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ANNUALREPORT2012

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED



VISIONS INTEGRATED SERVICE AND PROFESSIONAL MANAGEMENT
IN DEBT FOR CUSTOMER PERFECT NEED

- MISSIONS
- Leading services in debt management
 - Ready in to providing the most satisfactory quality services to earn our customer lifetime loyalty.
 - Being good corporate governance with responsibility towards ours shareholders, business partners employee and society.

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Financial Highlights

source: Company financial statement

UNIT : Mil.Baht

	2011	2012
Operating result and financial position		
Total revenue	323.53	390.43
Gross profit	154.67	206.86
Net profit	66.96	112.64
Total assets	426.11	739.30
Total liabilities	240.10	116.38
Total shareholders' equity	186.00	622.92
Key Financial Ratio		
Net Profit Margin (%)	20.68%	28.72%
Return on Shareholders' equity (%) (ROE)	36.00%	18.08%
Return on total assets (%) (ROA)	15.71%	15.24%
Earnings per share (Baht/share) (EPS)	0.66	0.58

source: Consolidated financial statements

UNIT : Mil.Baht

	2011	2012
Operating result and financial position		
Total revenue	323.53	393.74
Gross profit	154.67	206.45
Net profit	66.93	109.83
Total assets	426.10	738.00
Total liabilities	240.10	117.92
Total shareholders' equity	186.00	620.08
Key Financial Ratio		
Net Profit Margin (%)	20.67%	27.84%
Return on Shareholders' equity (%) (ROE)	35.99%	17.71%
Return on total assets (%) (ROA)	15.71%	14.88%
Earnings per share (Baht/share) (EPS)	0.66	0.56

Notes: ROE : Return On Equity
 ROA : Return On Assets
 EPS : Earnings Per Share

Letter from the Board of Directors

Attention Shareholders

In the year 2012, the company has a status as a listed company on the Stock Exchange of Thailand. With a net profit increase of 109.84 from the year 2011, 64 percent, it is considered to be the best recorded income and net profit, since the beginning of the credit monitoring business operation and is in accordance with the target set.

Due to the business of the company has the ability to make profit, regardless of the condition of the economy, therefore the company has foreseen the opportunities and aims to invest in Non-performing debt in order to manage. The debt purchased for service including retail banking of type personal loans and credit card, as well as the plan to purchase the debt on the leasing group of type auto loans.

In addition, the company also focuses on the collection efficiency and quality of the services in the reorganization of the debt with the client under the practice guideline of the Bank of Thailand. There are still many business opportunities for debt monitoring and the company is not stationary to develop a continuous and sustainable growth in the future.

With this opportunity JMT wishes to thank our shareholders, customers, business alliance, management and all the staffs who participated in and supporting JMT. JMT will assure all of you that JMT will operate business professionally and develop the ability of the enterprise continuously and concurrently with the Social responsibility policy, maintaining as a good role model for society, in order for the people in the society to have a better quality of life forever.



Mr. Adisak Sukumwittaya

(Chairman of The Board)



Mr. Piya Pong-Acha

(Chairman of The Executive Committee)

Board of Directors and Management Information



Board of Directors and Management Information

Mr. Adisak Sukhumvittaya

Age 56 Years

Position in the Company Chairman of The Board

Education

Master of Economic Kasetsart University

Bachelor of Economic Kasetsart University

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present Chairman of the Board JMT Network Services Public Company Limited

1994 – 2012 Director JMT Network Services Public Company Limited

Other Businesses

1990 – Present Director and Chief Executive Officer JMART Public Company Limited

2004 – Present Chairman of Executive Board member JMART Public Company Limited

2012– Present Chairman of the Board JAS Asset Company Limited

2002 – 2005 Director T.A.S Asset Company Limited

1995– Present Director Singh buri Cable T.V Company Limited

1995 –Present Director JMART TAKSIN Company Limited

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 Yuwadee Pong-Acha

Age 56 Years

Position in the Company Director of the Company
Chairman of Executive Board member

Education

Master of Business Administration Bridgeport University, U.S.A

Bachelor of Political Science Thammasart University

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present Chairman of Executive Board member JMT Network Services Public Company Limited

1994–Present Director JMT Network Services Public Company Limited

2007– 2011 Managing Director JMT Network Services Company Limited

Other Businesses

2011–Present Chairman of the Board JMT PLUS Company Limited

1990–Present Director JMART Public Company Limited

2004–Present Executive Director and Deputy Chief Executive JMART PUBLIC COMPANY LIMITED

2012–Present Director JAS ASSET COMPANY LIMITED

2002–Present Director T.A.S ASSET COMPANY LIMITED

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.Piya Pong-Acha**Age 41 Years**

Position in the Company Director
 Executive Director
 Chief Executive Officer

Education

Bachelor of Management Kasembundit University

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present Director, Executive Director and Chief Executive Officer
 JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

1998– 2012 Director of Marketing JMT NETWORK SERVICES COMPANY LIMITED

Other Services

2011–Present Director JMT PLUS COMPANY LIMITED

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. Ladda Waruntarakul**Age 49 Years**

Position in the Company Director
 Executive Director

Education

Master of Business Administration in Accounting Ramkhamhaeng University
 Bachelor of Business Administration in Accounting Ramkhamhaeng University

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present Director and Executive Director
 JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

Other Businesses

2011–Present Director JMT PLUS COMPANY LIMITED

2004–Present Acting Director of Finance and Accounting JMART PUBLIC COMPANY LIMITED

2012–Present Director JAS ASSET COMPANY LIMITED

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. Rerngchai Ingkapakorn**Age 56 Years**

Position in the Company Directors (Independent Director)
Chairman of the Audit Committee

EDUCATION

Master of Business Administration	University of Phoenix, U.S.A
Bachelor of Business Administration in Finance	San Francisco State University, U.S.A

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present Director and Chairman of the Audit Committee
JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

Other Businesses

2010–Present Supply chain performance manager And development manager
SIAM CITY CEMENT PUBLIC COMPANY LIMITED

2004– 2010 Geocycle manager SIAM CITY CEMENT PUBLIC COMPANY LIMITED

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. Preecha Prakorbkiij**Age 63 Years**

Position in the Company Director (Independent Director)
Director of the Audit Committee

Education

Bachelor of Business Administration in Finance	Roosevelt University, U.S.A
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Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors
Audit Committee Program (ACP) of Thai Institute of Directors

Experience

2012–Present Director and Director of the Audit Committee
JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

Other Businesses

2011–Present	Advisory Director	Amway Company Limited (Thailand)
1989– 2011	Managing Director	Amway Company Limited (Thailand)

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. Kanchit Kawaachart

Age 47 Years

Position in the Company

Director (Independent Director)

Director of the Audit Committee

Education

Master of Business Administration

University of Missouri,U.S.A

Bachelor of Architecture

King Mongkut's Institute of Ladkrabang

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present

Director and Director of the Audit Committee

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

Other Businesses

2005–Present

Director and Vice President Chief Financial Officer Investment and Business Development

WORK POINT ENTERTAINMENT PUBLIC COMPANY LIMITED

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

Background of Board of Directors

Mr. Piya Phong-Acha (As per the above details)

Mr. Suphot Wanna

Age 37 Years

Position in the Company Executive Director
Executive Director of Finance and Accounting

Education

Master of Management	Sriprathum University
Bachelor of Financial Economics	Ramkhamhaeng University

Director Role and duty training

Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012–Present	Executive Director and Executive Vice President of Accounting and Finance JMT NETWORK SERVICES PUBLIC COMPANY LIMITED
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Other Services

2011–Present	Director	JMT NETWORK SERVICES COMPANY LIMITED
2012–Present	Director	JAS ASSET COMPANY LIMITED
2001–Present	Financial Controller	JMART PUBLIC COMPANY LIMITED

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. Suthirak Trichiraarporn

Age 36 Years

Position in the Company Executive Director.
Senior Manager in Marketing and Sales

Education

Bachelor of Business Administration in Marketing Bangkok University

Director Role and duty training

- NIL -

Experience

2012–Present	Managing Director	JMT NETWORK SERVICES PUBLIC COMPANY LIMITED
2001–Present	Senior Manager in Marketing and Sales JMT NETWORK SERVICES PUBLIC COMPANY LIMITED	

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. Wongsakorn Kittitrakulkarn**Age 37 Years****Position in the Company Managing Director**

Senior Manager in Accounting and Finance

Education

Bachelor of Accounting

Dhurakij Pundit University

Director Role and duty training

- NIL -

Experience

2012–Present

Managing Director

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

2009–Present

Senior Manager in Accounting and Finance

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

Other Businesses

2007– 2009

Accounting Manager

JMART PUBLIC COMPANY LIMITED

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 Waraporn Pornpitakyothin**Age 47 Years****Position in the Company**

Senior Manager of Operations

Education

Bachelor of Political Science

Ramkhamhaeng University

Director Role and duty training

- NIL -

Experience

2003–Present

Senior Manager of Operations

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

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

J M T Network Services Public Company Limited

Symbol :	JMT
Head Office :	325/7 Jaymart Bldg., 4 – 6 th Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone :	0-2308-9999
Fax :	0-2308-9900
Company Registered Number :	0107555000074
Website :	www.jmntnetwork.co.th
Type of Business :	Debt collection services , distressed debt management, and car loan provider
Registered Capital :	300,000,000 Baht
Paid-up Capital :	300,000,000 Baht

Subsidiary company

JMT Plus Company Limited

Head Office :	325/7 Jaymart Bldg., 4 th Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone :	0-2308-9999
Fax :	0-2308-9928
Company Registered Number:	0105554042308
Website :	-
Type of Business :	Debt collecting business
Registered Capital:	50,000,000 Baht
Paid-up Capital:	50,000,000 Baht

Auditor

Mrs. Sumalee chokdeeanan Certified Public Accountant (Thailand) No. 3322
Grant Thornton Ltd.

87/1 Capital Tower, All Seasons Place, 18th Floor, Wireless Road, Lumpini, Pathumwan Bangkok 10330
Tel: 0-2654-3330 Fax: 0-2654-3339

Legal Consultant

Thep Co.,Ltd
1193 EXIM Building, 11th Floor, Room 1107-1108, Phaholyothin Rd, Samsennai, Phayathai Bangkok 10400
Telephone: 0-2278-1683-84 Fax: 0-2271-2367,0-2271-2587

Nature of the Business

1. Nature of the Business

1.1 The History and Key Development

The company was established in 1994 with registered capital of 5 million baht paid by JMART group. To operate business in servicing for tracking and collection of debts, sue to investigate property and compulsory execution across Thailand. The JMART group has the experience and expertise being a result from the business operation of distributing various brands of electronic appliances, prior to entering the mobile phone business. Later, the company has expanded to distressed debt management business and car loan services, respectively.

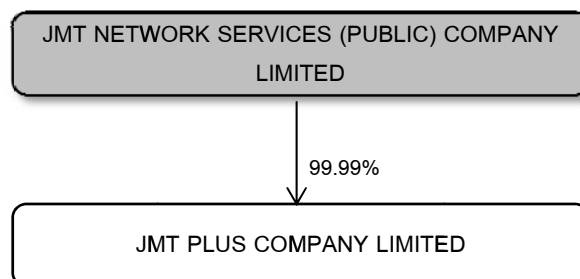
Background and key developments are summarized as follows

Year	Key Development
1994	The company was established to operate business in servicing for tracking and collection of debts, sue to investigate property, compulsory execution across Thailand with a paid registered capital of 5 million baht, divided into 50,000 shares with a par value per share of 100 Baht
2006	Expand into Non-performing debt management business. By buying the first group of distressed debt to manage and track
2011	Established subsidiary company, buy more Non-performing debt and expand to car leasing - Establishment of a subsidiary company, JMT Plus Co., Ltd. ("JMT Plus" or the "Subsidiary Company"). The Company holds 100 per cent to accommodate the new business in the future. - Beginning the car loan service by in the first phase focused on lending to individual customers for used cars of personal cars
2012	- The Company was converted into a public limited company and changed its name to JMT Network Services (Public) Company Limited on Apr. 19, 2012. - Change in the par value of the shares, from the par value per share of 100 baht to the par value per share of 1 baht and a capital increase of 120 million baht to 300 million baht. - Increase of Paid-up capital of 105 million shares by Right offering and the registered the increased paid-up capital to 225 million baht on May 14, 2012. - On November 27, 2012 the company was listed on the Stock Exchange of Thailand and offered increased capital shares of 75 million shares and allotted to the shareholders of JMART and offered to the general public. Resulted in currently, the company has a paid-up capital of 300 million shares. The main shareholder group is the main executives, including JMART Public Company Limited, holds approximately 75 percent

1.2 Nature of the Business of the Company and Subsidiary Company

Company Group Structure

As at 31 December 2012, the company has a subsidiary company operating of 1 company, JMT Plus, which the company holds all the shares with a fully paid up registered capital of 1 million Baht.



Business operation of the Company and its subsidiary

Today the company and its subsidiary have operated in 3 core businesses, comprises of debts tracking and collection services, management of Non-performing debt and car loan service.

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, 2012 the company has the amount of debt assigned to track from the employer in the amount of 13,707 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 17 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, 2012, the company has distressed debt under management in the total book value of investments in Non-performing debt – net equivalent to 547.82 million baht.

Car Loan Service Business

The company provides auto leasing service by focusing loans for used cars and second hand cars for individual customers with good payment history and outstanding debt. As foreseeing the business opportunities which gives a high rate of return, even if there is a risk of default by the debtor but there is collateral to cover the risk at an acceptable level. Including that the company has experiences in the business of tracking and collection of debt service, which must investigate, monitor and track and negotiate with the distressed debt client throughout. Therefore we have procedures and expertise in the investigation, analysis and evaluation of an individual debtor prior to granting the loan to each client.

As at December 31, 2012, the company and its subsidiary have the amount of debtor from the leases - net equals to 108.27 million baht.

2.1 Revenue Structure

The revenue structure of the company according to the consolidated financial statements, segmented according to the business for the years 2010-2012, comprises of revenues as follows

Consolidated financial statement	For the Year					
	2010		2011		2012	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
Key Business						
Revenue from debt tracking and collection service business	127.14	63.03	108.16	33.40	106.29	26.94
Revenue from Non-performing debt Management business	74.09	36.73	214.93	66.37	279.90	70.95
Revenue from car loan business	-	-	0.44	0.14	7.55	1.95
Total revenue from key business	201.23	99.76	323.53	99.91	393.74	99.80
Other revenues	0.48	0.24	0.30	0.09	0.78	0.20
Total revenue	201.71	100.00	323.83	100.00	394.52	100.00

Note: ^{1/} Other revenues such as interest receivables

2.2 Goals of the business

The company has goals according to each business type as follows

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 10,000 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 10,000 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.

Car Leasing Business

The Company and its subsidiaries have the aim in expanding the car loan for used car of type personal car and pick-up truck, by focusing and managing as follows

- Expand the service area in Bangkok Metropolitan Region to cover more areas.
- Increase the number of marketing officers and Checker to cover the service area and develop the personnel to be able to service the customer faster and more efficiently.
- Increased marketing officer of the company stationed at the car distribution location which is the target group of the company and establishing of good relationship with the automobile tent operator.
- Evaluation and analysis of quality of customers with care in order to have the minimal bad debt and set a fair credit limit to customers.
- Develop customer database to be up to date and effective and track the customers closely

In the bidding auction to buy distressed debt to manage and the expanding of car loans, the company is expecting to have a fund partially from cash flow from the operations, proceeds from this capital increase and existing support credit limit from Banks currently available.

1. Risk Factor

Risk Factors in operating the business of the company that could affect the return from the investment of the investors significantly and risk prevention guidelines can be summarized as follows

Risk in operating Business

The company operates 3 main types of business such as tracking and collection of debt service business, non-performing debt management and car loan services, which have risk that are different according to the type of business as follows.

1.1.1 Debt tracking and collection service business

1.1.1.1 The risk from the changes in the Non-performing debt management policy and the bargaining power of the employer.

In the past, the employer group has policy to hire a company to track and collect the Non-performing debts, due to the need to reduce the operational burden and cost of tracking and collection. However, presently some employers have modified their policy by proceeding with the tracking and collection of the debt by themselves or sale the Non-performing debt, as employers begin to focus on the debt tracking and collection process or in order to reduce the risk in terms of image of the employer, as well as to reduce the rate of bad debts to total loans of the employer. Making the company is at risk to a loss of revenue from debt tracking and collection service and experiencing personnel management. Furthermore, the debt tracking and collection service business is a business which the employer has the authority to negotiate, meaning that the service fee, characteristic of the portfolio of the debtor employed, volume of debtor employed and the duration period of employment is determined by the employer. Therefore, the employer has the influence in the performance of the company.

The company has foreseen of such risk, hence has issued policies to maintain and improve the quality of services to be in accordance with policies of the employer, with a fair service fee and not increasing the cost to the employer. This including the development of databases and systems modernization in order for the employer to ensure that the company has the capability in tracking and collection of debt, able to keep secret information of the client and do not affect the reputation and image of the employer. Employers are still likely to hire a third party to track and collect debt, in order to reduce the burden of debt tracking and collection themselves. The company has also expanded into the management of Non-performing debt business, in order to reduce the risk of relying on the debt tracking and collection service business and the bargaining power of the employer and making the company able to manage the existing staff more effectively.

1.1.1.2 Risk of competition in the industry

Debts tracking and collection service business is a business with a lot of operators, may result in the competition in term of the commission Rate. Such business is a business which does not use a large investment fund and with business operation structure that is not complex. Therefore the risk that the new business operator will be competing more in the business, which the competitors may be foreign company or

operators of related businesses such as law firms and litigation and Non-performance debt executive. Making the Company may face a highly competitive condition and may affect the performance.

However, the company expects the risk from the competition to be not much. As the employer of the company mainly are commercial banks, financial institutions or large companies which focuses on the properties of the operators, service quality and risk of the image of the employer. The company has a policy in tracking and collection of debts by focusing on the service quality at the competitive prices. With personnel and information systems to store data effectively, while most operators are still small companies with less personnel or lack of debt tracking system to support the services provided to the major employers. The company has experiences in debt tracking and collection and the good relationship that the company has with an employer for more than 17 years, has won the outstanding performance from various employers and for many years in a row. Making the company confident that the company has the capability and able to compete with other operators in the industry.

For the risks that the new operators to enter the competition in the industry has increased. The company expects that such risks are not much, as entering the operation of debt tracking and collection service business has an essential limitation which is, the failure to gain the trust of the employer causing an unequal competitiveness with the existing operators. For the fear that the other related business operator will enter to operate an additional debt tracking and collection Service business, the company expected the litigation law firm to come in but may focus on the law suit rather than the tracking and collection of debt. As opposed to the company which focused on providing the debt tracking and collection services. As for the Non-performance debt executive usually will proceed with the tracking and collection of debt purchased for management, hence focuses on specific types of debt that they have the expertise or managing of such debt. In another word, focuses on debt tracking to promote its core business only. It is expected that the opportunity to have a new, large debt tracking and collection company to compete in the business will not be as much.

1.1.1.2 The risk of litigation arising from the debt tracking

The company is exposed to the risk of litigation lawsuits from debtors arising from the debt tracking and collection of the company, which may cause conflicts with the debtor being tracked.

However, today the Company does not have any lawsuit from debtor groups, as the company provides training and disciplinary measures to supervise the tracking staff in treating debtors with a polite method, and in accordance to the operational standard of the company and the employers. The company hence believes that there is very little chance of being prosecuted.

1.1.1.3 The risk of the operation which may cause a bad image to the society

The company operates the business in debt tracking and collection service, making the negotiations with the debtor may cause dispute or dissatisfaction to the debtor. With regards to some debt collectors in the industry group have acted inappropriately in the debt tracking and collection such as the use of obscene words, tracking and collection in the manner which causes disturbance to the extent of threat. Making the company to be at risk in being accused or categorized of operating the business in appropriately and may cause bad name to the image of the company.

Moreover, the company has strict policies in the tracking and collection of debt in a polite manner and respect to the debtor. The company has specified policy in the contacting for collection period from 8.30 am to 20.00 pm, Monday to Friday and other measures which is in accordance with the practice in debt

collection, issued by the Bank of Thailand. In the past the company has won the trust in the high quality of debt tracking and collection from the employer group. The company has never received a complaint of improper debt collection of the company from employers.

1.1.1.4 The risk of reliance on major customers

The Company operates the business in providing debt tracking and collection service with the revenue from the tracking and collection of debt from the employer who is one of the financial institution for a high ratio of approximately 30 – 40 percent, compared to the revenue from the tracking and collection of debt each year, representing approximately 10 percent of total revenues. In the past the company has a good relationship with such employer, throughout. This is the employer who has been sending the work to the company since 1998 and the company has enter in to an employment agreement to provide debt tracking and collection service for this client, with the term of about 3 years, but there has always been a renewal of the agreement. However, because there are many operators in this business, it is likely that the employer will not renew the contract with the company or turn to enter the agreement partially or all with other of the other patrons. This may affect the revenues of the company, and if the company is unable to find a replacement employer, it may have a negative impact on the company's business in the long run.

However, even if the company has a good relationship with such employer for a long time, the company has foreseen such risk. It focuses on the relationships among a group of former partners and tries to expand the base of the partners more to other partners. This is by, appointing the marketing department to track the information of the target customers group such as financial institutions, personal loan provider groups, loan provider groups and the wholesale service provider groups or direct sale, in order to find the opportunity to present the data on the work of the company. In the past, to open the business opportunity, in the event where the employer wishes to enter into an agreement, partially or all with other mercenary, the company expects that there is not much possibility. As the company can still maintain the excellent service quality to meet the standards set by the employer, in addition, the company has a good debt tracking result, at a reasonable price and competitive level.

1.1.2 Non-profit debts management Business

1.1.2.1 Risk from the investment in the Non-profit debt management

The company operates in the business investing in the purchasing of Non-performing debts from leasing company and financial institutions for collection and tracking of the debt itself. The determination of the bidding price to buy the debt, the company will determine by the type of debt, the quality of each debt, the period of the pending payment and the goal of the debt collection of the company.

However, determining and setting of the purchase price of the Non-performing debt each time, the company has carefully planned and verifying the information of the debt in detailed from the information provided by the seller. Information such as debt collection analysis data, and other information in order to assess the duration and the proportion of money that is expected to be collected by the company, the cost of the operation throughout debt collection period and the rate of return that the company demands. Including the fact that the company has experiences in tracking and collection of debt for a period of up to 17 years, with analysis data of the debt collection history and monitoring of debt collection continuously and consistently. This is by setting up an executive meeting in order to monitor and evaluate the collection result on a weekly basis. Include the finding of a marketing solution or measures to support and motivate the debt collection.

1.1.2.2 Risk of competition in the industry

Management of non-performing debt is a business that still has not much competitors, hence there is a risk that the new operator will enter more into the competition of the business and may result in the competition of the auction price, where the new operator may be foreign companies, or operators of related businesses such as law firms and litigation and debt tracking and collection service provider. In addition, there is the risk that the debt distributor will track the debt themselves or hire the third party to track the debt, instead of selling the debt to a third party.

However, the company expects that there will not be risk that the new operators to enter the competition in the industry increases. As to operate the management of Non-performing debt business has the key essential properties such as, must have an adequate level of funding, have the skills and experiences in considering and determining the purchasing price of the debt and have the capabilities in tracking the debt. Whereby, if the new operator does not have such property, may cause the competitiveness to be unequal to the existing operators. For the case concerning that other related operator will operate the management of Non-performing debt business more, the company expected that the litigation law firm may enter the business, but more likely to focuses on the debt group that required a law suit. However, this is opposed to the company which focuses more on debt for tracking and collection. For tracking and collection operator, usually will proceed with the tracking and collection of debt made available to the employer already.

For the risk that the debt distributor will proceed with the tracking of debt themselves or hire a third party in tracking the debt, instead of the selling of debt to such third party. The company expects that the employer will continue to sell non-performing debts to a third party, as the amount of outstanding loans in the banking system, excluding interbank loans has increased steadily, and sellers (financial institutions or leasing companies) are still in demand for the reduction of cost in the tracking of debt and doubtful debt ratio down.

1.1.2.3 The risk of litigation arising from the tracking of debt purchased for management

The company is exposed to the risk of litigation lawsuits from debtors arising from the tracking and collection of debts that the company purchased for management, the tracking comprises of both that the company proceed on the tracking themselves and hiring of an outsource, which may cause conflicts with the debtor being tracked.

However, in the past the company never has any lawsuit from debtor groups being tracked, as the company provides training and disciplinary measures to supervise the tracking staff in treating debtors with a polite method, and in accordance to the operational standard of the company.

1.1.2.4 The risk of the operation which may cause a bad image to the society

The company operates the business in the management of Non-performing debt, by collection and tracking of debts, in both that the company tracked themselves and hiring of an Outsource, making the negotiations with the debtor may cause dispute or dissatisfaction to the debtor. Making the company to be at risk in being accused or categorized of operating the business in appropriately and may cause bad name to the image of the company.

Moreover, the company has strict policies in the tracking and collection of debt in a polite manner and respect to the debtor. The company has specified policy in the contacting for collection period from 8.30 am

to 20.00 pm, Monday to Friday and other measures which is in accordance with the practice in debt collection, issued by the Bank of Thailand.

1.1.2.5 The risk of reliance on major partners

The company operates business in managing the Non-performing debt by auctioning the debts to manage. Since 2011, the company began to expand to an auctioning of the debts which have a higher value. From the group of debt which has the full debt value of approximately 1,500 million baht, to the group of debt which has the full debt value of approximately 5,000 million baht. Making the amount of debt group purchased to manage per year decreased, but the investment fund in debt per group has increased. This may be considered that the company has the risk on the reliance of both partners. If such partners do not have a policy in selling the Non-performing debt or not inviting the company to auction the Non-performing debt, or not selling the debt to the company, this may impact the new debt that will be manage and affect the operation of the company.

The company believes that a good relationship with such partners, including the qualifications and experiences of the company in the business, making the risk level of the company relatively low, in not being to participate in the auction for the Non-performing debt. However, the company recognizes the risks that may occur if the company did not auction for the debt from both partners, or did not win the auction, hence the company has focused on building a good relationship with all the partners, with analysis and pricing at a competitive bidding and trying to expand its business partners to other partners even more.

1.1.3 Car Leasing

1.1.3.1 Risk of the competition in the industry

Car market is a market with high growth in recent years resulting in the highly competitive car leasing business and result in the higher occurrence of new leasing business operator as well.

However, the company has considered such risk, but expecting that such risk is not so much due to large financial institutions, manufacturers and car dealers will mainly focus on providing loans for new cars. The medium and small sized financial institutions, manufacturers and car dealers will mainly focus on providing loans for used cars to the upper market customers group or grade A clients. The company focuses on providing loans for used cars to middle class and grassroots clients or grade B and C customers.

1.1.3.2 The risk of fluctuations in the interest rates

The main revenue of car loan business comes from the interest received from granting of the loan. The company will charge interest at a fixed rate throughout the lease term at 36-72 periods. While the loan which is the main cost in granting such loan, with fixed interest rates and floating. The duration of the loan does not exceed 12 months and expecting that the interest rates in the market is likely to rise in the short term. Therefore, the value of the loan that the company hold will be adjust down rather than the adjusting down of the loan value, which will impact in the reduction of the differences of the profit margin proportionally.

However, the company is aware of such risk and has plans to seek for financing source with a fixed interest rate, and a longer term in order to be consistent with the nature of the loan. In addition, the company use part of this increased capital fund as a source of capital in providing the car loan service.

1.1.3.3 Risk of Government Policy

Government policies related to automobile business has a direct impact on the car leasing business of the company. The changes in the policy related will have a direct impact on the revenue and results of operations of the company, as the utilization of tax incentives for new car, first car policy that the government announced in 2011. This resulted in the people turning to buy and lease new car more, instead of buying and leasing used cars.

However, although the benefits of such policies are rare and only granting the benefits for a period of time, the company has studied the limitation, verifying and tracking relevant information on a regular basis. To be able to plan the marketing plan and prepare to cope with the government policy which have been changed suitably.

1.2 Management Risk

1.2.1 Therisk of a major influence by the main shareholder on the determination of the management policy

As at December31, 2012 JMRT Public Company Limited ("JMART"), a major shareholder of the Company, hold100 per cent of the total paid-up capital after the capital increase and offered to the public at this time. JMart is still holding the shares in ratio not less than 75 percent of the total paid-up capital. Such holding ratio, resulted in JMART has the power to control, influencing in the decision making and able to control almost all the resolution of the shareholders' meeting, either in the appointment of directors, or approval requiring a majority vote or a 3out of 4 of the shareholders' meeting. Therefore, other shareholders may not be able to collect enough votes in order to investigate and balance on the topic that the shareholder's proposed. In addition, the holding of shares in the concentration condition also causing the opportunity for the company to be takeover by a third party is not able to happen without the consent of JMart, although other group of shareholders will see the opportunity to increase the business value.

However, the company has an Audit Committee who is an independent committee of 3 persons, from all seven directors of the company to increasing the efficiency and transparency in the administration. There is a balance in the power of the committee and a representative of the minority shareholders to monitor management of the executives committee. The company has also hired an internal control system auditor who is a third party and independent, is Ernst & Young Corporate Services Limited ("Ernst & Young" or "E & Y") to monitor and maintain the internal control system and monitor the implementation of the management to be transparent. The performance is independent and comments to the Audit Committee. Furthermore, the committee of the company also recognizes the importance of good corporate governance policies strictly.

1.2.2 The risk of relying on administrators and staff

The business operations of the company, is a business which must mainly dependent on the capabilities and expertise of the management and staff, both in the relationship ties with various businesses in finding its clients and in the administration. In particularly, Mr. Piyaphongachaya, the Chief Executive Officer and Acting Executive Director of Marketing and Sales of the Company, is an experienced person in the business for a long time. He is well known and generally accepted in the tracking and collection and management of debt, which is the key feature in contacting with the customer and the business operation of the company. He is also the one who determine the frameworks and policies in the operation of the business as well.

However, the company is aware of such reliance. Therefore, it has been an increase in decentralizing the management areas to others to reduce the over reliance on the decision of the chief executive officer. There are clear placement of systems and procedures and build a team with the potential to administered and operate, in order for the company to continue effectively.

1.2.3 The risk of financial liquidity

If considered from the ratio related to the liquidity of the company such as the fast rotation liquidity ratio and the ability in payment debt ratio and the relationship of the sources and uses of funds in 2009-2013. The first month of the year 2012 (the details are presented in Part 2, Topic 12, financial position and results of operations), will find that the company has the liquidity at a relatively low level. This may cause a liquidity risk.

However, if considering from the state of business, the Company believes it has sufficient liquidity and able to make the payment due at the end of the year 2012. As nearly all short-term debt of the company are used for investments in purchasing debts for manage and collection. According to the standard of the investment in such debtor account is a long-term asset, but usually the business of the company will receive cash for payments of debt from investments in such accounts on a regular basis, especially in the early stages of debt collection (1-2 years after the purchasing of the debt). The company has executive meeting in order to and evaluate the result of the collection on a weekly basis, including the finding of solutions or marketing measures to support and motivate the collection to be according to the estimation of the company. If the company received a large amount of settlements, the company also has the policy to use such fund to repay the loan ahead of schedule. Therefore, the company uses the short-term loan that can be to be renewed regularly as sources of funds to manage the costs of the Company. The interest rates for short term loan will be based to the Market rate which is lower than the interest rate on long-term loan based on the MLR. In addition, during the 2nd quarter of the year 2012, the company had a cash capital from existing shareholders in the amount of 105 million baht and will receive cash proceeds from the sale offer of common shares to the public and JMART shareholders this time. As a result, the ratio of the long-term fund of the company has increase. Also the company has the ability to borrow more money to repay the debt at maturity if the capital increase is not sufficient. At the end of the 2nd quarter of the year 2012, the Company has been granted an unsecured loan from 2 financial institutions.

Shareholding Structure

1. Common shares

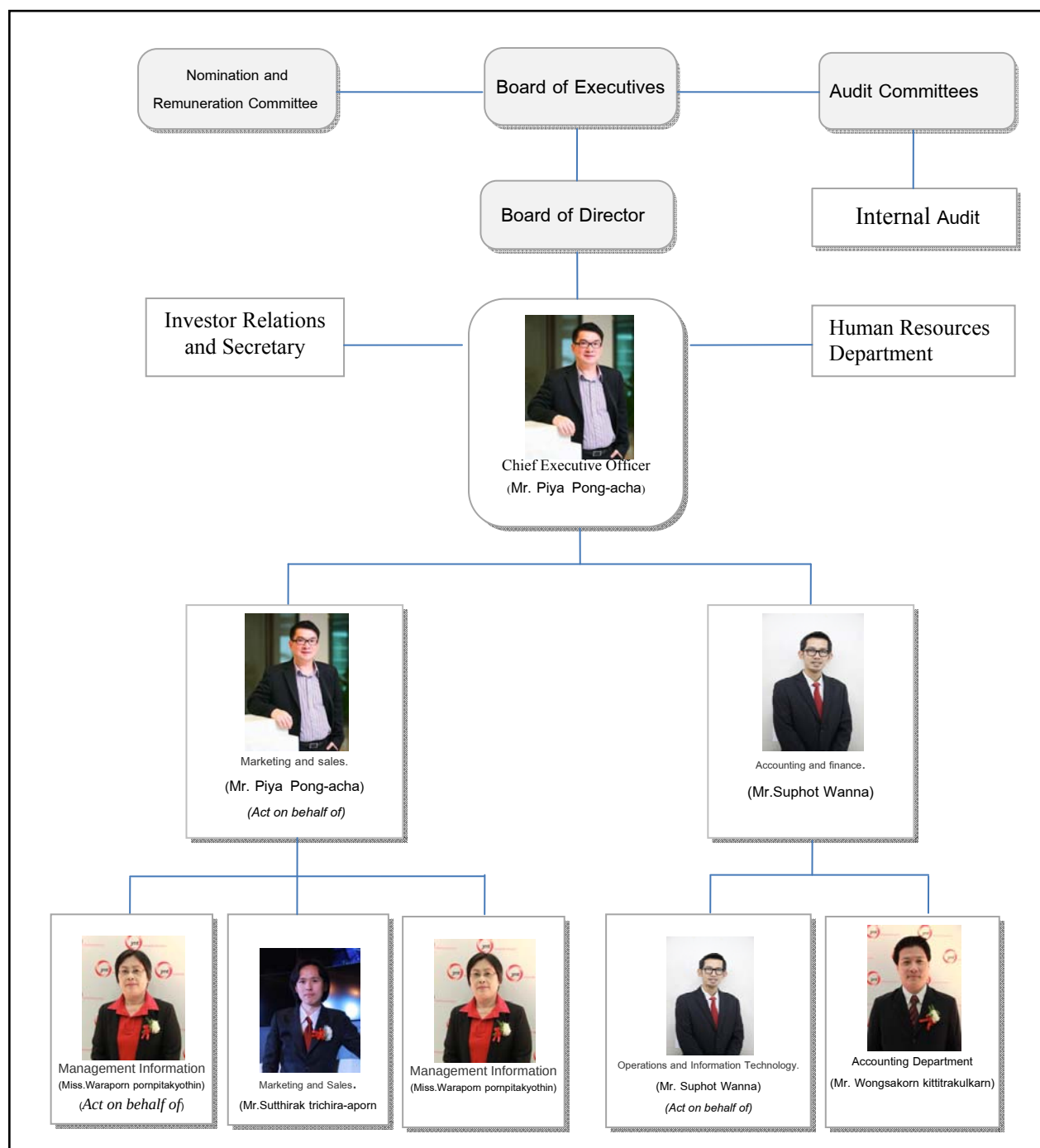
As at Jan 7 2013, name of shareholders and shareholding of the registered and paid-up capital as shown in the share registration book can be summarized as follows.

Name of shareholders	Number of Shares	%
1. Jaymart PLC.	224,999,800	75.00
2. Mrs.Waranee Seriwatthana	3,310,000	1.10
3. Mr.Amonwat Thirakritporn	3,000,000	1.00
4. Mr.Chaiyadet Hongdarom	2,680,045	0.89
5. Mr.Adisak Naknaowathim	2,531,052	0.84
6. Thai NVDR Co., Ltd.	2,179,168	0.73
7. Mr.Suwat Niyomsathian	2,010,000	0.67
8. Miss. Aphiradee Thawilap	1,993,497	0.66
9. Mr.Somphong Chonkhadidamrongkun	1,870,700	0.62
10. Mrs.Supranee Srisutra	1,852,701	0.62
11. Mr.Aphisit Supipat	1,850,000	0.62
12. Mr.Chan Mekkiangkrai	1,770,000	0.59
13. Mr.Somsak Tirakanan	1,769,292	0.59
14. Mr.Somboon Thitisakul	1,680,000	0.56
15. Mr.Terdsak Boonthod	1,500,000	0.50
16. Miss.Rarin Uthakaphan Pancharungroj	1,200,000	0.40
17. Miss. Lamduan Suwanrath	930,000	0.31
18. Mr.Chankit Khongphisannatee	900,000	0.30
19. Mr.Eakkarat Boonngamsri	850,251	0.28
20. Mrs.Angkhana Yangcharoen	801,500	0.27
Total	259,678,006	86.56

Organization Charts

As at December 31, 2012 the Organization charts of the company as follows Board of Director and Committees comprises of 5 sets as follows

1. Board of Executives
2. Nomination and Remuneration Committee
3. Audit Committees
4. Board of Director
5. Management Team



Board of Directors

As at December 31, 2012 the Board of Directors of the company comprises of 7 Directors as follows

- | | | | |
|----|---------------|---------------|--|
| 1. | Mr. Adisak | Sukhumvittaya | Chairman |
| 2. | Miss. Yuwadee | Pong-acha | Director/Chief Executive Officer/
Nomination and Remuneration Committee |
| 3. | Mr. Piya | Pong-acha | Director/ Executive Director/
Nomination and Remuneration Committee |
| 4. | Miss. Ladda | Waruntarakul | Director / Executive Director |
| 5. | Mr. Rerngchai | Ingkapakorn | Chairman of Audit Committee/Independent Director |
| 6. | Mr. Kanchit | Kawaachart | Audit Committee/ Independent Director |
| 7. | Mr. Preecha | Prakorbkij | Audit Committee/ Independent Director
Nomination and Remuneration Committee |
| | Mr. Supoj | Wanna | Secretary to the Board |

Directors who has the authority sign for the company according to the company's certificate

Mr. Adisak Sukhumvitaya or Miss. Yuwadee Pong-acha or Mr. Piya Pong-acha to signed together with Miss Ladda Waruntarakul, in total of 2 persons and Seal of the company.

Scope of authority and responsibilities of the Board of Directors of the company are as follows

- Administered and operate the business of the company to be in accordance with the laws, objectives and regulations of the company, including the resolution of the shareholder's meeting with integrity and carefully protected the interests of the company.
- Has the power to appoint a number of directors and / or the management of the company as the management, to execute one or many, to perform as assigned by the board. As well as the authority to appoint Chief Executive Officer and other committee such as Nomination and Remuneration Committee as appropriate. Including the power to appoint and authorize any other person to perform any execution for the board by being under the control of the board and has the authority to revoke, cancel, amend or change such authority as sees suitable.
- Determining of target, approach, operating plan, policy and the budget of the company, including the supervision of the management and administration of the management or of any individual assigned to operate such work to be in accordance to the policy given by the board.
- Reconsider, verify and authorized policy, direction, strategy, business operation plan and mega investment project of the company proposed by the management.
- Monitoring the performance to be in accordance with the plan and budget consistently.
- Consider authorizing the investment in the expansion of the business, including entering into a joint venture with other business operator or invest in the company or other business.
- Determine the policy, direction, and strategy in supervising and managing the work of the subsidiary and/or its affiliates.
- Determine various regulation of the company.

Determine and authorize other key business relating with the company, or that sees suitable to perform such process, in order to benefit. Except the authority to perform as follows, shall be done only upon the receiver of an authorization from the shareholder's meeting first. Moreover, in the event where the procedure of any topic that any Directors or the authorized person from the director or person who may be in conflict (according to the announcement of Stock Exchange Commission and Stock change market and / or stock exchange market), with interest, or any other beneficial conflict with the company, and /or subsidiary company and/ or related company, such director or authorized person, does not have any authority in authorizing any operation in such item.

- A) Any issue that is specified by the law to receive a resolution from the shareholder's meeting.
- B) Any issue that the Director has an interest and is within the scope of law or specified by the stock exchange market, specified to must receive an authorization from the shareholder's meeting such as an operation procedure on the issue that is related, acquiring or distribution of essential asset of the company according to the criteria of the stock exchange market

The following issue must receive an agreement from the board meeting with the majority vote from the director attended and from the shareholder's meeting with the vote of no less than 3 in 4 of all the votes of the shareholder attended and has the rights to vote.

- (a) Selling or transferring all or some essential part of the business of the company
- (b) purchasing or receive of transfer of business of other company or private company to be owned by the company.
- (c) Making, amend or terminate of agreement related to the business leasing of the company, all or some essential part, appointing other individual to manage the business of the company or merging of business with other individual with the purpose to divide the profit and loss.
- (d) Amendment of memo or regulations
- (e) Capital increase, Capital decrease, issuance of debenture
- (f) Merging of business or quit the company
- (g) Any practice specified under the term of law of securities and /regulation of the stock exchange market, to must receive and agreement from the board meeting and the shareholder's meeting with the vote score as mentioned earlier.

Therefore, any issue that the director or an authorized person from the director or individual who may have the conflict, interest or conflict of interest with the company or subsidiary company. The director or the authorized person who has such interest or conflict of interest shall not have the rights to vote in this issue.

Audit Committee

As at December 31, 2012 the Audit Committee consist of 3 directors as follows

1. Mr. Rerngchai Ingkapakorn Chairman of Audit Committee/Independent Director
2. Mr. Kanchit Kawaachart Audit Committee/ Independent Director
3. Mr. Preecha Prakorbkiy Audit Committee/ Independent Director

Miss Chuleewan Hawichit Secretary to the Audit Committee

Mr. Rerngchai Ingkapakorn and Mr. Kanchit Kawaachart are persons who have sufficient knowledge and experience in accounting and finance, to audit the credibility of the financial statement of the company.

Positioning Term of the Audit Committee

Chairman of the Audit Committee and audit committee has the positioning term of 3 years per period. Once the term is reached, Chairman of the Audit Committee and audit committee who is leaving the position according to the term, may receive an appointment to hold the same position again.

Boundary of authority and duty and responsibility of the audit committee are as follows

1. Collate for company. There are correctly financial report and it must be revealed for sufficiency by cooperation with external auditor and administrator which responsible for doing quarter and yearly financial report. Consider about budget and financial report related on standard for account and existent of operation important changing in account policy including to reason of management for determine policy before present to the board of company to published to shareholders and investor.
2. Planning approach and collate for company. There are internal control and internal audit which are appropriate and efficiency by cooperate with external auditor and company's auditor reconsider audit plan of audit plan of company and evaluate result about problems and limitation of audition planning about electronically control for analyzing information and security of information to prevent corruption or using computer in bad ways by staff or outsider and consider about freedom of internal audit to consider about nomination and hiring of auditor and others which responsible for internal audit.
3. Collate of company's operation to be as law about realty and stock exchange requirement of stock exchange or law related to company's business and duty and responsibility according to SEC's requirement also with stock exchange.
4. Consider and present person which has independent to be company auditor and consider about their payment by regard about reliable plenty of asset and quantity of work also experience of auditor and meeting with these auditor yearly without others departments.
5. Consider about all relative list and earning or sale of company 's product including to revealing company's information . In case of list relate on subject that conflict in benefit to be correct and complete and permission to present to committee and/or shareholder of company to be as law determine and ensuring maximum benefit for company
6. Making list of committee's activity and publish to yearly report of company which must have plenty information as law determine and been sign by director of committee the report must have these information
 - opinions of method and publish information in yearly report of company's financial
 - reason to believe that auditor suit for next term.
 - opinion about law enforcement in stock exchange and law relate on company's business
 - Number of audit committee and participation of them
 - opinion from operate by charter

- other report that shareholder should to know under responsibility of company's board and/or to be by law determined

7. Audit committee has responsibility to company's board as given by board including report about their activity.

In these case the committee must report to company's board immediately

- List has conflict to company's benefit
- There are some doubts about corruption in company
- There might be law breaking
- Other thing company should know

If there must be some operation to improve but the committee found ignorance on that activity they might report to SEC office.

8. Committee has right to ask for opinion from advisor in case of needed.

9. Committee has right to ask for information from other department.

10. Operation as the board given such reconsider financial policy and crisis management.

The power of committee aren't including to conclude for their opinion

Nomination and Remuneration Committee

Date 31 December 2555 Nomination and Remuneration Committee consist with 3 persons such

1. Mr. Preecha Prakobkit	CEO
2. Ms. Yuvadee Pong-Acha	Committee
3. Mr. Piya Pong-Acha	Committee
Mr. Suphot Wanne	Secretary

Scope of Authority

1. Determine requirement and policy for nominating CEO Committee and other appropriate.
2. Consider policy and approach in nomination and determine the payment which is money and others for CEO Committee and others to meet the result of company operation.
3. Consider and determine Salary of company administrator also nominate new administrator.
4. Consider about raising staff salary and their bonus and rewards.
5. Operate other task given by company's board.
6. Present 1 – 4 topic to the meeting to consider about to authorize the board of directors and the remuneration Committee will not include power to determine salary. If there are some topic conflict with company's benefit the committee must present to company's board and shared holder to consider later.

Board of Directors.

As at 31 December 2555 the Board of Directors shall consist of 6 members as follows.

- | | | | |
|----|----------------|-----------------|---------------------|
| 1. | Miss. Yuwadee | Phongachaya | President. |
| 2. | Mr. Piya | Phongachaya | Executive Director. |
| 3. | Mr. Suphot | Wanna | Executive Director. |
| 4. | Mr. Sutthirak | trichira-aporn | Executive Director. |
| 5. | Miss. Ladda | Waruntarakul | Executive Director. |
| 6. | Mr. Wongsakorn | kittitrakulkarn | Executive Director. |

Miss. Waraporn pornpitakyothin Secretary to the Board of Directors.

Scope of authority, responsibilities of the Board of Directors are as follows:

1. Supervise the business of the Company shall be in accordance with the regulations, policies, business requirements, regulations, orders and resolutions of the Board of Directors of the Company. And/or resolution of the shareholders of the Company approved.
2. Prepare and present business policy plan's goals and business strategies of the company, the financial plan, annual budget of the company, Human Resource Management, Investment, Expansion, public relations and information technology investments. To present to the Board of Directors is authorized to determine further and implementation of the policies of the Board of Directors of the Company.
3. Approve and authorize the disbursement approval for procurement of assets, buy distressed debt, service, and other transactions for the benefit of the company. The approval authority will be granted normal trade items with each item does not exceed the limit of 150 million or equivalent. The Board of Directors may revoke or change the authorized person or the authority, as appropriate.
4. The authority to approve the loan, investment in Treasury securities or bank guarantee, a loan from a financial institution or bank guarantees for the benefit of the business in terms of its normal business including a bank guarantee or payment to the normal business of the company with a limit of less than or equal to 350 million
5. Adopting the policy of the Board to determine the direction of approach to main task for mission management.
6. Controls, monitoring the performance of management and the management and recommend solutions to various problems. For the management and implementation of management strategies and master plans laid out to accordance with the policies of the Board.
7. Order regulations and memorandum of understanding for internal use. To ensure that the operations of the Company in accordance with policy and the interests of the company and to maintain discipline within the organization.
8. Moderation, balance sheet and profit and loss account to the Board for approval of the shareholders.
9. Prepare a report on the results of operations of the Company including financial statements, Investment statements, significant problem or risk management for the Board of Directors acknowledge and/or approval.
10. Provide advice and consult to the Board of Directors for the company's business decisions.

Determine and authorize other key business relating with the company, or that sees suitable to perform such process, in order to benefit. Except the authority to perform as follows, shall be done only upon the receiver of an authorization from the shareholder's meeting first. Moreover, in the event where the procedure of any topic that any Directors or the authorized person from the director or person who may be in conflict (according to the announcement of Stock Exchange Commission and Stock change market and / or stock exchange market), with interest, or any other beneficial conflict with the company, and /or subsidiary company and/ or related company, such director or authorized person, does not have any authority in authorizing any operation in such item.

- A) Any issue that is specified by the law to receive a resolution from the shareholder's meeting.
- B) Any issue that the Director has an interest and is within the scope of law or specified by the stock exchange market, specified to must receive an authorization from the shareholder's meeting such as an operation procedure on the issue that is related, acquiring or distribution of essential asset of the company according to the criteria of the stock exchange market

The following issue must receive an agreement from the board meeting with the majority vote from the director attended and from the shareholder's meeting with the vote of no less than 3 in 4 of all the votes of the shareholder attended and has the rights to vote.

- (a) Selling or transferring all or some essential part of the business of the company
- (b) purchasing or receive of transfer of business of other company or private company to be owned by the company.
- (c) Making, amend or terminate of agreement related to the business leasing of the company, all or some essential part, appointing other individual to manage the business of the company or merging of business with other individual with the purpose to divide the profit and loss.
- (d) Amendment of memo or regulations
- (e) Capital increase, Capital decrease, issuance of debenture
- (f) Merging of business or quit the company
- (g) Any practice specified under the term of law of securities and /regulation of the stock exchange market, to must receive and agreement from the board meeting and the shareholder's meeting with the vote score as mentioned earlier.

Therefore, any issue that the director or an authorized person from the director or individual who may have the conflict, interest or conflict of interest with the company or subsidiary company. The director or the authorized person who has such interest or conflict of interest shall not have the rights to vote in this issue.

Compensation of Directors and Executive Director.

For year 2555 the General Meeting of Shareholders 1/2555 on April 12, 2555 Compensation Committee approved a budget of less than 5,000,000 Baht. The Chairman of Audit Committee and the Audit Committee received remuneration as directors.

List	Position	Year 2555
1. Mr. Adisak Sukhumwittaya	Chairman of the board	200,000
2. Miss. Yuwadee Pong-acha	Committee	80,000
3. Mr. Piya Pong-acha	Committee	80,000
4. Mrs. Manee Soonthornwathin	Committee	-
5. Miss. Ladda Waruntarakul	Committee	80,000
6. Mr. Rerngchai Ingkapakorn	Chairman of Audit Committee/ Independent Director	200,000
7. Mr. Kanchit Kawaachart	Audit Committee/ Independent Director	120,000
8. Mr. Preecha Prakorbkij	Audit Committee/Independent Director	120,000
Total amount paid		880,000

Note

^{/1} Mrs. Manee Soonthornwathin has been resigned as a director of the Company. Board of Directors Meeting No. 2/2555 on February 9, 2555.

^{/2} Miss. Ladda Waruntarakul has been appointed to the Board of Directors. Board of Directors Meeting No. 2/2555 on February 9, 2555.

^{/3} Mr. Rerngchai Ingkapakorn and Mr. Kanchit Kawaachart has been appointed to the Audit Committee / Independent Director JMT Network Services Limited from Board of Directors Meeting No. 2/2555 on February 9, 2555 and the Extraordinary General Meeting of Shareholders. the JMT Network Services limited No. 1/2555 on February 23, 2555.

In addition, the Board of Directors Meeting No. 4/2555 on May 10, 2555 has approved the detailed remuneration within 5,000,000 baht by separate allowances for the quarter (at 8 times per year) and meeting for the first time. In addition to the quarterly meetings.

Position	Quarterly allowances (Baht)	allowances/man/time In case of more than 8 times. (Baht)
Chairman of the board	50,000	20,000
Committee	20,000	10,000
Chairman of Audit Committee	50,000	20,000
Audit Committee	30,000	15,000

9.1.1 Board

Total compensation of the 5 executives for the period ended December 31, 2012 was 6,055,025 Baht which consists of salary, bonuses and other, such as commissions, compensation for the transportation expenses for social security, money fund, and other income. The Board of Directors is the Executive Director and Chief Executive Officer of the Company by definition, the SEC

Report the capacity follows nationalized principle

Good nationalized principle

The company has realized the importance of efficiently management, clear results and accountability which built the confidence to very associated part and the business has developed longevity. Build with efficiently management, morality and legitimacy. The company determined the good nationalized principle to improve the management that has been existed. Expect to be clear norms and distribute the performance to all employees in all levels. Support to build up the culture for nationalized principle properly. The Company has accepted the method to good nationalize for good corporate governance in 2549 followed the stock exchange that include for 5 categories as follow;

The first category: Right of Shareholder

The company has emphasized the right of shareholder that might not limit the legislated right. Which to violate the right of shareholder and support the shareholder to take their right such as purchasing or selling shares, to be a part of company's profit, recognize the company's news, cooperate the company's meeting to use their right to appoint or demote the shareholders or the accountant and the impacted issue. Such as allocating the dividend or bonus, specify or amend the regulation and memorandum of association to decrease or increase the budget and approve the special requirements.

Except the fundamental rights, the company has determined the ways to support and afford the convenient of fundamental rights for shareholders.

- The company will provide the date, time, place and agenda cover all information that associate to decide of shareholder's meeting. At least 7 days or the legimacy period. Moreover, there are the announcement to the shareholder in the meeting and the method to vote include to public these information on the company's website before provide as the documents. This is the opportunity for the shareholders have enough time to study the information before the meeting.
- The company will not perform that will be limit the opportunity of the shareholders to study IT information of the company.
- The company will produce the convenience to the shareholders could use their own right in the meeting and vote efficiency, and avoid any performance that will be limited the opportunity of participate the company's meeting. The vote meeting should smooth and not too much expense.

- The company will allocate the time properly and support the shareholders discuss in while they are meeting. Include producing the opportunity for the shareholders submit the questions before the meeting day for 1 day.
- The company will support the committee participate in the meeting with the shareholders and answer the questions of theirs.
- The company will arrange the minutes that will be show the correct information and collect system properly to check.

The second category: Approach to the shareholder equally

The company has the managed policy that approach to the shareholder equally and fairness as follow;

- The committee of company will manage the minority shareholders are able to present the agenda in advance for 1 day meeting.
- The committee of company will specify the clear principle in advance to consider that should increase the agenda for the minority shareholders or not.
- The president of the meeting will not increase the agenda if it is not informed in advance unnecessary. Especially the important agenda the shareholders have to use enough time to study before decision.
- The company will determine the way for the minority shareholders are presented the committee position that could present the name through the committee in advance. That will be presented with the information to consider.
- The shareholders are able to use the voted right by provide the authorization to another. Moreover the committee will present the independent committee who is chose as the authorization of shareholders.
- The company will provide the opportunity to the shareholders have the right to appoint the committee.
- The company uses ballot box to vote for the important agenda such as involved list or the list to purchase and distribute to be clear and available to check.
- The company has informed the committee and administration to realize the reported tasks that possess asset in the company of owner, partner, underage and the changing of the possessor in the office. The committee regulates the property and stock exchange section 59 of Act of Parliament in 2535 within 3 day officially.

- The company has determined the way to protect insider trading by hand written. That has to inform this information to all in the company and follow strictly. Dissuade the person who relate with the information purchasing stock exchange for 1 month. Before disclose the three months budget and financial budget for 48 hrs. , after the IT information is disclosed.

The third category: The role of interested person

The company realizes the importance for taking care and considers all interested person. Not only the internal interested person such as shareholders, administration and employees, or the external interested person such as trading partner, competitor, government, social influence and community. The company realizes to support the opinions from all interested person to be benefit of arrangement and development the business. Thus, the company will approach the legitimacy rules that relates to the right of interested person. And, the company will not approach anything that violates the interested person's right. The company will follow these to bring up.

Shareholder:

Approach to the shareholder equally and protect their profit that will not do violate their rights. Expect the shareholders will be the highest satisfy that consider the longevity development of company to increase the value and proper reward follow the good management of business.

Competent Official:

Approach to the officer equally and fairly with the opportunity, welfare and capacity that all officers are worthy of resource. They are also the main factor to drive the company successfully. Thus the company objects to drive and build as the knowledge, culture, and environmental organization. The company will support to be team work and forward ability of career of the officers. Ensure the security in career include protect the working environment that always accept the suggestion from all level-officers equally.

Customer:

Object the customers satisfy, ensure, attention and responsibility that the customers have to receive the worth services and goods including the security and proper cost follow the norms. Approach the condition and agreement seriously. Develop the norms of services and goods and protect the relationship between the customer and company longevity. Moreover the company will not take the customer's information for any benefit.

Trading partner and Creditor

Realize the fairness, unexploited and honesty to drive the business to protect the benefit of Trading partner and Creditor. Approach the laws and rules that determine together seriously. There are moralities to drive business. Don't call more expense or other profit that is illegal. Approach to the trading partner fairly include compensate on time. Attentions the warranty and condition follow the contact correctly. That has to report of trading partner and officer in advance. If they cannot follow the contact, they have to find out the ways to resolve.

Competitor

Approach to the competitor conforms to the laws about trading principle and follow the treaty equally. Don't obstruct others in trading competition. Don't destroy others frame with bad speech and attract the trading competition with untrue.

Social community and Environment

There are policies to drive the business responsibly to social community and environment. For security and quality of life must be natural conservation and support to use energy efficiency. Realize the equal of social community to driving business that will affect the environment.

The forth Category

After the company register in the stock exchange, the committee provide the important to disclose the correct information clearly and on time. The financial reports follow the norm of the stock exchange rules. Moreover all information affects with the cost of stock exchange because that is impacted the investor's decision through the company's website presently.

In the part of relative investor, the company did not set up this department because there are not many activities in this part, but assign Mr.Sutthirak Traichiraarpon, as the communicator with the investor, shareholders, analyst and associate official.

The committee of company, who are the responsible budget and IT budget, is shown in financial report. These reports have been arranged follow the norm of account in Thailand. Those use the proper policy to evaluate the efficiency financial report and control system. Disclose the information satisfactorily. Report to the committee acknowledge or Mr.Sutthirak Traichiraarpon who the communicator with the investor, analyst and associate official.

The fifth category Responsibility of committee

1) The committees of the company have the role as the person who satisfy the policy and overall image of the organization and evaluate the outcome. Arrange the task as the plan. There are 7 committees that posit for 3 year per occasion. There are administrative section 3 people and not administrative 4 people. There are independent committee follow the norms of stock exchange for 3 people that conform the regulation. That satisfy to have at least 3 independent committee perform with the expert for other industry, business account and finance.

Follow the regulation of the company that determines in the meeting that the committee must resign from the position. The way to assort is casting. Then the committee who has posited longest will be the one who must to resign. However the committee who resign as the period might be chosen to be the committee again.

The companies divide the roles and tasks of responsibility between the committee and administration clearly. The committee will determine the policy and arrange the policy of administration. Then the administrations have to drive the policy of the company smoothly.

The president of the company is not the same person who is the president of administration. There is authority to divide clearly and balance the authority. The president of administration must manage daily task under the company's policy that have frame the task clearly.

The committees of the company appoint the subcommittee for 3 people to regulate the business of company. That is the committees who evaluate the recruit committee and determine the allowance.

The committees of administration are 6 people include 4 committee of administration that has the task to help the daily management under the frame of company's policy.

There are 3 committees who evaluate, they are independent committee. They evaluate and observe the efficient of the tasks. Manage the risk and financial control and internal account and financial report and other regulation.

There are 3 recruit committees and determine the allowance include 1 committee of administration, 1 administration and 1 independent committee that satisfy the allowance. Their duties are consider the policy

and the way to recruit and satisfy the allowance. Allowance is the money and not the money conforms with the outcome of the company.

In order that, the committees of company appointed the secretary who must to response the regulation and act of stock exchange. (Name list of the secretary and duty disclose the information on the topic 9.1.1)

2.) Roles and Responsibility of committees

The committees have the duty to consider and approve about the operation of the company such as vision, target's plan, budgets, policy controlling and efficiency and effectively plans.

- Controlled Policy

The company's policy control the business by writing that the meeting of committee 4/2555 on 10 May 2555. They have agreed with the policy that they plan to review the policy and capacity. The company has communicated to the administrator to understand and support the company's policies.

- Business Morality

The committee support to all administrators and officers realize about standard of morality that use in the business. Arrange them as the writing and approve for the committee on 10 May 2555 and announce to all officers to perform seriously.

- Conflict and Profit

The committee determines the policy of conflict of the profit that the decision of business performance must manage to the company's profit only. Avoid the performances that lead to the conflict. The committee and administrator must review and disclose the profit that conflict to know about the relationship between each others. Consider the transactions that determine all participants will not attend to consider and no authority in that transaction. They must be considered for the suitability, cost and condition such as the outsiders.

The examined committee present to the committee about related lists and conflict list of profit properly. Performances follow the regulation of stock exchange committee include disclosing on the financial report and the return forms 56-1.

When the committee and administrator include the partner or the children who did not reach their legal age have changed the property holder. Must to inform to the computer and report that changing follow the section 59 of Act of Parliament within 3 days from purchasing. And the administrator and departments that receive the data will not disclose the data to others within 1 month before disclose the budget to the public and after disclose that data at least 48 hrs to protect the illegal.

- Internal quality control

The committees provide the importance to internal control for administrator and efficiency performance. The internal control system is the main key to ensure and reduce the risk of business. Perform the business effectively by arranging the resource properly and complete the goals. They must also protect the property or illegal behavior and report the credible financial report. Then the company determines the duty, authority and written report clearly. Control the method to keep the property usefully and separate the duty of the controller and evaluator to balance and evaluate properly.

The company committee assign the examined committees response the proper and efficiently of administration system include arrange and review the internal control system. They are performance, financial report, regulation, policy and risk control. They must realize the warning in advance and unusually lists that the company have employed Ernst and Young cooperate service Ltd. who is the internal Audit from external to evaluate the internal control system. The company always follows the report and result that evaluate the control system at least 1 year per time to ensure the system will be efficiently

- Risk Management

The committee emphasize about the risk management and response to determine the administrated policy in overall image. The company determine the administrator who analysis the risk that may occur. Present to the committee acknowledge and suggest to limit the risk or manage the risk acceptably. If there are risk that is object for the business, the company must have the standard to manage these risk and support the culture organization. Improve the procedure of management and use the resource properly. Use the equipments to reduce the risk properly that may occur anytime. Conversely, manage the business as system will provide the benefit to the business and increase the value for the organization.

3.) Committee meeting

The committees determine the meeting date in advance every year. The committees also receive the letter and agenda at least 7 days before the meeting. Except there are the emergency situation and arrange the document that certify to refer and evaluate completely.

For the meeting, the president of committee and president of administration associate to determine and consider the agendas. The company provides the opportunity to present the issue for each committee. Each meeting arranges the meeting document in advance for the committee will have enough time to study.

The meetings proceed to provide the consideration and discussion properly. The committees are able to present the comments and issues in the meeting freely. Some occasions, the president may attend to meeting and provide the useful data more to arrange in the meeting completely. In the meeting, we must use the high points to decide the result in the meeting. If there are equal point vote, the president must vote for the issue for final decision.

All committee have their own right to evaluate the meeting document. If independent committee or examined committees have questions, the administrated committee must manage and answer the question completely.

In the case, the committees disagree to the resolution, the committees are able to order the secretary record in the meeting report or submit the meeting report to the president.

Each meeting, the secretary attends to the meeting and record the meeting report, then submit to the president to consider and sign completely to affirm the next meeting. The secretary who arranges the document and references for the committees attend the meeting as well. Except the committees hold the policy that the administrators have no opportunity to attend that will inform by themselves.

In 2555, the company arranges the committee meeting for 8 times that there are the detail in the meeting as follow;

Name	Position	2555
1. Mr.Adisak Sukumwittaya	Committee chairman	8/8
2.Miss Yuwadee Phongacha	Committee	8/8
3.Mr.Piya Phongacha	Committee	8/8
4.Mrs.Manee Soonthonvathin	Committee	2/2
5. MissLadda Waroonthara	Committee	6/6
6. Mr.Reangchai Engkaohakorn	Independent Committee	6/6
7.Mr.Preecha Prakopjit	Independent Committee	5/6
8. Mr.Khanchit Khawacerd	Independent Committee	5/6

Remark

- Mrs.Manee Soonthonvathin resigned from the committee of the committee meeting of 2/2555 on 9 February 2555.
- Miss Ladda Waroonthara appointed to be the committee the committee meeting of 2/2555 on 9 February 2555
- Mr.Reangchai Engkaohakorn, Mr.Preecha Prakopjit and Mr.Khanchit Khawacerd appointed to be independent committees of JMT Network Service Ltd. from the committee meeting of 2/2555 on 9 February 2555 and JMT Network Service Ltd. shareholder meeting of 1/2555 on 23 February 2555.

The committees meeting arrange at least 4 times per year and they are able to call the meeting for important agenda. Consider the written report for meeting and mange the system that can evaluate at the meeting of 4/2555 on 10 May 2555. Then appoint the board of director since 10 May 2555.

Examined committees meeting arrange at least 4 times per year and they are able to call the meeting for important agenda. Consider the written report for meeting and mange the system that can evaluate at the

meeting at JMT Network Services Ltd. on 23 February 2555. Then appoint the examined committee since 23 February 2555.

4.) Compensation

The company determines the reward policy as written form that has the clear process follows the present day to persuade and attend the officers properly. The process will support and develop the quality of business process as well. The company considers the profit, compensation and extra bonus that present the compensation to approve in the meeting and determine to disclose the compensation in financial report.

At the meeting of 1/2555 on 12 April 2555 approved the compensation of committee that provides the compensation the financial amount for 5,000,000 baht per year. The president and the examined committee receive the compensation as the committee of the company.

5.) Committee Development and Administrator

The committees have the supported policy and provide the practice and knowledge to associated system such as the committees who examine the administrator to improve the works continually. In the case, there is changing the committee must arrange the useful and company documents for the new committees as well.

The committees determine the regulation under the company's information as follow;

1. Administrated Committee and employees must maintain the secret or internal information of the company.
2. Administrated Committee and employees must not disclose the secret or internal information of the company. Don't disclose the profit to others directly or indirectly.
3. Administrated Committee and employees must not purchase the property of the company and also the internal information that use the secret of the company. This policy include with the partner or children of the Administrated Committee and employees. If they violate the regulation, they are broken the law.

4. The company determines the way to maintain and protect the insider trading that disallow the administer committee and employees purchase the company's property within 1 month before disclose the 3 month budget report. That is for 48 hrs after the IT information is disclosed.
5. The administer committee and employees must report the purchasing and property to the company acknowledge as well.

Policy and procedure of Maintenance the administrator using the insider information

The company has the policy to protect the insider information to use. Especially the financial status of the company before disclose to the public. The company must limit the person who knows this insider information and arrange the knowledge for the administrator to realize the duty and responsibility include the family. It is also the punishment follows the property Act of Parliament in 2535 and the company determines the report changing the property holder to the committee for the section 59 of property Act of Parliament. The company determine to disallow the administrator acknowledge the insider information that contrast the section 241 of property Act of Parliament.

In addition, the regulation is about the company's tasks that determines to disallow the administrator and employees disclose the company's secret to others or publics. Disallow to use the insider information or position try to benefit from the company. Especially the administer committee and employees disallow to purchase the company's property within 1 month before disclosing the 3 months financial budget and financial report for 48 hrs. after the IT information will be disclosed.

Transaction between each other

During the years 2012 and 2011, the company had transactions between each other occurred, in accordance with the rules and determination procedures that is reasonable and the price or terms of the transaction that are fair, and at optimum benefit to the company and shareholders as a whole as transaction made with others to prevent a conflict of interest. As well as complying with the requirements of the Stock Exchange of Thailand. For details of such transaction are as follows

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
JayMart Public Company Limited <u>Nature of Business</u> Mobile phone distribution, retail space management, track, collection and manage Non-performing debt <u>Relationship with the company</u> - Is a big company as at June 30, 2012, the company holds shares in the company of 99.99 percent - With directors and executives shared with the	<u>Tracking and collection of debt service</u> The company provides tracking and collection of debt to Jaymart. - Tracking and collection of debt service revenue	23,037	70,113	The company provides services in tracking and collection of debt to Jaymart Public Company Limited. The service fee rate and payment terms are as per the normal course of the business, similar to the rate that the company charged from the third party. <u>Opinion of Audit Committee</u> Such service is the normal course of the business of the company. The service fee rate payment terms are at the same charged on the third party. Therefore, such transaction is necessary and reasonable.

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
company, are <i>Mr. AdisakSukhumvitaya (Chairman of the Company), holds a position of Director, Chairman of Executive board member and Chief Executive Officer of JMART</i> <i>Miss YuwadeePhongachya (Director, Chairman of Executive Board member and Nomination and Remuneration Committee of the Company), holds a position of Director, Executive director and Chief Executive Officer of JMART</i>	<u>Document Delivery service</u> Jaymart employed the company in providing document Delivery service - Document Delivery service revenue	13,430	131,815	The company provides documents/goods delivery service to general individual as well as Jaymart. The service fee rate and payment terms called for collection from Jmart is the same rate as the market rate and is the regular payment terms as charged on the third party. <u>Opinion of the Audit Committee</u> Such service is the normal course of the business of the company. The service fee rate payment terms are at the same charged on the third party. Therefore, such transaction is necessary and reasonable.
<u>Relationship with the company (continue)</u> <i>Mrs. LaddaWaruntarakul (Director, Executive Director of the company), holds a position of Acting Director of the Division of Accounting and Finance of JMart.</i> Jaymart (continue)	<u>Pay point</u> Jaymart is one of the companies participating in the Pay point of the Company, which is one of the channels of the debtor to pay to the company. As at the end of the period, there are who made a payment through Jaymart but is still not delivered to the company as follows. - Other debtors	125,381	291,378	Pay point is considered to be one of the payment channels of the debtors and Jaymart is one of those who provide such service to the company. Moreover, Jaymart will receive service fee from the payer, whereby the company does not have to pay for any expenses to Jaymart. <u>Opinion of the Audit Committee</u> Making of such Pay point agreement with Jaymart is carried out for the normal course of the business of the company and the company did not pay for any expenses for this service to Jaymart. Therefore, such transaction is necessary and reasonable and beneficial to the company.

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
Jaymart (continue)	<u>Purchasing</u> The company purchased mobile phone from Jaymart to be used in tracking and collection of debt - Expenses in purchasing mobile phone - Top up card cost	203,323	404,032 2,932	The company purchased the mobile phone from Jaymart at the market price to be used in the operation of the company. <u>Opinion of the Audit Committee</u> The purchasing of such mobile phone from Jaymart is the normal course of the business of the company and the price of the product paid to Jaymart, by the company is at the market price, which able to compare with other sellers and the payment terms is according to the normal course of the business. Therefore, such transaction is necessary and reasonable.
	<u>Sales promotion Cost</u> The company purchases Voucher from Jaymart, to be used in the sales promotion for the loan business in 2012 - Sales promotion cost	-	124,500	The company purchased Voucher from Jaymart in the market price, to be used in the sales promotion for the operation of the business.
				<u>Opinion of the Audit Committee</u> Purchasing of such Voucher from Jaymart is the normal course of the business of the company and the price of the product paid to Jaymart, by the company is at the market price, which able to compare with other sellers and the payment terms is according to the normal course of the business. Therefore, such transaction is necessary and reasonable.
	<u>Management</u> The company employed Jaymart in managing only at the Management level,			In the past the company is a medium-sized company. There are not a lot of commercial transactions, hence

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
	comprises of budgeting, Finance, accounting, human resources consulting, Corporate Communications and provide counseling for computer works, with the service fee of 270,000 baht per month. - Managing expense	3,344,782	1,129,548	employed Jaymartto provide the management service only in the executive level. The fee is based on cost plus profit, which is the normal course of business. However, because the business of the company has grown constantly, from May 1, 2012 onwards, the company has run the management of the company by itself, by executives of the company with expertise. For operational staffs are the employees under the company since the start, hence they has the expertise and familiarity with the company for a long time and are ready to perform the task effectively. <u>Opinion of the Audit Committee</u> The employment of Jaymart, the expenses paid and payment terms to Jaymart is suitable with the nature of the business in the past of the company. Therefore, such transaction is necessary and reasonable. Moreover, the Auditing Committee will together monitor such transaction to be in accordance to the specification of the agreement
	<u>Short-term loan</u> The company loaned a short-term loan from Jaymart to be used for the auctioning of the Non-performing debt. - Short-term loan Beginng period Short-term loan Additional loan during the period Repay during the period End period Short term loan - Interest paid	50,000,000 641,000,000 (630,000,000) 61,000,000 4,274,085	61,000,000 195,000,000 (256,000,000) - 2,231,515	The company has participated in the auction of the Non-performing debt continuously and is in the middle of capital increase to support the expansion of the business. However, due to the capital increase is completed, the company considers the short-term loans from Jaymart to be used for the purchasing of the debt and to ensure the operation is ongoing. The interest rate is the interest rate that Jaymart loaned from commercial banks plus 0.25. However, the company has received a loan from a financial institution and has used the funds to

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
				repay the loan from Jaymartin full amount. <u>Opinion of the Audit Committee</u> Loaning from Jaymart as such is according to the normal course of the company. Therefore, such transaction is necessary and reasonable and beneficial to the company.
Jaymart (continue)	<u>Guaranteed loan</u> Jaymart guaranteed the loan credit from the financial institution to the company - Guaranteed credit - Over draft credit - Bills credit	5,000,000 105,000,000 <u>110,000,000</u>	3,746,781	The company has a short-term loan credit from a financial institution, to be used for the circulation in operation of the business. Such loan amount is guaranteed by Jaymart, which is in accordance to the terms specified by the financial institution who granted the loan. The company did not have any expenses incurred from such guaranteed. However, the company has received a notice to withdraw such guarantee on July 16, 2012 with a condition to withdraw the guarantee after the company has registered in the stock exchange market. Also have added an addition terms, for the company to remain the D/E ratio at very year end, no more than 2.0 times, by starting from the year 2012 onwards. <u>Opinion of the Audit Committee</u> Such transaction is necessary and reasonable and beneficial to the company.
AEON Thana Assets Public Company Limited ("AEON") <u>Nature of Business</u> Provides leasing loan, credit card loan, personal	<u>Office Building rental and Service fees</u> - Office Building rental and Service fees			The company has rented the building area with Jaymart, starting on October 1, 2012, with an agreement term of 1 year. The rental rate and service fee is as according to the market price.

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
loan service and Business of buying and claims with the head office located at 159, 1-2 Serm-Mit Tower, Asoke Road (SukhumvitSoi 21), KlongtoeyNua, Wattana, Bangkok 10110. <u>Relationship with the company</u> Have a shared Director with Jaymart (Main company), by My. DejBulsuk, holding a position of independent Director of Jaymart and hold a position of independent Director and Auditing Director of AEON.				<u>Opinion of the Audit Committee</u> Such transaction is necessary and reasonable and beneficial to the company.
	<u>Providing Tracking and collection of debt</u> The company provide services on tracking and collection of debt to AEON - Tracking and collection of debt revenue - Trade debtor	25,587,478 1,671,490	22,791,798 1,760,157	The company provides tracking and collection of debt service for AEON which is the normal course of the business of the company. The service fee rate and payment term is according to the normal course of the business, similar to the rate charged on the third party by the company. <u>Opinion of the Audit Committee</u> Such service is the normal course of the business and the service fee rate and payment term is the same rate charged on the third party by the company. Therefore, such transaction is necessary and reasonable.

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
	<u>Purchase of Non-performing loan</u> In February 2012, the company has auctioned the Non-performing debt from AEON with the investment value in the debtor of 306 million baht, with a payment terms on a monthly basis in the amount of 4 installments according to the specification in the agreement. - Investment value in the debtor - Trade debtor which occur from the fact that AEON has receive the payment from the debtor sold to the company. Therefore, AEON has the obligation to deliver such amount to the company.	- -	299,693,960 1,514,698	The company purchases the Non-performing loan in order to track and collect the debt by using the bidding of the price of the auction. The auction price for each group of debt is dependent on the evaluation of the abilities to collect the debt cost in the collection off debt in the future and the rate of return that the company demanded. The payment is in accordance to the terms that the company and AEON mutually agreed. <u>Opinion of the Audit Committee</u> The purchasing of the Non-performing loan is a normal course of business of the company. The purchase price is the price agreed by the committed, by considering on the approximation of the collection and expenses of the debt. This includes the cost of purchase and the rate of return on the investment that the company demanded. The approximation is reasonable and the rate of return that can be calculated is in the suitable period and the payment term is also beneficial to the company. Therefore, such transaction is necessary and reasonable.

Individual that may have conflict, Nature of business/ Nature of relationship	Nature of Transaction	Transaction value (Baht)		The necessity and reasonableness of the transaction
		Year 2011	Year 2012	
T.A.S Asset Company Limited (“T.A.S”) <u>Nature of the Business</u> Operate resort business, with a head office located at 192 Moo.1 Pongyeang Village, Maerim-Samerng Road, Pongyeang Sub-District, Maerim District, Chiang mai Province 50180 <u>Relationship with the company</u> Have a shared Director with the company which is <i>Miss YuwadeePhongauchaya</i>(Director, Chairman of Executive Board member andNomination and Remuneration Committee of the Company), holding the position of Director and the main shareholder of 99.99 percent of TAS	<u>Car rental for operation</u> The company rent car from TAS for a short term period, with an agreement term of 1 year per time, with a monthly expense of 21,500 baht. - Car rental	178,124	276,060	The company rent car from TAS at a market rate to be used as vehicle for the Chief executive officer of the company. <u>Opinion of the Audit Committee</u> Using such services is for the use as vehicle for the Chief Executive officer of the companyand for the ease of travel and business of the Company. The rental rates and terms of payment rates are similar to those found in the market. Therefore, such transaction is necessary and reasonable.

Financial Statements

Responsibilities of the Board toward financial reports

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

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

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

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

The Board believes that the Company's internal audit system are in the satisfactory level and should ensure that the financial statements of JMT Network Services Public Company Limited and consolidated financial statements of JMT Network Services Public Company Limited and subsidiary for the accounting year ended 31 December 2012 are reliable and are prepared according to the generally accepted accounting principles and any relevant laws and regulations.



Mr. Adisak Sukumwittaya

(Chairman of The Board)



Mr. Piya Pong-Acha

(Chairman of The Executive Committee)

Audit Committee Report

Audit committee JMT Network Services (Public) Company Limited consisting of 3 independent directors as follows.

- | | | |
|-------------------|-------------|-----------------------------|
| 1. Mr. Ruerngchai | Ingkapakorn | Chairman of Audit Committee |
| 2. Mr. Kanchit | Kawachart | Audit Committee |
| 3. Mr. Preecha | Prakorbkij | Audit Committee |

By Miss Chuleewan Hawichit, a secretary to the audit committee

Year 2012, the Audit Committee held four meetings all together, have operated the duty and abide by the rules, terms and legal obligations, as well as propose the appointment of the auditor and proposed the accounting examination fee of the company.

The Auditing Committee has assigned Ernst and Young Corporate services Company Limited, to be the internal auditor, only in the issues of the company such as risk assessment and prepare a short term internal audit plan. Monitoring progress to rectify issues found by the past examination, comprises of the debt auction and tracking and collection process, payroll process and managing of payment process. Such audit covered the essential operation system of the company and the result of the internal audit, is able to be confidently evaluated that the operation system of the company and affiliates has an effective internal control. With an internal control system that is sufficient and suitable with the highly competitive business condition. Furthermore, foreseeing that the committee and executives of the company have the commitment and ethic, in performing the duty to achieve company objectives with quality. However, the audit committee remains committed to improving the company to have an internal control system to even better.



(Mr. Ruerngchai Ingkapakorn)

Chairman of Audit Committee

Explanation and Analysis of financial statement

Operational result

	Amount (Million Baht)		Change
	2012	2011	YoY(%)
Total revenue	393.74	323.53	21.70%
Total Cost	187.29	168.86	10.91%
Profit Margin	206.45	154.67	33.48%
Sales and Management Expense	58.45	41.57	40.61%
Profit before interest and Tax	148.78	113.40	31.20%
Net profit	109.84	66.94	64.09%

Revenue

The total revenue of the company has increased from 323.53 million baht, in the year 2011 to 393.74million baht in the year 2012, accounting for an increased ratio of 21.70. The reason is from the increase of the revenue as follows

1. The revenue from the purchasing of the Non-performing debt has increased from 214.93 million baht, in the year 2011 to 279.90 million baht in the year 2012, or an increase of 64.96 million baht, accounting for 30.22percent, from an increased in the purchase of debt to manage.
2. Revenue from tracking and collection of debt, in the year 2012, the company has revenue equal to 106.29million baht, decreased from the year 2011, to equal 1.87million baht, accounting for 1.73percent.This is due to that the tracking of debt service volume has decreased.
3. Revenue from interest according to the lease agreement has increased from 0.44 million baht in the year 2011 to 7.55 million baht in the year 2012 or increased 7.11 million baht, from the increase in the amount of car loan granted.

Sales Cost

In the year 2012 and 2011, the company has a sales cost of 187.29million bahtand 168.86 million baht respectively. Mainly comes from the amount of employee and expenses in tracking the debt which has increased in order to support an increase in the purchasing of Non-performing debt.

Sales and Managing Expenses

In the year 2012 and 2011, the company has an expense in sales and management of 58.45 million baht and 41.57 million baht, respectively. An increased of 16.88 million baht, accounting for 40.61 percent, comparing to the previous year. As the company has a provision for doubtful debt, expenses related to employees and the expenses in entering in to the stock exchange that is increased.

Net Profit

In the year 2012, the company has a profit margin of 206.45 million baht and the year 2011 has the profit margin of 154.67 million baht, increased at the rate of 33.48percent, due to the auction of the debt for management has increase.

In the year 2012 and 2011, the company has the net profit of 109.84 million baht and 66.94 million baht, respectively with an increase in the rate of 64.09 percent, accounting for profit per share of 0.56 and 0.66 baht per share.

Financial status

Asset

As at December 31, 2012, the company has a total asset of 738.00 million baht, divided into current asset of 76.73 million baht, accounting for 10.40 percent of the total asset and non-current asset of 661.27million baht, accounting 89.60percent of the total asset, when compared with the year 2011. The company has an increased in the total asset of 311.91 million baht or 73.20percent.

The significant change in the asset in the year 2012 are as follows

1. Net-Investment in debtor is equal to 547.82 million baht, accounting for 74.23percent of the total asset, increased from the previous year of 188.54 million baht, as the company has an increased in the purchasing of Non-performing debt to manage.
2. Net-Debtor form leasing equal to 108.27million baht, accounting for14.67percent of the total asset, from an increase in the car loan.

Liabilities

As at December 31, 2012, the company has a total liability of 117.92 million baht, when compared with the year 2011, decreased of 122.18 million baht or 50.89 percent, with a significant change in the year 2012 as follows

1. Over draft and short-term loan from financial institution equal to 84 million baht, a decreased of 59.70 million baht
2. Main company-Short-term loan with no pending obligation, a decreased of 61 million baht

Liquidity

In the year 2012, the company has a net increase in cash item and cash equivalent item of 10.07million baht, categorized as cash flow in each activity as follows.

	2012	2011
Cash flows from operating activities	(237.15)	(40.62)
Cash flows from investing activities	(17.15)	(3.83)
Cash flows from financing activities	264.37	43.57
Net-Cash and cash equivalents Increase (decrease)	10.07	0.88

Cash flow from operating activities in the year 2012, the company has net cash payment in the operating activities of 237.15 million baht, which occur from the purchasing of the Non-performing debt to manage and loan. For the year 2011, the company has cash to be used in the operating activities of 40.62million baht, reason being from the purchasing of the Non-performing debt to manage.

Cash flow from investing activities in the year 2012, the company has the net cash payment from investing activities of 17.15 million baht, which occur from the cash payment in the purchasing of the asset. While in the year 2011 the company has the net cash payment from investing activities of 3.83million baht, which occur from the purchasing of the asset as well.

Cash flow from financing activities in the year 2012, the company has net cash received from the financing activities of 264.37million baht. The key reason is from the issuance of increased capital common share. While during the year 2011, the company has net cash received from financing activities of 43.57million baht. The key reason came from the short-term loan and the capital increase from the main company.

As for the liquidity ratio of the company is equal to 0.66 times in the year 2012, comparing with 0.18 times in the year 2011. The company has an increase in the liquidity ratio, due to the decreased in the short-term loan from financial institution and main company.

Source of funding

The important source of funding of the company comprises of Capital from shareholders and short-term loans from financial institutions. As at December 31, 2012, the Company has a shareholders' equity of 620.08 million baht, increased from the year 2011 equal to 434.09 million baht or 233.39 percent. This is an increase from issuance of shares of 392.45 million baht, retained earnings un-appropriated of 109.89 million baht and the company has been paying dividends to shareholders twice, with total amount of 68.25 million baht. As for the short-term loans from financial institutions as at December 31, 2012 were 84 million baht, decreased from last year's 120.70 million baht or 58.96 percent.

Auditing Fee

The Company and its subsidiaries' 2011 Auditing Fee paid to the auditors, personnel or business concerning the auditors or the office of the auditors from Grant Thornton Limited in the previous year amounted for Baht. 940,000

2012 Auditing Fee

1. Financial Statement Auditing Fee

JMT Network Services Public Company Limited	Baht	730,000
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2. Financial Statement Auditing Fee

JMT Network Services Public Company Limited and its subsidiaries	Baht	940,000
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REPORT OF INDEPENDENT AUDITOR

To the Shareholders of JMT Network Services Public Company Limited
(formerly “JMT Network Services Company Limited”)

I have audited the accompanying consolidated financial statements of JMT Network Services Public Company Limited and its subsidiary comprising the consolidated statement of financial position as at 31 December 2012, and the related consolidated statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, including notes disclosure summarizing significant accounting policies and others explanatory information. I have also audited the separate financial statements of JMT Network Services Public Company Limited comprising the separate statement of financial position as at 31 December 2012, and the related separate statements of comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, including notes disclosure summarizing accounting policies and other explanatory information.

Management’s responsibility for the financial statements

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

Auditor’s responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements, including planning and performing the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statement.

I believe that the audit evidences I have obtained are sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position as at 31 December 2012 and the consolidated results of operations and cash flows for the year then ended of JMT Network Services Public Company Limited and its subsidiary, and the separate financial position as at 31 December 2012 and its results of operations and cash flows for the year then ended of JMT Network Services Public Company Limited, in accordance with Thai Financial Reporting Standards.

Mrs. Sumalee Chokdeeanant

Certified Public Accountant

Registration No. 3322

Bangkok, Thailand

19 February 2012

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
<u>ASSETS</u>					
CURRENT ASSETS					
Cash and cash equivalents	5	13,957,727	3,880,883	11,217,229	2,896,645
Trade accounts receivable	6	9,073,195	2,777,155	9,073,195	2,777,155
Trade accounts receivable - related company	25	3,274,855	1,671,490	3,274,855	1,671,490
Other receivable - parent company	25	291,378	125,381	291,378	125,381
Accrued income	7	11,510,926	10,948,530	11,185,614	10,948,530
Refundable income tax		11,974	5,905,545	-	5,905,545
Current portion of hire purchase receivable - net	8	18,458,794	2,653,305	7,715,917	2,653,305
Short - term loan to subsidiary company	25	-	-	23,500,000	-
Refundable value added tax		2,327,143	662,974	2,327,143	662,974
Other current assets		17,823,637	14,561,113	17,213,918	14,561,068
Total Current Assets		76,729,629	43,186,376	85,799,249	42,202,093
NON - CURRENT ASSETS					
Hire purchases receivable - net	8	89,813,842	13,861,247	33,210,803	13,861,247
Restricted deposits with financial institutions	9	1,359,019	1,036,920	1,359,019	1,036,920
Investments in accounts receivable - net	10	547,815,839	359,272,280	547,815,839	359,272,280
Investment in subsidiary company	11	-	-	49,999,970	999,970
Office furniture and equipment – net	12	13,438,213	5,563,333	12,346,970	5,563,333
Computer software - net	13	5,829,202	1,150,972	5,811,730	1,150,972
Other non - current assets		3,017,665	2,026,884	2,956,665	2,026,884
Total Non - Current Assets		661,273,780	382,911,636	653,500,996	383,911,606
TOTAL ASSETS		738,003,409	426,098,012	739,300,245	426,113,699

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

1

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		CONSOLIDATED F/S	SEPARATE F/S		
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Short - term loan from financial institution	14	84,000,000	143,700,000	84,000,000	143,700,000
Trade accounts payable		788,554	852,778	783,960	852,778
Short - term loan from parent company	25	-	61,000,000	-	61,000,000
Current portion of liabilities under finance					
leases and hire - purchase agreements	15	127,065	127,065	127,065	127,065
Other payable - subsidiary company	16, 25	-	-	66,040	-
Accrued expenses	17	13,442,122	9,243,492	12,737,414	9,243,492
Income tax payable	22	12,397,890	20,945,398	12,397,890	20,945,398
Other current liabilities		5,021,002	2,159,638	4,215,258	2,154,638
Total Current Liabilities		115,776,633	238,028,371	114,327,627	238,023,371
NON - CURRENT LIABILITIES					
Liabilities under finance leases and					
hire - purchase agreements - net	15	74,121	201,186	74,121	201,186
Reserve for long - term employee benefits	16	2,071,466	1,873,668	1,983,240	1,873,668
Total Non - Current Liabilities		2,145,587	2,074,854	2,057,361	2,074,854
TOTAL LIABILITIES		117,922,220	240,103,225	116,384,988	240,098,225

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

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JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
LIABILITIES AND SHAREHOLDERS' EQUITY					
(Continued)					
SHAREHOLDERS' EQUITY					
Share capital, common share at Baht 1 par value	18				
(2011: Baht 100 par value)					
Registered - 300,000,000 shares					
(2011 : 1,200,000 shares)		300,000,000	120,000,000	300,000,000	120,000,000
Fully paid - up - 300,000,000 shares					
(2011 : 1,200,000 shares)		300,000,000	120,000,000	300,000,000	120,000,000
Premium on share capital	19	212,449,464	-	212,449,464	-
Retained earnings					
Appropriated for statutory reserve	20	30,000,000	12,000,000	30,000,000	12,000,000
Unappropriated		78,124,876	54,540,618	80,952,480	54,561,335
Other component of equity		(493,181)	(545,861)	(486,687)	(545,861)
SHAREHOLDERS' EQUITY OF THE COMPANY		620,081,159	185,994,757	622,915,257	186,015,474
Non - controlling interests		30	30	-	-
SHAREHOLDERS' EQUITY		620,081,189	185,994,787	622,915,257	186,015,474
TOTAL LIABILITIES AND					
SHAREHOLDERS' EQUITY		738,003,409	426,098,012	739,300,245	426,113,699

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

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JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2012	2011	2012	2011
REVENUES					
Services income from debts collection and others	25	106,289,940	108,162,975	105,841,208	108,162,975
Revenues from collection of purchased accounts receivable		279,895,007	214,933,427	279,895,007	214,933,427
Interest income under hire-purchase agreements and related income		7,552,654	438,190	4,693,974	438,190
Total revenues		393,737,601	323,534,592	390,430,189	323,534,592
Costs of services	25	(187,284,517)	(168,864,627)	(183,568,961)	(168,864,627)
Gross profit		206,453,084	154,669,965	206,861,228	154,669,965
Other income	25	776,637	297,609	1,812,931	293,086
Income before expenses		207,229,721	154,967,574	208,674,159	154,963,051
Administrative expenses	25	(58,453,382)	(41,570,672)	(57,170,963)	(41,545,432)
Income before financial cost and income tax		148,776,339	113,396,902	151,503,196	113,417,619
Financial cost	25	(12,805,844)	(9,621,733)	(12,725,814)	(9,621,733)
Income before income tax		135,970,495	103,775,169	138,777,382	103,795,886
Income tax	22	(26,136,237)	(36,839,206)	(26,136,237)	(36,839,206)
Net income for the year		109,834,258	66,935,963	112,641,145	66,956,680
Other comprehensive income (loss) for the year					
Loss from actuarial assessments	16	52,680	(545,861)	59,174	(545,861)
Net comprehensive income (loss) for the year		109,886,938	66,390,102	112,700,319	66,410,819
Allocation of income for the year:					
Portion of the Company's shareholders		109,834,258	66,935,963	112,641,145	66,956,680
Portion of non - controlling interests		-	-	-	-
		109,834,258	66,935,963	112,641,145	66,956,680
Allocation of comprehensive income:					
Portion of the Company's shareholders		109,886,938	66,390,102	112,700,319	66,410,819
Portion of non - controlling interests		-	-	-	-
		109,886,938	66,390,102	112,700,319	66,410,819
Basic earnings per share					
Income	23	0.56	0.66	0.58	0.66
Weighted average number of common shares (Shares)	18	195,614,754	100,833,400	195,614,754	100,833,400

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

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		Shareholders' equity of the Company						
		Paid - up		Retained Earnings		Other components	Total equity	Non -
		Share	Premium on	Statutory		of equity	attributable to	controlling
Notes		Capital	share capital	reserve	Unappropriated	Loss from	the Company's	interests
						acturial assessment	shareholders	Total
<u>CONSOLIDATED F/S</u>								
Balance as at 1 January 2011		80,000,000	-	8,000,000	31,604,655	-	119,604,655	-
Increased share capital	18	40,000,000	-	-	-	-	40,000,000	-
Appropriation for statutory reserve	20	-	-	4,000,000	(4,000,000)	-	-	-
Comprehensive income (loss) for the year		-	-	-	66,935,963	(545,861)	66,390,102	30
Dividend paid	21	-	-	-	(40,000,000)	-	(40,000,000)	-
Balance as at 31 December 2011		120,000,000	-	12,000,000	54,540,618	(545,861)	185,994,757	30
Balance as at 1 January 2012		120,000,000	-	12,000,000	54,540,618	(545,861)	185,994,757	30
Increased share capital	18	180,000,000	212,449,464	-	-	-	392,449,464	-
Appropriation for statutory reserve	20	-	-	18,000,000	(18,000,000)	-	-	-
Comprehensive income (loss) for the year		-	-	-	109,834,258	52,680	109,886,938	-
Dividend paid	21	-	-	-	(68,250,000)	-	(68,250,000)	-
Balance as at 31 December 2012		300,000,000	212,449,464	30,000,000	78,124,876	(493,181)	620,081,159	30

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

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

		Paid - up		Retained Earnings		Other components	
		Share	Premium on	Statutory		of equity	
Notes	Capital	share capital	reserve	Unappropriated	acturial assessment	Total	
SEPARATE F/S							
Balance as at 1 January 2011		80,000,000	-	8,000,000	31,604,655	-	119,604,655
Increased share capital	18	40,000,000	-	-	-	-	40,000,000
Appropriation for statutory reserve	20	-	-	4,000,000	(4,000,000)	-	-
Comprehensive income (loss) for the year		-	-	-	66,956,680	(545,861)	66,410,819
Dividend paid	21	-	-	-	(40,000,000)	-	(40,000,000)
Balance as at 31 December 2011		120,000,000	-	12,000,000	54,561,335	(545,861)	186,015,474
Balance as at 1 January 2012		120,000,000	-	12,000,000	54,561,335	(545,861)	186,015,474
Increased share capital	18	180,000,000	212,449,464	-	-	-	392,449,464
Appropriation for statutory reserve	20	-	-	18,000,000	(18,000,000)	-	-
Comprehensive income (loss) for the year		-	-	-	112,641,145	59,174	112,700,319
Dividend paid	21	-	-	-	(68,250,000)	-	(68,250,000)
Balance as at 31 December 2012		300,000,000	212,449,464	30,000,000	80,952,480	(486,687)	622,915,257

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

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash flows from operating activities :-				
Income before income tax	135,970,495	103,775,169	138,777,382	103,795,886
Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:-				
Depreciation and amortization	4,181,225	3,415,711	4,042,573	3,415,711
Loss (gain) on disposal of fixed assets	91,261	(200,477)	91,261	(200,477)
Allowance (reversal of allowance) for doubtful accounts	2,143,099	(1,633,954)	2,007,539	(1,633,954)
Interest income	(6,162,965)	(264,099)	(5,052,306)	(264,099)
Interest expense	12,805,844	9,621,733	12,725,814	9,621,733
Long - term employee benefits expense	186,349	320,529	173,921	320,529
Cash provided from operating activities before changes in operating assets and liabilities	149,215,308	115,034,612	152,766,184	115,055,329
Decrease (increase) in operating assets:-				
Trade accounts receivable	(6,296,040)	3,081,825	(6,296,040)	3,081,825
Trade accounts receivable - related company	(1,603,366)	486,347	(1,603,366)	486,347
Other receivable - parent company	(165,996)	(38,472)	(165,996)	(38,472)
Accrued income	(44,004)	3,510,616	39,770	3,510,616
Short - term loan to subsidiary company	-	-	(23,500,000)	-
Refundable value added tax	(1,664,169)	1,165,608	(1,664,169)	1,165,608
Other current assets	2,640,597	(8,770,172)	3,185,403	(8,770,172)
Hire purchase receivables	(93,982,871)	(16,536,655)	(26,501,396)	(16,536,655)
Investments in accounts receivable	(188,461,870)	(125,770,077)	(188,461,870)	(125,770,077)
Other non - current assets	(990,781)	(172,350)	(929,781)	(172,335)
Increase (decrease) in operating liabilities:-				
Trade accounts payable	(64,224)	326,047	(68,817)	326,047
Short - term loan from parent company	(61,000,000)	11,000,000	(61,000,000)	11,000,000
Accrued expenses	4,193,630	1,033,483	3,493,922	1,033,483
Other current liabilities	2,866,363	(5,789)	2,060,621	(10,789)
Cash used in operations	(195,357,423)	(15,654,977)	(148,645,535)	(15,639,245)
Cash received from interest	5,644,574	263,298	4,775,451	263,298
Cash paid for interest	(12,739,336)	(9,332,598)	(12,597,658)	(9,332,598)
Income tax paid	(34,695,675)	(15,893,947)	(34,683,745)	(15,893,947)
Net cash used in operating activities	(237,147,860)	(40,618,224)	(191,151,487)	(40,602,492)

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

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JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(FORMERLY "JMT NETWORK SERVICES COMPANY LIMITED")
STATEMENTS OF CASH FLOWS (CONTINUE)
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash flows from investing activities:-				
Increase in restricted deposits with financial institutions	(322,099)	(7,828)	(322,099)	(7,828)
Cash paid for investment in subsidiary company	-	-	(49,000,000)	(999,970)
Proceeds from disposal of fixed assets	50,563	245,766	50,563	245,766
Purchases of fixed assets	(16,876,159)	(4,064,724)	(15,628,792)	(4,064,724)
Net cash used in investing activities	(17,147,695)	(3,826,786)	(64,900,328)	(4,826,756)
Cash flows from financing activities:-				
Increase in short - term loan from financial institutions	(59,700,000)	43,700,000	(59,700,000)	43,700,000
Repayment of liabilities under finance lease agreements	(127,065)	(127,065)	(127,065)	(127,065)
Cash received from increase share capital	392,449,464	40,000,000	392,449,464	40,000,000
Dividend payment	(68,250,000)	(40,000,000)	(68,250,000)	(40,000,000)
Net cash provided from financing activities	264,372,399	43,572,935	264,372,399	43,572,935
Net increase (decrease) in cash and cash equivalents	10,076,844	(872,075)	8,320,584	(1,856,313)
Cash and cash equivalents - beginning of the year	3,880,883	4,752,958	2,896,645	4,752,958
Cash and cash equivalents - end of the year	13,957,727	3,880,883	11,217,229	2,896,645
Supplemental cash flows information:				
Non-cash transactions				
Investments in subsidiary company not affecting the cash flows	-	-	-	999,970
The Company recognises provision for employee benefits as at				
1 January 2011 by adjusting the past service cost with retained earnings	-	963,902	-	963,902

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

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JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARY
(Formerly “JMT Network Services Company Limited”)
NOTES TO FINANCIAL STATEMENTS
31 DECEMBER 2012 AND 2011

1. GENERAL INFORMATION

JMT Network Services Company Limited was incorporated as a limited company under Thai Civil and Commercial Code on 8 March 1994. The Company registered the change of its status to a Public Company Limited and the change of its name to "JMT Network Services Public Company Limited" on 19 April 2012. The Company's shares were approved for trading in the Stock Exchange of Thailand (SET) on 27 November 2012. The Company is primarily engaged in debts collection services, purchase of non-performing accounts receivable from financial institutions for debts management and collection, and grant finance leasing. The Company's registered office address is 325/7, J MART Tower, 4 - 6th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok, 10240, Thailand. The Company is 75.00% subsidiary of Jay Mart Public Company Limited (2011 : 99.99%)

Information about subsidiary is as follows:

Company	Address	Type of businesses
JMT Plus Company Limited	325/7, J MART Tower, 4 th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok, 10240	Debt collection business and granting finance leasing

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND PRINCIPLES OF CONSOLIDATION

2.1 Basis of financial statement preparation

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

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

During the year 2011, the Federation of Accounting Professions has announced the accounting standards, financial reporting standards and interpretation of accounting standards that will affect the Company's operations but are not effective for the year 2012 as follows;

Accounting Standards No.	Topic	Effective date	Effect to the financial statements
12	Income Taxes	1 Jan 2013	Being assessed
21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates	1 Jan 2013	Being assessed

Moreover, during the year 2012, the Federation of Accounting Professions issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013. The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

2.2 Basis of consolidation

The consolidated financial statements include the separate financial statements of JMT Network Services Company Limited and following subsidiary:

Name of Entity	Percentage of shareholding		Type of businesses
	2012	2011	
<u>Subsidiary company</u>			
JMT Plus Company Limited	99.99%	99.99%	Debt collection business and granting finance leasing

The percentage of subsidiary's assets as included in the consolidated financial statements as at 31 December 2012 and 2011 and total revenues for the years ended 31 December 2012 and 2011, are as follow:

	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	2012	2011	2012	2011
<u>Subsidiary company</u>				
JMT Plus Company Limited	9.79	0.24	0.88	-

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Cash and cash equivalents

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

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

Receivables and allowance for doubtful accounts

Trade accounts receivable from services

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

Receivables under hire purchase agreements

Hire purchases receivable are stated net of unearned interest income and allowance for doubtful accounts. The Company and subsidiary provide the allowance for doubtful accounts based on receivables aging report which is calculated from receivables under hire purchase agreements deducted by unearned interest income and collaterals. The collaterals are calculated from the cash value as at agreement date, at the rate of 15% - 75% by considering the probability of collection from debtors and selling of collaterals. In addition, the Company and subsidiary will consider the repayment ability of each debtor for overdue amounts.

The basis used for the provision of allowance for doubtful accounts are calculated by number of overdue instalment periods, less unearned interest income and collaterals as follows :

Overdue period	Allowance percentage
Current and overdue 1 period	1
Overdue 2 – 3 period	2
Overdue 4 – 6 period	20
Overdue 7 – 12 period	50
Overdue more than 12 period	100

Accounts that are considered to be un-collectable, will be written off from the accounts.

Assets foreclosed

These represent assets repossessed from hire purchases receivable and are stated at the lower of cost (the net outstanding balances) and estimated net realisable value. Allowance is made for the decline value of the repossessed assets.

Investments in accounts receivable

The investments in accounts receivable represent the Company's investments in non-performing receivables of financial institutions and credit service companies at discounted values from bidding for debts management and collection. Under the purchase contracts at the discounted values of receivables, the Company takes all the risks in the collection without recourse. Such investments in accounts receivable is carried at purchase cost less allowance for impairment (if any). The Company recognized loss on impairment of investment when its anticipate discounted cash flows to the present values of receivables are lower than book value.

Investment in subsidiary company

Investment in subsidiary company is accounted for in the separate financial statements by the cost method. Such investment refers to investment which the Company has all shareholding and under its control and management.

Office furniture and equipment

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

The Company and subsidiary depreciate their office furniture and equipment by the straight – line method over the estimated useful lives of segregated components of assets, if each part is significant with different useful lives. Estimate useful lives of the assets are as follows :

	Years
Office furniture	5
Office equipment	3 - 5
Vehicles	5
Tools	5

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

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

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

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

Computer software

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

Hire - purchases payable

Liabilities under hire - purchase contracts are presented with the contracted amounts less deferred interest. The hire purchase contracts are for 48 months. The fixed assets acquired under hire purchase agreements are recorded as assets of the Company at their cash price and will be registered in the name of the Company upon the completion of payments. Interest on hire – purchases payable is recognized as expense in the statement of comprehensive income.

Operating leases

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

Impairment

At the end of the fiscal year, the Company and subsidiary assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiary make estimates of the asset recoverable amounts. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of comprehensive income. An asset recoverable amount is the higher of fair value less costs to sell and value in use.

Revenue recognition

- The Company recognizes service income from debts collection when services are rendered to customers based on the agreed rates.
- The Company recognizes revenues from investments in accounts receivable by using effective interest rates (expected return on debts collection) calculate from outstanding investments in accounts receivable. If actual cash flows from collection exceed calculated revenues, the remaining cash will collection be deducted from the value of investments in receivable for each period. If investments in receivable are fully deducted, the Company will recognize such cash collection as revenues and recognizes loss on impairment immediately when there is an indication of significant decrease in cash flows.
- The penalty income, follow up fee, and interest income from transferring right of performing claim contracts are recognized as revenues when the amounts are invoiced. The Company ceases to recognize the revenue when the accounts receivable are transferred to the group that cease the recognition of income
- The Company and subsidiary recognize hire purchase interest income as income over the period of the agreement, using effective rate method, with income recognized when the installments fall due irrespective of when actual collection is made. The Company and subsidiary ceases recognizing hire purchase interest income when the contract receivables are overdue for more than 3 installment periods except where there is an indication of debtors' inability to repay, then the income recognition is ceased immediately.
- Other income is recognized on an accrual basis.

Employee benefits

Short-term employee benefits

The Company and subsidiary recognize salaries, wages, bonuses, and contribution to the social security as expenses when incurred.

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

The Company and subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law. The Company and its subsidiary treat these severance payment obligation as defined benefit plan.

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately as income or expenses in statement of comprehensive income.

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

Income tax

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

Financial instruments

Financial assets in the statement of financial position include cash and cash equivalents, trade accounts receivable, receivables under hire purchase agreements, investments.

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

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

Segment information

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

Dividend payment

The Company records dividend payment in the financial statements in the period in which they are approved by the Shareholders or Board of Directors.

Related companies

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

Basic earnings per share

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

Use of accounting estimates

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

Provisions for liabilities and expenses, and contingent assets

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

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

4.1 Critical accounting estimates, assumption and judgements

4.1.1 Impairment of receivables

The Company and subsidiary account for allowance for doubtful accounts to reflect impairment of receivables resulting from the inability of customers to make required payments. The estimated losses are based on uncertainty in the collection and consideration of the management.

4.1.2 Impairment of investments

The Company and subsidiary treat investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or when other objective evidence of impairment exists. The determination of what is “significant” or “prolong” requires management judgment.

4.1.3 Office furniture and equipment and computer software

Management regularly determines the estimated useful lives and residual values of the Company’s and subsidiary’s office furniture, equipment, and computer software and revises the depreciation and amortization charges where the useful lives and residual values previously estimated have changed or subject to be written down for impairment or when asset is no longer in used.

4.1.4 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, 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 agreement.

4.1.5 Impairment of assets

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

4.1.6 Estimated cash in flow from investment in accounts receivable

The Company estimates future cash collection from investments in accounts receivable based on quality, type, aging of receivables and historical information of debt collection. The total estimated future cash collection shall not exceed anticipated initial cash in flows which management had expected in bidding. The Company assesses the periods of collection of investments in accounts receivable for 4 - 5 years.

4.1.7 Post-employment benefits under defined benefit plans

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

4.2 Capital risk management

Objectives of the Company and subsidiary in the management of capital is to safeguard their abilities to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company and subsidiary may adjust the amount of dividends payment for shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5. CASH AND CASH EQUIVALENTS

The outstanding balances as at 31 December 2012 and 2011 are as follows :

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Cash on hand	15,000	10,000	10,000	10,000
Bank deposits – current accounts	13,216,690	2,894,841	10,500,756	2,884,221
Bank deposit – saving accounts	726,037	976,042	706,473	2,424
Total	<u>13,957,727</u>	<u>3,880,883</u>	<u>11,217,229</u>	<u>2,896,645</u>

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

6. TRADE ACCOUNTS RECEIVABLE

The aged of outstanding balances as at 31 December 2012 and 2011 are as follows :

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Not yet due	3,296,755	2,184,845	3,296,755	2,184,845
Past due				
Less than 3 months	5,776,440	529,310	5,776,440	529,310
3 – 6 months	-	-	-	-
6 – 12 months	-	63,000	-	63,000
Total	<u>9,073,195</u>	<u>2,777,155</u>	<u>9,073,195</u>	<u>2,777,155</u>

The Company regularly evaluates risk factor from the collection of receivables. The Company does not expect to incur loss from debt collection services because it recognized services income after confirmation with customers.

7. ACCRUED INCOME

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Accrued income from services	10,991,270	10,947,265	10,907,495	10,947,265
Accrued income from interest	519,656	1,265	278,119	1,265
Total	11,510,926	10,948,530	11,185,614	10,948,530

8. HIRE – PURCHASES RECEIVABLE

As at 31 December 2012 and 2011, the Company and its subsidiary have receivables from hire - purchases financing services for vehicles, totalling Baht 110.52 million and Baht 16.54 million, respectively, covering the periods of 1 - 6 years. The interest rates are fixed under hire purchase agreements. Hire purchases receivable are stated net of unearned interest income and allowance for doubtful accounts.

	(Unit : Baht)					
	CONSOLIDATED F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	2012	2011	2012	2011	2012	2011
Hire purchases receivable	31,007,854	4,188,811	100,928,662	15,336,089	8,511,790	1,674,911
Less : Unearned interest income	(10,785,952)	(1,513,403)	(18,866,926)	(3,073,492)	(275,902)	(76,261)
Total	20,221,902	2,675,408	82,061,736	12,262,597	8,235,888	1,598,650
Less : Allowance for doubtful accounts	(1,763,108)	(22,103)	(483,783)	-	-	-
Net	18,458,794	2,653,305	81,577,953	12,262,597	8,235,888	1,598,650

	(Unit : Baht)					
	SEPARATE F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	2012	2011	2012	2011	2012	2011
Hire purchases receivable	13,791,829	4,188,811	39,055,357	15,336,089	965,777	1,674,911
Less : Unearned interest income	(4,448,364)	(1,513,403)	(6,311,096)	(3,073,492)	(15,452)	(76,261)
Total	9,345,465	2,675,408	32,744,261	12,262,597	950,325	1,598,650
Less : Allowance for doubtful accounts	(1,627,548)	(22,103)	(483,783)	-	-	-
Net	7,715,917	2,653,305	32,260,478	12,262,597	950,325	1,598,650

Aged hire - purchases receivable and details of allowance for doubtful accounts are as follows:

(Unit : Baht)

CONSOLIDATED F/S					
As at 31 December 2012					
Receivable under hire purchase	Number of agreements	Receivable net of unrealized interest	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	220	67,485,149	3,615,091	1	36,151
Overdue for 1 period	69	25,472,199	3,582,763	1	35,828
Overdue for 2 - 3 periods	38	12,640,988	2,137,364	2	42,747
Overdue for 4 - 6 periods	5	1,988,088	345,407	20	69,081
Overdue for 7 - 12 periods	5	1,708,081	1,687,679	50	843,839
Overdue for over 12 periods	5	1,225,021	1,219,244	100	1,219,244
Total	342	110,519,526	12,587,548		2,246,891

(Unit : Baht)

SEPARATE F/S					
As at 30 December 2012					
Receivable under hire purchase	Number of agreements	Receivable net of unrealized interest	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	82	20,372,181	1,669,671	1	16,697
Overdue for 1 period	42	13,709,636	1,037,563	1	10,376
Overdue for 2 - 3 periods	20	5,239,594	604,672	2	12,093
Overdue for 4 - 6 periods	4	783,538	45,407	20	9,081
Overdue for 7 - 12 periods	4	1,708,081	1,687,679	50	843,840
Overdue for over 12 periods	4	1,225,021	1,219,244	100	1,219,244
Total	156	43,038,051	6,264,236		2,111,331

(Unit : Baht)

CONSOLIDATED AND SEPARATE F/S

As at 31 December 2011					
Receivable under hire purchase	Number of agreements	Receivable net of unrealized interest	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	46	14,866,814	-	-	-
Overdue for 1 period	3	707,639	103,889	1	1,039
Overdue for 2 - 3 periods	1	451,882	-	2	-
Overdue for 4 - 6 periods	1	510,320	105,320	20	21,064
Total	51	16,536,655	209,209		22,103

The Company and subsidiary provide allowances for doubtful accounts in accordance with the guidance of the Thai Hire - Purchase Association, whereby the allowances for doubtful accounts are based on receivable aging report which is calculated from receivable under hire purchase agreements deducted by unearned interest income and collaterals. The collaterals are calculated from the cash value as at agreement date, at the rate of 15% - 75% by considering the probability of collection from debtors and selling of collaterals. However, the above basis of allowance policy does not comply with the accounting guideline for the consumer finance business promulgated by of the Federation of Accounting Profession (FAP) with the approval of the Office of the Securities and Exchange Commission. The Company and subsidiary have a policy to set up allowances based on consideration of the current status of receivables and their ability to make payments. The management believes that the Company and subsidiary have set up allowances for doubtful accounts adequately. As at 31 December 2012 and 2011, the recorded allowance for doubtful accounts are less than the amount computed under FAP guideline of Baht 1.26 million and Baht 0.49 million, respectively (the Company's portion: Baht 0.88 million and Baht 0.49 million, respectively).

9. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2012 and 2011, the Company's fixed deposits totalling Baht 1.36 million and Baht 1.04 million, respectively, have been placed with banks as collaterals for bank overdraft credit facilities and bank guarantees issued by banks on behalf of the Company. These fixed deposits bear interest rates of 0.50 – 2.13 percent per annum and 0.88 to 2.13 percent per annum, respectively.

10. INVESTMENTS IN ACCOUNTS RECEIVABLE

The investments portfolio classified by group of debtors as at 31 December 2012 and 2011 are as follow :

(Unit : Baht)				
CONSOLIDATED AND SEPARATE F/S				
	2012		2011	
	No. of contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire purchases	249,044	208,677,136	19,251	100,936,944
Accounts receivable - Personal loans	857,740	340,417,916	587,232	259,696,238
Total	1,106,784	549,095,052	606,483	360,633,182
<u>Less</u> : Allowance for doubtful accounts		(1,279,213)		(1,360,902)
Net	1,106,784	547,815,839	606,483	359,272,280

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

(Unit : Baht)	
Balance as at 1 January 2012	360,633,182
Add : Purchase of accounts receivable	399,194,980
Less : Portion decreased from cash collection during the year	(210,733,110)
Balance as at 31 December 2012	549,095,052

The Company expects to collect cash from debtors totally of Baht 365.08 million within one year.

11. INVESTMENT IN SUBSIDIARY COMPANY

(Unit : Baht)

				SEPARATE F/S			
	Nature of Business	Paid - up capital		Percentage of Shareholding		Cost	
		2012	2011	2012	2011	2012	2011
<u>Subsidiary company</u>							
JMT Plus Co., Ltd.	Debt collection business and leasing and factoring business	50,000,000	1,000,000	99.99	99.99	49,999,970	999,970
Total						49,999,970	999,970

On 7 December 2012, JMT Plus Co., Ltd., (“Subsidiary”) registered the increase for its share capital amounting to Baht 49 million in which the Company invested in all shares increased.

12. OFFICE FURNITURE AND EQUIPMENT

(Unit : Baht)

		CONSOLIDATED F/S			
		2011	Increase	Decrease	2012
Cost					
Office furniture		643,245	377,488	643,245	377,488
Office equipment		26,595,491	9,078,743	4,006,344	31,667,890
Vehicles		3,956,389	1,851,214	-	5,807,603
Tools		9,600	3,128	2,600	10,128
Total		<u>31,204,725</u>	<u>11,310,573</u>	<u>4,652,189</u>	<u>37,863,109</u>
Less : Accumulated Depreciation					
Office furniture		626,118	22,278	638,258	10,138
Office equipment		22,909,188	2,573,599	3,869,508	21,613,278
Vehicles		2,096,740	697,530	-	2,794,270
Tools		9,346	463	2,599	7,210
Total		<u>25,641,392</u>	<u>3,293,869</u>	<u>4,510,365</u>	<u>24,424,896</u>
Office furniture and equipment - net		<u>5,563,333</u>			<u>13,438,213</u>
Depreciation for the year		<u>2,467,548</u>			<u>3,293,869</u>

(Unit : Baht)

	SEPARATE F/S			
	2011	Increase	Decrease	2012
Cost				
Office furniture	643,245	377,488	643,245	377,488
Office equipment	26,595,491	8,970,147	4,006,344	31,559,294
Vehicles	3,956,389	731,943	-	4,688,332
Tools	9,600	3,128	2,600	10,128
Total	31,204,725	10,082,706	4,652,189	36,635,242
Less : Accumulated Depreciation				
Office furniture	626,118	22,278	638,258	10,138
Office equipment	22,909,188	2,551,887	3,869,508	21,591,567
Vehicles	2,096,740	582,617	-	2,679,357
Tools	9,346	463	2,599	7,210
Total	25,641,392	3,157,245	4,510,365	24,288,272
Office furniture and equipment - net	5,563,333			12,346,970
Depreciation for the year	2,467,548			3,157,245

As at 31 December 2012 and 2011, a portion of the Company's office furniture and equipment had been fully depreciated but are remained in active use. The costs of such assets before accumulated depreciation are totaling Baht 19.33 million and Baht 19.46 million, respectively.

13. COMPUTER SOFTWARE

(Unit : Baht)

	CONSOLIDATED F/S			
	2011	Increase	Decrease	2012
Cost	13,012,080	5,565,586	-	18,577,666
Less : Accumulated amortization	11,861,108	887,356	-	12,748,464
Net	1,150,972			5,829,202
Amortisation for the year	948,163			887,356

(Unit : Baht)

	CONSOLIDATED AND SEPARATE F/S			
	2011	Increase	Decrease	2012
Cost	13,012,080	5,546,086	-	18,558,166
Less : Accumulated amortization	11,861,108	885,328	-	12,746,436
Net	1,150,972			5,811,730
Amortisation for the year	948,163			885,329

14. SHORT – TERM LOANS FROM FINANCIAL INSTITUTION

As at 31 December 2012 and 2011, the Company has bill of exchange and promissory notes payable of Baht 84 million and Baht 143.70 million, respectively. During the years 2012 and 2011, the interest at the rates on bill of exchange and promissory notes payable are of 3.85 – 4.40 percent per annum and 2.90 – 4.60 percent per annum, respectively.

As at 31 December 2012 and 2011, the Company has bank overdraft credit facilities totalling 7.0 million. It is collateralized mostly by the pledges of fixed deposits of the Company. During the years 2012 and 2011, the interest rates on bank overdraft are 7.38 – 7.75 percent per annum and 7.50 – 7.88 percent per annum, respectively.

15. LIABILITIES UNDER FINANCIAL LEASE AGREEMENTS

(Unit : Baht)

	CONSOLIDATED AND SEPARATE F/S	
	2012	2011
Liabilities under financial lease agreements		
Due within one year	127,065	127,065
Due over 1 year but not over 5 years	74,121	201,186
Total	201,186	328,251
Less : Current portion	(127,065)	(127,065)
Balance due after one year	74,121	201,186

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

16. EMPLOYEE BENEFIT OBLIGATIONS

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Balance as at 1 January	1,873,668	963,902	1,873,668	963,902
Employee benefit expenses				
Current service costs	186,348	320,529	173,921	320,529
Interest on obligation	64,130	43,376	60,865	43,376
Loss from actuarial	(52,680)	545,861	(59,174)	545,861
Transfer employee to subsidiary company	-	-	(66,040)	-
Balance as at 31 December	<u>2,071,466</u>	<u>1,873,668</u>	<u>1,983,240</u>	<u>1,873,668</u>

As at 31 December 2012 and 2011, the Company and its subsidiary has actuarial losses which based on employee wages and others totalling Baht 0.53 million and 0.55 million which is recognized as other comprehensive income to statement of changes in shareholder's equity.

Actuarial gains or losses occurred from the change in the salaries and wages and other factors for the computation of post-employee benefits are presented under shareholders' equity.

Principal actuarial assumptions of the Company estimated by using discount rate of 4.50 percent per annum and normal retirement age of 55 years (2011 : 60 years).

17. ACCRUED EXPENSES

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Accrued postage expenses	479,277	465,794	479,277	465,794
Accrued commission	5,953,641	6,098,990	5,934,566	6,098,990
Accrued legal expenses	1,379,413	1,585,407	1,379,413	1,585,407
Accrued printing expenses	588,401	63,211	588,150	63,211
Payable for equipment and supplies	420,909	118,585	420,909	118,585
Others	4,620,481	911,505	3,935,099	911,505
Total	<u>13,442,122</u>	<u>9,243,492</u>	<u>12,737,414</u>	<u>9,243,492</u>

18. SHARE CAPITAL

- 18.1 At the Ordinary shareholders meeting held on 16 April 2011 and the Extraordinary shareholders meeting held on 1 September 2011, the shareholder passed a resolution to register the Company's share capital increase for Baht 40 million (divided into 400,000 ordinary shares at 100 Baht at par value). The Company registered the additional authorized share capital with the Department of Business Development on 18 April 2011 and 1 September 2011, respectively, and called for fully paid - up.
- 18.2 At the Ordinary shareholders meeting held on 12 April 2012, the shareholders approved the following significant resolutions:
- 18.2.1 To register its shares for trading in the Stock Exchange of Thailand and changed the par value from Baht 100 par value to Baht 1 par value, increasing the registered share capital from Baht 120 million to Baht 300 million. The Company registered the additional authorized share capital with the Department of Business Development on 11 May 2012 and called for fully paid – up Baht 225 million (divided into 225,000,000 common shares at Baht 1 par value).
- 18.2.2 To increase its registered share capital 75,000,000 shares at Baht 1 par value, totaling Baht 75,000,000 for offering to shareholders of the parent Company of 45,000,000 common shares at Baht 1 par value, totalling Baht 45,000,000, and for the Initial Public Offering (IPO) of 30,000,000 shares at Baht 1 part value, totalling Baht 30,000,000. On 24 October 2012, the Securities and Exchange Commission approved the public offering of the Company's shares. The Company received payment of this share capital increment on 22 November 2012. All expenses related to the share offering amounting to Baht 12.55 million are presented as a deduction from the premium on share capital. The Company registered the increased in its paid-up capital with the Department of Business Development on 27 November 2012.

19. PREMIUM ON SHARE CAPITAL

	(Unit : Baht)
Cash received from initial public offering	300,000,000
Less : Value of share capital on 75 million shares at Baht 1 per share	(75,000,000)
Less : Expenses for initial public offering	(12,550,536)
Premium on share capital – net	<u>212,449,464</u>

20. STATUTORY RESERVE

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

21. APPROPRIATION OF NET INCOME

Details of Company's dividends declaration and payments during the years 2012 and 2011 are as follow :

	Approved by	Qualified ordinary share (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)
a) Interim dividend	Meeting of the Board of Director on 9 August 2012	225,000,000	0.17	38.25
a) Final annual dividend	Annual General Meeting of the shareholders on 12 April 2012	1,200,000	25	30.00
c) Interim dividend	Meeting of the Board of Director on 9 August 2011	1,000,000	20	20.00
d) Final annual dividend	Annual General Meeting of the shareholders on 16 April 2011	800,000	25	20.00

22. INCOME TAX

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Net income	109,834,258	66,935,963	112,641,145	66,956,680
Income tax	26,136,237	36,839,206	26,136,237	36,839,206
Income before tax	135,970,495	103,775,169	138,777,382	103,795,886
Add : Items not yet allowed as expenses				
under Revenue Code	4,608,896	749,711	4,608,896	749,711
Additional taxable income from the				
collection of investments				
in accounts receivable	184,612,418	123,394,595	184,612,418	123,394,595
	325,191,809	227,919,475	327,998,696	227,940,192
Less : Items allowed as expenses under				
Revenue Code	(214,362,882)	(105,142,837)	(214,362,882)	(105,142,837)
Net taxable income	110,828,927	122,776,638	113,635,814	122,797,355
Income tax for the year - rate 23 percent (2011 : 30 percent)	26,136,237	36,839,206	26,136,237	36,839,206
Less : Prepaid income tax and income tax withheld at sources	(13,738,347)	(15,893,808)	(13,738,347)	(15,893,808)
Income tax payable (refundable income tax)	12,397,890	20,945,398	12,397,890	20,945,398
Refundable income tax				
Income tax withheld at sources	2,776,109	2,425,330	2,764,134	2,425,330
Prepaid income tax	10,974,213	3,480,215	10,974,213	3,480,215
Total	13,750,322	5,905,545	13,738,347	5,905,545

23. BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing income for the period by the weighted average number of common shares outstanding during the period, after adjusting the number of common shares in proportion to the change in the number of shares as a result of the change in par value from Baht 100 to Baht 1 as discussed in Note 18. The number of common shares is adjusted as if the share split had occurred at the beginning of the earliest period reported. Consequently, the Company's basic income per share for the year ended 31 December 2011 was changed from Baht 66.40 per share (calculated from 1,008,334 common shares) to Baht 0.66 per share (calculated from 100,833,400 common shares).

24. PROVIDENT FUND

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

During the years ended 31 December 2012 and 2011, the Company contributed to the fund totalling Baht 0.3 million and Baht 0.2 million, respectively.

25. RELATED PARTY TRANSACTIONS

During the year, the Company has significant business transactions with related companies (related by way of common shareholding and/or management). Such transactions, which have been concluded on the terms and basis determined by the Company and those companies, the basis of which may be different from the basis used for transactions with unrelated parties.

Significant related party transactions for the years ended 31 December 2012 and 2011 are as follows :

		(Unit : Baht)			
Transaction with related parties	Pricing policy	CONSOLIDATED F/S		SEPARATE F/S	
		2012	2011	2012	2011
<u>Services income from debts</u>					
<u>collection</u>					
Parent company	Market price	70,113	23,037	70,113	23,037
Related company	Market price	22,791,798	25,587,478	22,791,798	25,587,478
Subsidiary company	Market price	-	-	30,561	-
	Total	22,861,911	25,610,515	22,892,472	25,610,515

		(Unit : Baht)			
Transaction with related parties	Pricing policy	CONSOLIDATED F/S		SEPARATE F/S	
		2012	2011	2012	2011
<u>Messenger services income</u>					
Parent company	Market price	131,815	13,430	131,815	13,430
<u>Management fee expenses</u>					
Parent company	Baht 270,000 per month (Jan-Apr 2012)	1,129,548	3,344,782	1,129,548	3,344,782
<u>Miscellaneous expenses</u>					
Parent company	Market price	406,964	203,323	406,964	203,323
<u>Car rental</u>					
Related company	Mutually agreed rate	276,060	178,124	276,060	178,124
<u>Office rental and service expense</u>					
Parent company	Mutually agreed rate	3,746,781	-	3,530,745	-
<u>Sale promotion expense</u>					
Parent company	Mutually agreed rate	124,500	-	124,500	-
<u>Debt collection expense</u>					
Subsidiary company	Mutually agreed rate	-	-	130,093	-
<u>Dividend payment</u>					
Parent company	Based on net profit	68,249,916	39,999,910	68,249,916	39,999,910
<u>Interest income</u>					
Subsidiary company	Mutually agreed rate	-	-	1,036,897	-
<u>Interest expense</u>					
Parent company	Mutually agreed rate	2,231,515	4,274,085	2,154,753	4,274,085
<u>Purchases non-performing A/R</u>					
Related company	Mutually agreed rate	299,693,960	-	299,693,960	-
<u>Key management personnel compensation</u>					
Short-term employee benefits		6,935,025	4,087,205	6,935,025	4,087,205
Post-employment benefits		86,011	60,141	86,011	60,141
Total		7,021,036	4,147,346	7,021,036	4,147,346

The Company has agreements to receive management, accounting, tax filing and debt collection services from Jay Mart Public Company Limited. The contract period is for 1 year with service charge of Baht 270,000 per month. However, effective May 2012, the Company set up a departments to manage all such functions by itself and cancelled this agreement without any penalty.

As at 31 December 2012 and 2011, the outstanding balances with related companies are as follows :

	CONSOLIDATED F/S		(Unit : Baht) SEPARATE F/S	
	2012	2011	2012	2011
<u>Trade account receivable – related company</u>				
AEON Thanasinsap PCL	3,274,855	1,671,490	3,274,855	1,671,490
<u>Other receivable – parent company</u>				
Jay mart Public Company Limited	291,378	125,381	291,378	125,381
<u>Short – term loan to subsidiary company</u>				
J M T Plus Company Limited	-	-	23,500,000	-
<u>Other payable - subsidiary company</u>				
J M T Plus Company Limited	-	-	66,040	-
<u>Short – term loan from parent company</u>				
Jay mart Public Company Limited	-	61,000,000	-	61,000,000

The movements in short – term loan to subsidiary company are as follows :

	(Unit : Baht)
Balance as at 1 January 2012	-
Add : Addition during the year	70,500,000
Less : Payment during the year	(47,000,000)
Balance as at 31 December 2012	23,500,000

Loan to subsidiary company bears interest at 4.30 - 4.40 percent per annum and due at call.

The movements in short – term loan from parent company are as follows :

	(Unit : Baht)
Balance as at 1 January 2012	61,000,000
Add : Addition during the year	195,000,000
Less : Payment during the year	(256,000,000)
Balance as at 31 December 2012	-

Loan from the parent company bears interest at 4.15 - 4.50 percent per annum and due at call.

26. EXPENSES BY NATURE

	CONSOLIDATED F/S		SEPARATE F/S	
	2012	2011	2012	2011
Salaries, wages and other employee benefit	110,054,131	90,166,694	107,800,315	90,166,694
Debt collection expenses	50,791,087	51,825,152	50,904,681	51,825,152
Depreciation and amortization	4,181,225	3,415,711	4,042,574	3,415,711
Rental expense	11,805,119	10,130,775	11,589,083	10,130,775
Utility expense	8,785,328	8,875,666	8,741,114	8,875,666
Legal fee	17,275,602	15,626,226	17,275,602	15,626,226
Postage expense	8,795,298	10,012,380	8,794,365	10,012,380
Transportation expense	7,490,943	2,987,013	7,414,314	2,987,013
Management fee	1,129,548	3,344,782	1,129,548	3,344,782
Allowance (reversal of allowance) for doubtful accounts	2,143,099	(1,633,954)	2,007,539	(1,633,954)
Repair and maintenance expenses	664,987	562,706	660,723	562,706
Others	22,621,532	15,122,148	20,380,066	15,096,908
Total	245,737,899	210,435,299	249,739,924	210,410,059

27. COMMITMENTS

As at 31 December 2012, the Company and its subsidiaries have outstanding commitments as follows :

- 27.1 The Company and its subsidiary have commitments under lease and service agreements with parent company relating to the rental of space for office buildings, with minimum future rental and service fees payable under the agreements (not include the changes that may incur upon renewal) as follows:

Year	(Unit : Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
Not over 1 year	9,667,971	9,019,863
Total	9,667,971	9,019,863

- 27.2 The Company has commitment under car rental agreement with related company as follows:

Years	Baht
Not over 1 year	980,889
Total	980,889

- 27.3 The Company has outstanding commitments of approximately Baht 0.83 million arising from outstanding bank guarantees issued by banks on behalf of the Company in respect of certain performance bonds as required in the ordinary courses of the Company businesses.

28. FINANCIAL INFORMATION BY SEGMENT

The Company's segmental financial information as presented in the consolidated financial statements for the year ended 31 December 2012 and 2011, are as follows :

(Unit : Baht)

CONSOLIDATED F/S						
For the year ended 31 December 2012						
	Debt collection business	Non-Performing Receivable Management business	Financial Leasing business	Other	Elimination	Total
Revenues	106,320,501	279,895,007	7,682,747	1,828,004	(1,212,021)	394,514,238
Cost of services	(68,932,892)	(113,401,035)	(5,111,244)	-	160,654	(187,284,517)
Gross profit	37,387,609	166,493,972	2,571,503	1,828,004	1,051,367	207,229,721
Administrative expenses						(51,518,357)
Management fee						(6,935,025)
Financial cost						(12,805,844)
Income tax						(26,136,237)
Income for the year						109,834,258
Trade accounts receivable	9,073,195	-	-	-	-	9,073,195
Investments in accounts receivable - net	-	547,815,839	-	-	-	547,815,839
Hire purchases receivable - net	-	-	108,272,636	-	-	108,272,636
Office furniture and equipment - net	6,945,170	5,401,799	1,091,244	-	-	13,438,213
Computer softwares - net	3,191,015	2,481,901	156,286	-	-	5,829,202
Other assets	49,825,822	-	3,748,502	73,566,010	(73,566,010)	53,574,324
Total Assets	69,035,202	555,699,539	113,268,668	73,566,010	(73,566,010)	738,003,409

CONSOLIDATED F/S

For the year ended 31 December 2011

	Non-Performing					
	Debt collection business	Receivable Management business	Financial Leasing business	Other	Elimination	Total
Revenues	108,162,975	214,933,427	438,190	297,609	-	323,832,201
Cost of services	(67,675,808)	(100,761,302)	(427,517)	-	-	(168,864,627)
Gross profit	40,487,167	114,172,125	10,673	297,609	-	154,967,574
Administrative expenses						(37,483,467)
Management fee						(4,087,205)
Financial cost						(9,621,733)
Income tax						(36,839,206)
Income for the year						66,935,963
Trade accounts receivable	2,777,155	-	-	-	-	2,777,155
Investments in accounts receivable - net	-	359,272,280	-	-	-	359,272,280
Hire purchases receivable - net	-	-	16,514,552	-	-	16,514,552
Office furniture and equipment - net	3,647,585	1,915,748	-	-	-	5,563,333
Computer softwares - net	637,135	334,630	179,207	-	-	1,150,972
Other assets	40,819,720	-	-	999,970	(999,970)	40,819,720
Total Assets	47,881,595	361,522,658	16,693,759	999,970	(999,970)	426,098,012

29. FINANCIAL INSTRUMENTSCredit risk

The Company and subsidiary provide credit term on ordinary service transactions. The Company and subsidiary manages its exposure to credit risk by closely monitoring collection of accounts receivable and focusing on overdue accounts. The Company and subsidiary will consider the allowance for doubtful accounts on accounts overdue and amounts which may prove to be uncollectible.

Fair values of financial instruments

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

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

- Financial assets presented approximate at fair values.
- Financial liabilities - net book value approximate fair values due to their maturity in short period.

Interest rate risk

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

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2012			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	1	-	14	15
Restricted deposits with financial institutions	-	1	-	1
Bank overdrafts and short - term loans from financial institutions	84	-	-	84

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2011			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	-	-	4	4
Restricted deposits with financial institutions	-	1	-	1
Bank overdrafts and short - term loans from financial institutions	144	-	-	144

(Unit : Million Baht)

	SEPARATE F/S			
	As at 31 December 2012			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	1	-	11	12
Restricted deposits with financial institutions	-	1	-	1
Bank overdrafts and short - term loans from financial institutions	84	-	-	84

(Unit : Million Baht)

SEPARATE F/S

	As at 31 December 2011			
	Floating rate	Fixed rate	Non - interest	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	-	-	3	3
Restricted deposits with financial institutions	-	1	-	1
Bank overdrafts and short - term loans from financial institutions	144	-	-	144

Financial instruments as of 31 December 2012 and 2011 with fixed interest rates, and the periods of time from the year end to their maturity dates are as follows :

(Unit : Million Baht)

CONSOLIDATED SEPARATE F/S

	As at 31 December 2012				Interest Rate
	At call	1 - 6 months	6 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Restricted deposits with financial institutions	-	1	-	1	0.50% - 2.13%
Bank overdrafts and short - term loans from financial institutions	-	84	-	84	3.85% - 4.40%

(Unit : Million Baht)

CONSOLIDATED AND SEPARATE F/S

	As at 31 December 2011				Interest Rate
	At call	1 - 6 months	6 - 12 months	Total	
<u>Financial assets/ liabilities</u>					
Restricted deposits with financial institutions	-	1	-	1	0.88% - 2.13%
Bank overdrafts and short - term loans from financial institutions	-	144	-	144	2.90% - 4.60%

30. EVENT AFTER THE REPORTING PERIOD

At the meeting on 19 February 2013, the Board passed a resolution to submit at the ordinary shareholders meeting for approval to pay dividend payment from net income after tax for the year 2012 at Baht 0.17 per share for 225,000,000 shares and remaining dividend is Baht 0.15 per share for 300,000,000 shares for a total amount of Baht 83.25 million.

31. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Director on 19 February 2013.