thailand Public Company Limited in which the company holds 30.26% of total paid-up capital of 401.5 million baht.

1.4 Key major development in the past 5 years

Year	Major Development
2015	<p>The Board of Director No.2/2015 on 20 February 2015 pass a resolution to propose the shareholders to approve Right Offering not exceeding 104,897,300 shares with Warrant not exceeding 104,897,300 shares. The Annual General Meeting has approved as proposed by the Board on 9 April 2015.</p> <p>The Board of Director No.3/2015 on 5 June 2015 has resolved to approve a share acquisition of Singer Thailand PCL for 67,499,900 shares or 24.99% of total paid-up capital at 14.00 baht per share from Singer (Thailand) B.V.</p> <p>The Board of Director No.4/2015 on 11 June 2015 approved to sale the investment in subsidiaries "JMT" to private investors not exceeding 50 people for 37,000,000 shares for 10% of total paid-up capital at 14.20 baht per share. After complete the transaction the company has a lower shareholding proportion from 67.5% to 55.88%.</p> <p>The Board of Director No.6/2015 on 23 September 2015 approved for Initial Public Offering for JAS Asset by initial offering its share to the public and preventive right to the Company's shareholders. Jas Asset listed on the Stock Exchange of Thailand on 10 November 2015 in Property Development Sector.</p> <p>The Board of Director No.7/2015 on 13 November 2015 approved for long-term leasehold of the JAS to development "The Jas Urban Srinakarin Project"</p>
2016	<p>The Board of Director No. 3/2016 on 11 August 2016 has passed a resolution to approve interim dividend in from stock dividend at rate 5 existing shares: 1 stock</p>

dividend. The Extraordinary General Meeting No.1/2016 has approved as the Board proposed. As a result the company registered capital increased from 524,463,106 shares to 629,355,727 shares.

At the Extraordinary General Meeting 1/2559 on 14 October 2016 has approved to cancel the resolution of Right Offering and Warrant by cancelling a non-allocating share for 209,794,600 shares with par value of 1 baht. The new registered capital is 524,463,106 baht with par of 1 baht.

On 21 October 2016, Jaymart Holding Co., Ltd has changed its company name to be J Capital Co., Ltd

The company invested in JMT Plus Co., Ltd in which subsequently changes the company name to J Fintech Co., Ltd by subscript new issued share of 1,100 million shares in J Fintech. This subscription of the capital increasing made J Fintech to be a subsidiary of the company by holding shareholder of 90.16%

On 19 November 2016, the Extraordinary General Meeting No.2/2016 has approved business reorganization the Partial Business Transfer: PBT in related to mobile and accessories business to Jaymart Mobile and transfer itself to be a Holding Company. The business transfer is expected to complete in 2017. The Board of Director No.6/2016 pass a resolution to approve to set up the subsidiary "J Ventures Co., Ltd" with the Company objective to develop software and invest in started-up business. The Company has established on 5 January 2017. Jaymart holding shareholding for 80%.

The annual general meeting 2017 approve to issue JMART-W2 with exercise 1:1 (Warrant : Share) at exercise price of 15 Baht/Share

J Venture Co., Ltd. The company holds shares accounting for 80.00 per cent has announced and offered Token Digital "JFin Coin" at the first offering price of 6.6 baht per 100 million Tokens, Tokens and completed the offering on 17 February 2018.

At the Extraordinary General Meeting 1/2662 on 18 September 2019 approved

1. Stock Dividend Payment for its shareholders in term of stock dividend and cash from Net Profit from consolidated as of 30 June 2019 at rate of

2017

2018

2019

0.2608224 baht per share which comprise of a) cash dividend at rate 0.0260824 baht b) stock dividend at rate of 4.26 existing share for 1 dividend share or totaling 0.23474 baht per share.

2. Approved to decrease registered capital from 897,414,498 baht to 734,252,310 baht by eliminate the unissued registered share amount 163,162,188 baht
3. Approved for capital increasing from 734,252,710 baht to 906,612,007 baht by issued new share amount 172,359,697 baht.

The Board of Director No.4/2019 pass a resolution to acquisition existing share of Beans and Brown Co., Ltd from JAS Asset Public Company Limited amount 2,579,998 share (par value of 10 baht) total value of 25,799,980 baht.

The Board of Director No.4/2019 approved to set up JP2P Co., Ltd to engage in digital peer to peer lending which is a subsidiary of J Ventures Co., Ltd.

1.5 Business Operations of the Company and its subsidiary

Jaymart Mobile Co., Ltd. (Subsidiary)

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 Samsung, iPhone, Huawei, Oppo, Vivo, Lenovo, Wiko, Motorola, and Xiaomi.

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 AIS only through various distribution channels.

As of 31 December 2019, the Company sells its product in 192 outlets covering Bangkok and its vicinities, as well as major cities in the country.

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

1. Wholesales Business (Wholesalers)

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 key mobile phone suppliers.

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

2. 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 Samsung, iPhone, Huawei, Oppo, Vivo, wiko and Xiaomi etc.

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. The revenue from brokerage receipt in seeking for cellular phone credit clients to Aeon and First Choice and the revenue from selling of Mobile Plus Guarantee Certificate.

The Company utilizes the strategy of Synergy by using retail channels through Singer (Thailand) Pcl. and IT Junction through JAS Asset Pcl.

JMT Services Public Company Limited (Subsidiary)

Debt tracking and collection service business

Our company is a service provider in tracking the distressed debt in which the creditor is unable to pursue or not wishes to pursue by himself as the income received is not worth the cost of the tracking. It covers all types of debt, such as personal loan group debt, credit card group debt, utilities group debt and service fees group debt. The employer, which including various creditors will send the name list and information of debtors to the company. The company then will search for additional information of the debtor, investigate and track the debtor and negotiate for each debtor to make the debt payment, under the terms which the company has been authorized by the employer. The company will receive the debt tracking service fee in the percent ratio of debt that the company able to track and agreed for the debtor to pay the debt.

As at December 31, 2019 the company has the amount of debt assigned to track from the employer in the amount of 43,686 million baht. The key employers are financial institutions and leasing companies.

The company also provides other services related to providing tracking and collection services, including legal services in connection with the execution of all types of debt and document delivery services (Mr. Speed Service). For legal services, is a lawyer serving to a third party. The team of lawyers is a team that acts in suing against the debtor who fails to pay the debts. As for the business operation of the debt tracking and collection and management of debt, the company will recognizes the income as service fee and fees as percent ratio of the amount of repayment from the compulsory execution. For the document delivery service, is a service made available to third parties. The delivery of documents and goods is mainly by motorcycle and a pickup truck.

Non-performing Debt Management Business

The company operates the business of managing distressed debt resulting from the fact that financial institutions, including some of the leasing companies have a policy to reduce the proportion of the Non-performing debt and reduce their cost in tracking the debt. Hence, has a policy to distribute such distressed debt out from the account. The creditor will open for the company that specializes in debt tracking and collection to auction the distressed debt at a discount price of the full debt. The bidder shall have the obligation of managing and take on the risk of tracking and collection of the debt auctioned. From the fact that the company has the analysis data on personnel debt

collection and expertise in debt tracking and collection for more than 20 years, it is an essential factor which causes the company to be able to analyze and evaluate the opportunities in tracking and collection of debt effectively and succeed in operating such business.

As at December 31, 2019, the company has accumulate distressed debt under management in the total book value of investments in Non-performing debt – net equivalent to 7,920.5 million baht.

Personal Loan Business

The company engages in personal loan business under The Bank of Thailand regulation. Due to the company have seen an opportunity for return in investment even there is a risk for bad debt. However, the company has an experience for debt tracking and credit approval. As of 31 December 2019, the company and subsidiaries debt loan amount of 3,140 million baht.

Insurance Broker Business and Insurance

The company provides different types of non-life insurance broker. The revenue will come from the return of the commission from the premium customers. Which is the business with no risk of impairment of the goods. Because the business is not required to have insurance policies with the company or stock company. Act as brokers who engage in insurance between clients and insurance companies. Moreover, the subsidiaries of JMT Network engage in insurance business for motor and non-motor.

JAS Asset Company Limited (Subsidiary)

Retail space management business

The Company is also operating rental area allocation and management business by leasing retail space from land owner and allocates and rents out the area to retail customers. In addition, the Company will also look after and offer administrative service on the rental areas throughout the rental term. The allocation and management of rental areas are in shopping centers. The company will lease a space in the mobile phone or technology product section in large shopping centers such as Central Department Store, Big C etc. the objective is to manage the area to be distribution center for IT products under the name IT Junction and allocate the areas to small retailers. As at December 31, 2019, the Company has more than 39 branches of IT Junction with leasable area of 7,553 square meters and a total of 1,024 retail stores both in Bangkok and other provinces.

In 2016, the Company also established Community Mall including The JAS Wanghin, which was opened in November 2014, The JAS Ramindra in September 2015 and The Jas Urban Srinakarin in November 2016. In addition, the Subsidiary was on process of develop new community mall project “The Jas Village Amata” at Chonburi Province which the location closed to Amata Industrial Park with total leasable area 9,000 square meter. This new project expected to complete on 3rd quarter of 2020.

1.6 Revenues Structure of the Company and Subsidiaries

Revenue Structure of the Company and its subsidiary for the Year 2017 - 2019

Unit: Million Baht

Revenues Structure	2017		2018		2019	
	Value	%	Value	%	Value	%
<u>Core Company</u>						
1. Mobile Phone Sales	10,584.0	80.5%	9,202.0	72.0%	7,441.0	63.8%
<u>Subsidiaries</u>						
2. Debt Collection and Debt Management	1,295.0	9.9%	1,818.0	14.2%	2,459.0	21%
3. Personal Loan Business	547.0	4.2%	893.0	7.0%	877.0	8%
4. Property Development Business	714.0	5.4%	866.0	6.8%	889.0	8%
Revenues	13,140.0	100.0%	12,779.0	100.0%	11,666	100%

1.7 Industry Overview and Business Objectives

Industry Overview

As the company is a holding company has the goal of managing investments for maximum returns. In each business segment, the goal is to grow.

Mobile phones, Mobile accessories and Technology products business

Company's policy is to expand the market share in retail markets in order to be a leader of mobile phone business, accessories and gadget products. The target is to expand the market share by enlarging the sale volume in existing branched along with expanding more branches, as well as reforming shops to extremely response clients' need.

- Products will be selected by quality and variety of appearances in order to thoroughly response a different demand of clients. Company's target is to increase products according to the change of technology, especially for technology of 5G and company's policy is to expand the product line of accessories and technological products.
- The company will organize the selling events in order to attract consumers and continuously promote JMART brand.
- The company's staff will be constantly trained to develop their knowledge regarding products and qualities of services in each week.

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.

Furthermore, JAS expanded the business to other area management services such as community mall, small shopping complex and fresh market if those stated businesses can provide returns justification for investment.

Debt tracking and collection service business

The company aims to maintain its leadership in the tracking and collection of debt service business, with a plan to maintain the volume of debtor tracked at the amount of 20,000 million baht, with an emphasis on expanding the services mainly to customers of financial institution, in both existing and new customers.

The company has operation strategy to achieve the goal as follows

- Focus on quality of service in tracking and collection of debt to achieve the standards and efficiency under the goal to make customers achieve the highest satisfaction. Moreover, every year there must be no complaints on quality of service from customers.
- Development of information systems and gathered of modern information with the goal to develop such a system to be up to date every year.

Non-performing Debt Management Business

The company aims to buy more Non-performing debt for management with the short-term goal to buy debt amount in full to manage, on average of no less than 20,000 million baht per year by focusing and managing as follows

- Conservative Bids under the careful growth policy
- Develop tracking database and carefully evaluate the result of the tracking and collection of debt prior to auctioning the debt.
- Capital spending and tracking costs are carefully monitored and evaluate the result of tracking and collection of debt compared to the cost in detailed regularly on a quarterly basis.

In the year of 2019, the Company acquired distress debt with investment value of 3,368 baht from bank and non-bank which is close to the target.

Insurance Broker Business

The company aim at expanding into the insurance broker services by focusing on providing the disaster insurance services and will perform accordingly;

- Expanding the marketing channel in order to giving the feedback both to internal and external customers.
- Enlarging the market via an online channel, website channel, by beginning to providing services via the website channel since 2015.
- Expanding the channel via the J-Mart mobile phone stores in every branch.
- Expanding the channel via business partners.
- Enlarging the channel via telesales.

For entering into the insurance broker business, the company views this kind of business as the interesting one, and no risk in depreciation of the products and services.

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 2019 inventories accounted for 4.9% 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 40-50 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 2018, the Company has effectively managed inventories, therefore, the inventory turnover day was 60 days more 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 2019, the Company has provided a reverse allowance for only Baht 40.6 million (0.05%) 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, Samsung, iPhone, Huawei, OPPO and Vivo. The company must rely on these phone manufacturers. During 2019, Samsung, iPhone, Huawei, OPPO, Vivo for 41%, 17%, 11%, 19%, 9% and Other Brand 3% 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 of dependent on Big C Supercenter Public Company Limited

Almost of the number 37 branches of total 39 branches of IT Junction are located in the Big C Supercenter which is owned by Big C Supercenter Public Company Limited ("Big C"). Therefore, the Company has to rely on the rental area of Big C. If Big C revoked or discontinued the rental agreement or manage the rental area in place of the Company, this will significantly affect business operations of the Company. Similarly, if Big C reduced or changed its branch expansion plan, this could affect the Company's outlet expansion plan as well as the business operation of the Company.

Nonetheless, the Company has a good relationship and has been business partner with Big C for more than 10 years. In the past, the Company's rental agreement has never been revoked by Big C before. In addition, the Company has more experience and expertise in administration of mobile phones and technology products than Big C. This is evident in the success of the Company's area management in Big C Supercenter in the past. Moreover, Big C has issued letter of intent to allow the Company to extend rental agreement for IT Junction for another two periods with rental length of three years per period apart from the current rental agreement. This shows that Big C is still a good business partner of the Company and does not have intention to compete the Company to administrate the rental area on mobile phones and technology products.

1.2.2 Risks related to Development and Returns of The Jas, The Jas Village and J Market Project

The development and management of Community Mall (The Jas) would require relatively high investment and long payback period. The Company may not be able generate return from the project as planned due to intense competition or economic factors that affect the number of tenants in the project or reduction in occupancy rate. This could affect the operating results and financial position of the Company. In this regard, the Company has perceived the potential risks and has established a policy to conduct feasibility study to evaluate the project before developing the project. This includes suitability of the location, number of population, targeted customer group, consumer behavior and competitors around the project. Moreover, the Company would apply marketing strategy and business plans to suit each project. In addition, the Company will offer long-term rental agreement with tenants to more than three years so that tenants will rent a space in the project continuously.

In addition, the risk of J Market Project which has already been developed is the possibility that the Company cannot find number of tenants as expected or large number of tenants move out of the Project. This may affect returns of the project not to meet the target.

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. 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 Insurance Broker Business

Potential risks from the competition within the industry

Insurance broker business is the business which contains several of both small and big broker companies. In 2019, there are about 443 corporations who exactly provide the disaster insurance and it is a real competitive in customer services providing. The main factors in the competition are based on the price of insurance premium and the insurance institutes. They are the factors which customers use in determining in taking the insurance broker services from any company. Car insurance department has the highest value of the insurance premium than any other type of the insurance that any insurance broker corporations possess.

Risks from the service complaints

According to the fact that the insurance broker business is under the governor of Office of Insurance Commission (OIC) which is the organization that governs and investigates services providing of every insurance and insurance broker companies. If there is any complaint from the consumer toward the insurance and insurance broker companies, the insurance or insurance broker company has to explain and control his or her business to fall within the predetermined standard. And if the company still does not perform according to the required regulation and be guilty under the severe imperative, the company might be considered in revocation of license in running the business.

1.6 Personal Loan Business

Potential risks from the competition within the industry

Personal Loan business has a severe competition especially in Bank and Non-Bank. The competition strategies of financial institutions are interest rate competition, sale promotion and flexible of qualification of customer to apply for personal loan. This might have impact on the company competitiveness. However, the company has an experience in car leasing in the past to run the business and form

1.7 Risk from the Company's business by holding shares in other companies

Business operation by holding shares in other companies making cash flow and operating results of the company depend on dividends received from subsidiaries and associates. According to the business restructuring plan of the company Which received the resolution from the Extraordinary General Meeting of Shareholders No. 1/2016 to transfer part of the business of the company (Partial Business Transfer: PBT) which includes mobile phone distribution business, accessories and technology products wholesale and retail Contracts, all assets and liabilities involved and that are used in the business Including all personnel related to the said business to "Jaymart Mobile Company Limited" ("Jaymart Mobile")

After the business transfer, the company still holds 99.99% of the total shares which makes the company recognize the full amount of dividend income, In addition, the terms and conditions of this debentures require the Company to maintain its shareholding proportion in "Jaymart Mobile Company Limited" ("Jaymart Mobile"), not less than 75.00 percent of all shares.

Shareholding Structure

Shareholders

As at 31 December 2019 the Company's registered capital is 906,612,007 baht and paid-up capital of 906,608,710 baht. The list of shareholders and shares of registered capital and paid by the shareholders of record as follows.

Shareholders	Number of Share	%
1. Mr. Adisak Sukumvitaya	146,288,704	16.14
2. Miss Yuvadee Pong-acha	106,031,582	11.69
3. Mr. Ekachai Sukumvitaya	85,481,173	9.43
4. Miss Juthamas Sukumvitaya	71,945,409	7.94
5. Mr. Autthawat Sirisiththongchai	33,835,000	3.73
6. The BTS Group Holding PCL Co., Ltd.	27,000,579	2.98
7. Mr. Peeranart Chockwattana	24,066,085	2.65
8. Mr. Jittiporn Jantararat	21,403,985	2.36
9. Thai NVDR	20,800,036	2.29
10. Mr. Chairat Kovichindachai	20,734,741	2.29
11. Other Shareholders	349,021,416	38.50
Total	906,608,710	100.00

Remark: Data as of 30 December 2019, the total number of shareholder was 6,543.

Major Shareholder of Core Companies Business

Jaymart Mobile Co., Ltd.'s major shareholder

Shareholder	No. of Shares	Percentage
Jaymart Public Company	48,000,000	99.99

Par Value of 10 Baht

Dividend Policy

The Company has a dividend policy and the subsidiaries to shareholders not less than 50% of net profit after tax and legal reserved by considering the consolidated financial statements. The Board of Directors can authorize to exclude the implementation of policies or change it from time to time. Under conditions that the operation will cause best benefit to shareholders and its subsidiaries. Such as a reserve for loan repayment, investment to expand its business. Or in case of changes in market conditions that may affect the company's cash flow and its subsidiaries in the future

	2017	2018	2019
Dividend Paid Per Share (Baht/Share)	0.50	No Dividend payment	0.50
Earnings Per Share (Baht/Share)	0.67	-0.38	0.59
Dividend Payout	74.6%	-	85.0521

Organizational Structure

As of 31 December 2019, 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. Nomination and Remuneration Committee
3. Audit Committee
4. Executive Committee



Board of Directors

As of 31 December 2019, the Company's Board of Directors comprised of 7 members, which are;

- | | | |
|-----------------|----------------|--|
| 1. Mr. Pisnu | Pong-acha | Chairman of the Board |
| 2. Mr. Adisak | Sukumvitaya | Director |
| 3. Miss Yuvadee | Pong-acha | Director |
| 4. Mrs. Manee | Soonthornvatin | Director |
| 5. Mr. Phisit | Dachanabhirom | Chairman of Audit Committee/Independent Director |
| 6. Mr. Suwit | Kingkaew | Audit Committee/Independent Director |
| 7. Mr. Somsak | Nontakanok | Audit Committee/Independent Director |
- 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 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 in line 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 2019, the Company's Audit Committee comprised of 3 members, which are;

- | | | |
|---------------|---------------|--------------------------------------|
| 1. Mr. Phisit | Dachanabhirom | Chairman of Audit Committee |
| 2. Mr. Suwit | Kingkaew | Audit Committee |
| 3. Mr. Somsak | Nontakanok | Audit Committee/Independent Director |

Miss Kanlayakorn Pitiworawong 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;
11. To undertake other matters as assigned by the Board of Directors, with the approval of the audit committee.

Nomination and Remuneration Committee

As of 31 December 2019, the Company's selection and remuneration committee comprised of 3 members, which are;

- | | | |
|-----------------|---------------|---|
| 1. Mr. Suwit | Kingkaew | Chairman of Nomination and Remuneration committee |
| 2. Mr. Phisit | Dachanabhirom | Nomination and Remuneration committee |
| 3. Miss Yuvadee | Pong-acha | Nomination and Remuneration committee |
- Miss Kulchaya Nilpetch is the secretary of the Nomination and Remuneration committee

Scope of responsibilities of the nomination 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 2019, the Company's executive committee comprised of 5 members, which are;

- | | | |
|-----------------|--------------|-------------------------------------|
| 1. Mr. Adisak | Sukumvitaya | Chairman of the Executive Committee |
| 2. Miss Yuvadee | Pong-acha | Executive Committee |
| 3. Mr. Piya | Pong-acha | Executive Committee |
| 4. Miss Ladda | Waruntarakul | Executive Committee |
| 5. Mrs. Natcha | Nititsopon | Executive Committee |
- Miss Ladda Waruntarakul is the secretary of the Executive Committee

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

Pursuant to the Board of Directors No.1/2019 on 26 February 2019 and the Annual General Meeting 2019 of Shareholders 2019 on 17 April 2019 has approved the director's remuneration for the year of 2019 with budget not exceeding that 5 million baht. 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 2019, the company pays for the Directors' remuneration in fixed payment and bonus

Name	Position	2018	2019
1. Mr. Pisnu Pong-acha	Chairman of the Board	540,000	540,000
2. Mr. Adisak Sukumvitaya	Director	300,000	300,000
3. Miss Yuvadee Pong-acha	Director	300,000	300,000
4. Mrs. Manee Soonthornvatin	Director	300,000	300,000
5. Mr. Phisit Dachanabhirom	Chairman of Audit Committee/Independent Director	540,000	540,000
6. Mr. Suwit Kingkaew	Audit committee/Independent Director	300,000	300,000
7. Mr. Somsak Nontakanok	Audit Committee	300,000	300,000
Total		2,580,000	2,580,000

2) Executives' remuneration

Total remuneration for executives, the period ended 31 December 2018 and 2019

Remuneration**	2018	2019
Executive *** (Baht)	39,138,979	44,875,500
No. of Executive (Person)	6	7

*** Executive refers to Executive Committee and the company's management according to the definition of the Office of Securities Exchange Commission.

**Remuneration comprised of salary, bonus and other remuneration such as commission, position fees, transportation, social securities, provident funds and other remuneration paid with the salary.

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 and Diversity of the Board of Directors

The Board of Directors consists of 7 directors, which are

8.1 3 executive directors

8.2 1 non-executive director

8.3 3 independent directors and audit committees, or 42.86% of the Board of Directors.

The member of board of director was nominated by consider qualifications, experience and expertise which is approved by Nomination and Compensation Committee. The company's director has Accounting and Finance expertise is Mr. Pisit Dachanapirom and the composition of the board has 2 women which is account for 28.5% of the board number.

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

Company's article of association stated the requirement to distribute the invitation to the Shareholders' Meeting with supporting documents to Board of Directors at least 7 days prior to the meeting for consideration and in order to comply with the minimum period required by the relevant law. In 2018-2019, having a written record of the meeting and kept the minutes of the meeting were approved by the Board of Directors and it can be audited by directors and related parties. Details of attendance of each director are as follows:

Board of Directors

Board of Directors' Meeting shall be held at least four times a year and will be recorded in written and having a data storage systems that can be monitored. During 2018 and 2019, the company held the board of directors' Meeting at 5 times and 5 times, respectively. Details of attendance of each member of the board of directors are as follows:

	Position	Position	2018	2019
1	Mr. Pisnu Pong-acha	Chairman of the Board	5/5	4/5
2	Mr. Adisak Sukumvitaya	Director	5/5	5/5
3	Miss Yuvadee Pong-acha	Director	5/5	5/5
4	Mrs. Manee Soonthornvatin	Director	5/5	5/5
5	Mr. Phisit Dachanabhirom	Director	5/5	5/5
6	Mr. Suwit Kingkaew	Director	5/5	4/5
7	Mr. Somsak Nontakanok	Director	5/5	5/5

Audit Committee

Audit Committees' Meeting shall be held at least four 4 times a year and will be recorded in written and having a data storage systems that can be monitored. During 2018 and 2019, the company held the audit committees' meeting at 4 times and 4 times each year. Details of attendance of each member of the audit committee are as follows:

	Name	Position	2018	2019
1	Mr. Phisit Dachanabhirom	Chairman of Auditor Committee	5/5	4/4
2	Mr. Suwit Kingkaew	Audit Committee	5/5	3/4
3	Mr. Somsak Nonttakanok	Audit Committee	5/5	4/4

Executive Committee

Executive Committees' Meeting shall be held at least four (4) times a year and will be recorded in written and having a data storage systems that can be monitored. During 2018 and 2019, the company held the board of directors' Meeting at 11 times and 11 times, respectively. Details of attendance of each member of the executive committee are as follows:

	Name	Position	2018	2019
1	Mr. Adisak Sukumvitaya	Chairman of the Executive Committee	11/11	11/11
2	Miss Yuvadee Pong-acha	Executive Committee	11/11	11/11
3	Mr. Piya Pong-acha	Executive Committee	11/11	11/11
4	Miss Ladda Waruntarakul	Executive Committee	11/11	11/11
5	Mrs. Natcha Nititsopon	Executive Committee	11/11	11/11

Directors and Executive' remuneration Committee

Directors and Executive 'remuneration Committees' Meeting shall be held at least four (4) times a year and will be recorded in written and having a data storage systems that can be monitored. During 2018 and 2019, the company held the board of directors' Meeting at 5 times and 4 times, respectively. Details of attendance of each member of the executive committee are as follows:

	Name	Position	2018	2019
1	Mr. Suwit Kingkaew	Chairman of Selection and remuneration committee	4/4	4/5
2	Mr. Phisit Dachanabhirom	Selection and remuneration committee	4/4	5/5
3	Miss Yuvadee Pong-acha	Selection and remuneration committee	4/4	5/5

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 2019, the Company has hired outsource internal auditor is P&L Internal Audit Company 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' relations

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.

In the year of 2019, the Company appointed Mr. Panya Chutisiriwong as an investor relation of the company. Last year the company attends the Opportunity Day for 4 times and joins the Road show with brokerage to meeting with investor for 2 times.

Investor Activities	2018	2019
SET Opportunity Day	4	2
SET Digital Roadshow	2	2

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.

Since currently malpractice or corruption tends to increase while views of people in the society that corruption is perceived as a normal practice. In reality, the problem of corruption severely affects the society so that the company place high priority to anti-corruption actions. In the Meeting of the Board of Directors No. 6/2557 on 10th November 2014, the Board of Directors determined the anti-corruption policy as well as written guidelines which were approved by the Board of Directors, in order to announce the company's intention to resist all types of corruption and expect everyone in the organization to understand the same anti-corruption policy under the same policy as well as those who are related to the company acknowledges the company's intention to resist corruption.

Anti-corruption policy

Executive directors, employees and workers are not permitted to take any action that is related to all forms of corruption both directly or indirectly for the benefits of immediate family, friends and other persons regardless of being a receiver, a giver or a proposer of bribes which can be in monetary or non-monetary terms to a public agency or private companies that the company has conducted its business or made contact with. The anti-corruption policy should be strictly observed.

Duty and responsibilities of each agency

1. The Board of Directors is responsible for considering and approving the anti-corruption policy, and support any anti-corruption actions arising in the company so that everyone in the company realizes and is aware of the significance of the problem arisen from corruption. In case the Audit Committee has reported any corrupt actions that affect the company, the Board of Directors will be responsible for providing advice, suggestions, considering penalty and looking for solutions for the Chief Executive Officer.

2. The Audit Committee has the duty and responsibilities as follows:

- 2.1 Consider the anti-corruption policy proposed by the Chief Executive Office and ensure that such policy is suitable for the business pattern, the company's environments and organizational culture, and propose to the Board of Directors for approval;
- 2.2 Consider and review the appropriateness of the change in the anti-corruption policy obtained from the Chief Executive Officer, and propose to the Board of Directors for approval;
- 2.3 Verify the internal control system report and the assessment of risks involved in corruption that the Internal Audit Division has proposed. This is to ensure that such system has the least risks of corruption occurring that affects the financial position and performance of the company. In addition, such system should be consistent with the business pattern of the company.
- 2.4 Receive reports on corruption clues, that individuals in the organization are involved, examine the informed facts and propose the issue to the Board of Directors to jointly consider the penalty or look for solutions to the issue.

3. Internal Audit Division has the duty and responsibilities as follows:

- 3.1 Perform and ensure the duty and responsibilities follow the predetermined internal audit plan and propose the audit report, the internal control system and the assessments of corruption risks revealed from the internal control system examination to the Audit Committee for acknowledgement.
- 3.2 Perform work as assigned by the Audit Committee on the examination of corruption that relates to the organization in addition to the specified internal audit plan.

4. The Chief Executive Officer has the duty and responsibilities as follows:

- 4.1 Formulate the anti-corruption policy and propose to the Audit Committee.

- 4.2 Communicate with personnel in the organization and those related in order to acknowledge the anti-corruption policy.
- 4.3 Revise the appropriateness of the anti-corruption policy to be consistent with the changing business environments or legal requirements, and propose to the Audit Committee.
- 4.4 Assist the Audit Committee in investigating informed facts or tasks assigned by the Audit Committee on corruption investigation by delegating work to the capable management team.

Anti-corruption regulations

The company's directors, management and employees must strictly follow the anti-corruption policy and business ethics regardless of involving corruption directly or indirectly by:

1. Refrain from making any behaviors that indicate graft or offering a bribe to stakeholders in own responsibility either directly or indirectly in order to obtain benefits in a wrong way, as follows:

- 1.1 Do not receive or offer any gifts or souvenirs that are cash, cheques, bonds, gold, jewelry, real estate or any goods alike to related persons with whom the contact is made both in government and private agencies.
- 1.2 Do not receive any assets, goods, gifts, presents or other benefits that lead to omission of own duty. Before receiving gifts, one should examine to ensure compliance with relevant laws and the company's regulations. Goods or gifts exchanged in work should not have high prices and occasionally appropriate.
- 1.3 Do not offer any assets, goods, gifts or presents or other benefits as an incentive to decision making, or having influences such that a recipient is not following trade practices in the same way as other clients. Goods offered based on various occasions must not have excessive prices.
- 1.4 Do not act as a medium in offering money, assets, goods or other benefits to persons related to business, government agencies or any organizations in order to exchange for improper privileges or cause government officials to refrain from performing according to stipulated rules, regulations and legal practices.

2. With respect to procurement, it must be proceeded through procedures as specified by the company's regulations and must be transparent and accountable.

3. Expenses on entertainments and other expenses related to execution of contract can be carried out but at a reasonable and accountable manner.

4. Donations for charity must be carried out as follows:

4.1 Use of money or assets of the company to donate for charity must be carried under the name of the company only. The recipient of such donation for charity must be foundations, public charity organizations, temples, hospitals, infirmary or organizations for social purposes that are certified or reliable and accountable. The donation must follow the procedures specified in the company's regulations.

4.2 Personal donation for charity can be done but must not be related or cause any doubts of corruption for some benefits.

5. Use of money or assets of the company to support a project must be identified with the company's name only. The supporting amount must be paid with the objectives regarding the business, good image and reputation of the company. Disbursement of such amount must specify a clear objective and be provided with verifiable evidence and follow the procedures specified in the company's regulations.

6. Do not take any actions related to politics within the company, and do not use any resources of the company for such purposes. The company is an organization that adheres to political neutrality, encourages legal compliance and democracy, and does not have a policy to provide any assistance to any political party either directly or indirectly.

7. If any actions regarded within the scope of corruption or may lead to corruption that relates to the company either directly or indirectly are found, such actions must not be ignored or neglected, and should be reported to the Chief Executive Officer immediately or via trace notification channels specified in this policy.

8. Directors and executives must be aware of the importance of disseminating knowledge, providing advices in order to create understandings to senior officers regarding anti-corruption so that employees observe this anti-corruption policy. In addition, directors and executives should be a good model with respect to honesty, ethics and code of conduct.

Trace notification channels for corruption petition

The Audit Committee of the company shall be responsible for considering trace notification and petition on actions that may cause any doubts of corruption arising to the company, such notifications can be made through the following channels:

1. Through the company's website (business control: Petition subject); or
2. Through a telephone number 02-308-8079 (the management / the company's secretary); or
3. Through Trace Box (located in the human resource division room)

Those who make petition must specify details of the issue whose trace to be notified, or petition as well as name, address and telephone numbers that can be contacted conveniently.

Those, who can report traces or make petition relating to corruption, are every group of stakeholders of the company including shareholders, customers, trade competitors, account payables, the government sector, communities, society, the company's executives and employees. Regardless of any channel of notification as mentioned above, the company shall keep your report confidential according to the protection and secrecy measure.

Protection and secrecy measure

In order to protect the right of petitioner and those who provide information with good intention, the company shall conceal the names of those who provide such information or any information that can identify the petitioner or information providers, and store such information confidentially. Only those responsible for examining petitions can access the information.

In case the petition is made to the Chief Executive Officer, the Audit Committee shall act to protect those who have reported the trace, or the witness petitioner and information providers to be used in investigating the facts, so as to ensure they do not get into trouble or any dangers or any unjust situations resulting from the trace notification, being witnesses or providing information by asking the petitioner to submit the petition directly to the Audit Committee.

The Chief Executive Officer is responsible for providing judgment to proceed as seen appropriate in protecting those who have reported the trace, or the witness petitioner and information providers to be used in investigating the facts, so as to ensure they do not get into trouble or any dangers or any unjust situations resulting from the trace notification, being witnesses or providing information.

The Chief Executive President can assign work to any executive to act on behalf in using judgment to give security protection order for those who have reported the trace or the witness petitioner and information providers. The assigned executive must not involve with the issue reported or the petition either directly or indirectly (for example, the accused is a direct senior line officer). However, those, who receive the information on the petition from doing their related duty, are responsible to keep the information, petition and evidence documents of the petitioner and information providers as strictly confidential and do not disclose the information to others who do not have the related duty unless the information must be disclosed as stipulated in the relevant laws.

Dissemination of the anti-corruption policy

In order to ensure everyone in the organization acknowledge the anti-corruption policy, the company shall take actions as follows:

1. The company shall post the anti-corruption policy clearly in locations that everyone in the organization can read.
2. The company shall disseminate the anti-corruption policy through communication channels of the company such as E-mail, the company's website, and a report on annual disclosure of information.
3. The company shall arrange trainings on the anti-corruption policy to new employees.
4. The company shall revise the anti-corruption policy on an annual manner.

Number of Employee

The company has number of employee in 2018 and 2019

	2018	2019
Number of Employee	1,006	919

Provident Fund

The Company has set up provident fund for employee by having TISCO Asset Management Co., Ltd as a fund manager.

Policy and Guidelines for Employee Training and Development

Board of Directors and the Company has put important for employee development. The Company provided training and development in products knowledge and teamwork training for your staff. The training hour per person in 2019 was 1 day/person. Moreover, for the new employee the Company also provides orientation training in order to get to know the organization culture and overview of group business.

Educating And organized training to improve work skills in 2019		
Internal	Avg. 2 day/person	Focus on training courses related to knowledge in work, leadership and management.
Public	Avg. 1 day/person	Encourage participants to attend seminars with institutions to increase knowledge skills Increase work efficiency and develop specialized knowledge In order to enhance the performance to be equal to other organizations
Educating And provide training on environmental responsibility, safety, occupational health and working environment		
Environmental responsibility		Organize various activities To provide knowledge and environmental training to employees 1. 4R Project: Recycle, Reuse, Reduce and Revalue of waste and garbage in the Company's office to promote environment friendly. 2. Campaign to promote environmental conservation such as bringing a glass of water to buy at a discount price, etc.
Safety, occupational health and working environment		Fire Prevention and Fire Training By arranging for annual fire evacuation drills in January 2019.

Policy for Human Right

Board of Directors and the Company strive to the human right policy, individual, values and freedom of each employee. In order to develop human right, creativity and urges to have a common company culture. The policy for human right is contained in the Code of Ethic of the Company.

Policy for Intellectual Property Right

Board of Director and the Company has a policy to protect an intellectual property right. By put this policy in network using policy of the Company under Information Technology Policy of the Company. By prohibited management and employee to use illegal software or application. Moreover, employees require signing on the acknowledged letter to accept this policy.

Related Transactions

During 2018 and 2019, 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 Parties	Items	2018	2019	Price and Condition
1. JMT Network Services Public Co., Ltd.	Management Fee	18.3	44.8	Agreed Rate for Management and IT Fee
	Headquarters Rental	17.6	19.5	Contract Price
	Deposit Rental	3.6	3.6	Contract Price
	Accrued Revenues	0.6	0.3	Contract Price
	Other Trade Receivables	0.2	-	As Agreed Rate
	Dividend Received	205.8	391.5	As the AGM resolution
	Account Receivables	-	0.3	
3. J Fintech Co., Ltd	Loan	3,184.5	2,377.5	As a subsidiary need fund to operate
	Interest Receive	133.0	134.3	Agreed Rate
	Headquarters Rental	4.1	4.6	Contract Price
	Deposit Rental	1.0	1.0	Contract Price
	Management Fee	6.9	4.9	Agreed Rate for Management Fee
	Other Revenues	0.1	0.2	Contract Price
	Other Payables	0.8	1.8	Market Rate
3. JAS Asset PCL Co., Ltd.	Headquarters Rental	0.2	6.6	Contract Price
	Deposit Rental Space	0.2	0.2	Contract Price
	Accrued income	0.1	0.0	Contract Price
	Management Fee	6.5	6.6	Agreed Rate for Management and IT Fee
	Interest Receive	1.0	0.0	Agreed Rate
	Other Revenues	0.3	0.2	Contract Price
	Other Trade Payable	0.1	0.3	Market Rate
4. J Asset Management	Head Quarter Rental	5.0	5.3	Contract Price
	Deposit Rental	4.3	1.1	Contract Price
	Accrued Revenues	0.2	-	Market Rate
	Other Trade Payable	0.1	-	Market Rate
5. Jaymart Mobile	Other Account Receivables	8.5	2.3	As Agreed Rate
	Interest Received	6.8	10.8	
	Accrued Revenues	4.1	3.4	
	Headquarters Rental	18.6	20.2	Contract Price
	Branches Rental	32.6	33.3	Contract Price
	Deposit Rental	12.0	12.7	Contract Price
	Management Fee	59.5	39.4	Agreed Rate for Management

Related Parties	Items	2018	2019	Price and Condition
				and IT Fee
	Brand Loyalty Fee	41.1	32.0	As Agreed Rate
	Other Revenues	0.2	0.2	
	Dividend Receive	114	0	As Announced Rate
	Loan	605	0	
	Interest Expense	6.8	10.8	As Agreed Rate
	Pay point Sharing	1.8	0.8	
	Trade Payable	0.2	0.2	
6. Singer Thailand PCL	Management Fee	3.6	4.2	Agreed Rate for Management and IT Fee
	Trade Payable	-	-	Market Rate
	Dividend Receive	-	-	As Announced Rate
7. Beans and Brown	Loan	-	67.4	
	Interest Revenue	-	1.3	As Agreed Rate
	Accrue Revenue	-	-	
	Account Payables	-	-	
8. JP Insurance	Management Fee	-	0.2	Contract Price
	Other Account Receivables	-	-	Contract Price
10. J Venture Co., Ltd.	Management Fee	3.6	3.5	Agreed Rate for Management and IT Fee
	Headquarter Rental	0.8	1.0	Contract Price
	Deposit Services	0.6	0.2	Contract Price
	Interest Expense	-	-	Contract Price
	Loan	-	30	As Agreed Rate
	Interest Expenses	0.1	5.0	As Agreed Rate

Statement of the Board of Directors' Responsibilities

Under the Public Limited Companies Act B.E. 2535, the Accounting Act B.E. 2543, the Securities and Exchange Act B.E. 2535, and the Notifications of the Securities and Exchange Commission regarding the principles, conditions and methods for disclosure of financial statements and performance of companies issuing securities, it is a duty and responsibility of the Board of Directors of the Company to prepare appropriate and actual financial statements of the Company in order to show its financial position and performance for the past year.

The Company's management has prepared the financial statements in accordance with the Generally Accepted Accounting Principles, having chosen appropriate accounting policies and upheld them with consistency. Careful consideration and best estimation have also been used for such preparation and for the disclosure of material and adequate information in the notes accompanying the financial statements.

The Company's financial statements have been examined by an auditor from EY Office Limited. Such auditor has been provided with information and documents to enable them to audit and express opinion in compliance with the auditing standards. The auditor's opinion is presented in the auditor's report which is a part of this annual report.

Being well aware of its duties and responsibilities to ensure the effective oversight of the financial statements, the Board of Directors has appointed the Audit consisting of qualified persons to oversee that the Company's financial statements be prepared correctly and completely and that appropriate accounting policies be adopted and consistently followed. Also, the Audit has to review the internal control system to significantly prevent or reduce risk of any fraud or abnormalities, as well as to ensure its adequacy and effectiveness to safeguard the Company's assets. The Audit Committee's opinion is presented in the Statement of the Chairman of the Audit which is a part of this annual report.

From the practice and supervision as mentioned above, the Board of Directors is of the opinion that the financial statements of Jaymart Public Company Limited, as of December 31, 2019, present the Company's financial position and operating results in a correct and reliable manner in compliance with the Generally Accepted Accounting Principles and all relevant governing laws and regulations.



Mr. Pisnu Pong-acha
Chairman of the Board



Mr. Adisak Sukumvitaya
Chairman of the Executive Committee

Statement of the Audit Committee

The Company's Audit consists of 3 independent directors possessing full qualifications in compliance with the Notification of the Securities and Exchange Commission (SEC). Mr. Phisit Dachanabhirom is The Chairman and Mr. Mr. Suwit Kingkaew and Mr. Somsak Nontakanok are the other members of the Audit Committee. The term of office of the Audit Committee is 3 years.

The Audit Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Audit Committee's Charter which is in compliance with those specified by The Stock Exchange of Thailand (SET): The Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551. The Audit Committee regularly reports the Committee's Minutes of Meeting to the Board of Directors. In 2019, a total of 5 Audit Committee's meetings were held with all members present in every meeting. The meetings were conducted to consider and proceed with the following matters:-

1. Review of financial reporting

The Audit Committee has reviewed the quarterly and annual financial statements for the year 2019 in collaboration with the auditor and the management. This is to give assurance that the Company's financial statements are in compliance with the Generally Accepted Accounting Principles according to the Accounting Act B.E. 2543 and the relevant notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, and that the disclosure of information is made in an adequate, complete, timely and reliable manner which is beneficial to and supports decisions made by shareholders and general investors as well as aligns with applicable laws and notifications. The Audit Committee has also supported and monitored the compliance with the International Financial Reporting Standards (IFRS) in accordance with the guidelines specified by the Federation of Accounting Professions and the Office of Securities and Exchange Commission. In addition, in 2019 the Audit Committee held one meeting with the auditor without the participation of the management to ensure that the auditor independently performed his/her duties.

2. Review of the adequacy and appropriateness of internal control system

The Audit Committee has reviewed the adequacy and appropriateness of the internal control system by considering the reports of the Independent Internal Auditor and the external auditor. The auditor has mutually agreed that no significant operational faults were identified in 2019. In addition, the Audit Committee has considered the result of the evaluation of the internal control system of the Company and its subsidiary as well as the questions used in the evaluation form prepared according to the guidelines specified by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the evaluation result for 2019, the internal audit function is independent and the internal control system of the Company is adequate, appropriate and effective.

3. Supervision of internal audit operations

The Audit Committee has considered and selected P&L Internal Audit Co., Ltd. to be an independent internal auditor for another year as well as approved the internal audit scope and plan for the year 2020 whereas the internal auditor shall report the result directly to the Audit Committee.

4. Review of the Company's compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand or laws relevant to the Company's business. The Audit Committee has reviewed if the Company has in place the processes to ensure that the operations are in compliance with the laws regarding securities and stock exchange, requirements of the Stock Exchange of Thailand and the Securities and Exchange Commission as well as laws relevant to the Company's business.

5. Connected transactions or transactions which may involve a conflict of interest

In 2019, the Company had a report connected transaction or transaction which may involve a conflict of interest prescribed by the Stock Exchange of Thailand regulations regarding the connected transactions and/or the acquisition or disposition of the Company's asset.

The Audit Committee has reviewed the Company's disclosure of information in the case of any connected transactions or transactions which may involve a conflict of interest to ensure that the information is correctly and completely disclosed in the notes to the annual and quarterly financial statements and that the transactions incurred are reasonable, beneficial to the Company and are in compliance with the business conditions and requirements of the Securities and Exchange Commission.

6. Consideration, selection and nomination of an independent person for appointment as the auditor of the Company

The Audit Committee has reviewed the operations of the auditor from EY Office Limited and opined that the auditor performed professional duties in an independent, impartial and timely manner, thoroughly understood the Company's business and has duly been granted approval from the Securities and Exchange Commission. It is therefore deemed appropriate that Mrs.Nongluck Poomnoi Auditor's License No. 4172, Ms.Rungnapa Lertsuwankul Auditor's License No. 3516, Ms.Ratana Jala Auditor's License No. 3734, Ms.Pimjai Manitkajohnkit Auditor's License No. 4521, Ms.Rosaporn Decharkom Auditor's License No. 5659, Ms.Sumana Punpongsanon Auditor's License No. 5872, Ms. Wanwilai Petsang Registration No.5315 of EY Office Limited should be nominated as the auditor of the Company for the year 2020 and that the matter should be proposed to the Company's Board of Directors for consideration and further submission to the Meeting of Shareholders for approval.

7. Review of risk management

The Audit Committee has reviewed risk management operations with the management and the independent internal auditor and opined that the management has in place appropriate and adequate risk management.

8. Annual review and amendment of the Audit Committee Charter

The Audit Committee shall review the Audit Committee Charter to ensure that the past year's operations were undertaken completely as assigned and the duties and responsibilities were in alignment with the good practices by the Stock Exchange of Thailand.

9. The Audit Committee reported its work performance to the Board of Directors for acknowledgement at least once a quarter.

Based on the Audit Committee's performance of duties as mentioned above, the Audit Committee was of the opinion that the Company adopted an adequate and appropriate internal control system, that the Company put in place the appropriate procedures to ensure that the Company's operations are in compliance with relevant laws, and that the preparation and disclosure of information in the financial reports of the Company were correct, complete, reliable, and in a timely manner as well as disclosed connected transactions or transactions which may involve a conflict of interest in a correct and complete manner.



Mr. Phisit Dachanabhirom
Chairman of Audit Committee

Overview and Factors Affecting Future Performance

2019 was considered a challenging year for the performance of Jaymart Public Company Limited ("the Company") due to the Board and Management realized that 2018 was the year that the Company had a net loss. As a result, the Company and its subsidiaries have adjusted administration and operation strategies to create turnover to return profits to shareholders as soon as possible.

In 2019, it perceived clearly that with the effort of the committee, executives and staff causing the Company had a net profit of 533.8 million Baht, which was considered the highest net profit in 30 years since the Company was established. Moreover, its subsidiaries and associates in which the Company holding shares in each core business, there was the business net profit in the previous year.

The Company realized that although the turnover has been improved, it still has various challenging factors for future performance in 2020 whether the economic volatility and other challenges, which shall impact the Company's performance. The management, therefore, remains committed to the operation to create better-operating results continuously in the future.

Jaymart Group continues the businesses by the joint operations of its subsidiaries and associates, with 6 core business lines, which focuses on retail business as the main business under the concept of "The Power of Synergy", an important strategy to create the operating ecosystem generating a return for shareholders. In the past year, the joint operating strategy was considered an important part that the subsidiaries and associates could generate profits from the operating result. The details of the development and the direction of the performance in each business line were explained as follows:

1. Mobile Phone Distribution and its Accessories

Jaymart Mobile Company Limited, the Company's core business, conducting in the business of mobile phone distribution and its accessories, has adjusted the operational strategy to focus on creating operating profits under the competitive situation and the impact of the global trade war. Resulting in the Company had to accelerate the management of the inventory levels to be suitable for sales volume. If comparing the inventory from the beginning to the end of 2019, the Company had the inventory decreased by 322.7 million Baht to the level of 1,006.4 million Baht at the end of 2019.

Besides, being a trading partner with AIS, the number one network provider in the country, by engaging in SIM distribution and mobile phone packages, allowing the Company has been generating sales together with AIS quite well, and could offer the mobile phones with packages at a competitive price in the market. In 2019, the Company had sold AIS SIMs in a total of 178,718.

Jaymart Mobile had sales equal to 7,441 million Baht by selling 889,725 million devices in 2019, which decreased from the previous year resulting from the competition and the impact of the trade war. Although the sales volume was reduced due to the said situation, the Company could still maintain the profit levels as targeted by increasing sales of good margin products and controlling operating costs, causing Jaymart Mobile had a net profit of 90 million Baht in 2019.

2. Non-Performing Debt Management Business

JMT Network Services Public Company Limited ("JMT"), a subsidiary of the Company representing 55.8%, operating in the business of non-performing debt management, was able to reach the business profits as targeted in which it was the highest earnings growth for the third consecutive year. It was due to the condition of the business supporting the Company's growth and the non-performing debt that had bought, could still generate cash flow from debt collection as targeted. In 2019, the collected cash flow was 3,204 million Baht, increased from the previous year by 33.5%. In 2020, the condition of the NPL market shall continue to support JMT's growth in the future.

3. Personal Loan Business

J Fintech Company Limited ("J Fintech"), engaging in the business of lending money under the brand "J Money", in 2019 it could provide the highest net profit since the Company was established with a net profit equal to 67 million Baht. It was due to a result of the strict credit control by the Company, causing an increase in revenue from collecting (Bad Debt Recovery), including controlling debt collection to achieve its goals. In which J Fintech was able to maintain the debt collection according to the target.

	1Q / 2019	2Q / 2019	3Q / 2019	4Q / 2019
Pass (Normal and X Day)	97.56%	97.25%	97.07%	96.55%

Remark: Debt collection rate (%) refers to the percentage of the Company's ability to collect the debt. In case a collection of 97.2% means debt 100 Baht, the Company can collect 97.2 Baht, which another 2.8 Baht shall be one overdue payment.

Revenue from the write-off of non-performing loans steadily increased in which J Fintech had the amount of debt collection increasing quarterly.

	1Q / 2019	2Q / 2019	3Q / 2019	4Q / 2019
Revenue from write-off of NPLs	13.9	19.8	23.2	20.7

4. Financial Technology Business (Fintech)

J Ventures Company Limited ("JVC"), has been conducting the business of software development and investing in the potential started-up companies, which its progress could be seen in the system development of the Decentralized Digital Lending Platform: DDLP. In which the development of the said system had been completed according to the operational plan and the schedule specified in the White Paper as proposed to the ICO. The Company was able to recognize revenue from the said project while simultaneously cutting the cost of system development at the same time since 3Q / 2019.

5. Hire Purchase Business

In 2019, Singer Thailand Public Company Limited ("Singer"), an associate that the Company holding 30.3%, engaging in the business of product distribution under the brand SINGER with hire-purchase services, had a net profit of 165 million Baht, which was due to the Company being able to maintain the profit margins from sales and tightening of hire purchase loans as well as increasing in the proportion of Auto Loan (Car4Cash). After the capital increase in the middle of 2019, the Company had sufficient funds to expand the said loan portfolio quite well.

6. Property Development Business and Retail Rental Space

JAS Asset Public Company Limited ("J"), a company considered as the property developer, conducting in the business of property development for sale and rent. In the previous year, the Company completed the Newera

Condominium project at the end of the 3rd quarter of 2019 and was able to transfer and deliver condominium units to customers as targeted by transferring more than half of the total units in the project. With the success of the development of real estate for sale in the past year, the Company could make a net profit of 17.2 million Baht.

The performance in 2019 of each business has demonstrated the potential of the group in creating good operating results stability. Nevertheless, there would be factors relating to economic, political, and any situations in foreign countries that had a significant impact on overall operations. Therefore, to maintain the growth performance, the Company has planned operations to reduce costs efficiently by sharing resources in the group, integration of distribution channels that reach consumers with the operating channels of the group, including the use of technology in the operations in which allowing the Company still have good operating results in the future.

The Company is aware of the important accounting standards that have changed and been effective since the beginning of 2020. The standard affecting the group's operations is IFRS 9 Financial Instruments in which influenced the financial business as well as Thai Financial Reporting Standard 16 Leases that affect the shopping center development business of its subsidiary. However, the Company has been already prepared for the said issue and has reviewed the operational strategies. Therefore, the impact is within the scope of the Company's management to be able to administrate.

Overview of Financial Statements and Operating Results

The audited financial statements and operating results of the Company and its subsidiaries ending December 31, 2019, the summary of revenue and profits detailed as follows:

Financial Statements	2018		2019		YOY	
	Mio.	%	Mio.	%	ลบ.	%
Income from contracts with customers	9,609.6	76.5%	7,894.9	69.7%	-1,714.7	-17.8%
Interest income from loans from the purchase of receivables and loans	2,067.5	16.5%	2,115.9	18.7%	48.4	2.3%
Gain from loans from purchase of receivables	268.0	2.1%	657.1	5.8%	389.1	145.2%
Rental income	518.8	4.1%	456.2	4.0%	-62.6	-12.1%
Insurance income	98.3	0.8%	210.6	1.9%	112.3	114.2%
Total revenue	12,562.1	100.0%	11,334.8	100.0%	-1,227.4	-9.8%
Cost of sales	8,164.4	65.0%	6,374.6	56.2%	-1,789.8	-21.9%
Cost of service	779.5	6.2%	920.6	8.1%	141.1	18.1%
Rental cost	623.1	5.0%	563.7	5.0%	-59.4	-9.5%
Underwriting expenses	110.0	0.9%	233.6	2.1%	123.6	112.4%
Gross Profit	2,885.0	23.0%	3,242.3	28.6%	357.3	12.4%
Sales promotion income	217.8	1.7%	331.7	2.9%	113.9	52.3%
Management fee income	3.6	0.0%	4.1	0.0%	0.5	13.9%
Profit from investment	-	0.0%	15.8	0.1%	n.a.	n.a.
Interest income	6.9	0.1%	12.3	0.1%	5.4	78.3%
Other Revenues	105.1	0.8%	167.5	1.5%	62.4	59.4%
Gain (loss) from fair value adjustments of investment properties	-3.5	0.0%	6.1	0.1%	9.6	-274.3%
Reversal (loss) from impairment of assets	-13.3	-0.1%	9.9	0.1%	23.2	-174.4%
Profit before Expenses	3,201.4	25.5%	3,789.7	33.4%	588.3	18.4%

Financial Statements	2018		2019		YOY	
	Mio.	%	Mio.	%	ลบ.	%
Selling and distribution expenses	1,035.9	8.2%	935.6	8.3%	-100.3	-9.7%
Administrative Expenses	1,730.1	13.8%	1,397.9	12.3%	-332.2	-19.2%
Total Expenses	2,766.0	95.9%	2,333.5	20.6%	-432.5	-15.6%
Operating Profit	435.4	3.5%	1,456.1	12.8%	1,020.7	234.4%
Financial Expenses	457.7	3.6%	530.1	4.7%	72.4	15.8%
Income Tax Expenses	-49.3	0.4%	177.6	1.6%	128.3	260.2%
Net Profit	-277.1	-9.6%	533.8	4.7%	810.9	292.6%

Revenues Analysis

The total revenue of the Company in 2019 was 11,334.8 million Baht decreased from the same period 1,227.4 million Baht or decreased by 9.8 percent. Details of the revenue in the consolidated financial statements were as follows:

1. Revenue from contracts with customers was 7,894.9 million Baht, a decrease of 1,711.7 million Baht or 17.8 percent from the same period last year. This was due to a decreasing in the revenues from Mobile Phone and Accessories sales.
2. Interest income from loans from the purchase of receivables and loans and Gain from loans from purchase of receivables, which is the revenues from JMT and J Fintech, was 2,773.0 million Baht, an increase of 437.5 million Baht or 18.7 percent from the same period last year. Due to an increasing of revenues from fully amortized bad debt portfolio in JMT as noticed from the revenues from Gain from loans from purchase of receivables has been substantial increase.
3. Revenue for rental and other services was 456.2 million Baht, a decrease of 62.6 million Baht or 12.5 percent from the same period last year. This was due to the closedown of IT Junction branches which was not achieve in JAS Asset.
4. Underwriting income equaled 210.6 million Baht, which was the income generated from the preparation of the consolidated financial statements of the subsidiaries in the insurance business.

Cost of Sales and Services Analysis and Gross Profit Analysis

In 2019, the Company had a total cost of sales and services of 6,374.6 million Baht, a decrease of 1,789.8 million Baht or a decrease of 21.9 percent from the previous year, which was a result of a decrease in sales.

The Company had a gross profit margin from the consolidated financial statements of 2019, it was equal to 3,242.3 million Baht, an increase of 12.4 percent from the previous year, which was a result of increased income from the businesses with higher gross profits such as personal loan and non-performing debt tracking.

Selling and Administrative Expenses Analysis and Operating Profit

In 2019, the Company had the selling and administrative expenses of 2,333.5 million Baht, a decrease of 432.5 percent, mainly due to a decrease in allowance for doubtful accounts from creditors of subsidiaries, which was considered as administrative expenses in the consolidated financial statements.

For the operating profit in 2019, it was 1,456.1 million Baht, increased by 1,020.7 million Baht or 234.4 percent from the same period of the previous year.

Finance Cost

The Company's total financial costs in 2019 were 530.1 million Baht, an increase of 72.4 million Baht from the previous year. Most of the increase in financial costs was due to the Company's financial costs and its subsidiaries using for debentures including loans from financial institutions.

Net Profit

The Company had a net loss in 2019 equal to 533.8 million Baht, representing a net profit margin of 4.7 percent and a margin per share of 0.59, which was regarded as the highest profit in the Company's history. In this regard, the proportion of the Company's profits was derived from the growth of its subsidiary's performance in the debt management business and the profits from other businesses of the group.

Analysis of Financial Statement of Positions

Assets

As of 31 December 2019, the Company had total assets of 20,372.8 million Baht, divided into current assets of 7,271.0 million Baht, representing 35.7 percent of total assets and non-current assets of 13,101.7 million Baht, representing 64.3 percent of total assets compared to the end of 2018. The Company had total assets increased by 928.8 million Baht or 4.8 percent. Most of the increased assets were credit from the purchase of receivables (purchase non-performing loans) and investment in associated Singer Thailand.

Liabilities and Shareholders' equity

As of 31 December 2019, the Company had total liabilities of 15,410.3 million Baht, an increase of 670.8 million Baht or 4.5 percent. The significant increase in liabilities was a burden from the issuance and offering of digital tokens, the increase in short-term loans, and liabilities arising from the insurance business.

Besides, the Company had total shareholders' equity of 5,232.4 million Baht, an increase of 528.0 million Baht or 11.2 percent a slight increase when compared to the end of 2018.

Anyhow, the Company had a debt-to-equity ratio of 2.50 times, an increase from the end of 2018 at 2.64 times.

Auditing Fee

The Company and its subsidiaries' 2018 and 2019 Auditing Fee paid to the auditors, personnel or business concerning the auditors or the office of the auditors from EY Office Co., Ltd

Auditing Fee	<u>2018</u>	<u>2019</u>
1. Financial Statement Auditing Fee		
Jay Mart Public Company Limited	1,600,000	1,760,000
2. Financial Statement Auditing Fee		
Jay Mart Public Company Limited and its subsidiaries	11,820,000	14,233,000
Total	13,420,000	15,993,000
Other service fees	- Actual -	- Actual -

Research and Development Expenses

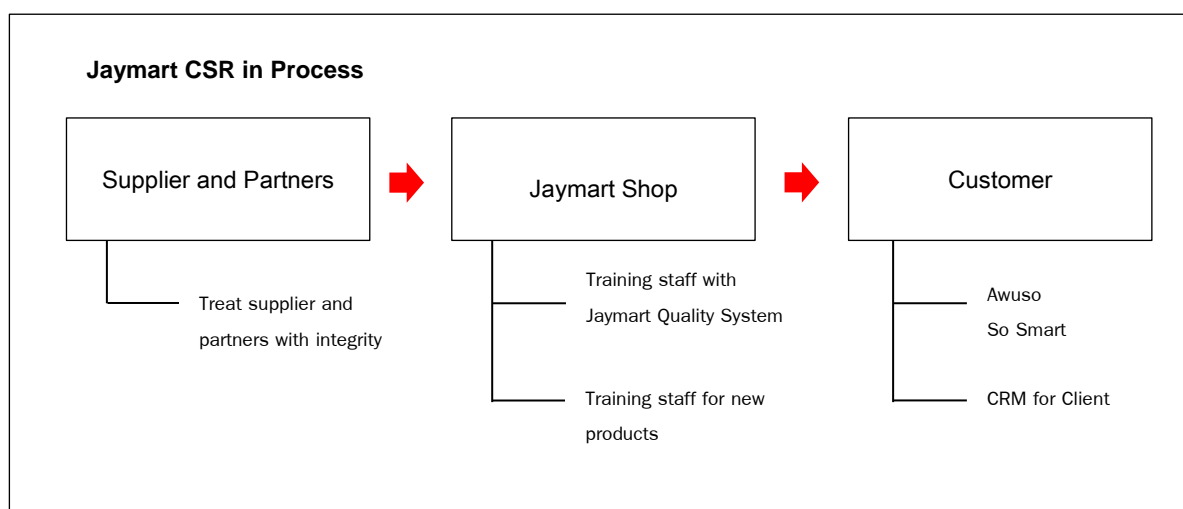
The Company does not have research and development expenses in 2019.

Corporate Social Responsibility

The Company has a policy to operate business with good corporate governance. We are well aware that the corporate social responsibility is important in doing business. To continue CSR program more intense and effective, the Company has stipulate the CSR guideline to be a practice guide for the Company.

1. Operate business with integrity
2. Anti-Corruption Policy
3. Respect of Human Right
4. Consumer Responsibility
5. Environment Responsibility
6. Social and Community Responsibility
7. CSR Innovation and sharing

For Jaymart, we are now incorporating the corporate social responsibility in our working process or CSR in Process as defined in the picture below;



"Awuso So Smart" Project

The Project is to provide knowledge about the use of mobile phone applications to the elders. Jay Mart Public Company Limited recognizes the importance of older populations which are likely to increase. According to the definition defined by the United Nations, it is prescribed that a country with more than 10% of population who are 60 years old and above or more than 7% of population who are 65 years old and above is entering aging society. The country will become aged society when the proportion of the population who are 60 years old reach 20% and population who are 65 years old and above reach 14%.

Thailand has entered an aging society since 2005 as the country has more than 10.5% of population who were 60 years and above. In addition, the tendency indicates that elderly population is increasing continuously as the birth rate is declining and average life expectancy of Thai population is increasing. This is resulting from the country's development in medical, public health, economic, social and environmental aspects etc.

Therefore, it is expected that the elderly population will continue to rise steadily. Both public and private organizations recognize the importance of the issue and have initiated various projects to provide particular care for the elders such as senior citizen card, pension fund and establishment of clinics and elderly clubs in various hospitals, etc. Moreover,

JMT also realizes the importance of mental and social aspects of elderly. Therefore, we initiated a project to provide education on usage of mobile application under the Project "Awuso So Smart" to help the elders to live happily in the society.

On August 11, 2015, Jaymart has organized the first project at Jaymart store at Siam Paragon. The atmosphere was filled with fun and attracted a lot of elders' attention about the use of smart phones and various mobile phone applications. Moreover, the organizing staffs also provide advice and answer questions from elders who participated in the event. Therefore, elders have better understanding of the use of smart phones and able to use the Applications to communicate with their children, grandchildren, family and friends in the same age group.

The 2nd "Awuso So Smart" project was held on September 11, 2015, at FU5 Coffee shop, The Jas Wanhin. The atmosphere in the event was filled with fun as ever. Many seniors attended the event to learn about applications. There were staffs to look after and answer questions of the seniors in a friendly manner.

In the year of 2016, the company held the 6th "Awuso So Smart" project on 11 June 2016 at the Company Head Office which gains a lot of attention from elders for 75 people.

In the year of 2017, the company held the 7th "Awuso So Smart" project on 7 October 2017 by corroboration with Suanluang Rotary Association.

In the year of 2018, the company held the 8th "Awuso So Smart" these activities still continued on 15 December 2018 at the Company Head Office which gains a lot of attention from elders for 50 people.

Year 2019 The Company continues to carry out activities continuously. On May 11, 2019, Jaymart Mobile Company Limited organized the "Awuso So Smart" project no. 9 at the Jay Mart company headquarters.

The team takes care and answers questions for the elderly who participate in the activities closely and friendly.

This activity attracted the attention of over 25 elderly people who participated in the project.



The results of the project

- Causing the elderly to have more knowledge and get to know how to use the phone correctly and get to know the new App. Mobile phone that has never been used before
- Elderly people can be close to family members and friends in the same age together.

Activity "Fill up the world with 4R by Jaymart Group"

JAS Asset Public Company Limited and affiliated companies have created a project "Fill the world with 4R by JMART group". To raise awareness, change behavior and engaging environmental awareness, and reduce waste and separation before discarding. The project has been launched for the project on 14 July 2019 with the management team and staff of JAS Asset Public Company Limited and affiliated companies participating in this event.



Activity: Bathroom for children at Ban Khu Mueang School (Child support) Ubon Ratchathani Provinc.

Jaymart Public Company Limited and affiliated companies conducted a bathroom delivery ceremony. For Ban Khu Mueang School (Child support) Warin Chamrap District Ubon Ratchathani. The management team of Jaymart Public Company Limited and employees joining the activity on December 21, 2019



Jay Mart Public Company Limited and its subsidiaries
Report and financial statements
31 December 2019



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working world

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Independent Auditor's Report

To the Shareholders of Jay Mart Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Jay Mart Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Jay Mart Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Jay Mart Public Company Limited and its subsidiaries and of Jay Mart Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Emphasis of matter

I draw attention to the following notes to financial statements.

- a) Note 36 to the financial statements, in the year 2018, the subsidiary received cash from the public fund raising for the development of the digital credit facilities system by using Blockchain technology through the Initial Coin Offering (ICO) of digital tokens called "JFin" Coin. The subsidiary has analysed the substance of the transactions, relevant current interpretations of financial reporting standards and tax laws and recorded the cash received from the fund raising amounting to Baht 498 million as deferred liability, presenting it as "Liability arising from issuing and offering digital tokens", and recording the directly related expenses of Baht 19 million as deferred expenses, under other non-current assets. In addition, the subsidiary has paid income tax and recorded a deferred tax asset amounting to Baht 100 million as the deferred tax asset is expected to have future benefit.

During the current year, the subsidiary has completed the development of the digital credit facilities system and used it as intended. The subsidiary recognised expense transactions which incurred as intended as expenses in the statement of comprehensive income in accordance with benefit principle and recognised "Liability arising from issuing and offering digital tokens" as income in consistent with the recognition of expenses for such expense transactions in the statement of comprehensive income. As at 31 December 2019, the subsidiary has outstanding balances of liability presented as "Liability arising from issuing and offering digital tokens" amounting to Baht 442 million in the statement of financial position.

On 13 May 2018, the Royal Decree on the Digital Asset Businesses B.E. 2561 ("the Royal Decree") was published in the Royal Thai Government Gazette and became effective on the following day. The Royal Decree was enacted to regulate the offering of digital assets and businesses undertaking digital-asset-related activities. At present, by the virtue of the Royal Decree, the regulatory authority has imposed some relevant rules and notifications and is in the process of imposing additional relevant rules and notifications for future application with respect to the control over digital asset transactions. The relevant rules and notifications that will be imposed in the future may materially affect the accounting method and measurement, as well as related tax on fund raising through the offering of digital assets.

- b) Note 42 to the financial statements regarding the revenue from sale of residential condominium to related party and the Company's shareholder. During the year, the subsidiary recognised revenue from residential condominium units sold to related parties and the Company's shareholder, and the subsidiary received full payments from the sale and transferred control over the real estate to those parties completely. However, the subsidiary has not registered the ownership transfer to buyers due to certain business reasons. The subsidiary recognised revenue from sale of real estate to related parties and the Company's shareholder of Baht 70 million and recognised gain on sale of Baht 20 million in the consolidated statement of comprehensive income for the current year.

My opinion is not modified in respect of this matter.

Key Audit Matters

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

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

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

Recognition of revenue from sales

As discussed in Note 42.1 to the financial statements. In the year 2019, the Group recognised revenue from sales of goods amounting to Baht 7,452 million, which was presented under "Revenue from contracts customers" in statement of comprehensive income, represents 63% of total revenues. I identified recognition of revenue from sales to be an area of significant risk in the audit because revenue from sales is the most significant account in the statement of comprehensive income of the Group and it is a key performance indicator to which the management and users of the financial statements pay particular attention. In addition, the sales transactions were undertaken with a large number of retail customers. There is therefore a risk with respect to the completeness and the timing of revenue recognition.

I have examined the recognition of revenue from sales of the Group by

- Assessing and testing the Group's IT system and its internal controls related to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select sales agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Group's policy.
- On a sampling basis, examining supporting documents for sales transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Group issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in sales transactions throughout the period.

Recognition of interest income from loans receivable from purchase of accounts receivable

The Group's accounting policy on recognition of interest income from loans receivable from purchase of accounts receivable is described in Note 4.1 to the financial statements. Interest income from loan receivable from purchase of accounts receivable amounting to Baht 1,271 million, which was presented under "Interest income from loans receivable from purchase of accounts receivable and loans to customers" in the statement of comprehensive income for the year 2019, represented 11% of total revenues. I focused on recognition for this revenue because such revenue was derived from a diverse range of retail customers, and the revenue recognition was made based on the effective interest rate method which relied on the estimation of the age of debts collected. There is therefore a risk with respect to the amount of revenue recognition.

I have examined the Group's recognition of interest income from loans receivable from purchased of accounts of receivable by

- Assessing and testing the Group's IT systems and key internal controls relevant to the revenue cycle for interest income from loans receivable from purchase accounts receivable by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.

- Applying a sampling method to select and test the cash flow projections and the calculation of effective interest rate (EIR) to assess whether the recognition of interest income from loans receivable from purchase accounts receivable is in compliance with the Group's policy.
- On a sampling basis, examined supporting documents for actual cash receipt transactions occurring during each period and the effective interest rate (EIR) table used in the calculation of recognised revenue to verify the actual amount of cash received which was applied in the calculation to adjust the effective interest rate (EIR) accordingly.
- Performing analytical procedures on disaggregated data of interest income from loans receivable from purchase accounts receivable by identifying the revenue recognition ratio, and comparing the actual cash inflows with the projected cash inflows to detect possible irregularities in revenue transactions throughout the period.

Allowance for loan losses

As discussed in Notes 4.4 and 4.12 to the financial statements, the estimation of allowance for loan losses relies on various assumptions. Therefore, the management is required to exercise judgment in determining the basis and policy to be used in calculating the allowance for loans losses, the methodology for determining the allowance, the estimation of losses expected to be incurred when debtors are unable to repay principal and interest, and the timing of such recognition. As the amount of loan is significant to the financial statements, I focused my audit on the adequacy of the allowance for loan losses.

I have examined the allowance for loan losses by

- Gaining an understanding of the procedures for estimating and recording the allowance for loan losses and assessing the internal controls relevant to the approval of credit limits, debt collection, and the calculation and recording of allowance for loan losses.
- Assessing the basis and the policy used in estimating the allowance for loan losses and the method used in calculating the allowance for loan losses.
- Reviewing the completeness of data used in the calculation of the allowance and checked the correctness of the calculation of debtor aging and allowance for loan losses, and the accounting records.
- Performing analytical procedures on assumptions that the Group applied against historical data, checking the consistency of the application of such assumptions and evaluating the method used by the Group to estimate the allowance for each type of loan receivables.

Inventory

Estimating the net realisable values of inventory, as disclosed in Notes 4.5 and 9 to the financial statements, is an area of significant management judgment, particularly with regard to the estimation of provision for diminution in the value of obsolete or damaged inventory. This requires detailed analysis of the product life cycle, the competitive environment, the economic circumstances and the situation within the industry. There is thus a risk with respect to the amount of provision set aside for diminution in the value of inventory.

I assessed and tested the internal controls of the Group relevant to the estimation of provision for diminution in the value of inventory by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls. In addition, I assessed the method and the assumptions applied by the management in determining such provision. The procedures that I performed included:

- Gaining an understanding of the basis applied in determining the provision for diminution in value of inventory and reviewing the consistency of the application of that basis, and the rationale for the recording of specific provisions.
- Comparing the inventory holding periods and inventory movements to identify product lines with indicators of lower than normal inventory turnover.
- Comparing net proceeds from sales transactions occurring after the date of the financial statements to the cost of inventory for each product line.

Goodwill

As disclosed in Note 26 to the financial statements, as at 31 December 2019, the Group had goodwill presented in the financial statements in the amount of Baht 296 million. I focused my audit on the impairment of goodwill because the impairment assessment on goodwill is a significant accounting estimate requiring management to exercise judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated in the future and setting an appropriate discount rate and long-term growth rate.

I have assessed the identification of cash generating units and the financial models selected by management by

- Gaining an understanding of management's decision-making process and assessing whether the decisions made were consistent with how assets are utilised.
- Testing the significant assumptions applied by management in preparing estimates of the cash flows expected to be realised from the assets, by comparing those assumptions with information from both internal and external sources and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgment in estimating the cash flow projections. I also evaluated the discount rate applied by management through analysis of the moving average finance costs of the Group and of the industry.
- Testing the calculation of the realisable values of the assets using the selected financial model and considered the impact of changes in key assumptions on those realisable values, especially changes in the discount rate and long-term revenue growth rates.
- Reviewing the disclosures made with respect to the impairment assessment for goodwill, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

Insurance contract liabilities - loss reserves and outstanding claims

As at 31 December 2019, the subsidiary had loss reserves and outstanding claims amounted to Baht 233 million (presented as a part of insurance contract liabilities), representing 2% of total liabilities. Loss reserves and outstanding claims include both claims incurred and reported and claims incurred but not reported, which were calculated by the subsidiary's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of loss reserves and outstanding claims as a key audit matter.

I have performed audit procedures on loss reserves and outstanding claims account by

- Assessing and testing the internal controls relevant to claims, loss adjustments, estimation of loss reserves and outstanding claims, by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary.
- On a sampling basis, checked data used by the actuary in calculating loss reserves, performed random test on major claims file and performed analytical procedures on the frequency of claims and average loss per claim.

- Reviewing the actuarial report to assess whether it was consistent with the reserve recognised, and assessing the assumptions and methods used in the calculation of the reserves, randomly testing the data used and compared the assumptions to those used in the prior year.

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

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

I am responsible for the audit resulting in this independent auditor's report.



Rosaporn Decharkom

Certified Public Accountant (Thailand) No. 5659

EY Office Limited

Bangkok: 26 February 2020

Jay Mart Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Assets					
Current assets					
Cash and cash equivalents	7	594,262,136	1,331,080,796	1,660,028	15,180,812
Trade and other receivables	6, 8	317,944,974	351,668,818	2,925,508	8,605,778
Short-term loans to subsidiaries	6	-	-	2,784,900,000	3,184,500,000
Inventories	9	1,006,457,853	1,329,086,212	-	-
Property development costs	10	164,758,839	154,361,570	-	-
Accrued income	6, 11	422,158,904	502,409,829	3,779,832	5,117,039
Premium receivables	6, 12	38,987,012	40,367,172	-	-
Reinsurance assets	13	207,632,185	120,844,870	-	-
Reinsurance receivables	14	37,910,621	26,602,591	-	-
Short-term investments	15	293,830,760	235,719,508	-	-
Current portion of hire purchase receivables		51,234	107,685	-	-
Current portion of loans to customers	18	3,030,411,787	3,432,435,569	-	-
Current portion of factoring receivables	19	215,999,011	238,601,903	-	-
Current portion of loans receivable from purchase of accounts receivable	20	378,372,262	464,643,006	-	-
Refundable value added tax		188,707,659	214,762,232	106,661	-
Advance payment for purchasing goods		5,892,074	2,482,558	-	-
Other current assets	16	367,689,268	299,452,608	36,760,356	29,356,586
Total current assets		7,271,066,579	8,744,626,927	2,830,132,385	3,242,760,215
Non-current assets					
Restricted bank deposits	17	2,549,116	2,755,643	-	-
Loans to customers - net of current portion	18	109,242,270	50,720,670	-	-
Loans receivable from purchase of accounts receivable - net of current portion	20	7,339,115,816	5,244,730,561	-	-
Investments in subsidiaries	21	-	-	3,970,159,299	3,513,003,626
Investments in associates	22	1,241,485,697	929,622,222	1,241,485,697	929,622,222
Other long-term investments	23	115,330,904	97,047,396	-	-
Investment property	24	524,973,460	518,800,000	383,760,893	383,590,000
Property, building and equipment	25	845,011,348	923,601,475	39,789,645	48,462,255
Goodwill	26	295,644,826	295,644,826	-	-
Intangible assets	27	400,533,885	375,890,148	40,158,150	44,046,526
Leasehold rights and prepaid rent	28	1,530,015,193	1,556,269,502	135,975,493	160,239,852
Deferred tax assets	46	343,760,326	335,802,554	13,032,774	-
Other non-current assets	6, 29	354,041,713	368,468,409	2,313,817	2,293,817
Total non-current assets		13,101,704,554	10,699,353,406	5,826,675,768	5,081,258,298
Total assets		20,372,771,133	19,443,980,333	8,656,808,153	8,324,018,513

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

Jay Mart Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Liabilities and shareholders' equity					
Current liabilities					
Bank overdrafts and short-term loans from					
financial institutions	30	2,608,711,094	3,146,010,530	500,000,000	600,000,000
Trade and other payables	6, 31	699,971,288	977,133,974	43,520,494	39,990,193
Short-term loans from subsidiaries	6	-	-	30,000,000	605,000,000
Insurance contract liabilities	32	421,521,677	311,757,389	-	-
Amount due to reinsurers	33	119,187,385	71,101,886	-	-
Current portion of liabilities under					
finance lease agreements		616,479	457,223	-	-
Current portion of long-term loans	34	432,577,161	616,430,888	34,939,144	199,366,287
Current portion of debentures	35	2,726,353,540	1,866,225,246	988,960,766	949,408,694
Short-term loans	30	236,584,541	-	-	-
Income tax payable		99,923,031	146,171,031	-	-
Other current liabilities		112,754,479	99,157,067	6,123,986	4,312,205
Total current liabilities		7,458,200,675	7,234,445,234	1,603,544,390	2,398,077,379
Non-current liabilities					
Liabilities under finance lease agreements					
- net of current portion		717,052	959,142	-	-
Long-term loans - net of current portion	34	675,233,662	1,120,560,049	7,615,824	42,577,630
Debentures - net of current portion	35	6,393,440,101	5,688,874,232	3,631,240,258	2,982,701,942
Liability arising from issuing and offering digital tokens	6, 36	441,693,644	497,879,311	-	-
Provision for long-term employee benefits	37	13,858,245	28,216,441	5,593,215	22,076,119
Deferred tax liabilities	46	12,241,534	20,797,688	-	8,556,154
Other non-current liabilities	6, 38	144,952,950	147,775,677	23,344,486	24,306,270
Total non-current liabilities		7,682,137,188	7,505,062,540	3,667,793,783	3,080,218,115
Total liabilities		15,140,337,863	14,739,507,774	5,271,338,173	5,478,295,494

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

Jay Mart Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Shareholders' equity					
Share capital	39				
Registered					
906,612,007 ordinary shares of Baht 1 each					
(2018: 897,414,498 ordinary shares of Baht 1 each)		906,612,007	897,414,498	906,612,007	897,414,498
Issued and fully paid up					
906,608,710 ordinary shares of Baht 1 each					
(2018: 734,250,243 ordinary shares of Baht 1 each)		906,608,710	734,250,243	906,608,710	734,250,243
Share premium		548,088,873	548,059,935	548,088,873	548,059,935
Surplus from change in proportion of					
investment in subsidiaries	21	797,028,493	772,079,296	797,028,493	772,079,296
Share discount on business combination under common control	21	(901,265)	-	(901,265)	-
Differences arising from business transfer					
of the parent company		-	-	156,412,109	156,412,109
Differences arising from business transfer					
of the subsidiary		-	-	(156,412,109)	(156,412,109)
Retained earnings					
Appropriated - statutory reserve	41	90,661,200	89,741,450	90,661,200	89,741,450
Unappropriated		925,991,642	585,224,010	984,175,642	643,408,010
Other components of shareholders' equity		117,992,327	116,368,085	59,808,327	58,184,085
Equity attributable to owners of the Company		3,385,469,980	2,845,723,019	3,385,469,980	2,845,723,019
Non-controlling interests of the subsidiaries		1,846,963,290	1,858,749,540	-	-
Total shareholders' equity		5,232,433,270	4,704,472,559	3,385,469,980	2,845,723,019
Total liabilities and shareholders' equity		20,372,771,133	19,443,980,333	8,656,808,153	8,324,018,513
		-	-	-	-

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

Directors

Jay Mart Public Company Limited and its subsidiaries
Statement of comprehensive income
For the year ended 31 December 2019

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018	2019	2018
Profit or loss:					
Revenues from sales and services					
Revenue from contracts with customers	42	7,894,942,305	9,609,613,531	-	-
Interest income from loans receivable from purchase of accounts receivable and loans to customers		2,115,886,120	2,067,472,316	-	-
Gains on loans receivable from purchase of accounts receivable		657,157,443	267,999,357	-	-
Rental		456,230,493	518,770,565	92,400,277	86,394,489
Insurance income	43	210,597,842	98,277,315	-	-
Total revenues from sales and services		11,334,814,203	12,562,133,084	92,400,277	86,394,489
Cost of sales and services					
Cost of sales		6,374,570,767	8,164,455,601	-	-
Cost of services		920,630,721	779,531,642	-	-
Cost of rental		563,704,650	623,102,513	50,335,974	50,107,961
Insurance expenses	44, 51	233,623,340	109,989,392	-	-
Total cost of sales and services		8,092,529,478	9,677,079,148	50,335,974	50,107,961
Gross profit		3,242,284,725	2,885,053,936	42,064,303	36,286,528
Sales promotion income		331,669,233	217,594,098	-	-
Management fee		4,152,000	3,600,000	135,554,365	139,588,226
Gain on investment		15,797,233	-	-	-
Interest income		12,273,635	6,900,524	135,826,024	134,007,791
Other income		167,517,009	105,147,120	5,168,462	6,466,520
Gain (loss) on fair value adjustment of investment property	24	6,074,163	(3,589,693)	-	11,522,330
Reversal of (loss on) impairment of assets	25	9,888,351	(13,267,128)	-	-
Profit before expenses		3,789,656,349	3,201,438,857	318,613,154	327,871,395
Selling and distribution expenses		935,625,916	1,035,863,254	837,581	2,069,415
Administrative expenses		1,397,880,393	1,730,159,992	112,046,474	134,777,261
Total expenses		2,333,506,309	2,766,023,246	112,884,055	136,846,676
Operating profit		1,456,150,040	435,415,611	205,729,099	191,024,719
Finance cost		(530,151,364)	(457,672,240)	(237,372,413)	(205,142,541)
Operating profit (loss) - net of finance cost		925,998,676	(22,256,629)	(31,643,314)	(14,117,822)
Share of profit (loss) from investments in subsidiaries	21	-	-	499,170,708	(173,426,907)
Share of profit (loss) from investments in associates	22	44,732,634	(33,533,487)	44,732,634	(23,675,274)
Profit (loss) before income tax expenses		970,731,310	(55,790,116)	512,260,028	(211,220,003)
Income tax revenues (expenses)	46	(177,573,356)	(49,305,815)	21,588,928	(7,657,531)
Profit (loss) for the year		793,157,954	(105,095,931)	533,848,956	(218,877,534)
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency		(1,079,276)	484,474	-	-
Loss on change in value of available-for-sale investment - net of income tax		(2,751,643)	(35,586)	-	-
Share of other comprehensive income from investments in subsidiaries	21	-	-	(1,446,990)	482,669
Share of other comprehensive income from investments in associates	22	530,648	212,192	530,648	-
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax</i>		(3,300,271)	661,080	(916,342)	482,669
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Changes in surplus on revaluation of asset - net of income tax	25, 46	-	58,184,000	-	-
Actuarial gain (loss) - net of income tax	37, 46	(1,253,225)	270,605	-	-
Share of other comprehensive income from investments in subsidiaries	21	-	-	(650,816)	83,065
Share of other comprehensive income from investments in associates	22	2,540,584	6,709,280	2,540,584	6,709,280
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax</i>		1,287,359	65,163,885	1,889,768	6,792,345
Other comprehensive income for the year		(2,012,912)	65,824,965	973,426	7,275,014
Total comprehensive income for the year		791,145,042	(39,270,966)	534,822,382	(211,602,520)

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

Jay Mart Public Company Limited and its subsidiaries
Statement of comprehensive income (continued)
For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) attributable to:				
Equity holders of the Company	533,848,956	(277,061,534)	533,848,956	(218,877,534)
Non-controlling interests of the subsidiaries	259,308,998	171,965,603		
	<u>793,157,954</u>	<u>(105,095,931)</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	534,822,382	(211,602,520)	534,822,382	(211,602,520)
Non-controlling interests of the subsidiaries	256,322,660	172,331,554		
	<u>791,145,042</u>	<u>(39,270,966)</u>		
		(Restated)		(Restated)
Earnings per share				
Basic earnings (loss) per share				
Profit (loss) attributable to equity holders of the Company	<u>0.589</u>	<u>(0.306)</u>	<u>0.589</u>	<u>(0.241)</u>

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

Jay Mart Public Company Limited and its subsidiaries
Statement of changes in shareholders' equity
For the year ended 31 December 2019

Consolidated financial statements														(Unit: Baht)	
	Equity attributable to owners of the Company														
	Other components of equity														
	Other comprehensive income														
	Exchange differences on translation of financial statements in foreign currency		Deficit on changes in value of investment available-for-sale		Share of other comprehensive income from associates		Surplus on revaluation of assets		Total other components of equity		Total equity attributable to owners of the Company		Equity attributable to non-controlling interests of the subsidiaries		Total shareholders' equity
Issued and fully paid-up share capital	734,249,341	548,047,307	713,776,265	-	-	-	-	-	-	-	3,233,979,738	1,429,588,637	4,663,548,375		
Balance as at 1 January 2018															
Profit (loss) for the year	-	-	-	-	-	-	-	-	-	-	(277,061,534)	171,985,603	(105,095,931)		
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	65,459,014	365,951	65,824,965		
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	(211,602,520)	172,331,554	(39,270,966)		
Surplus from change in proportion of investment in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-		
Issuance of ordinary shares from the exercise of warrant (Note 39)	902	12,628	-	-	-	-	-	-	-	-	58,303,031	(58,303,031)	-		
Issuance of ordinary shares from the exercise of warrant of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Treasury shares of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Increase in equity attributable to non-controlling interest of subsidiary due to purchase of investment in subsidiary (Note 21)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividend paid (Note 50)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividend paid to non-controlling interest of subsidiary (Note 21.3)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31 December 2018	734,250,243	548,059,935	772,079,296	-	-	-	-	-	-	-	2,845,723,019	1,858,749,540	4,704,472,559		
Balance as at 1 January 2019															
Profit for the year	734,250,243	548,059,935	772,079,296	-	-	-	-	-	-	-	2,845,723,019	1,858,749,540	4,704,472,559		
Other comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	533,848,956	259,308,998	793,157,954		
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	973,426	(2,986,338)	(2,012,912)		
Surplus from change in proportion of investment in subsidiaries (Note 21)	-	-	-	-	-	-	-	-	-	-	534,822,382	256,322,660	791,145,042		
Share discount on business combination under common control (Note 21)	-	-	24,949,197	-	-	-	-	-	-	-	24,949,197	(24,949,197)	-		
Issuance of ordinary shares from the exercise of warrant (Note 39)	2,067	28,938	-	-	-	-	-	-	-	-	(901,265)	-	(901,265)		
Issuance of ordinary shares from the exercise of warrant of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Issuance of additional ordinary shares of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Treasury shares of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-		
Appropriate retained earnings to statutory reserve (Note 41)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Stock dividend (Note 50)	172,356,400	-	-	-	-	-	-	-	-	-	-	-	-		
Dividend paid (Note 50)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Dividend paid to non-controlling interest of subsidiary (Note 21.3)	-	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31 December 2019	906,608,710	548,088,873	797,028,493	(901,265)	-	-	-	-	-	-	3,385,469,980	1,846,993,290	5,232,433,270		

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

Jay Mart Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from operating activities				
Profit (loss) before tax	970,731,310	(55,790,116)	512,260,028	(211,220,003)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	351,794,886	347,398,474	46,559,342	46,891,008
Decrease in property development costs as a result of transfer to cost of sales	179,714,954	133,943,840	-	-
Allowance for doubtful accounts (reversal)	(39,020,978)	(28,061,395)	(13,742,060)	1,514,959
Bad debt	594,335,456	877,729,235	13,342,056	1,196,892
Expenses of insurance contract liabilities	5,899,321	42,603,435	-	-
Unearned insurance premium reserves (reversal)	29,075,201	(6,394,626)	-	-
Allowance for diminution in value of inventories (reversal)	(40,560,560)	39,211,263	-	-
Gains on sales of properties foreclosed	(10,474,043)	(2,145,517)	-	-
Loss (gain) on sales/write-off of property, building and equipment and intangible assets	26,793,174	10,655,126	6,194	(944,315)
Losses on written-off withholding tax	885,957	-	-	-
Allowance for loss on impairment assets (reversal)	(9,888,351)	13,267,128	-	-
Loss from impairment on properties foreclosed	3,088,417	-	-	-
Decrease (increase) in fair value of investment properties	(6,074,163)	3,589,693	-	(11,522,330)
Unrealised loss (gain) on exchange rate	101,199	(210,390)	-	-
Share of loss (profit) from investment in subsidiaries	-	-	(499,170,708)	173,426,907
Share of loss (profit) from investments in associates	(44,732,634)	33,533,487	(44,732,634)	23,675,274
Loss on revaluation of investment	3,786,215	2,628,603	-	-
Allowance for diminution in value of investment	1,049,857	-	-	-
Provision for long-term employee benefits (reversal)	(14,242,135)	3,682,083	(16,482,904)	1,923,243
Interest income	(2,128,159,755)	(2,074,372,840)	(135,826,024)	(134,007,791)
Dividend received	(1,414,705)	-	-	-
Interest expenses	530,151,364	457,672,240	237,372,413	205,142,541
Profit from operating activities before changes in operating assets and liabilities	402,839,987	(201,060,277)	99,585,703	96,076,385
Operating assets (increase) decrease				
Trade and other receivables	125,153,051	(58,024,357)	6,080,274	5,039,476
Inventories	363,188,919	638,036,279	-	-
Real estate development costs	(162,437,225)	(55,204,464)	-	-
Accrued income	81,636,298	245,653,373	1,337,207	2,448,832
Premium receivables	1,103,115	(6,643,263)	-	-
Reinsurance assets	(14,314,863)	(16,836,011)	-	-
Reinsurance receivables	(11,308,030)	(26,577,241)	-	-
Refundable value added tax	26,054,573	(43,461,976)	(106,661)	6,013
Advance payment for purchasing goods	(3,409,516)	5,938,067	-	-
Other current assets	6,353,162	(42,665,260)	2,471,469	849,954
Hire purchase receivables	7,013,433	2,717,077	-	-
Loans to customers	(156,927,069)	(1,363,041,079)	-	-
Factoring receivable	(27,982,854)	(238,601,903)	-	-
Loans receivable from purchases of accounts receivable	(2,330,722,367)	(1,181,904,401)	-	-
Other non-current assets	(19,479,284)	2,809,434	(20,000)	(232,345)
Operating liabilities increase (decrease)				
Trade and other payables	(128,139,578)	(6,842,432)	(3,304,547)	(6,265,576)
Insurance contract liabilities	2,317,313	(12,296,455)	-	-
Amount due to reinsurers	48,085,499	24,384,902	-	-
Other current liabilities	13,597,412	4,063,688	1,811,781	917,531
Other non-current liabilities	(2,843,484)	(8,887,261)	(961,784)	937,882
Cash flows from (used in) operating activities	(1,780,221,508)	(2,338,443,560)	106,893,442	99,778,152
Interest income	2,131,935,923	2,061,922,200	135,826,024	134,007,791
Cash paid for employee benefit	(1,465,286)	(532,030)	-	-
Cash paid for corporate income tax	(295,011,693)	(257,664,792)	(9,446,685)	(8,970,576)
Net cash flows from (used in) operating activities	55,237,436	(534,718,182)	233,272,781	224,815,367

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

Jay Mart Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Cash flows from investing activities				
Decrease (increase) in restricted bank deposits	206,527	(809,458)	-	-
Cash paid for short-term loans to subsidiaries	-	-	(419,400,000)	(1,350,000,000)
Cash receipt from short-term loans to subsidiaries	-	-	819,000,000	543,098,543
Increase in short-term investments	(61,897,467)	(171,824,808)	-	-
Increase in investments in subsidiaries	-	-	(301,753,695)	(551,854,021)
Cash paid for investment in subsidiaries	-	(19,658,189)	(25,799,990)	-
Cash paid for non-controlling interest of subsidiary	(901,265)	-	-	-
Increase in investments in associate	(264,059,609)	-	(264,059,609)	-
Increase in other long-term investments	(22,078,228)	(49,099,391)	-	-
Cash paid for acquisition of food and beverage business	-	(6,903,846)	-	-
Acquisition of property, building and equipment and intangible assets	(230,042,453)	(293,934,375)	(11,723,266)	(39,973,390)
Acquisition of leasehold rights	(63,462,119)	(83,336,368)	-	-
Cash paid for acquisition of investment properties	(99,297)	(2,114,156)	(170,893)	(2,562,121)
Cash receipt from sales of properties foreclosed	-	6,755,000	-	-
Proceeds from sales of property, building and equipment and intangible assets	5,237,556	8,316,232	13,274	1,097,769
Proceeds from dissolution of subsidiary and associate	-	11,778,448	-	25,487,867
Dividend income	1,414,705	-	391,518,844	319,755,252
Net cash flows from (used in) investing activities	(635,681,650)	(600,830,911)	187,624,665	(1,054,950,101)
Cash flows from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(535,149,436)	331,852,065	(100,000,000)	450,000,000
Increase (decrease) in short-term loans	240,000,000	(797,000,000)	-	(617,000,000)
Cash receipt from short-term loans from subsidiary	-	-	2,017,000,000	800,000,000
Repayment of short-term loans from subsidiaries	-	-	(2,592,000,000)	(195,000,000)
Cash receipt from long-term loans	118,542,000	438,139,000	-	-
Repayment of long-term loans	(748,755,677)	(397,957,291)	(200,070,680)	(198,737,251)
Repayment of liabilities under finance lease agreements	(655,731)	(825,159)	-	-
Proceeds from the issuance of debentures	3,441,300,000	2,174,700,000	1,643,300,000	1,000,000,000
Cash paid for redemption of debentures	(1,869,000,000)	(100,000,000)	(950,000,000)	-
Cash paid for transaction costs of short-term loans from financial institutions, long-term loans and issuing debentures	(29,660,044)	(10,140,275)	(16,104,520)	(2,500,000)
Cash receipt from funds mobilising by the digital tokens	-	485,003,144	-	-
Proceeds from increase share capital of subsidiary - non controlling interests	54,624,817	391,228,139	-	-
Cash receipt from share subscription from the exercise of warrants	31,005	-	31,005	-
Cash paid for direct costs related to the share offering	(1,387,275)	-	-	-
Treasury shares	13,596,506	(12,953,416)	-	-
Dividend paid	(329,148,119)	(395,045,966)	(19,154,358)	(234,957,230)
Cash paid for interest expenses	(509,633,216)	(436,968,890)	(217,419,677)	(196,695,353)
Net cash flows from (used in) financing activities	(155,295,170)	1,670,031,351	(434,418,230)	805,110,166
Differences on translation of financial statements	(1,079,276)	484,474	-	-
Net increase (decrease) in cash and cash equivalents	(736,818,660)	534,966,732	(13,520,784)	(25,024,568)
Cash and cash equivalents at beginning of year	1,331,080,796	796,114,064	15,180,812	40,205,380
Cash and cash equivalents at end of year	594,262,136	1,331,080,796	1,660,028	15,180,812

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

Jay Mart Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Supplemental cash flows information:				
Non-cash items				
Payable for acquisition of property, building and equipment and intangible assets	4,151,428	15,343,660	642,000	2,611,799
Purchase of non-performing accounts receivable from financial institutions by installments not affecting the cash flows	121,208,635	305,139,418	-	-
Accounts payable for construction	15,780,846	7,699,818	-	-
Account payable for leasehold right	20,000,000	-	-	-
Amortised leasehold rights recorded as cost of project	1,500,000	-	-	-
Interest expenses recorded as cost of project	8,821,866	7,647,940	-	-
Transfer of leasehold rights to property, building and equipment	-	1,155,939	-	-
Transfer of deposit for rental of land to leasehold rights	-	10,000,000	-	-
Issuance of stock dividend	172,356,400	-	172,356,400	-
Provision for decommissioning cost	826,656	805,899	-	-
Purchase of asset under finance lease agreement	572,897	658,000	-	-
Properties foreclosed transfer from receivables for debts settlement	14,257,795	45,903,722	-	-
Other receivables from auction	128,920,000	17,410,000	-	-
Digital tokens paid for advisory fee	-	12,876,167	-	-
Amortised assets and liability arising from issuing and offering digital tokens	56,185,667	-	-	-

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

Jay Mart Public Company Limited and its subsidiaries
Notes to consolidated financial statements
For the year ended 31 December 2019

1. General information

Jay Mart Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the holding company. The registered office of the Company is at 187, 189, Jaymart Building, Ramkhamhaeng Road, Rat Phatthana Sub - District, Sapansoong District, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Jay Mart Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 (%)	2018 (%)
<u>Held by the Company</u>				
JMT Network Services Public Company Limited (JMT)	Debts management and collection, providing finance leasing services and consumer lendings	Thailand	55.81	55.81
JAS Asset Public Company Limited (J)	Property development	Thailand	74.97	67.51

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2019</u>	<u>2018</u>
			(%)	(%)
J Fintech Co., Ltd. (90.16% held by the Company and 9.84% held by JMT)	Finance leasing services and consumer lendings	Thailand	95.65	95.65
Jaymart Mobile Co., Ltd.	Trading of mobile phone, camera and related accessories	Thailand	99.99	99.99
J Ventures Co., Ltd. (J Ventures)	Holding Company and E-Commerce Business	Thailand	80.00	80.00
Beans and Brown Co., Ltd. (2018: 60% held by J)	Distribution of food and beverage	Thailand	70.34	40.51
<u>Held by subsidiaries</u>				
JAYMART INSURANCE BROKER CO., LTD. (99.99% held by JMT)	Insurance broker	Thailand	55.80	55.80
J Asset Management Company Limited (99.99% held by JMT)	Asset management	Thailand	55.80	55.80
JMT (CAMBODIA) CO., LTD. * (100% held by JMT)	Debts collection services	Cambodia	55.81	55.81
JP Insurance Public Company Limited (55% held by JMT)	Non-life insurance	Thailand	30.70	30.70
J P2P Company Limited (99.97% held by J Ventures)	Operation of electronic network for peer-to-peer lending platform	Thailand	79.98	-

* Liquidation process

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiaries are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries and associates under the equity method.

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involved changes to key principles, which are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

During the current year, the Group has adopted this standard using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to retained earnings as at 1 January 2019, and the comparative information was not restated. However, this standard does not have any significant impact on the beginning balance of retained earnings of 2019. The amounts of adjustments affecting the statement of financial position as at 31 December 2019 and the statement of comprehensive income at the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)		
	As at 31 December 2019		
	Consolidated financial statements		
	Previous accounting policy	Increase	TFRS 15
Statement of financial position			
Asset			
Other current assets	367,427	262	367,689
Shareholder's equity			
Retained earnings	925,730	262	925,992

(Unit: Thousand Baht)

For the year ended 31 December 2019

Consolidated financial statements

	Previous accounting policy	Increase (decrease)	IFRS 15
Statement of comprehensive income			
Profit or loss:			
Revenue from contracts with customers	7,933,381	(35,512)	7,897,869
Cost of sales	6,285,346	89,225	6,374,571
Selling and distribution expenses	1,060,625	(124,999)	935,626
Profit for the year	792,896	262	793,158
Profit attributable to:			
Equity holders of the Company	533,653	196	533,849
Non-controlling interests of the subsidiaries	259,243	66	259,309
Earnings per share (Baht):			
Basic earnings per share	0.5886	0.0002	0.5888

The nature of these adjustments are described below:

- The gift for customers - the subsidiary has determined that a cost of the gifts should be recorded as a cost of sales. Previously, the cost of the gifts was recorded as selling expenses when the transaction occurred.
- Transportation expenses - the subsidiary has determined that the transportation expenses should be recorded as a cost of sales. Previously, they were recorded as selling expenses when the transaction occurred.
- Sales promotion expenses - the subsidiary has determined that the expenses which the subsidiary has supported to customers, should be recognised as a reduction of sales. Previously, they were recognised as selling expenses when all obligations are met on the terms of the contract.
- Service-type warranties - the subsidiary has determined that the service-type warranties should be recognised as revenue over the periods in which the service will be provide. Previously, revenue was recognised in full upon delivery of the goods.

- Commission paid to obtain a contract - the subsidiary has determined that commission paid to obtain a customer contract should be recorded as an asset and amortised to expenses on a systematic basis that is consistent with the pattern of revenue recognition. Under the previous accounting policy, the subsidiary immediately recorded commission as selling expenses when the transaction occurred.
- Promotion expenses specified in the contracts with customers are given to customers when delivery residential condominium units, including free of charge items or consideration paid to customers.
 - a) Provision for items without charge such as furniture and fixtures - the subsidiary offers free of charge items to customers when delivery residential condominium units. The management of the subsidiary has considered that the free of charge items are component parts of residential condominium units, which are the main performance obligations under the contracts. Therefore, the subsidiary is to record these costs as costs of residential condominium unit sold, not selling expenses as previously recorded.
 - b) Consideration paid to customers - the subsidiary paid registration fee for the transfer of condominium units or paid common area fee to the juristic person of residential condominium units on behalf of customers when delivery residential condominium units. The management of the subsidiary has considered that these transactions are consideration paid to customers. Therefore, they should be recorded as net offsetting with revenue from sale of residential condominium units, not selling expenses as previously recorded.

TFRS 4 (revised 2018) Insurance contracts

This standard provides an additional option to insurers that meet certain criteria stipulated in the standard, whereby they can be temporarily exempted from adoption of certain measures under TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which applicable for the financial reporting period beginning in or after 1 January 2020, and can instead adopt the Thai Accounting Guidance applicable for insurance business related to financial instruments and disclosures for the financial reporting period beginning before 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts (when issued).

This standard does not have any significant impact on the financial statements of the Group.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance businesses

Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2018) Insurance contracts, which allows insurers who meet certain criteria stipulated in TFRS 4 to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which are applicable for the financial reporting period beginning on or after 1 January 2020, and to adopt the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead.

This accounting guidance has some differences from TFRS 9, with the significant differences being as described below.

- Classification and measurement of financial assets: These are to be classified as trading securities, available-for-sale securities, held to maturity debt securities, and loans and receivables, with no requirement to take into account the assessment of the Company's business model and the characteristics of the contractual cash flows.
- Losses on impairment, gains or losses on derecognition, and gains and losses on fair value hedges for available-for-sale equity securities items are to be recognised in profit or loss.
- The embedded derivatives in financial assets that are hybrid contracts are to be separated from host contract if they meet all criteria for separation.

In addition, the accounting guidance has some differences from TFRS 7 with respect to disclosures.

The subsidiary's management has decided that, even though the subsidiary company meets the criteria stipulated in TFRS 4, enabling it to use Thai Accounting Guidance, it would be more appropriate to adopt Financial reporting standards related to financial instruments.

The management of the Group expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.

- Classification and measurement of investments in available-for-sale equity securities - the Group's available-for-sale investments in listed equity securities are measured at fair value through other comprehensive income. The Group has decided to classify these investments as financial assets at fair value through profit or loss. The cumulative gain (or loss) on changes in the value of reclassified available-for-sale investments that were previously presented in other comprehensive income is to be reclassified to retained earnings.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables, hire purchase receivables and factoring receivables and applies the general approach to consider impairment of loans to customers. In addition, the Group shall only recognise the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired on loans receivable from purchase of accounts receivable.

The management of the Group is currently evaluating the impact of the financial reporting standards related to financial instruments on the financial statements in the year when they are adopted.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group expects the effect of the adoption of this accounting standard to the statement of financial position as at 1 January 2020 to be to increase the Group's assets by approximately Baht 1,127 million (the Company only: approximately Baht 31 million) and the Group's liabilities by approximately Baht 1,189 million (the Company only: approximately Baht 35 million).

4. Significant accounting policies

4.1 Revenue recognition

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, discounts, allowances and price promotions to customers.

The service-type warranties provided customers with a service in addition to the assurance that the product complies with agreed-upon specifications are recognised as revenue over the periods in which the service is provided.

Sale of goods - Customer loyalty programmes

The subsidiary offers customer loyalty programmes for members card as a part of sales and services. The member will receive loyalty points that could be redeemed in the future by customers for selected goods, services or discount with no consideration paid based on terms and conditions as specified in the card.

The consideration received in respect of the sale transaction is allocated between the initial sale of goods or supply of services, for which the corresponding revenue is recognised immediately in income and credits awarded and redeemable in the future, for which the corresponding revenue is deferred until the customer redeems the awards and the subsidiary fulfils its obligations to supply the awards.

Revenue from sales of real estate

Revenue from sales of land and houses and residential condominium units is recognised at the point in time when control of the real estate is transferred to the customer, generally upon delivery of the goods. Revenue from sales of real estate is measured at the amount of the consideration received after deducting discounts and considerations payable to the customer. The terms of payment are in accordance with the payment schedule specified in the customer contract. Considerations received before transferring control of the real estate to the customer are presented in the statement of financial position as other current liabilities under the caption of “Advances received from customers”.

Sales of food and beverage

Sales of food and beverage is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount the invoiced value of the consideration received or receivable, excluding value added tax, of goods supplied after deducting discounts and price promotions to customers.

Service income from debts collection and other service

Service income from debts collection and other service is recognised when services are rendered to customers is recognised as income on accrual basis, based on the agreed rates.

Interest income from loans receivable from purchase of accounts receivable

Interest income from loans receivable from purchase of accounts receivable are recognised by using effective interest method (expected rate of return on debts collection calculated based on estimated cash inflows from debtors or collateral value). Interest income from loans receivable from purchase of accounts receivable are calculated by multiplying effective interest rate by cost of outstanding loans receivable from purchase of accounts receivable. The subsidiaries will recognise interest income from loans receivable from purchase of accounts receivable with the amount not exceeding the amount received from debtors for receivables that were settled during the year.

In case of the subsidiaries received repayments from purchased accounts receivable in the amount that exceeded interest income from loans receivable from purchase of accounts receivable recognised during the year, the excess will be deducted from cost of loans receivable from purchase of accounts receivable.

Interest income from hire purchase receivables and loans to customers

The subsidiaries recognised interest income from hire purchase and loan to customers as income on accrual basis based on the effective interest rate over the period of the agreements. The subsidiaries cease recognising interest income from hire purchase and loans to customer agreement on an accrual basis when agreement receivables have been overdue for more than 3 installment periods. In case there is an indication of receivables' inability to repay, income recognition will be ceased immediately.

Gain on loans receivable from purchase of accounts receivable

The subsidiaries will recognise gain on loans receivable from purchase of accounts receivable when repayment received from receivables exceeds cost of loans receivable from purchase of accounts receivable and interest income from loans receivable from purchase of accounts receivable recognised in profit or loss.

Penalty income, follow up fee from hire purchase receivables and loans to customers contracts

The subsidiaries recognised penalty income, follow up fee from hire purchase receivables and loans to customers contracts as revenues upon receipt of payment from customers.

Rental income

Rental income is recognised as revenue in profit and loss on a straight-line basis over the lease term.

Service income

Revenue from software development services is recognised as revenue on the basis of the stage of completion.

Other service income is recognised in the amount to which the Group has a right to invoice.

Insurance premium income

Insurance premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium is recorded as "premium received in advance", and recognised as income over the coverage period each year.

Reinsurance premium is recognised as income when the reinsurer places the reinsurance application or the statement of accounts with the subsidiary.

Fee and commission income

Fee and commission income from reinsurers are recognised when the insurance risk is transferred to another insurer.

Fee and commission income from reinsurers with coverage periods longer than 1 year are recorded as unearned items and recognised as income over the coverage period each year.

Accrued subsidy income on goods purchases

The subsidiary has agreements with vendors, as normal business practice, for volume-related allowances. Income is recognised when all obligations are met and can be measured reliably based on the terms of the contract, as a reduction in cost of sales. Uncollected amounts are presented in the statements of financial position as “Accrued income”.

Sales promotion income

Sales promotion income is recognised on an accrual basis.

Revenue from management fee

Revenue from management fee is recognised over time when services have been rendered taking into account the stage of completion.

Franchise income

Franchise income is recognised on an accrual basis by percentage of sales, in accordance with the substance of the relevant franchise agreements.

Insurance brokerage income

The subsidiary recognised insurance brokerage income on the date the insurance policy comes into effect, net of discount, and services have been completed.

Interest income

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

Dividends

Dividends are recognised as revenue when the right to receive the dividends is established.

Gain (loss) on investment

Gain (loss) on investment is recognised as revenue or expense on the transaction date.

4.2 Expenses recognition

Costs of residential condominium units sold

In determining the costs of residential condominium units sold, the anticipated total development costs (taking into account actual costs incurred to date) are attributed to residential condominium units on the basis of the saleable area.

Cost of residential condominium units sold includes cost of other goods, such as furniture and fixtures, that are considered part of the residential condominium unit and transferred to a customer in accordance with the contract.

Selling expenses directly associated with projects, such as specific business tax and transfer fees, are recognised as expenses when the sale occurs.

Costs of land and houses sold

Costs of land and houses sold consist of costs of land and houses purchasing and other related expenses.

Selling expenses directly associated with projects, such as specific business tax and transfer fee, are recognised as expenses when sale occurs.

Cost to obtain a contract

The subsidiary recognises commission paid to obtain a customer contract as an asset and recognises it as expenses in a manner consistent with the pattern of revenue recognition. An impairment loss is recognised to the extent that the carrying amount of an asset recognised exceeds the remaining amount of the consideration that the entity expects to receive less direct costs.

Premium ceded to reinsurers

Premium ceded to reinsurers is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policy.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepayment item and recognised as expenses over the coverage period each year.

Claim and loss adjustment expenses

Claim and loss adjustment expenses consist of claim and loss adjustment expenses of direct insurance and reinsurance for both reported claim and not reported claim, and include the amounts of the claims, related expenses, and loss adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from related reinsurers.

Claim recovery from reinsurers is recognised when recording of claim and loss adjustment expenses in related with reinsurance contract.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claim notified by the insured and estimates made by the subsidiary's management. The maximum value of claim estimated shall not exceed the sum-insured under the relevant policy.

Claim and loss adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice with the subsidiary.

Commission and brokerage expenses

Commission and brokerage expenses are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepayment item and recognised as expenses over the coverage period each year.

Other underwriting expenses

Other underwriting expenses are other insurance expenses for both direct and indirect expenses, including contributions, which are recognised as expenses on accrual basis.

Interest expenses

Interest expenses are charged to expenses on an accrual basis. Interest on notes payable included in the face value is recorded as deferred interest and amortised to expenses evenly throughout the term of the notes.

Fees and service expenses

Fees and service expenses are recognised as expenses on an accrual basis.

4.3 Cash and cash equivalents

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

4.4 Trade accounts receivable, hire purchase receivables, loans to customers and factoring receivables

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Hire purchase receivables

Hire purchase receivables are presented amount net of unearned interest income and allowance for doubtful accounts. The subsidiaries provided allowances for doubtful accounts based on receivables aging report which is calculated from hire purchase receivables, after the deduction of unearned interest income and collaterals. The collaterals are calculated at the rate of 15% - 75% of cash price as at the agreement date, by considering the probability of collection from debtors and selling of collaterals.

The subsidiaries set allowance for doubtful accounts at the rate as follows:

<u>Aging</u>	<u>Percentage of allowance for doubtful accounts (percentage)</u>
Not yet due and overdue 1 period	1
Overdue 2 - 3 periods	2
Overdue 4 - 6 periods	20
Overdue 7 - 12 periods	50
Overdue more than 12 periods	100

In the event that the receivables are unable to settle debts, the subsidiaries will write them off from the accounts in full. Bad debt recovery amounts are to be recognised as income in profit or loss when the subsidiaries receive payments from the receivables that have been written off from the accounts.

Loans to customers

Loans to customers is initially recognised at an amount equal to the net investment. The subsidiaries presents loans to customers at outstanding loans, including accrued interest and accrued usage fee and net of allowance for doubtful accounts. The subsidiaries provides allowances for doubtful accounts based on increase rate by the overdue period of loans to customers balance less collaterals (if any). The collaterals are calculated by considering the probability of collection from debtors and selling of collaterals.

The subsidiaries set allowance for doubtful accounts for loans to customers using the rate as follows:

<u>Aging</u>	<u>Percentage of allowance for doubtful accounts</u> (percentage)
Not yet due and overdue 1 period	1 or 15*
Overdue 2 - 3 periods	2 or 15*
Overdue 4 - 6 periods	92 - 100
Overdue 7 - 12 periods	100
Overdue more than 12 periods	100

* Allowance for doubtful accounts for troubled debt restructuring loans

In addition, the subsidiaries set aside further provision based on consideration of additional loss that may be incurred in the future. Bad debt and doubtful accounts are recorded in profit or loss in the statement of comprehensive income. In the event that the receivables are unable to settle debts, the subsidiaries will write them off from the accounts in full. Bad debt recovery amounts are to be recognised as income in profit or loss when the subsidiaries receive payments from the receivables that have been written off from the accounts.

Factoring receivables

Factoring receivables are presented at the outstanding factoring receivables and accrued interest, net of factoring payable and allowance for doubtful accounts. The subsidiary has set up allowances for doubtful accounts based on factoring receivable aging deducted by factoring payable.

The allowance for doubtful accounts for factoring receivables has been set at the rate as follows:

<u>Net factoring receivables</u>	<u>Percentage of allowance for doubtful accounts</u> (percentage)
Not yet due	0
Past due not over 90 days	Collective Approach
Overdue 91 - 180 days	20
Overdue 181 - 360 days	50
Overdue over 360 days	100

The subsidiary sets allowance for doubtful accounts for factoring receivables, which are past due not over 90 days and have similar credit risk characteristics, using the collective approach. This allowance is estimated base on the historical loss experience and The subsidiary set aside a full allowance for doubtful accounts when the subsidiary considers that there is a high degree of certainty of uncollectability. In the event that the receivables are unable to settle debts, the subsidiary will write them off from the accounts in full. Bad debt recovery amounts are to be recognised as income in profit or loss when the subsidiary receives payments from the receivables that have been written off from the accounts.

4.5 Inventories

Inventories are valued at the lower of cost (under the first-in, first-out method) or net realisable value. 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.

Raw materials are valued at the lower of cost (under weighted average method) or net realisable value.

Net realisable value is the estimate of the selling price in the ordinary course of business, less necessary costs to make inventories ready for sales. The subsidiary sets up allowance for obsolete, slow - moving and defective inventories, where necessary, from the consideration of market situation and the aged inventories as follows:

	<u>Allowance percentage</u>
Inventory aged between 181 - 270 days	25
Inventory aged between 271 - 365 days	50
Inventory aged over 1 year	100

4.6 Property development costs

Property development costs are stated at the lower of cost and net realisable value. Cost consists of the cost of land, design fees, utilities, construction costs, capitalised borrowing costs and other related expenses, as well as estimated project development costs.

The subsidiary recognises losses on diminution in value of projects (if any) in profit or loss.

4.7 Classification of insurance contracts

The subsidiary classifies the insurance contract and reinsurance contract based on the nature of the contract. An insurance contract is one under which the insurer has accepted significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur. If a contract does not meet these criteria, the subsidiary classifies it as an investment contract. Investment contracts are insurance contracts in legal form that transfer significant financial risk but not significant insurance risk. Financial risk is the risk of a possible future change in interest rate, foreign exchange rate and index of price or rates.

The subsidiary classifies contracts based on an assessment of the insurance risk at an inception of contract on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

4.8 Premium receivables and allowance for doubtful accounts

Premium receivables from direct insurance is stated at net realisable value. The subsidiary set up an allowance for doubtful accounts based on the estimated loss that may incur in collection of the premium due, on the basis of collection experiences, analysis of debtor aging and a review of current status of the premium receivables as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

4.9 Reinsurance assets

Reinsurance assets consist of insurance reserve refundable from reinsurers which is estimated based on the related reinsurance contract of loss reserve and outstanding claim in accordance with the law regarding insurance reserve calculation and unearned premium reserves.

When indicator of impairment incurred, the subsidiary set up an allowance for doubtful accounts, of reinsurance assets based on estimated loss that may be incurred due to uncollectible, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expenses during the year.

4.10 Receivables from reinsurance contracts and amount due to reinsurers

- (a) Receivables from reinsurance contracts are consist of the outstanding balance of amount due from reinsurers and amounts deposit on reinsurance.

Amounts due from reinsurers consist of inward premium receivable, accrued commission and brokerage income, claims and various other items receivable from reinsurers, less allowance for doubtful accounts. The subsidiary record allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

- (b) Amounts due to reinsurers consist of at the outstanding balance of amounts due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve and outstanding claims.

The subsidiary presents net of reinsurance to the same entity (reinsurance receivables or amounts due to reinsurers) when the following criteria for offsetting are met.

- (1) The subsidiary has a legal right to offset amounts presented in the statements of financial position, and
- (2) The subsidiary intends to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

4.11 Troubled debt restructuring

In cases where the debt restructuring involves modifications of the terms of repayment, the fair value of the receivables after restructuring is based on the net present value of expected future cash flows, discounted by the subsidiary's financial cost rate to be paid for holding receivable with the troubled debts restructuring over the period of the contract or interest rate specified in the new terms. Differences between the fair values of receivables as of the restructuring date and their previous book values is recorded as "Revaluation allowance for debt restructuring", and recognised as an expense in profit or loss in the statements of comprehensive income in the year in which the restructuring takes place. The subsidiary reviews such revaluation allowance based on the net present value of future cash flows over the remaining period to maturity, recognising adjustments to the allowance for revaluation with bad debt and doubtful accounts expense.

4.12 Loans receivable from purchase of accounts receivable

The loans receivable from purchase of accounts receivable represent the subsidiary's purchased non-performing receivables of financial institutions and credit service companies from bidding for debts management and collection. Under the purchase contracts of non - performing receivables, the subsidiary takes all the risks in the collection without recourse. Such loans receivable from purchase of accounts receivable are presented at purchase cost less allowance for impairment (if any). The subsidiary recognises loss on impairment of loans receivable from purchase of accounts receivable when the present values of estimated cash flows from repayment of debtor or selling collaterals are lower than carrying value.

4.13 Property foreclosed

Property foreclosed is stated at the lower of cost including transfer expenses for such asset acquisition or net realisable value, which is determined with reference to the latest appraisal value less estimated selling expenses.

Gains on disposal of property foreclosed are recognised as income in profit or loss in the statements of comprehensive income on the disposal date.

4.14 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Change in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investment in non-marketable equity securities, which the subsidiary classifies as other investments, are stated at cost net of allowance for impairment (if any).
- e) Investments in subsidiaries and associates are accounted for using the equity method.

The fair value of marketable securities is based on the latest bid price of the last working day of the year of The Stock Exchange of Thailand. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond market Association. The fair value of unit trusts is determined from their net asset value.

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

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

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

4.15 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Any gains or losses arising from changes in the value of investment property is recognised in profit or loss when incurred.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.16 Property, building and equipment/Depreciation

Land is stated at revalued amount. Buildings and equipment are stated at cost less accumulated depreciation and allowance for impairment of assets (if any).

Land is initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Company's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Revaluation surplus". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Company's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Revaluation surplus" in respect of the same asset.

Depreciation of buildings and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	-	5 - 30 years
Office furniture	-	3 - 9 years
Office equipment	-	3 - 9 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided for land and assets under construction.

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

4.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.18 Intangible assets

Intangible assets acquired through business combination are initially recognised at their fair value on the date of business acquisition while intangible assets acquired in other cases are recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible asset with finite useful lives is as follows:

	<u>Useful lives</u>
Trademark	5 - 6 years
Computer software	3 - 10 years

No amortisation is provided on computer software under development.

4.19 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

4.20 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation and any accumulated impairment losses (if any).

The Group amortised leasehold right on a systematic basis over the economic useful life of between 9 and 30 years.

The amortisation expense is charged to profit and loss.

4.21 Deferred financial fees

Financial expenses related to borrowings that are typically incurred on or before signing facility agreements and before actual draw down of the loans are recorded as deferred financial fees. A portion of deferred financial fees proportionate to the amount of the loan facility already drawn is presented as a deduction against the related loan account and amortised using the effective interest rate method over the term of the loans.

The amortisation of deferred financial fees is included in profit or loss.

4.22 Related party transactions

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

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

4.23 Insurance contract liabilities

Insurance contract liabilities consist of loss reserves and outstanding claims and premium reserves.

(a) Loss reserve and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the subsidiary's management. The maximum value of claims estimate shall, not exceed the sum-insured under the relevant policy.

Claim reserve were calculated using an actuarial method based on a best estimate of the claims which are expected to be paid to insurer in respect of losses that occurred before or as at the end of the reporting date, covering both reported and not reported losses including loss adjustment expense, after deducting salvage values and other recoverable values. Differences between the calculated claim reserves and the claims already recognised are recorded as incurred but not reported claims (IBNR).

(b) Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

(1) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Monthly average basis (the one- twenty fourth basis)
Bail bond	- 70% of net premium written for the case has not yet been finalised

Unearned premium reserve of reinsurance is calculated based on ceded premium for reinsurer as the same method with direct insurance that transfer insurance risk to reinsurer throughout the period of insurance coverage.

(2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the future claims and related expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining period of coverage, based on historical claims data.

As at the end of reporting period, the subsidiary compares the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is presented in the financial statements. However, the increase or decrease in unearned premium reserves from prior year is to be recognised in profit of loss.

4.24 Long-term leases

Leases of property, building or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets or the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

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

4.25 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.26 Impairment of assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, building and equipment, intangible asset and leasehold rights whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of intangible asset with indefinite useful lives. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount. In determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss. However in cases where land was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.27 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Group has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the Group recognises restructuring - related costs.

4.28 Provisions

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

4.29 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.30 Derivatives

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under an interest rate swap contract is recognised as income or expenses on an accrual basis.

4.31 Fair value measurement

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

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

- Level 1 - Use of quoted market prices in an active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for diminution in value of inventories

The determination of allowance for diminution in the value of inventories with regard to lost, damaged or obsolete inventories, requires management to make judgements and estimates. This requires detailed analysis of the product life cycle, useful life of each type of inventory, the competitive environment, economic circumstances and the situation within the industry.

Allowance for doubtful accounts for trade receivables and loans receivable from purchase of accounts receivable

In determining an allowance for doubtful accounts for trade receivables and loans receivable from purchase of accounts receivable, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts, collateral value and the prevailing economic condition.

Allowance for doubtful accounts for hire purchase receivables, loans to customers and factoring receivables

In determining an allowance for doubtful accounts for hire purchase receivables, loans to customers and factoring receivables, the management has estimated the percentage of the allowance for doubtful accounts for each age of receivable on the basis of historical statistical data, assessment of the risk associated with the receivable, the nature of the collateral provided, and actual losses arising from such debtors in the past, while emphasising the principal of conservatism.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of investments

The Group treat in available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgement of the management.

Allowance for impairment of properties foreclosed

The subsidiary assesses allowance for impairment of properties foreclosed when net realisable value falls below the book value. The management uses judgement to estimate impairment losses, taking into consideration the latest appraisal value, the type and the nature of the assets.

Investment property

The Group presents investment property at the fair value estimated by an independent appraiser, and recognise changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 24.

Property, building and equipment/Depreciation

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

The Group measures land at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land. The valuation involves certain assumptions and estimates.

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

Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Estimated cash in flows from loans receivable from purchase of accounts receivable

The subsidiaries estimate future cash collection from loans receivable from purchase of accounts receivable based on quality, type, aging of receivables and historical information of debt collection. The subsidiaries assess the periods of collection of loans receivable from purchase of accounts receivable for 12 years.

Deferred tax assets

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

Loss reserves and outstanding claim

At the end of each reporting period, the subsidiary has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, and the claims incurred but not reported (IBNR). The ultimate loss of outstanding claims is established using a range of standard actuarial claims projection techniques. The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, loss incurred and paid, average costs per claim and claim numbers etc. Nevertheless, the estimation requires the management's judgements reflecting the best estimates available at that time. Such estimates are forecasts of future outcomes, and actual results could differ.

Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims and related expenses expected to be paid over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgement, with reference to historical data and the best estimates available at the time.

Project development costs estimation

In calculating costs of residential condominium units sold, the subsidiary has to estimate all project development costs, comprising land and land improvement costs, design and construction costs, public utilities costs, borrowing costs and other related costs. The management estimates these costs based on their experience in the business and revisits the estimations on a periodical basis or when the actual costs incurred significantly vary from the estimated costs

Post-employment benefits under defined benefit plans

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The subsidiaries have contingent liabilities as a result of litigation. The management has used judgement to assess of the results of the litigation and recorded certain provision at the end of reporting period. However, actual result could differ from the estimates.

6. Related party transactions

The relationships between the Company and its related parties are summarised below.

Companies	Relationship
JMT Network Services Public Company Limited	Subsidiary
JAS Asset Public Company Limited	Subsidiary
J Fintech Co., Ltd.	Subsidiary
J Capital Co., Ltd. *	Subsidiary
Smart Item Company Limited *	Subsidiary
Jaymart Mobile Co., Ltd.	Subsidiary
J Ventures Co., Ltd.	Subsidiary
Beans and Brown Co., Ltd.	Subsidiary
JAYMART INSURANCE BROKER CO., LTD. (formerly known as “Jay Insurance Broker Company Limited”)	Subsidiary (Held by subsidiary)
J Asset Management Company Limited	Subsidiary (Held by subsidiary)
JMT (CAMBODIA) CO., LTD. *	Subsidiary (Held by subsidiary)

Companies	Relationship
JP Insurance Public Company Limited	Subsidiary (Held by subsidiary)
JP2P Company Limited	Subsidiary (Hold by subsidiary)
Singer Thailand Public Company Limited	Associated company
J & P (Thailand) Company Limited [*]	Associated company (held by subsidiary)
J & P (Myanmar) Company Limited ^{**}	Associated company (held by associated company)
JPSM COMPANY LIMITED ^{**}	Associated company (held by associated company)
SG Broker Co., Ltd.	Associated company (held by associated company)
SG Capital Co., Ltd.	Associated company (held by associated company)
SG Service Plus Co., Ltd.	Associated company (held by associated company)
T.A.S. Assets Company Limited	Common shareholders and directors
Coffee Project Co., Ltd.	Common shareholders and directors
The Midst Co., Ltd.	Common shareholders and directors
Potto Bangkok Co., Ltd.	Common shareholders and directors
Casa Project Co., Ltd.	Common shareholders and directors
Cafe Supply Co., Ltd.	Common shareholders and directors
MPRESSO Co., Ltd.	Common shareholders and directors
Coffee and Brown Co., Ltd.	Common shareholders and directors
Wake up and Live Co., Ltd.	Common shareholders and directors
[*] Liquidation/Liquidation process	
^{**} Currently under registration for dissolution process	

During the years, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	Consolidated		Separate		Transfer pricing policy
	financial statements		financial statements		
	2019	2018	2019	2018	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Rental and service income	-	-	84.7	79.7	Contract price
Management income	-	-	131.4	135.9	Contract price
Other income	-	-	1.1	0.6	Contract price
Dividend income	-	-	391.5	319.8	As declared
Interest income	-	-	135.7	133.8	Mutually agreed rate
Interest expense	-	-	15.8	6.9	Mutually agreed rate
Sales promotion expenses	-	-	0.8	1.9	Mutually agreed rate
<u>Transactions with associates</u>					
Sales	76.9	342.4	-	-	Market price
Service income from debts collection	18.4	35.3	-	-	Market price
Management income	4.2	3.6	4.2	3.6	Contract price
Other income	0.2	0.1	-	-	Mutually agreed rate
Purchase of loans receivable	148.4	67.8	-	-	Mutually agreed rate
Sales promotion expenses	34.8	21.3	-	-	Mutually agreed rate
Commission fees	2.9	28.2	-	-	Mutually agreed rate
Other expenses	0.5	2.4	-	-	Mutually agreed rate
Purchase of assets	3.3	2.6	-	-	Market price
<u>Transactions with related parties</u>					
Service income	-	0.3	-	-	Contract price
Sales of residential condominium units					
	71.6	-	-	-	Market price
Insurance income	702.0	105.0	-	-	Mutually agreed rate
Other expenses	9.5	10.7	-	-	Mutually agreed rate

As at 31 December 2019 and 2018, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade and other receivables - related parties (Note 8)</u>				
Subsidiaries	-	-	2,542	8,501
Associates	2,867	39,757	370	-
Total trade and other receivables - related parties	2,867	39,757	2,912	8,501
<u>Short-term loans to subsidiaries</u>				
Subsidiaries	-	-	2,784,900	3,184,500
<u>Accrued income - related parties (Note 11)</u>				
Subsidiaries	-	-	3,777	5,115
Associates	823	4,289	-	-
Total accrued income - related parties	823	4,289	3,777	5,115
<u>Premium receivables - related parties (Note 12)</u>				
Related parties	-	5,554	-	-
<u>Rental deposit receivable - related parties (Note 29)</u>				
Related parties	868	792	-	-
<u>Trade and other payables - related parties (Note 31)</u>				
Subsidiaries	-	-	2,379	8,589
Associates	21,467	16,242	-	-
Related parties	2,244	849	-	-
Total trade and other payables - related parties	23,711	17,091	2,379	8,589
<u>Short-term loans from subsidiaries</u>				
Subsidiaries	-	-	30,000	605,000
<u>Liability arising from issuing and offering digital tokens (Note 36)</u>				
Management	78,123	90,920	-	-
<u>Rental deposit from related parties (Note 38)</u>				
Subsidiaries	-	-	18,688	18,056

Loans to/loans from related parties

As at 31 December 2019 and 2018, the balance of loans between the Company and those related companies and the movement are as follows:

(Unit: Thousand Baht)

		Separate financial statements			
		Balance as at			Balance as at
Loans to / Loans from		31 December	Increase	Decrease	31 December
related parties	Relationship	2018	during the year	during the year	2019
Short-term loans to subsidiaries					
J Fintech Co., Ltd.	Subsidiary	3,184,500	335,000	(802,000)	2,717,500
JAS Asset Public Company Limited	Subsidiary	-	2,000	(2,000)	-
Beans and Brown Co., Ltd.	Subsidiary	-	82,400	(15,000)	67,400
		3,184,500	419,400	(819,000)	2,784,900
Short-term loans from subsidiaries					
Jaymart Mobile Co., Ltd.	Subsidiary	605,000	1,137,000	(1,742,000)	-
J Ventures Co., Ltd.	Subsidiary	-	880,000	(850,000)	30,000
		605,000	2,017,000	(2,592,000)	30,000

Short-term loans to subsidiaries carry interest at 4.50% - 4.57% per annum and due at call (2018: 4.58% per annum).

Short-term loans from subsidiaries carry interest at 3.18% per annum and to be due at call (2018: 4.53% - 4.58% per annum).

Directors and management's benefits

During the year ended 31 December 2019 and 2018, the Group had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Short-term employee benefits	123,706	115,765	59,751	50,982
Post-employment benefits	5,002	4,210	3,713	3,189
Total	<u>128,708</u>	<u>119,975</u>	<u>63,464</u>	<u>54,171</u>

7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Cash	25,541	27,407	-	-
Bank deposits	568,721	1,303,674	1,660	15,181
Total	594,262	1,331,081	1,660	15,181

As at 31 December 2019, bank deposits in saving accounts carried interests between 0.1% - 2.0% per annum (2018: between 0.1% - 2.0% per annum).

8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	1,088	38,616	-	-
Past due				
Up to 3 months	1,148	1,141	-	-
Total trade receivables - related parties	2,236	39,757	-	-
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	83,097	111,258	1	1
Past due				
Up to 3 months	11,991	17,779	-	8
3 - 6 months	7,628	14,548	-	-
6 - 12 months	3,645	2,088	-	-
Over 12 months	6,235	24,663	2,418	16,162
Total	112,596	170,336	2,419	16,171
Less: Allowance for doubtful debts	(5,082)	(17,642)	(2,418)	(16,160)
Total trade receivables - unrelated parties, net	107,514	152,694	1	11
Total trade receivables - net	109,750	192,451	1	11
<u>Other receivables</u>				
Other receivables - related parties	631	-	2,912	8,501
Other receivables - unrelated parties	207,564	159,218	13	94
Total other receivables	208,195	159,218	2,925	8,595
Total trade and other receivables - net	317,945	351,669	2,926	8,606

9. Inventories

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Raw materials	2,464	921
Inventories	1,015,384	1,380,691
Supplies	1,115	540
Total	1,018,963	1,382,152
Less: Allowance for diminution in value of inventories	(12,505)	(53,066)
Inventories - net	1,006,458	1,329,086

Movements in the allowance of diminution in value of inventories account during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)
	Consolidated
	financial statements
Balance as at 1 January 2019	53,066
Add: Allowance for diminution in value of inventories made during the year	9,382
Less: Reversal of allowance for diminution in value of inventories during the year	(49,943)
Balance as at 31 December 2019	12,505

During the current year, the Group reduced cost of inventories by Baht 9 million (2018: Baht 47 million), to reflect the net realisable value. This was included in cost of sales. In addition, the Group reversed the write-down of cost of inventories by Baht 50 million (2018: Baht 8 million), and reduced the amount of inventories recognised as expenses during the year.

10. Property development costs

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Land	46,116	95,835
Interest capitalised as cost	9,510	11,503
Construction in progress	-	34,862
Completed buildings	104,282	-
House held for sales	4,851	12,161
Total property development costs - net	164,759	154,361

During the year ended 31 December 2019, the subsidiary included borrowing cost of Baht 8.3 million as cost of property development (2018: Baht 7.6 million). These were determined by applying a capitalisation rate of 6.00% (2018: 5.93%).

The subsidiary has mortgaged land and structures amounting to Baht 160 million (2018: Baht 142 million) as collateral against credit facilities from bank as described in Note 34.

11. Accrued income

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Accrued income from sale				
and services - related parties	823	4,289	3,777	5,115
Accrued income from sale				
and services - unrelated parties	38,724	37,790	3	2
Accrued subsidy income on				
goods purchases	195,436	286,862	-	-
Accrued promotion income	102,241	80,783	-	-
Accrued interest income and fee				
- unrelated parties	95,376	108,288	-	-
Total	432,600	518,012	3,780	5,117
Less: Allowance for doubtful debts	(10,441)	(15,602)	-	-
Total accrued income - net	422,159	502,410	3,780	5,117

12. Premium receivables

As at 31 December 2019 and 2018, the balances of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
<u>Premium receivables - related parties</u>		
Not yet due	-	1,626
Past due		
31 - 60 days	-	3,928
Total premium receivables - related parties	-	5,554
<u>Premium receivables - unrelated parties</u>		
Not yet due	27,745	22,884
Past due		
Up to 30 days	1,797	4,790
31 - 60 days	652	2,266
61 - 90 days	2,499	683
Over 90 days	20,032	30,637
Total	52,725	61,260
Less: Allowance for doubtful debts	(13,738)	(26,447)
Total premium receivables - unrelated parties - net	38,987	34,813
Total premium receivables - net	38,987	40,367

For premium receivables due from agents and brokers, the subsidiary has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the subsidiary has the legal process with such agents and brokers.

13. Reinsurance assets

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Insurance reserve refundable from reinsurers		
Claims reserves	105,353	78,166
Unearned premium reserve (UPR)	102,279	42,679
Total reinsurance assets	207,632	120,845

14. Reinsurance receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Amounts due from reinsurers	37,911	26,603
Total reinsurance receivables	37,911	26,603

As at 31 December 2019 and 2018, the balance of reinsurance receivables are classified by aging from the maturity date as follow:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
Not yet due	30,353	13,367
Not over 12 months	7,558	13,236
Total reinsurance receivables	37,911	26,603

15. Short-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading securities				
Units trusts	-	-	7,105	7,106
Equity securities	20,162	13,748	33,384	30,755
Total	20,162	13,748	40,489	37,861
Less: Unrealised loss	(6,414)	-	(2,628)	-
Total trading securities	13,748	13,748	37,861	37,861
Held-to-maturity investments				
Government and state enterprise securities	-		10,007	
Private enterprise debt securities	10,000		-	
Deposits and certificate of deposit at financial institutions which amount maturing over 3 months	270,083		187,852	
Total held-to-maturity investments	280,083		197,859	
Total short-term investments	293,831		235,720	

As at 31 December 2019 and 2018, the subsidiary had pledged the following deposits and certificate of deposit at financial institutions which amount maturing over 3 months with the Registrar of the Office of Insurance Commission in accordance with the Non-life Insurance Act.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Assets pledged	14,208	14,000
Assets reserved as non-life insurance policy	61,927	70,300
	76,135	84,300

16. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash cards	-	43	-	-
Prepaid expenses	27,450	32,954	5,330	7,394
Undue input VAT	13,171	19,021	119	103
Income tax refundable	140,269	84,282	31,303	21,857
Value added tax refund	42,560	14,846	-	-
Deposit for purchase assets	-	47,910	-	-
Claim receivables	3,018	4,137	-	-
Properties foreclosed	95,979	73,817	-	-
Advance payment	12,422	9,689	8	2
Others	32,820	12,754	-	-
Total	367,689	299,453	36,760	29,356

17. Restricted bank deposits

These represent fixed deposits pledged with the banks to secure operation in debt collection business and insurance brokerage services of subsidiaries.

18. Loans to customers

18.1 As at 31 December 2019 and 2018, the subsidiaries had loans to customers of Baht 3,372.14 million and Baht 3,795.12 million, respectively. The terms of the agreements are generally between 1 - 10 years and bears interest at the fixed interest rate as stipulated in the agreement. Loans to customers are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Portion due over one year							
	Portion due within one year		but not over five years		Portion due over five years		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Loans to customers	3,287,887	3,757,447	140,957	68,598	291	255	3,429,135	3,826,300
Less: Unearned interest income	(28,764)	(19,812)	(28,219)	(11,335)	(8)	(30)	(56,991)	(31,177)
Total	3,259,123	3,737,635	112,738	57,263	283	225	3,372,144	3,795,123
Less: Allowance for doubtful accounts	(228,711)	(305,200)	(3,777)	(6,765)	(2)	(2)	(232,490)	(311,967)
Net	3,030,412	3,432,435	108,961	50,498	281	223	3,139,654	3,483,156

As at 31 December 2019 and 2018, loan to customers comprised the following:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Revolving loan receivables	3,150,480	3,591,894
Term loan receivables	221,664	203,229
Total	3,372,144	3,795,123

Revolving loans are repayable at any time subject to a minimum monthly payment of 2.5% of the outstanding balances or Baht 200 as a minimum rate, as specified in the loan agreements. The subsidiaries classified the total balance of revolving loan receivables within current assets.

Term loan receivables are repayable by monthly installments, as specified in the loan agreements. The subsidiaries classifies the balance of term loan receivables within current and non-current assets. As at 31 December 2019, this monthly repayment amount repayable within one year was Baht 108.64 million (2018: Baht 145.74 million).

18.2 As at 31 December 2019 and 2018, aged of loans to customers balances and details of allowance for doubtful accounts aged are as follows.

(Unit: Thousand Baht)

Aging	Consolidated financial statements							
	Loans to customers		Percentage of allowance for doubtful accounts		Allowance for doubtful accounts		Accounts receivable of loans to customers - net	
	2019	2018	2019	2018	2019	2018	2019	2018
Not yet due	2,796,341	3,238,601	1 and 15	1 and 15	28,586	34,917	2,767,755	3,203,684
Overdue 1 period	209,449	121,309	1 and 15	1 and 15	2,215	1,647	207,234	119,662
Overdue 2 - 3 periods	212,529	203,907	2 and 15	2 and 15	4,242	4,810	208,287	199,097
Overdue 4 - 6 periods	150,366	225,317	92,96,99 and 100	92,96,99 and 100	142,470	212,959	7,896	12,358
Overdue 7 - 12 periods	141	2,384	100	100	77	1,057	64	1,327
Overdue more than 12 periods	3,318	3,605	100	100	3,318	3,174	-	431
Total	3,372,144	3,795,123			180,908	258,564	3,191,236	3,536,559
Allowance for doubtful accounts - additional provision for uncollectible receivable					51,582	53,403	(51,582)	(53,403)
Total					232,490	311,967	3,139,654	3,483,156

A notification of the Institute of Certified Accountants and Auditors of Thailand in concurrent with the Office of the Securities and Exchange Commission, lays down an accounting guideline for the consumer finance business. This requires that full allowance be recorded for doubtful accounts without taking collateral value into account and stop recognition of interest income in case that accounts receivables are overdue by more than three installments, and that general allowance be provided for accounts receivables which are not overdue by no more than three installments, or using an alternative method where the subsidiary believes that would be more appropriate. The subsidiary has a policy to set up allowance for doubtful accounts for loans to customers who overdue by more than three installments based on consideration of the current status, ability to make payments of receivables, statistic, experience and damage information. The management believes that the subsidiaries have set up allowance for doubtful accounts adequately. As at 31 December 2019, the recorded allowance for doubtful accounts are lower than the amount computed under FAP guideline which is provided full allowance for doubtful accounts without taking collateral value into account, of Baht 8.0 million (2018: Baht 14.1 million).

18.3 As at 31 December 2019, a subsidiary had loans to customers (net of unearned interest income) amounting to approximately Baht 151.0 million, for which revenue recognition has been ceased (2018: Baht 227.3 million).

18.4 Troubled debt restructuring

During the year ended 31 December 2019 and 2018, the subsidiary did not enter into contracts for troubled debt restructuring.

Supplemental information for the year ended 31 December 2019 and 2018 relating to the restructured debts is as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Interest increase recognised into		
profit or loss in the year	2,053	11,974
Cash settlement by debtors	12,828	20,304

As at 31 December 2019 and 2018, the subsidiary has the outstanding balances with troubled debt restructuring debtors, as follows:

	Consolidated financial statements			
	2019		2018	
	Number of	Outstanding	Number of	Outstanding
	debtors	balance	debtors	balance
	(Number)	(Thousand Baht)	(Number)	(Thousand Baht)
Troubled debt restructuring debtors	1,419	14,800	1,955	32,533

The subsidiary applied the financial costs rate to be paid for the holding of restructured loans over the period of the contracts or interest rate specified in the new terms to the discounted cash flow. By considering the form of modification of terms of payments to debtors, and the subsidiary's financial costs rate calculation, the subsidiary used the weighted average cost of borrowing or interest rate specified in the new terms.

19. Factoring receivables

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Factoring receivables	319,886	283,671
Accrued interest income	6,319	1,451
Total	326,205	285,122
Less: Factoring payables	(59,620)	(46,520)
Less: Allowance for doubtful accounts	(50,586)	-
Factoring receivables - net	215,999	238,602

The balances of factoring receivables as at 31 December 2019 and 2018, aged on the basis of due dates, are summarised below.

Age of factoring receivables	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Factoring receivables - unrelated parties		
Not yet due	147,601	258,244
Post due		
Up to 90 days	57,105	25,427
91 - 180 days	53,456	-
181 - 360 days	61,724	-
Total factoring receivables - unrelated parties	319,886	283,671

Factoring is a short-term loan business for entrepreneur to use as working capital in order to allow entrepreneur to obtain liquidity. The subsidiary will purchase trade receivables arising from the sale of goods and services. Collateral is not required. However, the claim on the customer's trade receivables will be transferred to the subsidiary as collateral.

20. Loans receivable from purchase of accounts receivable

As at 31 December 2019 and 2018, loans receivable from purchase of accounts receivable classified by group of debtors are as follows:

	Consolidated financial statements			
	2019		2018	
	Number of contracts	Amount	Number of contracts	Amount
	(Contract)	(Thousand Baht)	(Contract)	(Thousand Baht)
Hire purchase receivables	1,309,735	2,881,312	1,202,933	2,197,019
Personal loan receivables	2,337,603	1,544,157	2,320,412	1,525,370
Personal loan receivables - collaterals	2,137	3,399,250	1,851	2,080,953
Total	3,649,475	7,824,719	3,525,196	5,803,342
Less: Allowance for doubtful accounts		(107,231)		(93,968)
Net		7,717,488		5,709,374
Less: Current portion of loans receivable from purchase of accounts receivable		(378,372)		(464,643)
Loans receivable from purchase of accounts receivable - net of current portion		7,339,116		5,244,731

The movements on loans receivable from purchase of accounts receivable during the year ended 31 December 2019 are as follows:

	(Unit: Thousand Baht)
	Consolidated financial statements
Balance as at 1 January 2019	5,709,374
Add: Purchase during the year	3,329,099
Reversal of allowance for doubtful accounts	29,874
Less: Portion decrease from cash collection during the year	(1,235,770)
Portion decrease from settlements by transferred assets during the year	(46,035)
Set up allowance for doubtful accounts	(43,137)
Reassignment	(25,917)
Balance as at 31 December 2019	7,717,488

As at 31 December 2019, the subsidiaries expect to collect cash from debtors from the loans receivable of Baht 1,347 million within one year (2018: Baht 1,489 million).

During the year ended 31 December 2019, the subsidiary purchased account receivables from related party with the contract amount of Baht 865 million (2018: Baht 948 million).

As at 31 December 2019, the average age loans receivable from purchase of accounts receivable of the subsidiaries is from 1 to 8 years from the date of purchasing accounts receivable (2018: 1 to 8 years).

21. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying amounts based on equity method	
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
JMT Network Services								
Public Company Limited	443,995	443,995	55.81	55.81	1,127,109	1,127,109	1,859,336	1,878,350
JAS Asset Public Company								
Limited	793,807	480,847	74.97	67.51	686,007	399,254	942,050	631,728
J Fintech Co., Ltd.	1,220,000	1,220,000	90.16	90.16	1,100,000	1,100,000	641,085	597,411
Jaymart Mobile Co., Ltd.	480,000	480,000	99.99	99.99	480,000	480,000	444,649	360,217
J Ventures Co., Ltd.	75,250	75,250	80.00	80.00	60,200	60,200	48,918	45,298
Beans and Brown Co., Ltd.	58,000	-	70.34	-	40,800	-	34,121	-
Total					3,494,116	3,166,563	3,970,159	3,513,004

21.2 Share of comprehensive income and dividends

During the year, the Company has recognised its share of profit (loss) from investments in subsidiaries in the separate financial statements as follows.

(Unit: Thousand Baht)

Subsidiaries	For the year ended 31 December					
	Separate financial statements					
	Share of profit (loss) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries		Dividend income	
	2019	2018	2019	2018	2019	2018
JMT Network Services Public						
Company Limited	374,219	296,678	(1,714)	354	391,519	205,805
JAS Asset Public Company Limited	(5,984)	(11,666)	-	-	-	-
J Fintech Co., Ltd.	43,674	(343,283)	-	-	-	-
J Capital Co., Ltd.	-	(9,721)	-	212	-	-
Smart Item Company Limited	-	(60)	-	-	-	-
Jaymart Mobile Co., Ltd.	84,816	(95,960)	(384)	-	-	113,950
J Ventures Co., Ltd.	3,620	(9,415)	-	-	-	-
Beans and Brown Co., Ltd.	(1,174)	-	-	-	-	-
Total	499,171	(173,427)	(2,098)	566	391,519	319,755

21.3 Details of investments in subsidiaries that have material non-controlling interests

(Unit: Thousand Baht)

Company's name	Proportion of equity interest held by		Accumulated balance of		Profit/loss allocated to non-controlling interests		Dividend paid to non- controlling interests	
	non-controlling interests		non-controlling interests		during the year		during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
	(%)	(%)						
JMT Network Services								
Public Company Limited	44.19	44.19	1,480,330	1,500,725	269,348	196,797	309,994	160,089
JAS Asset Public								
Company Limited	25.03	32.49	314,441	313,301	(13,503)	(12,332)	-	-
J Fintech Co., Ltd.	4.35	4.35	36,614	33,706	2,908	(9,839)	-	-
J Ventures Co., Ltd.	20.00	20.00	12,070	11,018	1,052	(2,660)	-	-
Beans and Brown Co., Ltd.	29.66	-	3,508	-	(496)	-	-	-

21.4 Summarised financial information that based on amounts before inter-company elimination about subsidiaries that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	JMT Network Services		JAS Asset Public		J Fintech Co., Ltd.		J Ventures Co., Ltd.		Beans and Brown	
	Public Company		Company Limited						Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Current assets	1,924,762	2,310,555	261,745	260,746	3,396,346	3,867,010	237,247	381,796	11,440	10,167
Non-current assets	8,216,907	6,052,775	2,048,520	2,148,730	506,103	480,946	270,514	221,747	76,059	66,678
Current liabilities	3,654,773	1,654,088	505,243	775,142	3,058,729	3,571,354	5,588	50,494	75,353	53,430
Non-current liabilities	3,053,614	3,242,427	521,888	689,417	1,344	1,124	441,813	497,956	318	49

Summarised information about comprehensive income

(Unit: Thousand Baht)

For the year ended 31 December										
	JMT Network Services		JAS Asset Public		J Fintech Co., Ltd.		J Ventures Co., Ltd.		Beans and Brown	
	Public Company		Company Limited						Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue	2,550,740	1,889,535	962,139	915,670	995,498	1,016,411	18,144	15,515	78,935	45,272
Profit (loss)	649,443	479,696	7,867	(24,108)	66,898	(226,560)	(4,926)	(13,299)	(26,538)	(16,664)
Other comprehensive income	(4,700)	719	-	-	-	-	-	-	-	-
Total comprehensive income	644,743	480,415	7,867	(24,108)	66,898	(226,560)	(4,926)	(13,299)	(26,538)	(16,664)

Summarised information about cash flow

(Unit: Thousand Baht)

For the year ended 31 December										
	JMT Network Services		JAS Asset Public		J Fintech Co., Ltd.		J Ventures Co., Ltd.		Beans and Brown	
	Public Company		Company Limited						Co., Ltd.	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash flow from (used in) operating activities	(1,435,846)	(897,621)	135,783	193,830	504,351	(1,019,625)	(99,819)	(69,702)	(19,578)	(17,649)
Cash flow used in investing activities	(73,200)	(629,371)	(49,668)	(77,647)	(27,042)	(58,895)	(46,574)	(51,198)	(12,027)	(28,131)
Cash flow from (used in) financing activities	1,134,538	1,706,364	(104,851)	(100,835)	(502,000)	1,087,000	-	485,003	31,819	45,109
Net increase (decrease) in cash and cash equivalents	(374,508)	179,372	(18,736)	15,348	(24,691)	8,480	(146,393)	364,103	214	(671)

JMT (CAMBODIA) CO., LTD. (held by JMT Network Services Public Company Limited)

On 13 November 2018, the meeting of the Board of Directors of JMT Network Services Public Company Limited (JMT) passed a resolution to approve the dissolution and liquidation of JMT (CAMBODIA) Co., Ltd. (JMT (CAMBODIA)). Subsequently, on 14 December 2018, the Extraordinary General meeting of the shareholders of JMT (CAMBODIA) resolved to dissolve the business.

On 4 January 2019, JMT (CAMBODIA) Co., Ltd. registered the dissolution with the Ministry of Commerce of Cambodia and is in the process of liquidation. Later on 27 November 2019, JMT (CAMBODIA) has returned partial capital totalling USD 0.35 million or equivalent to Baht 10.55 million.

Jay Call Center Co., Ltd (held by JMT Network Services Public Company Limited)

On 9 November 2017, the meeting of the Board of Director of JMT passed a resolution to establish a new subsidiary, Jay Call Center Co., Ltd., to engage in providing debts collection services and customer relationship management. JMT is in process of considering for the investors and shareholding ratio.

On 13 November 2019, the meeting of the Board of Directors of JMT passed a resolution to cancel the establishment of this subsidiary.

JP Insurance (Thailand) Public Company Limited (formerly known as “Phoenix Insurance (Thailand) Public Company Limited”) (held by JMT Network Services Public Company Limited)

On 22 February 2018, the meeting of the Board of Directors of JMT passed resolutions approving an acquisition of investment in Phoenix Insurance (Thailand) Public Company Limited (Phoenix), which engaged in non-life insurance in Thailand.

On 29 March 2018, JMT entered into a share purchase agreement with existing shareholders of Phoenix to purchase new ordinary shares which Phoenix issued to increase its registered share capital totalling Baht 180 million (180 million ordinary shares with a par value of Baht 1 per share) at a price of Baht 2 per share amounting to Baht 360 million, and to purchase 134.6 million ordinary shares with a par value of Baht 1 each of Phoenix from its existing shareholders, at a price of Baht 0.24 per share, totalling Baht 32.3 million. After the full payments, JMT’s shareholding in Phoenix will be 55%. JMT had paid for new ordinary shares amounting to Baht 360 million (180 million ordinary shares at Baht 2 per share) in March 2018. Phoenix registered the increase in its share capital with the Ministry of Commerce on 30 March 2018. JMT paid the remaining balance to Phoenix’s existing shareholders in April 2018.

On 27 April 2018, Phoenix registered with the Ministry of Commerce to change the name from Phoenix Insurance (Thailand) Public Company Limited to JP Insurance Public Company Limited (JPI).

Details of the fair value and book value of the identifiable assets and liabilities of JPI as of the acquisition date are as follows.

	(Unit: Thousand Baht)	
	Fair value	Book value
Assets		
Cash and cash equivalents	372,646	372,646
Trade and other receivables	181	181
Accrued income	590	590
Premium receivables	32,434	32,434
Reinsurance assets	81,270	81,270
Reinsurance receivables	25	25
Short-term investment	66,523	66,523
Other current assets	14,120	14,120
Long-term investment	195	195
Equipment (Note 25)	5,707	5,707
Computer software (Note 27)	32	32
Other non-current assets	2,005	2,005
Total assets	575,728	575,728
Liabilities		
Trade and other payables	26,611	26,611
Liabilities under finance lease agreements	214	214
Insurance contract liabilities	265,106	265,106
Amounts due to reinsurers	46,717	46,717
Other current liabilities	19,793	19,793
Provision for long-term employee benefits	1,804	1,804
Deferred tax liabilities	2	2
Total liabilities	360,247	360,247
Net assets	215,481	215,481
Non-controlling investments of JPI (45 percent)	(96,967)	
Net assets attributable to JMT's investment (55 percent)	118,514	
Cash paid over net assets	273,790	
Purchase price	392,304	
Less: Cash and cash equivalents of JPI	(372,646)	
Net cash paid for purchase of JPI	19,658	

Details of acquisition of JPI are as follows.

(Unit: Thousand Baht)

Purchase price

Cash paid	392,304
Fair value of net assets received	(118,514)
Goodwill	<u>273,790</u>

Smart Item Company Limited

On 23 May 2018, the Extraordinary General Meeting of Smart Item Company Limited (SMI)'s shareholders passed a special resolution to approve the dissolution of the Company. SMI registered the dissolution with the Ministry of Commerce on 7 June 2018. SMI completed the liquidation process on 29 June 2018.

J Capital Co., Ltd.

On 15 November 2018, the Extraordinary General Meeting of J Capital Co., Ltd. (J Capital)'s shareholders passed a special resolution to approve the dissolution of the Company. J Capital registered the dissolution with the Ministry of Commerce on 16 November 2018. J Capital completed the liquidation process on 28 November 2018.

JAYMART INSURANCE BROKER CO., LTD. (formerly known as “Jay Insurance Broker Company Limited (held by JMT Network Services Public Company Limited”)

On 25 January 2019, the Extraordinary General Meeting of Jay Insurance Broker Company Limited (JIB)'s shareholders approved the resolution to increase registered share capital amounting to Baht 10 million through the issuance of 1 million new ordinary shares, with a par value of Baht 10 each. As a result, JIB's registered share capital and fully paid-up capital to be Baht 15 million. JIB's received payment for the shares and registered the increase in its registered share capital with the Ministry of Commerce on 5 February 2019.

On 10 April 2019, the Extraordinary General Meeting of JIB's shareholders passed a resolution to change its' company name from “Jay Insurance Broker Company Limited” to “JAYMART INSURANCE BROKER CO., LTD.”. On 23 April 2019, JIB registered to change of its' name with the Ministry of Commerce.

JAS Asset Public Company Limited

On 17 April 2019, the Annual General Meeting of JAS Asset Public Company Limited (J)'s shareholders approved the following matters.

- Approved an increase in J's registered share capital under a General Mandate from Baht 481 million to Baht 1,082 million by issuing new ordinary shares of Baht 601 million (601,058,766 ordinary shares with a par value of Baht 1 each). J registered the change of its registered share capital with the Ministry of Commerce on 19 April 2019.
- Approved an issuance and allotment of not exceeding 200,352,922 warrants ("J-W1") with a term of 3 years, without charge, to the shareholders who exercise their rights to subscribe newly issued shares of J, at a ratio of 2 subscribed shares to 1 warrant. The warrants are exercisable in a ratio of 1 warrant to 1 ordinary share. The exercise price is Baht 2.
- Approved the allocation of 601,058,766 newly issued ordinary shares with a par value of 1 Baht each, as follows.
 - (a) Up to 400,705,844 shares to the existing shareholders in proportion to their respective shareholdings (Right Offering) at ratio of 1.2 existing ordinary shares to 1 newly issued ordinary share.
 - (b) Up to 200,352,922 shares to reserve for warrants.
 - (c) For the remaining allotment of newly issued shares as described above shall be reserved for private placement.

The Company purchased newly issued ordinary shares of J of 270,522,354 shares at a price of Baht 1.06 per share, or a total of Baht 286.8 million, the Company paid full payment for the shares and J registered the increase of its share capital with the Ministry of Commerce on 11 June 2019.

The purchase of ordinary shares of J resulted in an increase in interest in J from 67.51% to 74.97%. The Company recognised "Surplus from change in proportion of investment in subsidiary" totalling Baht 29.6 million in the statement of financial position.

On 11 November 2019, a meeting of the Board of Directors of J passed a resolution to approve the sale of 2.58 million ordinary shares of Beans and Brown Co., Ltd. (the subsidiary of J), at Baht 10 per share, a total of Baht 25.8 million to the Company.

J Ventures Co., Ltd.

On 11 September 2019, the meeting of the Board of Directors of J Ventures Co., Ltd. (J Ventures) passed a resolution to approve the incorporation of a new subsidiary, J P2P Company Limited (JP2P), with a registered share capital of Baht 5 million, comprising 50,000 ordinary shares of Baht 100 each, in which J Ventures will hold 99.97% of the registered share capital of JP2P, which is engaged in the operation of electronic network for peer-to-peer lending platform. JP2P registered the establish with the Ministry of Commerce on 4 December 2019.

Beans and Brown Co., Ltd.

On 13 November 2019, the meeting of the Board of Directors of the Company passed a resolution to approve the acquisition at 2.58 million ordinary shares of Beans and Brown Co., Ltd. (BB), at Baht 10 per share, a total of Baht 25.8 million from JAS Asset Public Company Limited (subsidiary of the Company). The Company fully paid for the shares subscription on 27 November 2019. The Company will hold 60% of the issued and fully paid up shares of BB. The acquisition of ordinary shares of BB resulted in an increase in interest in BB from 44.98% to 60.00%. The Company recognised "Share discount on business combination under common control" totalling Baht 0.9 million in the statement of financial position.

On 13 December 2019, the Extraordinary General Meeting of BB's shareholders approved a resolution to increase the registered share capital from Baht 43 million (4.3 million shares of Baht 10 each) to Baht 58 million (5.8 million shares of Baht 10 each) by issuing 1.5 million new ordinary shares of Baht 10 each, totalling Baht 15 million. The Company exercised the right to purchase all newly issued ordinary shares of BB totaling Baht 15 million. The Company fully paid for the shares subscription on 17 December 2019. BB registered the increase in its share capital with the Ministry of Commerce on 19 December 2019.

The acquisition of ordinary shares of BB resulted in an increase in interest in BB from 60.00% to 70.34%. The Company recognised "Deficit from change in proportion of investment in subsidiary" totalling Baht 4.6 million in the statement of financial position.

22. Investments in associates

22.1 Details of associates:

(Unit: Thousand Baht)

Associates	Nature of business	Country of incorporation	Consolidated and separate financial statements					
			Shareholding percentage		Cost		Carrying amounts based on equity method	
			2019 (%)	2018 (%)	2019	2018	2019	2018
Singer Thailand Public Company Limited	Sales electrical appliances, commercial products and others	Thailand	30.26	24.99	1,210,077	946,017	1,241,486	929,622
Total					1,210,077	946,017	1,241,486	929,622

22.2 Share of comprehensive income

During the years, the Company has recognised its share of profit (loss) from investments in associate companies in the consolidated financial statements and separate financial statements as follows:

(Unit: Thousand Baht)

Associates	Consolidated financial statements			
	Share of profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year	
	2019	2018	2019	2018
J & P (Thailand) Company Limited	-	(9,858)	-	212
Singer Thailand Public Company Limited	44,733	(23,675)	3,071	6,709
Total	44,733	(33,533)	3,071	6,921

(Unit: Thousand Baht)

Associate	Separate financial statements			
	Share of profit (loss) from investments in associates during the year		Share of other comprehensive income from investments in associates during the year	
	2019	2018	2019	2018
Singer Thailand Public Company Limited	44,733	(23,675)	3,071	6,709
Total	44,733	(23,675)	3,071	6,709

22.3 Fair value investment in listed associate

In respect of investment in associated company that are listed company on the Stock Exchange of Thailand, its fair value is as follow:

(Unit: Thousand Baht)

Associate	Fair values as at 31 December	
	2019	2018
Singer Thailand Public Company Limited	662,174	431,999
Total	662,174	431,999

22.4 Summarised financial information about material associates

Summarised information about financial position

(Unit: Thousand Baht)

	Singer Thailand Public Company Limited	
	2019	2018
Current assets	3,279,112	2,529,126
Non-current assets	2,627,457	2,563,411
Current liabilities	(884,087)	(2,021,337)
Non-current liabilities	(2,678,941)	(1,547,437)
Net assets	2,343,541	1,523,763
Shareholding percentage (%)	30.26	24.99
Share of net assets	709,156	380,788
Adjustment the accounting policy of revaluation of assets	(4,199)	(4,091)
Goodwill	485,925	498,831
Customer base	63,255	67,618
Deferred tax liabilities	(12,651)	(13,524)
Carrying amounts of associates based on equity method	1,241,486	929,622

Summarised information about comprehensive income

(Unit: Thousand Baht)

	For the year ended 31 December	
	Singer Thailand Public Company Limited	
	2019	2018
Revenue	2,610,369	2,888,024
Profit (loss)	165,895	(80,767)
Other comprehensive income	12,354	26,848
Total comprehensive income	178,249	(53,919)

J&P (Myanmar) Company Limited (held by J&P (Thailand) Company Limited)

On 27 April 2018, the Annual General Meeting of J&P (Thailand) Company Limited's shareholders passed a resolution to approve the dissolution of J&P (Myanmar) Company Limited (JPM). JPM is in the process of registration of dissolution.

JPSM COMPANY LIMITED (held by J&P (Thailand) Company Limited)

On 1 June 2018, the meeting of Board of Directors of JPSM COMPANY LIMITED (JPSM) passed a resolution to approve the dissolution of such company. JPSM is in the process of registration for dissolution.

J & P (Thailand) Company Limited (held by J Capital Co., Ltd.)

On 21 September 2018, the Extraordinary General Meeting of shareholders of J & P (Thailand) Company Limited (JPT) passed a special resolution to approve the dissolution of JPT. JPT registered the dissolution with the Ministry of commerce on 28 September 2018. JPT completed the liquidation process on 10 October 2018.

Singer Thailand Public Company Limited (SINGER)

On 27 February 2019, the Extraordinary General Meeting of SINGER's shareholders approved the following matters.

- Approved an increase in SINGER's registered share capital from Baht 270 million to Baht 702 million by issuing new ordinary shares of Baht 432 million (432,000,000 ordinary shares with a par value of Baht 1 each). SINGER registered the change of its registered share capital with the Ministry of Commerce on 23 April 2019.
- Approved an issuance and allotment of not exceeding 108,000,000 warrants ("SINGER-W1") with a term of not exceeding 2 years, without charge, to the shareholders who exercise their rights to subscribe newly issued shares of SINGER, at a ratio of 2 subscribed shares to 1 warrant. The warrants are exercisable in a ratio of 1 warrant to 1 ordinary share. The exercise price is Baht 7.
- Approved an issuance and allotment of not exceeding 108,000,000 warrants ("SINGER-W2") with a term of not exceeding 4 years, without charge, to the shareholders who exercise their rights to subscribe newly issued shares of SINGER, at a ratio of 2 subscribed shares to 1 warrant. The warrants are exercisable in a ratio of 1 warrant to 1 ordinary share. The exercise price is Baht 14.
- Approved the allocation of 432,000,000 newly issued ordinary shares with a par value of 1 Baht each, as follows.
 - (a) 216,000,000 shares to the existing shareholders in proportion to their respective shareholdings (Right Offering) at ratio of 5 existing ordinary shares to 4 newly issued ordinary share.
 - (b) 108,000,000 shares to reserve for warrants No.1 ("SINGER-W1").
 - (c) 108,000,000 shares to reserve for warrants No. 2 ("SINGER-W2").

The Company purchased newly issued ordinary shares of SINGER of 53,999,920 shares at a price of Baht 4.89 per share, or a total of Baht 264 million, the Company paid full payment for the shares in April 2019.

The purchase of ordinary shares of SINGER resulted in an increase in interest in SINGER from 24.99% to 30.26%.

23. Other long-term investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value
Available-for-sale security				
Unit trusts	63	74	63	74
Equity securities	22,173	19,383	14,864	14,819
Total	22,236	19,457	14,927	14,893
Less: Unrealised loss	(2,779)	-	(34)	-
Total available-for-sale security	19,457	19,457	14,893	14,893
Held-to-maturity investment				
Government and state enterprise security	10,000		5,000	
Total held-to-maturing investment	10,000		5,000	
Other investments				
T2P Company Limited	44,274		44,274	
Internet Based Business Group Co., Ltd.	3,500		3,500	
Prain Fintech Company Limited	21,000		21,000	
DeepSparks Co., Ltd.	8,258		8,258	
TODAQ HOLDINGS INC.	7,670		-	
SATOSHI COMPANY LIMITED	600		-	
HUBBA Co., Ltd.	1,500		-	
Road Accident Victim Protection Company Limited	122		122	
Total	86,924		77,154	
Less: Allowance for diminution in value of investments	(1,050)		-	
Total other investments - net	85,874		77,154	
Total other long-term investments	115,331		97,047	

On 22 April 2019, the meeting of the Board of Directors of J Ventures Co., Ltd. (J Ventures) passed a resolution to purchase 124,100 preference shares or 0.64% of the issued preference shares of TODAQ HOLDINGS INC., which is engaged in the operation of Blockchain system, with a total of Baht 7.7 million. J Ventures paid up the share capital in July 2019.

On 18 June 2019, the meeting of the Board of Directors of J Ventures passed a resolution to purchase 900 ordinary shares or 2% of the issued ordinary shares of SATOSHI COMPANY LIMITED (Kulab), which is engaged in the development of technology for Blockchain on Ethereum platform, with a total of Baht 0.6 million. J Ventures paid up the share capital in July 2019.

On 17 December 2019, the meeting of Board of Directors of J Ventures passed a resolution to purchase 13,930 preference share or 2% of the issued preference shares of HUBBA Co., Ltd., which is engaged in space rental for coworking and event organisations, Fintech Ecosystem, meeting center for blockchain startups totalling Baht 1.5 million. J Ventures paid for the share subscription in December 2019.

24. Investment property

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	518,800	520,300	383,590	369,505
Addition during the year	126	2,114	171	2,562
Disposals - net book value	-	(24)	-	-
Transfers (Note 28)	(27)	-	-	-
Net income (loss) from revaluation to fair value	6,074	(3,590)	-	11,523
Net book value at end of year	<u>524,973</u>	<u>518,800</u>	<u>383,761</u>	<u>383,590</u>

The investment property in separate financial statements represents a land and office building held for rent of a the Company. Its fair value has been determined based on the valuation performed by an independent valuer, using the income approach.

The investment property in consolidated financial statements represents a community mall held for rent of its subsidiary. Its fair value has been determined based on the valuation performed by an independent valuer, using the income approach.

Key assumptions used in the valuation are summarised below:

	Consolidated financial statements		Result to fair value
	As at 31 December		where as an increase
	2019	2018	in assumption value
Discount rate (%)	9.66	10.00	Decrease in fair value
Rental rate per square meter per month (Baht)	506	544	Increase in fair value
Occupancy rate (%)	86	80	Increase in fair value
	Separate financial statements		Result to fair value
	As at 31 December		where as an increase
	2019	2018	in assumption value
Discount rate (%)	10.00	10.00	Decrease in fair value
Rental rate per square meter per month (Baht)	253	253	Increase in fair value
Occupancy rate (%)	100	100	Increase in fair value

During the year 2019, the Group recognised rental income that are related to investment property of Baht 40 million (2018: Baht 39 million) (the Company only: Baht 43 million, 2018: Baht 51 million) in profit or loss and recognised direct operations expenses arise from investment property that generated income of Baht 19 million (2018: Baht 20 million) (the Company only: Baht 9 million, 2018: Baht 9 million).

The Company has pledged land and construction as collateral against long-term loans from financial institutions as described in Note 34.

The subsidiary has pledged the investment property amounting to Baht 525 million (2018: Baht 519 million) as collateral against bank overdrafts and long-term loan as described in Notes 30 and 34.

25. Property, building and equipment

(Unit: Thousand Baht)

Consolidated financial statements							
	Revaluation basis	Cost basis					Total
	Land	Buildings and building improvement	Office furniture	Office equipment	Motor vehicles	Assets under installation	
Cost/Revalued amount:							
1 January 2018	158,850	284,255	532,987	471,247	65,646	7,648	1,520,633
Additions	-	2,518	59,243	97,024	20,041	16,906	195,732
Increase from acquisition of business (Note 21)	-	-	20,906	13,397	5,170	-	39,473
Disposals/write-off	-	-	(20,025)	(22,924)	(8,139)	-	(51,088)
Revaluations	72,730	-	-	-	-	-	72,730
Transfer in (out)	-	-	1,131	32,406	-	(6,276)	27,261
Translation adjustment	-	-	-	(14)	-	-	(14)
31 December 2018	231,580	286,773	594,242	591,136	82,718	18,278	1,804,727
Additions	-	171	51,463	70,116	4,602	16,650	143,002
Disposals/write-off	-	-	(89,423)	(54,773)	(9,237)	(998)	(154,431)
Transfer in	-	-	1,603	3	-	115	1,721
31 December 2019	231,580	286,944	557,885	606,482	78,083	34,045	1,795,019
Accumulated depreciation:							
1 January 2018	-	74,526	288,542	271,273	26,294	-	660,635
Depreciation for the year	-	14,839	90,061	88,927	13,145	-	206,972
Increase from acquisition of business (Note 21)	-	-	16,533	12,063	5,170	-	33,766
Depreciation on disposals/write-off	-	-	(9,692)	(17,329)	(6,494)	-	(33,515)
Translation adjustment	-	-	-	1	-	-	1
31 December 2018	-	89,365	385,444	354,935	38,115	-	867,859
Depreciation for the year	-	14,788	72,195	100,277	13,918	-	201,178
Depreciation on disposals/write-off	-	-	(62,476)	(51,235)	(8,696)	-	(122,407)
31 December 2019	-	104,153	395,163	403,977	43,337	-	946,630
Allowance for impairment loss:							
1 January 2018	-	-	-	-	-	-	-
Increase during the year	-	-	13,267	-	-	-	13,267
31 December 2018	-	-	13,267	-	-	-	13,267
Increase during the year	-	-	6,762	-	-	-	6,762
Reversal during the year	-	-	(16,651)	-	-	-	(16,651)
31 December 2019	-	-	3,378	-	-	-	3,378
Net book value:							
31 December 2018	231,580	197,408	195,531	236,201	44,603	18,278	923,601
31 December 2019	231,580	182,791	159,344	202,505	34,746	34,045	845,011
Depreciation for the year							
2018 (Baht 38 million included in cost of rental and the balance in selling and administrative expenses)							206,972
2019 (Baht 30 million included in cost of rental and the balance in selling and administrative expenses)							201,178

(Unit: Thousand Baht)

Separate financial statements

	Assets			
	Office	Motor	under	
	equipment	vehicles	installation	Total
Cost:				
1 January 2018	82,412	20,437	2,250	105,099
Additions	20,112	8,357	-	28,469
Disposals/write-off	(472)	(3,202)	-	(3,674)
Transfer in (out)	2,250	-	(2,250)	-
31 December 2018	104,302	25,592	-	129,894
Additions	7,718	-	-	7,718
Disposals/write-off	(3,832)	-	-	(3,832)
31 December 2019	108,188	25,592	-	133,780
Accumulated depreciation:				
1 January 2018	57,207	10,568	-	67,775
Depreciation for the year	12,328	4,849	-	17,177
Depreciation on disposals/write-off	(326)	(3,195)	-	(3,521)
31 December 2018	69,209	12,222	-	81,431
Depreciation for the year	11,670	4,702	-	16,372
Depreciation on disposals/write-off	(3,813)	-	-	(3,813)
31 December 2019	77,066	16,924	-	93,990
Net book value:				
31 December 2018	35,093	13,370	-	48,463
31 December 2019	31,122	8,668	-	39,790
Depreciation for the year				
2018 (included in administrative expenses)				17,177
2019 (included in administrative expenses)				16,372

The Company arranged for an independent professional valuer to appraise the value of land in 2018 by using the market approach.

Had the land been carried in the financial statements on a historical cost basis, its net book value as of 31 December 2019 and 2018 would have been as follow:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Land	86,754	86,754

As at 31 December 2019, the subsidiary had vehicles and office equipment with net book value of Baht 2 million (2018: Baht 2 million) which were acquired under finance lease agreements.

As at 31 December 2019, certain items of building and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation and allowance for impairment loss of those assets amounted to approximately Baht 274 million (2018: Baht 168 million) (the Company only: Baht 62 million, 2018: Baht 41 million).

26. Goodwill

A reconciliation of the net book value of goodwill for the years ended 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	295,645	21,855
Increase (Note 21)	-	273,790
Net book value at end of year	<u>295,645</u>	<u>295,645</u>

The Group allocated goodwill acquired in a business combination to test impairment annually, as follows:

	(Unit: Thousand Baht)
	Goodwill
JP Insurance Public Company Limited	273,790
Beans and Brown Co., Ltd.	21,855
Total	<u>295,645</u>

The Group estimates the recoverable amount of each cash-generating unit by estimating the cash inflows that are expected to be generated from that group of assets in the future based on financial forecasts approved by management covering a five-year period.

The key assumptions used to calculate the value in use of the CGU are summarised below.

	(Unit: percent per annum)	
	Beans and Brown Co., Ltd.	JP Insurance Public Company Limited
Revenue growth rate	2	2
Discount rate	12.00	9.45

The management of the Group determined these key assumptions based on historical operating results and expected market growth. The discount rate used is a rate that reflects risks specific to the Group.

The management of the Group believes that changes in the key assumptions used to determine the value in use of the CGU would not result in impairment. The management of the Group believes that there is no impairment of goodwill.

27. Intangible assets

The net book value of intangible assets as at 31 December 2019 and 2018 is presented below.

	(Unit: Thousand Baht)		
	Consolidated financial statements		Separate financial statements
	Trademark	Computer software	Computer software
As at 31 December 2019			
Cost	19,755	540,802	65,885
Less: Accumulated amortisation	(10,414)	(149,609)	(25,727)
Net book value	9,341	391,193	40,158
As at 31 December 2018			
Cost	18,236	463,973	66,393
Less: Accumulated amortisation	(7,776)	(98,543)	(22,346)
Net book value	10,460	365,430	44,047

A reconciliation of the net book value of intangible assets for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Net book value at beginning of year	375,890	350,010	44,047	38,133
Acquisition of right to use trademark	2,833	-	-	-
Acquisition of computer software	79,381	93,830	2,035	11,265
Increase from acquisition of business - net book value at acquisition date (Note 21)	-	32	-	-
Amortisation	(57,563)	(42,170)	(5,924)	(5,351)
Disposals during the year - net book value as at disposal date	-	(660)	-	-
Write-off during the year - net book value as at write-off date	(7)	(419)	-	-
Transfer out	-	(24,733)	-	-
Net book value at end of year	400,534	375,890	40,158	44,047

28. Leasehold rights and prepaid rent

Movements of the leasehold rights and prepaid rent during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Cost:		
1 January 2018	1,814,617	316,414
Additions	66,199	-
Write-off	(623)	-
Transfer in	7,094	-
31 December 2018	1,887,287	316,414
Additions	76,429	-
Transfer (Note 24)	27	-
31 December 2019	1,963,743	316,414
Accumulated amortisation:		
1 January 2018	231,639	131,811
Amortisation for the year	99,628	24,363
Depreciation on write-off	(250)	-
31 December 2018	331,017	156,174
Amortisation for the year	102,711	24,265
31 December 2019	433,728	180,439

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value:		
31 December 2018	1,556,270	160,240
31 December 2019	1,530,015	135,975
Amortisation for the year		
2018 (Baht 94 million included in cost of services and cost of rental, and the balance in administrative expenses) (the Company only: Baht 24 million included in cost of rental)	99,628	24,363
2019 (Baht 94 million included in cost of services and cost of rental, and the balance in administrative expenses) (the Company only: Baht 24 million included in cost of rental)	102,711	24,265

Leasehold rights comprise leasehold rights to land and buildings on leased land under long-term operating leases.

The subsidiary has pledged its leasehold rights with net book value as at 31 December 2019 of Baht 1,194 million (2018: Baht 1,260 million) are used as collateral against bank overdrafts and long-term loans, as described in Notes 30 and 34.

29. Other non-current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Rental deposit receivables -				
related parties	868	792	-	-
Prepaid construction costs	23,083	25,350	-	-
Deposits	295,789	303,929	2,314	2,294
Deferred expenses	3,260	19,850	-	-
Prepaid expenses	10,858	17,580	-	-
Others	20,184	968	-	-
Total	354,042	368,469	2,314	2,294

30. Bank overdrafts and short-term loans from financial institutions/Short-term loans

(Unit: Thousand Baht)

	Interest rate		Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018	2019	2018
	(% p.a.)	(% p.a.)				
<u>Bank overdrafts and short-term loans</u>						
<u>from financial institutions</u>						
Bank overdrafts	MOR	-	6,472	-	-	-
Trust receipts	2.42 - 2.95	2.50 - 2.95	705,989	1,246,011	-	-
Promissory notes	2.80 - 6.00	2.70 - 6.25	1,896,250	1,900,000	500,000	600,000
Net			<u>2,608,711</u>	<u>3,146,011</u>	<u>500,000</u>	<u>600,000</u>
<u>Short-term loans</u>						
Bills of exchange	4.00 - 6.50	-	240,000	-	-	-
Less: Prepaid interest			(3,415)	-	-	-
Net			<u>236,585</u>	<u>-</u>	<u>-</u>	<u>-</u>

Promissory notes of the Company is secured by ordinary shares of a subsidiary.

As at 31 December 2019 and 2018, the Group had the following unused overdraft lines from banks and other credit facilities:

	2019	2018
<u>Currencies</u>	(Million)	(Million)
Baht	1,644	1,364
USD	-	7

Bank overdraft of a subsidiary is secured by investment property and leasehold rights of the subsidiary.

The loan agreements contain several covenants which, among other things, require the Group to maintain debt-to-equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2019, a subsidiary was not in compliance with these covenants regarding the financial ratio. The subsidiary received a waiver from banks within 2019. Therefore, the loan classification as at 31 December 2019 is in accordance with normal repayment conditions as specified in the loan agreements.

31. Trade and other payables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	2019	2018	2019	2018
Trade payables - related parties	1,902	1,682	-	-
Trade payables - unrelated parties	374,002	700,277	-	-
Accrued interest to unrelated parties	52,715	40,383	17,791	8,986
Other payables - related parties	2,404	14,400	2,379	8,461
Other payables - unrelated parties	40,831	67,027	3,311	10,788
Construction payable	15,781	7,700	-	-
Accounts payable for leasehold rights	20,000	-	-	-
Accrued expenses - related parties	19,405	1,009	-	128
Accrued expenses - unrelated parties	172,931	144,656	20,039	11,627
Total	699,971	977,134	43,520	39,990

32. Insurance contract liabilities

	(Unit: Thousand Baht) Consolidated financial statements					
	2019			2018		
	Insurance contract liabilities	Liabilities on reinsurance	Net	Insurance contract liabilities	Liabilities on reinsurance	Net
Loss reserves						
- Claim incurred and reported	119,741	(57,973)	61,768	98,512	(43,658)	54,854
- Claim incurred but not reported	112,830	(47,380)	65,450	112,923	(34,508)	78,415
Total loss reserves	232,571	(105,353)	127,218	211,435	(78,166)	133,269
Premium reserves						
- Unearned premium reserves (UPR)	188,951	(102,279)	86,672	100,322	(42,679)	57,643
Total premium reserves	188,951	(102,279)	86,672	100,322	(42,679)	57,643
Total	421,522	(207,632)	213,890	311,757	(120,845)	190,912

The management of the subsidiary entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, the management still requires to disclose insurance contract liabilities on both a gross and net basis in order to provide a comprehensive set of disclosures.

32.1 Loss reserves and outstanding claims

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2019	2018
Balance - beginning of the year	211,435	-
Increase from acquisition of a subsidiary	-	164,126
Claim incurred during the year	244,143	127,842
Change in loss reserved of claimed		
incurred in prior years	6,574	(11,550)
Changes in assumptions in calculating		
loss reserves	(3,626)	37,387
Claim expense paid during the year	(225,955)	(106,370)
Balance - end of the year	232,571	211,435

As at 31 December 2019 and 2018, the subsidiary does not have loss reserves and outstanding claims under reinsurance contracts.

32.2 Assumptions

The estimation of claims relies on many components that are uncertain, which could result in the actual result being different from the estimate due to fluctuations. However, the estimation is based on actuarial methodology which is generally acceptable. This method also applies best efforts in determining underlying assumptions and reducing uncertainties. In general, catastrophe is not included in the estimation. In addition, insurance contract liabilities will cease when they are fully paid. The related assumptions are as follow.

1) Assumptions of historical claim expenses

At the end of the reporting periods, the subsidiary estimates loss reserves using historical experience and actuarial technique, which is a standard that is generally accepted. In estimation of loss reserves, they are classified as gross (before reinsurance) and net (after reinsurance) reserves, by accident year, and duration of claim development. The subsidiary uses the higher value between those determined from the Payment Method and the Incurred Method but excluding disaster losses. However, in calculation using the above-mentioned data, the subsidiary is required to exercise judgement to exclude all large claims in order to eliminate the fluctuations in loss development factor but include certain relevant large claims on a case-by-case basis where appropriate.

2) Assumptions of related expenses

The subsidiary estimates the unallocated loss adjustment expenses (ULAE) based on Claim Department's incurred expenses, for example, salaries, employee benefits, and technology costs, which is set as a ratio of ULAE to claims paid.

32.3 Unearned premium reserves

(Unit: Thousand Baht)		
Consolidated financial statements		
For the years ended 31 December		
	2019	2018
Balance - beginning of year	100,322	-
Increase from acquisition of a subsidiary	-	100,980
Premium written for the year	381,092	142,316
Premium earned during the year	(292,463)	(142,974)
Balance - end of year	188,951	100,322

33. Amount due to reinsurers

(Unit: Thousand Baht)		
Consolidated financial statements		
	2019	2018
Reinsurance premium payables	492	1,018
Amounts withheld on reinsurance	95,973	41,411
Other reinsurance payables	22,722	28,673
Total amount due to reinsurers	119,187	71,102

34. Long-term loans

(Unit: Thousand Baht)						
			Consolidated financial statements		Separate financial statements	
Loan	Interest rate (%)	Repayment schedule	2019	2018	2019	2018
1	MLR minus 2.375%	Repayment of principal and interest monthly of Baht 3 million as from March 2012 to March 2021	42,555	75,986	42,555	75,986
2	MLR minus 2.375%	Repayment of principal and interest monthly of Baht 3.85 million, as from on October 2014 to September 2021	51,389	94,425	-	-
3	MLR minus 1%	Repayment of principal and interest monthly of Baht 2.85 million, as from February 2016 to July 2024	156,050	190,250	-	-
4	Period 1st - 24th: MLR minus 2% Period 24th onwards: MLR minus 1.50%	Repayment of principal and interest monthly of Baht 4.83 million, as from January 2018 to July 2026	320,719	362,327	-	-

			(Unit: Thousand Baht)			
Loan	Interest rate (%)	Repayment schedule	Consolidated		Separate	
			financial statements		financial statements	
			2019	2018	2019	2018
5	THBFIX 6-month plus 1.35%	Repayment of principal quarterly for twelve installments. First to eleventh installment repayment are Baht 41.67 million of total withdrawal amount, and twelfth installment repayment all remaining, as from March 2017 to December 2019	-	166,640	-	166,640
6	MLR minus 2.35%	Repayment of interest every month within 60 installments and repayment of principal every 3 months for 18 installments. The first installment repays as from the last day of 9 th month after first withdrawal, as from 3 April 2017 to 3 April 2022	45,520	63,760	-	-
7	MLR minus 2.35%	Repayment of interest every month for 36 installments and repayment of principal every 3 months for 10 installments. The first installment repays as from the last day of 9 th month after first withdrawal, as from 18 July 2017 to 18 July 2020	34,500	80,500	-	-
8	MLR minus 2.35%	Repayment of interest every month for 60 installments and repayment of principal every 3 months for 18 installments. The first installment repays as from the last day of 9 th month after first withdrawal, as from 14 December 2017 to 14 December 2022	199,980	266,660	-	-
9	MLR minus 2.35%	Repayment of interest every month for 60 installments and repayment of principal every 3 months for 18 installments. The first installment repays as from the last day of 9 th month after first withdrawal, as from 29 March 2018 to 29 March 2023	77,760	100,000	-	-
10	MLR minus 2.35%	Repayment of interest every month for 36 installments and repayment of principal every 3 months for 10 installments. The first installment repays as from the last day of 9 th month after first withdrawal, as from 31 May 2018 to 31 May 2021	180,000	300,000	-	-
11	MLR minus 1%	Repayment at least 75 percent of the contract price upon redemption of condominium unit for transfer of ownership to buyer, and repayment in full within 42 months from the date of loan agreement	-	38,139	-	-
Total			1,108,473	1,738,687	42,555	242,626
Less: Deferred financial fee			(662)	(1,696)	-	(682)
Long-term loans - net			1,107,811	1,736,991	42,555	241,944
Less: Current portion			(432,577)	(616,431)	(34,939)	(199,366)
Long-term loans - net of current portion			675,234	1,120,560	7,616	42,578

Movements in the long-term loans account during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019	1,738,687	242,626
Add: Additional borrowing	118,542	-
Less: Payment for borrowing	(748,756)	(200,071)
Balance as at 31 December 2019	1,108,473	42,555

The loans are secured by mortgages of land and construction thereon of the Group and investment property and leasehold rights thereon of the subsidiary.

The loan agreements contain covenants as specified in the agreements that, among other things, require the Group to maintain certain debt to equity and debt service coverage ratios according to the agreements. As at 31 December 2019, the Group determined it was in compliance with these covenants.

As at 31 December 2018, the subsidiaries have long-term loans which is not used totalling Baht 152 million (2019: Nil).

35. Debentures

Balances of debentures as at 31 December 2019 and 2018 are as follows:

Debentures	Terms	Date of issuance	Due date	Interest rate	Number of debentures	(Unit: Thousand Baht)	
						Consolidated financial statements	
						2019	2018
				(% p.a.)	(Thousand units)		
1	3 years	17 June 2016	17 June 2019	4.00	300	-	300,000
2	3 years	29 July 2016	29 July 2019	3.85	150	-	150,000
3	3 years	15 November 2016	15 November 2019	3.85	200	-	200,000
4	3 years	18 November 2016	18 November 2019	3.85	150	-	150,000
5	3 years	16 December 2016	16 December 2019	3.85	600	-	600,000
6	3 years	21 April 2017	21 April 2020	4.10	400	400,000	400,000
7	2 years	15 May 2017	15 May 2019	5.50	69	-	69,000
8	3 years	20 July 2017	20 July 2020	4.20	400	400,000	400,000
9	2 years	27 July 2017	27 July 2019	6.00	200	-	200,000
10	3.5 years	15 September 2017	15 March 2021	4.50	1,000	1,000,000	1,000,000
11	3 years	12 October 2017	12 October 2020	4.20	440	440,000	440,000
12	2 years	15 November 2017	15 November 2019	6.00	100	-	100,000
13	3 years	22 December 2017	22 December 2020	4.10	590	590,000	590,000
14	3 years	22 December 2017	22 December 2020	4.00	800	800,000	800,000
15	3 years	30 March 2018	30 March 2021	4.05	1,000	1,000,000	1,000,000
16	1.5 years	14 June 2018	14 December 2019	6.65	100	-	100,000
17	3 years	4 October 2018	4 October 2021	4.30	1,075	1,074,700	1,074,700
18	3 years	6 June 2019	6 June 2022	4.50	1,498	1,498,000	-
19	3 years	10 July 2019	10 July 2022	4.50	200	200,000	-
20	1 year	24 July 2019	24 October 2020	6.70	100	100,000	-
	3 months						
21	3 years	1 November 2019	1 November 2022	4.25	1,643	1,643,300	-
Total debentures - par value						9,146,000	7,573,700
Less: Deferred financial fee						(26,206)	(18,601)
Total debentures - net						9,119,794	7,555,099
Less: Current portion						(2,726,354)	(1,866,225)
Total debentures - net of current portion						6,393,440	5,688,874

Debentures	Terms	Date of issuance	Due date	Interest rate (% p.a.)	Number of debentures (Thousand units)	(Unit: Thousand Baht)	
						Separate financial statements	
						2019	2018
1	3 years	15 November 2016	15 November 2019	3.85	200	-	200,000
2	3 years	18 November 2016	18 November 2019	3.85	150	-	150,000
3	3 years	16 December 2016	16 December 2019	3.85	600	-	600,000
4	3 years	21 April 2017	21 April 2020	4.10	400	400,000	400,000
5	3.5 years	15 September 2017	15 March 2021	4.50	1,000	1,000,000	1,000,000
6	3 years	22 December 2017	22 December 2020	4.10	590	590,000	590,000
7	3 years	30 March 2018	30 March 2021	4.05	1,000	1,000,000	1,000,000
8	3 years	1 November 2019	1 November 2022	4.25	1,643	1,643,300	-
Total debentures - par value						4,633,300	3,940,000
Less: Deferred financial fee						(13,099)	(7,889)
Total debentures - net						4,620,201	3,932,111
Less: Current portion						(988,961)	(949,409)
Total debentures - net of current portion						3,631,240	2,982,702

Movements in debentures account during the year ended 31 December 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2019	7,573,700	3,940,000
Add: Issuance of debentures during the year	3,441,300	1,643,300
Less: Repayment for debentures	(1,869,000)	(950,000)
Balance as at 31 December 2019	9,146,000	4,633,300

The above debentures are unsecured, unsubordinated, registered debentures which have terms of payment of interest every 3 months and 6 months throughout the terms of debentures.

The Company used proceeds from issuance of debentures for business expansion.

The subsidiary used proceeds from issuance of debentures to repay outstanding loan and/or as working capital and business expansion.

Such debentures contain certain covenants and restrictions regarding the maintenance of debt-to-equity ratio and restriction on dividend payment. As at 31 December 2019, the Group determined it was in compliance with these covenants.

On 20 December 2019, the Extraordinary Shareholders' Meeting of JMT Network Services Public Company Limited passed the resolutions approved to issue and offer the debentures for amount not exceeding Baht 5,000 million or an equivalent amount in other currencies. The term of debentures will be determined in each time depending on prevailing market conditions at the time of issuing and offering or under the terms and conditions of the debentures issued at such time, by way of public offering and/or private placement and/or high net worth investors and/or institutional investors in Thailand and/or offshore. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program, and/or revolving nature.

36. Liability arising from issuing and offering digital tokens

On 16 January 2018, the Company informed the Stock Exchange of Thailand of its funds mobilisation through making an initial offering of digital tokens called “JFin” Coins (the Initial Coin Offering: ICO) belonging to J Ventures, a subsidiary of the Company. The purpose of the offering is to mobilise the funds for the development of a digital credit facilities system (Decentralised Digital Lending Platform) using Blockchain technology to provide services relating to digital lending, marketplace lending and peer-to-peer lending.

A total of 300 million tokens are to be offered for sale at a price of Baht 6.60 each which will be allocated as follows:

- (a) 100 million tokens will be offered through the ICO during 1 - 31 March 2018.
- (b) 90 million tokens will be reserved for future use, which might be in the form of the next ICO, or for development of new technology that benefits the JFin Coin system. These tokens are locked up until 1 October 2019.
- (c) 40 million tokens will be allocated to management, team members, advisors and partners, with 10 million tokens locked up until 1 April 2019 and 30 million tokens until 1 October 2019.
- (d) 70 million tokens will be privately sold to the Jay Mart Group and its subsidiaries, with 20 million tokens locked up until 1 October 2018 and 50 million tokens until 1 October 2019.

The remaining JFin Coins will belong to the issuer, J Ventures. These allocations are subject to change depending on the direction of J Ventures' business and regulations in the future.

On 14 February 2018, J Ventures started to offer the first issued lot of 100 million tokens of JFin Coin (presales) mentioned in (a) at a price of Baht 6.60 per each. J Ventures issued 87 million tokens and received cash amounting to Baht 498 million (net of value added tax and discounts) from the fund raising, reserving 13 million tokens for supporters and developers of the Decentralised Digital Lending Platform.

JFin Coin started trading on the secondary market for the first time (1st Trading Day) on 2 May 2018.

The subsidiary recorded the cash received from the fund raising amounting to Baht 498 million as a deferred liability, presenting it as “Liability arising from issuing and offering digital tokens”, and recorded the directly related expenses of Baht 19 million as deferred expenses, under other non-current assets in the statement of financial position. In addition, the subsidiary has paid income tax and recorded deferred tax assets amounting to Baht 100 million, as the deferred tax asset is expected to have future benefit.

During the current year, J Ventures has completed the development of the digital credit facilities system (Decentralised Digital Lending Platform) by using Blockchain technology and used the system as intended. J Ventures recognised expense transactions which incurred as intended as expenses in the income statement in accordance with benefit principle and recognised “Liability arising from issuing and offering digital tokens” as income in consistent with the recognition of expenses for such expense transactions in the income statement. As at 31 December 2019, the subsidiary has outstanding balances of liability presented as “Liability arising from issuing and offering digital tokens” amounting to Baht 442 million in the statement of financial position.

Reconciliation of liability arising from issuing and offering digital tokens

	(Unit: Thousand Baht)
	Consolidated financial statements
Liability arising from issuing and offering digital tokens at the offering date	497,879
Recognised as income (presented net of actual expense)	(56,185)
Liability arising from issuing and offering digital tokens as at 31 December 2019	441,694

The recording of such transactions is based on an analysis of the substance of the transactions and interpretations of relevant current financial reporting standards and tax laws.

The subsidiary is currently in the process of submitting a request for permission to operate peer-to-peer lending platform.

On 13 May 2018, the Royal Decree on the Digital Asset Businesses B.E. 2561 (“The Royal Decree”) was published in the Royal Thai Government Gazette and became effective on the following day. The Royal Decree was enacted to regulate the offering of digital assets and businesses undertaking digital-asset-related activities with efficiency and to ensure that the offering of digital assets and businesses undertaking digital-asset-related activities are transparent, which will establish mechanisms for maintaining the stability of the national financial system and macro-economy and protect investors and relevant public. At present, by the virtue of the Royal Decree, the regulatory authority has imposed some relevant rules and notifications and is in the process of imposing additional relevant rules and notifications for future application with respect to the control over digital asset transactions, which include the following:

- Making rules, principles, notifications, orders or regulations in respect of the issuing and offering of the digital tokens and digital asset businesses.
- Setting fees for the permission request, permission, approval request, approval, the offering of issued digital tokens form submission, form 56-1 submission, other requests, or the operation of activities that are permitted or approved.
- Issuing rules applied as a guideline to consider problems that may arise from the enforcement of this Royal Decree.

The subsidiary is in the process of fulfilling the relevant rules and notifications that become effective on digital tokens that are issued and to be offered to the public. The relevant rules and notifications that will be imposed in the future may materially affect the accounting method and measurement, as well as related tax on fund raising through the offering of digital assets.

37. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Provision for long-term employee benefits				
at beginning of year	28,217	23,533	22,076	20,153
Included in profit or loss:				
Current service cost	2,851	3,042	1,874	1,537
Interest cost	727	641	530	386
Past service cost	6,873	-	5,807	-
Reversal of provision for long-term employee				
benefits at end of year	(24,694)	-	(24,694)	-
Included in other comprehensive income:				
Actuarial loss (gain) arising from				
Demographic assumptions changes	235	(610)	-	-
Financial assumptions changes	670	187	-	-
Experience adjustments	444	152	-	-
Increase from acquisition of business	-	1,804	-	-
Benefits paid during the year	(1,465)	(532)	-	-
Provision for long-term employee benefits at				
end of year	<u>13,858</u>	<u>28,217</u>	<u>5,593</u>	<u>22,076</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional long-term employee benefit liabilities of Baht 7 million (The Company only: Baht 6 million) as a result. The Group reflected the effect of the change by recognising past service costs as expenses in the income statement of the current year.

As at 31 December 2019, the Group expects to pay long-term employee benefits during the next year amounted to approximately Baht 0.2 million (2018: Nil).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit is 5 - 23 years (the Company only: 5 years) (2018: 5 - 23 years, the Company only: 5 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Discount rate	1.27 - 3.29	1.78 - 3.29	1.27	1.78
Salary increase rate	4.00 - 8.91	4.00 - 8.91	8.91	8.91
Turnover rate	0 - 73	0 - 73	0 - 57	0 - 57

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)			
	31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(709)	787	(80)	83
Salary increase rate	1,268	(1,196)	592	(582)
Turnover rate	(1,015)	1,196	(83)	70

	(Unit: Thousand Baht)			
	31 December 2018			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(665)	698	(346)	354
Salary increase rate	841	(801)	429	(422)
Turnover rate	(643)	757	(61)	64

38. Other non-current liabilities

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Rental deposit - related parties	-	-	18,688	18,056
Rental deposit - unrelated parties	104,387	126,944	4,512	6,156
Deposit from employees	24,032	19,945	144	94
Deferred rental income	15,583	-	-	-
Others	951	887	-	-
Total	144,953	147,776	23,344	24,306

39. Share capital

In May 2019, the warrant holders have exercised 2,067 warrants to purchase 2,067 ordinary shares at an exercise price of Baht 15 per share, totalling Baht 31,005. In May 2019, the Company received full payment for the shares. In this regard, the Company registered the increase in its share capital with the Ministry of Commerce on 14 June 2019 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 24 June 2019 onwards.

On 18 September 2019, the Extraordinary General Meeting of the Company's shareholders approved the following resolutions.

- Approved a decrease in the Company's registered share capital from Baht 897,414,498 to Baht 734,252,310 by canceling Baht 163,162,188 (163,162,188 ordinary shares of Baht 1 each) of registered shares that had not yet been allocated. The Company registered the change of its registered share capital with the Ministry of Commerce on 19 September 2019.
- Approved an increase in the Company's registered share capital from Baht 734,252,310 to Baht 906,612,007 by issuing Baht 172,359,697 of additional ordinary shares (172,359,697 shares of Baht 1 each) to support the distribution of the stock dividend. The Company registered the change of its registered share capital with the Ministry of Commerce on 20 September 2019.

- Approved a resolution to pay an interim dividend from the Company's net profit for the period as from 1 January 2019 to 30 June 2019 to the Company's shareholders, comprising a cash dividend and stock dividend totalling Baht 0.2608224 per share, as detailed below:
 - a) A cash dividend of Baht 0.0260824 per share.
 - b) A stock dividend distributed at a rate of 1 dividend share for every 4.26 existing shares. The dividend shall be converted as dividend payment at Baht 0.23474 per share.

The payment of dividend shall be made on 10 October 2019. The stock dividends were traded in the Stock Exchange of Thailand from 10 October 2019 onwards.

Reconciliation of number of ordinary shares

	(Unit: share)	
	Consolidated and separate financial statements	
	2019	2018
<u>Registered ordinary shares</u>		
Number of ordinary shares at the beginning of year	897,414,498	897,414,498
Decrease in the Company's registered share from resolution of the Extraordinary General Meeting of the Company's shareholders	(163,162,188)	-
Increase in the Company's registered share from resolution of the Extraordinary General Meeting of the Company's shareholders	172,359,697	-
Number of ordinary shares at the end of year	<u>906,612,007</u>	<u>897,414,498</u>
<u>Issued and paid-up ordinary shares</u>		
Number of ordinary shares at the beginning of year	734,250,243	734,249,341
Increase in capital from exercising of the rights of the warrants	2,067	902
Capital increased from stock dividend	172,356,400	-
Number of ordinary shares at the end of year	<u>906,608,710</u>	<u>734,250,243</u>

40. Warrant

In June 2017, the Company has issued and allocated warrant No.2 ("JMART-W2") with free of charge by specified holders and transferable to existing shareholders totalling 163,164,057 units. 1 unit of warrant is exercisable to purchase 1 ordinary share at Baht 15 each within 2 years starting from 6 June 2017. Its first exercise is on 31 July 2017 and able to exercise on the last working day of each quarter.

The last exercise date of warrant No. 2 ("JMART-W2") was on 5 June 2019.

Reconciliation of number of JMART-W2 warrants

	(Unit: Units)	
	Consolidated and separate financial statements	
	2019	2018
Number of warrants at the beginning of year	163,161,186	163,161,186
Exercised during the year (Note 39)	(2,067)	-
Warrants expired during the year	(163,159,119)	-
Number of warrants at the end of year	-	163,161,186

41. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

42. Revenue from contracts with customers

42.1 Disaggregated revenue information

(Unit: Thousand Baht)

	Consolidated financial statements	
	2019	2018
Type of goods or service:		
Sale of goods		
Sale of mobile phone ,related accessories and camera	7,099,581	8,982,027
Sale of land	-	191,494
Sale of house with land	9,725	11,130
Sale of condominium unit	251,909	-
Sale of food and beverage	80,751	47,631
Sale of software	9,654	2,497
Total revenue from sale of goods	7,451,620	9,234,779
Services		
Services income from debt collection	316,762	237,683
Commission income	5,770	8,239
Other services	120,790	128,913
Total revenue from service	443,322	374,835
Total revenue from contracts with customers	7,894,942	9,609,614
Timing of revenue recognition:		
Revenue recognised at a point in time	7,793,539	9,512,833
Revenue recognised over time	101,403	96,781
Total revenue from contracts with customers	7,894,942	9,609,614

Revenue from residential condominium units sold for the year 2019 of Baht 252 million included revenue from residential condominium units sold to related parties and the Company's shareholder. The subsidiary received full payments from the sale and transferred control over the real estate to those related parties completely. However, the subsidiary has not registered the ownership transfer to buyers due to certain business reasons. During the year, the subsidiary recognised revenue from residential condominium units sold to related parties and the Company's shareholder of Baht 70 million and recognised gain on sale of Baht 20 million in the consolidated statement of comprehensive income for the current year.

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 48 relating to the segment information:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
External customers	11,334,814	12,562,133
Inter-segment	158,964	164,109
	11,493,778	12,726,242
Adjustments and eliminations	(158,964)	(164,109)
Interest income from loans receivable from purchase of accounts receivable and loans to customers	(2,115,887)	(2,067,472)
Gains on loans receivable from purchase of accounts receivable	(657,157)	(267,999)
Rental income	(456,230)	(518,771)
Insurance income	(210,598)	(98,277)
Total revenue from contracts with customers	7,894,942	9,609,614

42.2 Revenue recognised in relation to contract balances

During the current year, the subsidiaries had revenue recognised that was included in advance received from customers amounting to Baht 15 million.

43. Insurance income

Insurance income for the year ended 31 December 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Gross premium written	380,995	142,316
Less: Premium ceded to reinsurers	(198,300)	(64,245)
Net insurance premium income	182,695	78,071
Add (less): Unearned premium reserve (increased) decreased from previous period	(28,968)	6,395
Net insurance premium income to reinsurers	153,727	84,466
Fee and commission income	56,871	13,811
Total	210,598	98,277

44. Insurance expenses

Insurance expenses for the year ended 31 December 2019 and 2018 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	2018
Gross claim and loss adjustment expenses	241,009	152,936
Less: Claims recovery from reinsurers	(133,983)	(87,865)
Commissions and brokerages expenses	55,867	19,653
Other underwriting expenses	70,730	25,265
Total	233,623	109,989

45. Expenses by nature

Significant expenses classified by nature are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Salaries and wages and other employee benefits	1,050,722	1,075,426	57,001	67,015
Depreciation expenses	201,178	206,972	16,372	17,177
Amortisation expenses	160,274	141,798	30,189	29,714
Assets written-off	25,087	13,339	11	57
Allowance for diminution in value of inventories	(40,561)	39,212	-	-
Promotion expenses	143,310	270,338	-	220
Rental expenses from operating lease agreements	767,201	881,074	15,620	14,883
Advertising expenses	9,774	56,472	-	-
Changes in inventories of finished goods	365,307	639,212	-	-
Purchases of finished goods	5,826,210	7,327,900	-	-

46. Income tax

Income tax expenses (revenues) for the year ended 31 December 2019 and 2018 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Current income tax:				
Current income tax charge	193,998	272,595	-	-
Deferred tax:				
Relating to origination and reversal				
of temporary differences	(16,424)	(223,289)	(21,589)	7,657
Income tax expenses (revenues)				
reported in profit or loss	<u>177,574</u>	<u>49,306</u>	<u>(21,589)</u>	<u>7,657</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax on actuarial loss	(96)	-	-	-
Deferred tax on profit (losses) on change in value of available-for-sale investment	7	(7)	-	-
Deferred tax on gain on revaluation of land	-	14,546	-	-
	(89)	14,539	-	-

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Accounting profit (loss) before tax	970,731	(55,790)	512,260	(211,220)
Applicable tax rate	20%	20%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	194,146	(11,158)	102,452	(42,244)
Temporary differences and unused tax losses which deferred tax assets (liabilities) have not been recognised	(81,196)	(30,847)	(3,143)	10,801
Tax losses of previous year were recorded as deferred tax assets in the current year	(10,801)	-	(10,801)	-
Tax losses used in the current year	-	(1,368)	-	-
Adjust in respect of income tax benefit of previous year	(732)	-	-	-
Devaluation on deferred tax assets	148	25	-	-
Effects of:				
Change in value of investment accounted for the equity method	94,583	56,481	(108,781)	36,183
Additional revenues	148,070	145,327	-	2,668
Exempt income	(5,993)	(558)	-	-
Non-deductible expenses	3,973	10,152	1,626	1,732
Additional expense deductions allowed	(164,624)	(118,748)	(2,942)	(1,483)
Total	76,009	92,654	(110,097)	39,100
Income tax expenses (revenues) reported in profit or loss	177,574	49,306	(21,589)	7,657

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2019	2018	2019	2018
Deferred tax assets				
Allowance for doubtful accounts for account receivable	1,016	3,528	484	3,232
Allowance for diminution in value of inventories	1,303	2,320	-	-
Allowance for doubtful accounts for hire purchase receivable	2,051	3,442	-	-
Allowance for doubtful accounts for loans to customers	47,731	63,627	-	-
Allowance for doubtful accounts for loans receivable from purchases of accounts receivable	21,446	18,794	-	-
Allowance for doubtful accounts for accrued interest income	2,088	3,120	-	-
Allowance for doubtful accounts for factoring receivable	10,117	-	-	-
Allowance for asset impairment	676	712	-	-
Allowance for doubtful account from loan to employees	190	175	-	-
Accrued cost rental under long-term leases	12,462	11,199	892	707
Accrued interest income for loans to customers	1,823	2,758	-	-
Allowance for impairment of properties foreclosed	618	-	-	-
Difference from value adjustment of properties foreclosed	3,605	1,957	-	-
Provision for long-term employee benefit	2,055	4,934	1,119	4,415
Liability arising from issuing and offering digital tokens	99,576	99,576	-	-
Provisions	1,344	3,417	-	-
Unrealised loss on available-for-sale investment	-	7	-	-
Unused tax loss	142,191	114,894	27,262	-
Others	40,019	34,160	-	-
Total	390,311	368,620	29,757	8,354
Deferred tax liabilities				
Investment property at fair value	23,397	20,100	16,724	16,724
Surplus on revaluation of land	28,966	28,966	-	-
Cost of issuing debentures	2,468	1,761	-	-
Accrued cost rental under long-term lease recorded as asset	3,546	2,602	-	-
Accrued income rental under long-term leases	364	186	-	186
Cost to obtain a contract	52	-	-	-
Total	58,793	53,615	16,724	16,910
Deferred tax assets (liabilities) - net	331,518	315,005	13,033	(8,556)
Transaction in statements of financial position				
Deferred tax assets	343,760	335,803	13,033	-
Deferred tax liabilities	(12,242)	(20,798)	-	(8,556)
Deferred tax assets (liabilities) - net	331,518	315,005	13,033	(8,556)

As at 31 December 2019, the Group has deductible temporary differences and unused tax losses totalling Baht 388 million (2018: Baht 330 million) (the Company only: Nil, 2018: Baht 54 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 542 million will expire by year 2024.

As at 31 December 2019, the Company has temporary difference associated with investments in its subsidiaries and its associate for which deferred tax liabilities has not been recognised Baht 1,019 million (2018: 984 million).

47. Earnings per share

Basic earnings (loss) per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year. The number of ordinary shares of the prior year used for the calculation as presented for comparative purposes, has also been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividend of 172.4 million shares on 10 October 2019 (as described in Note 39), as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.

Diluted earnings per share is calculated by dividing profit (loss) for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, has also been adjusted in proportion to the change in the number of shares as a result of the distribution of the stock dividend as described above, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic earnings per share:

	For the year ended 31 December			
	Consolidated		Separate	
	Financial statements		Financial statements	
	2019	2018	2019	2018
		(Restated)		(Restated)
Profit (loss) attributable to equity holders				
of the Company (Thousand Baht)	533,849	(277,062)	533,849	(218,878)
Weighted average number of ordinary				
shares (Thousand shares)	906,608	906,607	906,608	906,607
Earnings (loss) per share (Baht per share)	0.589	(0.306)	0.589	(0.241)

The Company did not compute the diluted earnings per share from warrants to purchase shares for the year ended 31 December 2018 because the Company had operating loss which resulted in anti-dilution.

The Company did not compute the diluted earnings per share from warrants to purchase shares for the year ended 31 December 2019 because the average share price during the year was lower than the exercise price of warrants.

48. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

For management purposes, the Group is organised into business units based on its products and services and have four reportable segments as follows:

- Trading business
- Debt collection business
- Rental business
- Other

No operating segments have been aggregated to form the above reportable operating segments.

The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and on a basis consistent with that used to measure operating profit or loss in the financial statements.

The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.

The following tables present revenue and profit information regarding the Group's operating segments for the year ended 31 December 2019 and 2018, respectively.

(Unit: Thousand Baht)

For year ended 31 December 2019							
	Trading business	Debt collection business	Rental business	Other	Total reportable segments	Eliminations	Consolidated financial statements
Revenue							
External customers	7,452,211	3,125,227	546,778	210,598	11,334,814	-	11,334,814
Inter-segment	4,763	47,355	103,889	2,957	158,964	(158,964)	-
Total revenue	7,456,974	3,172,582	650,667	213,555	11,493,778	(158,964)	11,334,814
Results							
Gross profit (loss)	1,082,395	2,211,503	93,249	(25,101)	3,362,046	(119,761)	3,242,285
Sales promotion income							331,669
Management fee							4,152
Gain from investment							15,797
Interest income							12,274
Other income							167,517
Gain on fair value adjustment of investment property							6,074
Reversal of allowance for impairment of assets							9,888
Selling and distribution expenses							(935,626)
Administrative expenses							(1,397,880)
Finance cost							(530,151)
Share of profit from investment in associate							44,733
Income tax expenses							(177,574)
Profit for the year							793,158

(Unit: Thousand Baht)

For year ended 31 December 2018							
	Trading business	Debt collection business	Rental business	Other	Total reportable segments	Eliminations	Consolidated financial statements
Revenue							
External customers	9,235,511	2,613,057	615,288	98,277	12,562,133	-	12,562,133
Inter-segment	10,653	51,921	101,305	230	164,109	(164,109)	-
Total revenue	9,246,164	2,664,978	716,593	98,507	12,726,242	(164,109)	12,562,133
Results							
Gross profit (loss)	1,071,455	1,823,248	109,675	(12,625)	2,991,753	(106,699)	2,885,054
Sales promotion income							217,594
Management fee							3,600
Interest income							6,900
Other income							105,147
Loss on fair value adjustment of investment property							(3,590)
Loss on impairment of assets							(13,267)
Selling and distribution expenses							(1,035,863)
Administrative expenses							(1,730,160)
Finance cost							(457,672)
Share of loss from investment in associates							(33,533)
Income tax expenses							(49,306)
Loss for the year							(105,096)

Geographic information

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

	(Unit: Thousand Baht)	
	2019	2018
Revenue from external customers		
Thailand	11,334,814	12,561,350
Cambodia	-	783
	<u>11,334,814</u>	<u>12,562,133</u>

Major customers

For the year 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

49. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group and its employees contribute to the fund monthly at the rate of 3 to 5 percent of basic salary. During 2018, the contribution rate has been changed by the Group contribute to the fund monthly at the rate of 3 to 5 percent of basic salary and employees contribute to the fund monthly at the rate of 3 to 15 percent on basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2019 amounting to approximately Baht 8.0 million (2018: Baht 7.7 million) (the Company only: Baht 1.9 million 2018: Baht 1.5 million) were recognised as expenses.

50. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht per share)
2019			
Interim dividends for 2019	Annual General Meeting of the shareholders on 18 September 2019	19	0.02608
Interim stock dividend for 2019	Annual General Meeting of the shareholders on 18 September 2019	172	0.23474
Total dividend for 2019		191	0.26082
2018			
Final dividends for 2017	Annual General Meeting of the shareholders on 9 April 2018	235	0.32000
Total dividend for 2018		235	0.32000

51. Contribution to the General Insurance Fund

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2019	2018
Accumulated contribution at the beginning of the year	4,384	-
Increase from acquisition of a subsidiary	-	4,025
Contribution during the year	970	359
Accumulated contribution at the end of the year	5,354	4,384

52. Commitments and contingent liabilities

52.1 Capital commitments

As at 31 December 2019 and 2018, the Group had capital commitments under the following agreements:

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Design and construction of projects	Baht 100 million	Baht 186 million	-	-
Installation and development system agreements	Baht 6 million	Baht 16 million	Baht 1 million	Baht 1 million
Acquisition of computer software	-	JPY 75 million Baht 279 million	-	-

52.2 Operating lease commitments

The Group has entered into several lease agreements in respect of rental of land, office building space and services, motor vehicles and others. The terms of the agreements are generally between 1 and 30 years.

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Payables:				
In up to 1 year	Baht 541 million	Baht 561 million	Baht 14 million	Baht 15 million
In over 1 and up to 5 years	Baht 503 million	Baht 493 million	Baht 31 million	Baht 35 million
In over 5 years	Baht 562 million	Baht 523 million	Baht 27 million	Baht 27 million

As at 31 December 2019, the Group had future minimum sublease payments expected to be received under subleases totaled approximately Baht 319 million (2018: Baht 304 million) (the Company only: Baht 21 million, 2018: Baht 65 million). During the year 2019, the Group recognised rental expenses of Baht 280 million (2018: Baht 316 million) (the Company only: Baht 35 million, 2018: Baht 34 million) and subleasing revenue of Baht 381 million (2018: Baht 434 million) (the Company only: Baht 35 million, 2018: Baht 34 million).

52.3 As at 31 December 2019, the Group had outstanding commitments in respect of software license and system maintenance agreement with a foreign software development company and service agreements which are payable in the future totalling approximately Baht 21 million and JPY 1,440 million (2018: Baht 12 million and JPY 1,569 million) (the Company only: Baht 2 million, 2018: Baht 2 million). These agreements will mature within February 2020 to December 2025 (2018: February 2019 to December 2025) (the Company only: February 2020 to December 2020, 2018: February 2019 to December 2019).

52.4 Guarantees

As at 31 December 2019, the Group had outstanding bank guarantees of approximately Baht 18 million and USD 2 million (2018: Baht 168 million and USD 4 million) (the Company only: Baht 1 million, 2018: Baht 1 million) were issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

As at 31 December 2019, the Company issued corporate guarantees of Baht 2,661 million and USD 2 million (2018: Baht 3,091 million and USD 2 million) to financial institutions to secure credit facilities of its subsidiary.

As at 31 December 2019, the Company secured credit facilities of its subsidiary of Baht 368 million (2018: Baht 368 million) to a financial institution.

As at 31 December 2019, a subsidiary issued corporate guarantees of Baht 6 million (2018: Baht 766 million) to a financial institution to secure credit facilities of the Company.

As at 31 December 2019, the Company had commitments in respect of its guarantee of liabilities of the subsidiary at least amounting to JPY 3,365 million (2018: at least amounting to JPY 3,365 million) with a foreign financial institution.

As at 31 December 2018, the subsidiary has acceptance and aval for promissory note issued by its subsidiary to secure the purchase of receivables amounting to Baht 144 million (2019: Nil).

52.5 Commitment in respect of uncalled investment

As at 31 December 2019 and 2018, the Company has commitment to pay the uncalled portions of its investments in J Ventures Co., Ltd. (Subsidiary) amounting to Baht 19.8 million.

52.6 Litigation

- (a) As at 31 December 2019, a subsidiary has been sued for damages totalling Baht 22 million (2018: Baht 13 million) as an insurer. The outcomes of these cases have not been finalised. However, the subsidiary recorded a provision for possible losses amounting to Baht 4 million (2018: Baht 7 million) in the financial statements. The subsidiary's management believes that such provision is adequate.
- (b) On 20 November 2018, a subsidiary has been sued for damages by a former employee who was laid off as a result of that employee has worked negligently and defected in duty that made the subsidiary got a severely damage. The amount in dispute was Baht 1.5 million. On 29 May 2019, the Court of First Instance ordered the subsidiary, to pay Baht 0.1 million. As at 31 December 2019, the subsidiary had already made payment to the plaintiff. The case is now finalised.
- (c) In the year 2018, a company sued a subsidiary as co-defendant as a result of a subsidiary's operation of soil backfill, demanding compensatory damages totalling Baht 6 million plus interest at a rate of 7.5% per annum, commencing from prosecution until the full amounts is paid.

On 29 April 2019, the Court of First Instance ordered the subsidiary to pay Baht 0.04 million, together with interest at 7.5% per annum. However, the subsidiary did not file an appeal with the Appeal Court and had already made payment totalling Baht 0.2 million to the plaintiff. The case is now finalised.

53. Fair value hierarchy

As at 31 December 2019 and 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

As at 31 December 2019				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities				
Equity securities	14	-	-	14
Investments in available-for-sale securities				
Equity securities	19	-	-	19
Investment property	-	-	525	525
Land	-	232	-	232
Asset for which fair value is disclosed				
Investment in associate	662	-	-	662
Liability for which fair value are disclosed				
Debentures	-	9,212	-	9,212

(Unit: Million Baht)

As at 31 December 2018				
Consolidated financial statements				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investments in trading securities				
Units trusts	-	7	-	7
Equity securities	31	-	-	31
Investments in available-for-sale securities				
Equity securities	15	-	-	15
Investment property	-	-	519	519
Land	-	232	-	232
Asset for which fair value is disclosed				
Investment in associate	432	-	-	432
Liability for which fair value are disclosed				
Debentures	-	7,576	-	7,576

(Unit: Million Baht)

As at 31 December 2019				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Investment property	-	-	384	384
Asset for which fair value is disclosed				
Investment in associate	662	-	-	662
Liability for which fair value are disclosed				
Debentures	-	4,653	-	4,653

(Unit: Million Baht)

As at 31 December 2018				
Separate financial statements				
	Level 1	Level 2	Level 3	Total
Asset measured at fair value				
Investment property	-	-	384	384
Asset for which fair value is disclosed				
Investment in associate	432	-	-	432
Liability for which fair value are disclosed				
Debentures	-	3,936	-	3,936

54. Risks of non-life insurance company

54.1 Underwriting risk

The subsidiary has rigorously implemented its underwriting policy to ensure profitable underwriting, underwriting processes undertaken in accordance with the guideline, and effective cost management. In addition, the subsidiary also carries out the following risk assessment procedures to be prepared for the risk.

1. To mitigate risk with respect to incidents that are very likely to occur and of high severity, the subsidiary may reject underwriting of insurance, or apply the highest premium rate, or add limitations, loss deduction, or exceptions for high risk coverage.
2. To reduce risk with respect to incidents that are very likely to occur but of low severity, the subsidiary may accept underwriting of insurance, provided that conditions, limitations, or exceptions for high risk coverage are added, or that a procedure to be carried out by the insured to reduce the probability of losses in the future is specified.

3. To distribute risk with respect to incidents that are not likely to occur and of low severity, the subsidiary underwrites insurance for such incidents in a high proportion of total insurance underwriting, and cedes the insurance according to reinsurance contracts or governing laws and regulations.

In the case where the subsidiary's ability to take risks is limited, the subsidiary is to transfer the risks to established reinsurers that have reinsurance capacity and expertise in the areas of treaty reinsurance, facultative reinsurance, and whole account excess of loss reinsurance treaty.

The subsidiary also puts in place the following policies.

- Establishment of a basis for determination of sum insured, coverage and conditions for underwriting corresponding to level of risk.
- Arrangement for reinsurance required in the case where the subsidiary does not have the capacity to provide full coverage of the sum insured in accordance with the OIC's requirement which specifies that the subsidiary is not to take more the risks worth more than 10% of its available capital.
- Selection of an established reinsurer with credit rating of A or above and not lower than credit rating of B, according to the ratings issued by S&P or A.M. Best.
- Assignment of persons responsible for procedures with respect to review of insurance underwriting for accuracy and completeness, and authorised person for each level of sum insured approval.

Insurance contract liabilities can be classified by insurance type as follows:

(Unit: Million Baht)

	2019			2018		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	1.00	(0.74)	0.26	0.23	(0.14)	0.09
Marine and transportation	1.72	(1.36)	0.36	0.23	(0.19)	0.04
Motor	161.83	(81.87)	79.96	81.13	(33.04)	48.09
Personal accident	9.44	(7.91)	1.53	5.93	(4.80)	1.13
Miscellaneous	14.96	(10.40)	4.56	12.80	(4.51)	8.29
Total	188.95	(102.28)	86.67	100.32	(42.68)	57.64

(Unit: Million Baht)

	2019			2018		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	0.03	(0.01)	0.02	0.01	-	0.01
Marine and transportation	0.53	(0.41)	0.12	0.53	(0.41)	0.12
Motor	203.99	(88.37)	115.62	185.15	(65.27)	119.88
Personal accident	2.99	(1.97)	1.02	2.36	(2.07)	0.29
Miscellaneous	25.03	(14.59)	10.44	23.39	(10.42)	12.97
Total	232.57	(105.35)	127.22	211.44	(78.17)	133.27

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation, which will have impacts on claim liabilities before and after reinsurance. The risk may occur because the frequency and severity of damage, or loss adjustment expenses are not as expected.

As at 31 December 2019 and 2018, the impacts on the best estimates of claims when there are changes to key assumptions are as follows:

(Unit: Million Baht)

	2019				
	Assumption change	Increase (decrease) in gross claim liabilities	Increase (decrease) in net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Ultimate loss ratio	Increase 5%	4.5	2.2	(2.2)	(2.2)
Ultimate loss ratio	Decrease 5%	(4.5)	(2.2)	2.2	2.2
ULAE ratio	Increase 1%	1.6	1.6	(1.6)	(1.6)
ULAE ratio	Decrease 1%	(1.6)	(1.6)	1.6	1.6

(Unit: Million Baht)

	2018				
	Assumption change	Increase (decrease) in gross claim liabilities	Increase (decrease) in net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity
Ultimate loss ratio	Increase 5%	4.6	2.6	(2.6)	(2.6)
Ultimate loss ratio	Decrease 5%	(4.6)	(2.6)	2.6	2.6
ULAE ratio	Increase 1%	1.0	1.0	(1.0)	(1.0)
ULAE ratio	Decrease 1%	(1.0)	(1.0)	1.0	1.0

55. Financial instruments

55.1 Financial risk management

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, other receivable, hire purchase receivables, loans to customers, factoring receivables, loans receivable from purchase of accounts receivable, loans, investments, restricted bank deposits, bank overdrafts and short-term loans from financial institutions, short-term loans, long-term loans, liabilities under finance lease agreements, and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, other receivable, accrued income, short-term investment, short-term loans to related parties, hire purchase receivables, loans to customers, and loans receivable from purchase of accounts receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade accounts receivable, other receivable, accrued income, short-term investment, short-term loans to related parties, hire purchase receivables, loans to customers, and loans receivable from purchase of accounts receivable as stated in the statement of financial position.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, short-term investment, short-terms to related parties, hire purchase receivables, loans to customers, loans receivable from purchase of accounts receivable, restricted bank deposits with interest income, other long-term investment, bank overdrafts and short-term loans from financial institutions, short-term loans, debentures and long-term loans with interest income. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2019							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	126	-	-	161	307	594	0.10 - 2.00
Trade and other receivables	-	-	-	-	318	318	-
Accrued income	-	-	-	-	422	422	-
Reinsurance assets							
Premium receivables	-	-	-	-	39	39	-
Reinsurance assets	-	-	-	-	208	208	-
Short-term investments	280	-	-	-	14	294	0.63 - 2.45
Restricted bank deposits	2	-	-	1	-	3	0.38 - 1.10
Loans to customers	3,030	109	281	-	-	3,140	3.36 - 28.00
Factoring receivables	216	-	-	-	-	216	8.00 - 12.00
Loans receivable from purchases of accounts receivable	-	-	-	7,717	-	7,717	Note 20
Other long-term investments	-	10	-	-	105	115	0.40
<u>Financial liabilities</u>							
Bank overdrafts and short-term							
loans from financial institutions	2,602	-	-	7	-	2,609	2.42 - 6.95
Trade and other payables	-	-	-	-	700	700	-
Insurance contract liabilities							
Insurance contract liabilities	-	-	-	-	422	422	-
Amount due to reinsurers	-	-	-	-	119	119	-
Short-term loans	237	-	-	-	-	237	4.00 - 6.50
Liabilities under finance lease							
agreements	-	1	-	-	-	1	3.62 - 21.20
Long-term loans	-	-	-	1,108	-	1,108	3.65 - 5.60
Debentures	2,726	6,394	-	-	-	9,120	3.92 - 8.09

(Unit: Million Baht)

Consolidated financial statements as at 31 December 2018

	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective
	Within	1-5	Over				interest rate
	1 year	years	5 years				(% per annum)
<u>Financial assets</u>							
Cash and cash equivalents	148	-	-	808	375	1,331	0.10 - 2.00
Trade and other receivables	-	-	-	-	352	352	-
Accrued income	-	-	-	-	502	502	-
Reinsurance assets							
Premium receivables	-	-	-	-	40	40	-
Reinsurance assets	-	-	-	-	121	121	-
Short-term investments	198	-	-	-	38	236	0.65 - 3.88
Restricted bank deposits	2	-	-	1	-	3	0.38 - 1.38
Loans to customers	3,426	43	-	-	14	3,483	3.32 - 28.00
Factoring receivables	239	-	-	-	-	239	7.25 - 12.00
Loans receivable from purchases of							
accounts receivable	-	-	-	5,709	-	5,709	Note 20
Other long-term investments	-	5	-	-	92	97	1.26
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans							
from financial institutions	3,086	-	-	60	-	3,146	2.50 - 6.25
Trade and other payables	-	-	-	-	977	977	-
Insurance contract liabilities							
Insurance contract liabilities	-	-	-	-	312	312	-
Amount due to reinsurers	-	-	-	-	71	71	-
Liabilities under finance lease							
agreements	-	1	-	-	-	1	3.62
Long-term loans	-	-	-	1,737	-	1,737	3.10 - 5.25
Debentures	1,866	5,689	-	-	-	7,555	3.92 - 7.66

(Unit: Million Baht)

Separate financial statements as at 31 December 2019

Separate financial statements as at 31 December 2016							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	1	1	2	0.10 - 0.37
Trade and other receivables	-	-	-	-	3	3	-
Short-term loans to subsidiaries	2,785	-	-	-	-	2,785	4.50 - 4.57
Accrued income	-	-	-	-	4	4	-
<u>Financial liabilities</u>							
Bank overdrafts and short-term loans							
from financial institutions	500	-	-	-	-	500	2.87 - 4.32
Trade and other payables	-	-	-	-	44	44	-
Shor-term loans from subsidiaries	30	-	-	-	-	30	3.18
Long-term loans	-	-	-	43	-	43	3.67
Debentures	989	3,631	-	-	-	4,620	4.14 - 4.66

(Unit: Million Baht)

Separate financial statements as at 31 December 2018

	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
Financial assets							
Cash and cash equivalents	-	-	-	3	12	15	0.10 - 0.38
Trade and other receivables	-	-	-	-	9	9	-
Short-term loans to subsidiaries	3,185	-	-	-	-	3,185	4.58
Accrued income	-	-	-	-	5	5	-
Financial liabilities							
Bank overdrafts and short-term loans							
from financial institutions	600	-	-	-	-	600	2.82 - 6.25
Trade and other payables	-	-	-	-	40	40	-
Short-term loans from subsidiaries	605	-	-	-	-	605	4.53 - 4.58
Long-term loans	-	-	-	242	-	242	3.67
Debentures	949	2,983	-	-	-	3,932	3.92 - 4.66

Interest rate swap transaction agreements

The Company has the detail of the interest rate swap agreements outstanding as at 31 December 2018 as follow:

As at 31 December 2018				
	Principal amount	Interest Revenue Rate Swap agreement	Interest Expense Rate Swap agreement	Termination date
1	Baht 500 million	Floating rate 6-month THBFIX plus 1.35%	Fixed rate 3.40%	December 2019

55.2 Fair values of financial instruments

Since the majority of the Group's financial instruments is carrying interest at rates close to the market interest rates, their fair value except debentures are not expected to be materially different from the amounts presented in statement of financial position. The estimated fair value of debentures, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	As at 31 December 2019		As at 31 December 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liability				
Debentures	9,120	9,212	7,555	7,576

(Unit: Million Baht)

	Separate financial statements			
	As at 31 December 2019		As at 31 December 2018	
	Carrying		Carrying	
	amount	Fair value	amount	Fair value
Financial liability				
Debentures	4,620	4,653	3,932	3,936

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade accounts receivable and other receivables, hire purchase receivables, loans to customers, factoring receivables, loans receivable from purchase of accounts receivable, loans, bank overdrafts and short-term loans from financial institutions and short-term loans their carrying amounts in the statement of financial position approximate their fair value.
- For equity securities, their fair value is generally derived from quoted market prices, or based on generally accepted pricing models when no market price is available.
- For unit trusts, their fair value is determined from their net asset value per unit as announced by asset management companies.
- For hire purchase receivables and loans to customers, their fair value stated net of unearned interest income and allowance for doubtful accounts.
- Loan receivable from purchase of accounts receivable, their fair value is estimated by discounting expected future cash flow by the effective interest rate, net of allowance for doubtful accounts.
- For fixed rate long-term loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- For long-term loans carrying interest approximate to the market rate, their carrying amounts in the statement of financial position approximates their fair value.

- h) The methods and assumptions used by the Group in estimating the fair value of debentures are based on the latest yield rate quoted by the Thai Bond Market Association as of the date of the statement of financial position or the discounted cash flow method. The discount rate is based on the prevailing rates of return as of the end of reporting period for debentures having substantially the same terms and characteristics.

During the current year, there were no transfers within the fair value hierarchy.

56. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio was 2.89:1 (2018: 3.13:1) and the Company's was 1.56:1 (2018: 1.93:1).

57. Events after the reporting period

The Company

On 5 February 2019, the meeting of the Board of Directors of the Company passed a resolution to offer of 28 million ordinary shares of JMT Network Services Public Company Limited (JMT) in big lot, equivalent to 3.1% of issued and fully paid ordinary shares of JMT. As a result of the share disposal, the Company's interest in JMT decreased from 55.81% to 52.66%.

On 26 February 2020, the meeting of the Board of Directors of the Company passed the following resolutions:

- Approved to propose to the Annual General Meeting of shareholders that dividend in respect of the operating results in 2019 at Baht 0.50 per share. The Company have paid an interim dividend at Baht 0.2608224 per share, therefore remaining dividend to be paid of Baht 0.2391776 per share. The dividend will be paid on 8 May 2020
- Approved a decrease in the Company's registered share capital from Baht 906,612,007 to Baht 906,608,710 by canceling Baht 3,297 (3,297 ordinary shares of Baht 1 each) of registered shares that had not yet been allocated.
- Approved an increase in the Company's registered share capital from Baht 906,608,710 to Baht 1,108,077,312 by issuing Baht 201,468,602 of additional ordinary shares (201,468,602 shares of Baht 1 each) to support the reserve for the issuance of warrants.

- Approve the issuance of warrant No.3 of The Company (JMART-W3) with free of charge to be allocated to the shareholders who subscribed for newly issued ordinary shares of not exceeding 100,734,301 shares in the ratio of 9 ordinary shares to 1 units of warrant.
- Approve the issuance of warrant No.4 of The Company (JMART-W4) with free of charge to be allocated to the shareholders who subscribed for newly issued ordinary shares of not exceeding 100,734,301 shares in the ratio of 9 ordinary shares to 1 units of warrant.
- Approve to provide financial support to JAS Asset Public Company Limited in form of loan amounting to Baht 100 million.

The subsidiaries

JMT Network Services Public Company Limited

On 26 February 2020, the meeting of the Board of Directors of JMT Network Services Public Company Limited (JMT) passed the resolution to propose to the Annual General Meeting of shareholders for approval the payment of a dividend in respect of the operating results in 2019 at Baht 0.58 per share. JMT have paid an interim dividend at Baht 0.25 per share, therefore remaining dividend to be paid of Baht 0.33 per share. The dividend will be paid on 8 May 2019.

JAS Asset Public Company Limited

On 24 January 2020, the meeting of the Board of Directors of JAS Asset Public Company Limited (J) passed a resolution to approved the incorporation of a new subsidiary, J Appraisal Company Limited (JAP), with a registered share capital of Baht 2,000,000, comprising 200,000 ordinary shares of Baht 10 each, in which J will hold 99.99% of its registered share capital. Its business is property valuation services. JAP received full payment of such shares and registered its share capital with the Ministry of Commerce in 31 January 2020.

On 25 February 2020, the meeting of J's passed a resolution to propose to the Annual General Meeting of shareholders of J's passed a resolution to approve the following matters.

- Approve an investment in the construction of new community mall with project value of Baht 615 million.
- Consider to obtain financial support from the Company in form of loan amounting to Baht 100 million.

- Propose to the Annual General Meeting of J's shareholders to approve a decrease in J's registered share capital from Baht 1,082 million to Baht 994 million by cancelling 88 million of registered shares that had not yet been allocated totaling Baht 88 million.

58. Reclassification

The Group reclassified certain accounts in the consolidated financial statements for the year ended 31 December 2018 to conform to the current period's classification. The reclassifications had no effect to previously reported loss or shareholders' equity.

The Group have reclassified certain accounts as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2018			
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Sales	-	9,235,511	-	-
Service income from debts collection and others	-	2,613,057	-	-
Rental and service income	-	615,288	-	86,394
Revenue from contract with customers	9,609,614	-	-	-
Interest income from loans receivable from purchase of accounts receivable and loans to customers	2,067,473	-	-	-
Gain on loans receivable from purchase of accounts receivable	267,999	-	-	-
Rental income	518,770	-	86,394	-
Cost of rental	-	-	50,108	40,984
Administrative expenses	-	-	134,777	143,901

59. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2020.