



network services

ANNUAL  
**REPORT**  
2013

jmt



## **VISION**

INTEGRATED SERVICE AND PROFESSIONAL MANAGEMENT  
IN DEBT FOR CUSTOMER PERFECT NEED

## **MISSION**

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

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jmt

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## Financial Highlights

source: Company financial statement

UNIT : Mil.Baht

	2011	2012	2013
<b>Operating result and financial position</b>			
Total revenue	323.53	390.43	356.43
Gross profit	154.67	206.86	162.21
Net profit	66.96	113.00	72.93
Total assets	426.77	740.26	907.74
Total liabilities	240.10	116.38	291.94
Total shareholders' equity	186.67	623.87	615.80
<b>Key Financial Ratio</b>			
Net Profit Margin (%)	20.68%	28.72%	20.46%
Return on Shareholders' equity (%) (ROE)	36.00%	18.08%	11.84%
Return on total assets (%) (ROA)	15.71%	15.24%	8.03%
Earnings per share (Baht/share) (EPS)	0.66	0.58	0.24

source: Consolidated financial statements

UNIT : Mil.Baht

	2011	2012	2013
<b>Operating result and financial position</b>			
Total revenue	323.53	393.74	362.33
Gross profit	154.67	206.45	166.73
Net profit	66.94	110.19	75.08
Total assets	426.75	738.96	914.15
Total liabilities	240.10	117.92	299.04
Total shareholders' equity	186.65	621.04	615.11
<b>Key Financial Ratio</b>			
Net Profit Margin (%)	20.67%	27.84%	20.72%
Return on Shareholders' equity (%) (ROE)	35.99%	17.71%	12.21%
Return on total assets (%) (ROA)	15.71%	14.88%	8.21%
Earnings per share (Baht/share) (EPS)	0.66	0.56	0.25

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

## Message from the Board of Directors

Dear Shareholders,

In 2013, the previous year, the company has become the listed company in the Stock Exchange of Thailand (SET) and possesses the net profits of 75.08 million baht which is reduced from 2012 for 31.84%.

According to the fact that in 2013 the company has acquired the debts as targeted as 10,000 million baht; the company is able to collecting the money from the customer's payment in the exceeding target amount by 11% which has the directly impact on the increment in cutting the factoring investment. It affects the decreasing in the revenue recognition from the cash inflow. However; the cutting the investment capital is actually the benefits for the company to reduce the risk. In addition, cutting the investment from several factoring projects are finished ahead of time, it makes the company ensures that the following year, the company will have more income and net profits from the revenue recognition without the financial investment project

On this occasion, JMT would like to thank all shareholders, value customers, business partners, administrative board, and all employees who participate in supporting JMT and we, JMT, guarantee to you all that JMT will perform the business professionally and will keep developing the competence of the organization continuously together with being responsible for the society, act itself as the good role model for the society in order to make society has the better and even more quality of life.



Mr. Adisak Sukumwittaya

(Chairman of The Board)



Mr. Piya Pong-Acha

(Chairman of The Executive Committee)

## Directors and Management Biography



## Directors and Management Biography

### Mr. Adisak Sukhumvittaya

- Chairman of The Board

### Miss Yuwadee Pong-Acha

- Director of the Company
- Chairman of the Executive Director

### Mr. Piya Pong-Acha

- Director
- Executive Director
- Chief Executive Officer

### Mr. Rerngchai Ingkapakorn

- Directors (Independent Director)
- Chairman of the Audit Committee

### Mr. Preecha Prakorbkij

- Director (Independent Director)
- Audit Committee

### Mr. Kanchit Kawachat

- Director (Independent Director)
- Audit Committee

### Miss. Ladda Waruntarakul

- Director
- Executive Director

### Mr. Suphot Wanna

- Executive Director
- Executive Director of Finance and Accounting

### Mr. Suthirak Trichiraarporn

- Executive Director
- Assistant Director of Marketing and Sales.

### Mr. Wongsakorn Kittitrakulkarn

- Executive Director
- Senior Manager in Accounting and Finance

### Miss Waraporn Pornpitakyothin

- Assistant Director of Information Management

## Directors and Management Biography

### Mr. Adisak Sukhumvittaya

<b>Age</b>	: 57 Years
<b>Position in the Company</b>	: Chairman of The Board
<b>Education</b>	: 1978 Master of Economic Kasetsart University 1980 Bachelor of Economic Kasetsart University
<b>Director Role and duty training</b>	: 2008 Director Accreditation Program (DAP) of Thai Institute of Directors 2014 Capital Market Academy (CMA 15)
<b>Experience</b>	: 2012-Present Chairman of the Board JMT Network Services Public Company Limited 1994 – 2012 Director JMT Network Services Public Company Limited 2013 – Present Chairman of the Board J Asset Management Company Limited 2013 – Present Chairman of the Board JMT Insurance Broker Company Limited
<u>Other Businesses</u>	
	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

<b>Age</b>	: 57 Years
<b>Position in the Company</b>	: Director of the Company , Chairman of the Executive Director
<b>Education</b>	: 1978 Master of Business Administration Bridgeport University, U.S.A 1980 Bachelor of Political Science Thammasart University
<b>Director Role and duty training</b>	: 2008 Director Accreditation Program (DAP) of Thai Institute of Directors
<b>Experience</b>	: 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
<u>Other Businesses</u>	
	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** : 42 Years

**Position in the Company** : Director, Executive Director, Chief Executive Officer

**Education** : 1994 Bachelor of Management Kasembundit University

**Director Role and duty training** : 2012 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

**Mr. Rerngchai Ingkapakorn**

**Age** : 57 Years

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

**EDUCATION** : 1998 Master of Business Administration University of Phoenix, U.S.A

: 1990 Bachelor of Business Administration in Finance San Francisco State University, U.S.A

**Director Role and duty training** : 2011 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

2013 – Present Head of Office of CEO Ananda Development Public Company Limited.

2010–2013 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 Prakorbkij**

**Age** : 65 Years

**Position in the Company** : Director (Independent Director), Director of the Audit Committee

**Education** : 1981 Bachelor of Business Administration in Finance Roosevelt University, U.S.A

**Director Role and duty training** : 2006 Director Accreditation Program (DAP) of Thai Institute of Directors

: 2006 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)

2005 – 2011 Director of the Audit Committee G Steel 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. Kanchit Kawachat

**Age** : 48 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** : 2005 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

2013 - Present Chief Executive Officer - Digital TV Business. GMM Grammy Plc.

2005 – 2013 Director and Vice President Chief Financial Officer Investment and Business Development WORK POINT ENTERTAINMENT PUBLIC COMPANY LIMITED

2002 – 2005 Vice President of Investment Banking Department.  
Thanachart Securities Company Limited.

1999 – 2001 Assistant Vice President Development Fund.  
Ayudhya JF Asset Management (AJF).

1994 – 1999 Assistant Vice President, Product Development.  
Securities One Public Company Limited.

1988 – 1989 Architect Architect 49 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. Ladda Waruntarakul

**Age** : 50 Years

**Position in the Company** : Director, Executive Director

**Education** : 2009 Master of Business Administration in Accounting Ramkhamhaeng University  
1985 Bachelor of Business Administration in Accounting Ramkhamhaeng University

**Director Role and duty training** : 2012 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

#### Background of Board of Directors

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

#### Mr. Suphot Wanna

<b>Age</b>	: 38 Years
<b>Position in the Company</b>	: Executive Director, Executive Director of Finance and Accounting
<b>Education</b>	: Master of Management SriprathumUniversity : Bachelor of Financial Economics RamkhamhaengUniversity
<b>Director Role and duty training</b>	: 2012 Director Accreditation Program (DAP) of Thai Institute of Directors
<b>Experience</b>	: 2012–Present Executive Director and Executive Vice President of Accounting and Finance : JMT NETWORK SERVICES PUBLIC COMPANY LIMITED <u>Other Services</u> 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

<b>Age</b>	: 37 Years
<b>Position in the Company</b>	: Executive Director. Assistant Director of Marketing and Sales.
<b>Education</b>	: 1997 Bachelor of Business Administration in Marketing Bangkok University
<b>Director Role and duty training</b>	: - NIL -
<b>Experience</b>	: 2013–Present Assistant Director of Marketing and Sales. JMT NETWORK SERVICES PUBLIC COMPANY LIMITED 2012–Present Managing Director JMT NETWORK SERVICES PUBLIC COMPANY LIMITED 2001–2013 Senior Manager in Marketing and Sales JMT NETWORK SERVICES PUBLIC COMPANY LIMIT

#### 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** : 38 Years**Position in the Company** : Executive Director, Senior Manager in Accounting and Finance**Education** : Bachelor of Accounting Dhurakij Pundit University**Director Role and duty training****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** : 48 Years**Position in the Company** : Assistant Director of Information Management.**Education** : 1989 Bachelor of Political Science RamkhamhaengUniversity**Director Role and duty training****Experience** : 2013–Present Assistant Director of Information Management.

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED

2003–2013 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 <sup>th</sup> Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone :	0-2308-9999
Fax :	0-2308-9900
Company Registered Number :	0107555000074
Website :	<a href="http://www.jmtnetwork.co.th">www.jmtnetwork.co.th</a>
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 <sup>th</sup> Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone :	0-2308-9999
Fax :	0-2308-9840
Company Registered Number:	0105554042308
Website :	-
Type of Business :	Debt collecting business and Car Loan Service Business
Registered Capital:	50,000,000 Baht
Paid-up Capital:	50,000,000 Baht

#### J Asset Management Company Limited

Head Office :	325/7 Jaymart Bldg., 4 <sup>th</sup> Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone :	0-2308-9999
Fax :	0-2308-9840
Company Registered Number:	0105556069459
Website :	-
Type of Business :	Debt collecting business
Registered Capital:	25,000,000 Baht
Paid-up Capital:	25,000,000 Baht

## **JMT Insurance Broker Company Limited**

Head Office : 325/7 Jaymart Bldg., 5<sup>th</sup> Fl., Ramkhamhaeng Rd.  
Sapansoong, Bangkok 10240

Telephone : 0-2308-9999

Fax : 0-2308-9840

Company Registered Number: 0105556022886

Website : [www.jmtinsurancebroker.co.th](http://www.jmtinsurancebroker.co.th)

Type of Business : Debt collecting business

Registered Capital: 2,000,000 Baht

Paid-up Capital: 2,000,000 Baht

## **Auditor**

Mrs. Sumalee	chokdeeanan	Certified Public Accountant (Thailand)	No. 3322 or
Mr. Somckid	Tiatragul	Certified Public Accountant (Thailand)	No. 2785 or
Mr. Teerasak	Chuasrisakul	Certified Public Accountant (Thailand)	No. 6624 or

## **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, 11<sup>th</sup> Floor, Room 1107-1108, Phaholyothin Rd, Samsennai, Phayathai Bangkok 10400

Telephone: 0-2278-1683-84 Fax: 0-2271-2367,0-2271-2587

# Business Operations

## 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.

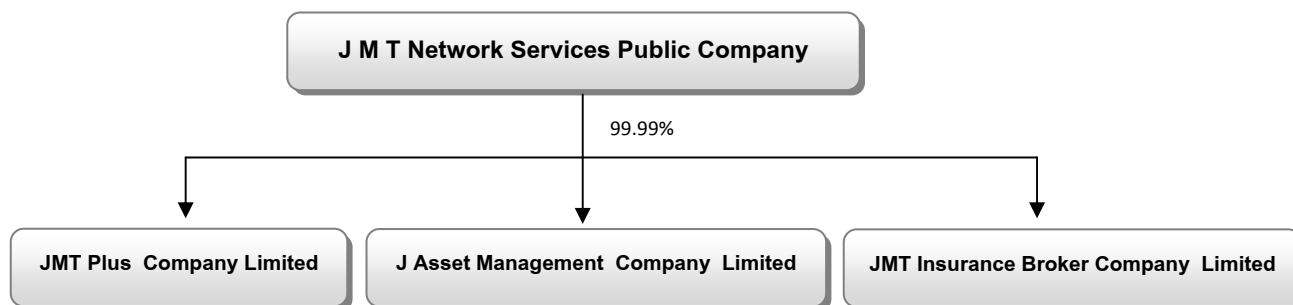
Background and key developments are summarized as follows

- 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
- 2013
- On February 5<sup>th</sup>, 2013, the company established a subsidiary, JMT Insurance Broker Co., with the authorized capital of 2 million baht for continuing running the broker business in disaster type.
  - On April 26<sup>th</sup>, 2013, the company established another subsidiary, J Asset Management Co., with the authorized capital of 25 million baht for pursuing the buying Non-Performing Load (NPL) which is already went through the legislative procedure from the financial institute

## 1.2 Nature of the Business of the Company and Subsidiary Company

### Company Group Structure

As at 31 December 2013, the company has a subsidiary company operating of 3 company, JMT Plus, J Asset Management and JMT Insurance Broker 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 4 core businesses, comprises of debts tracking and collection services, management of Non-performing debt, car loan service and Insurance Broker Business.

#### 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, 2013 the company has the amount of debt assigned to track from the employer in the amount of 13,950 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, 2013, the company has distressed debt under management in the total book value of investments in Non-performing debt – net equivalent to 723.91 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, 2013, the company and its subsidiary have the amount of debtor from the leases - net equals to 73.11 million baht.

#### Insurance Broker Business.

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

## 2.1 Revenue Structure

The revenue structure of the company according to the consolidated financial statements, segmented according to the business for the years 2010-2013, comprises of revenues as follows

Consolidated financial statement	For the Year					
	2011		2012		2013	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
<b>Key Business</b>						
Revenue from debt tracking and collection service business	108.16	33.40	106.16	26.94	97.44	26.89
Revenue from Non-performing debt Management business	214.93	66.37	279.90	70.95	255.11	70.41
Revenue from car loan business	0.44	0.14	7.68	1.95	9.78	2.7
<b>Total revenue from key business</b>	<b>323.53</b>	<b>99.91</b>	<b>393.74</b>	<b>99.80</b>	<b>362.33</b>	<b>99.78</b>
<b>Other revenues</b>	<b>0.30</b>	<b>0.09</b>	<b>0.78</b>	<b>0.20</b>	<b>0.79</b>	<b>0.22</b>
<b>Total revenue</b>	<b>323.83</b>	<b>100.00</b>	<b>394.52</b>	<b>100.00</b>	<b>363.12</b>	<b>100.00</b>

Note: <sup>1/</sup> 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.

### Insurance Broker Business

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

- Expanding the marketing channel in order to giving the feedback both to internal and external customers.
- Enlarging the market via an online channel, website channel, by beginning to providing services via the website channel since 2014.

- Expanding the channel via the J-Mart mobile phone stores in every branch.
- Expanding the channel via business partners.
- Enlarging the channel via telesales.

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

# Risk Factors

## 1. Risk 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

### 1.1 Risk in operating Business

The company operates 4 main types of business such as tracking and collection of debt service business, non-performing debt management and car loan services and Insurance Broker Business. 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 Insurance Broker Business**

#### **Potential risks from the competition within the industry**

Insurance broker business is the business which contains several of both small and big broker companies. In 2013, there are about 397 corporations who exactly provide the disaster insurance and it is a real competitive in customer services providing. The main factors in the competition are based on the price of insurance premium and the insurance institutes. They are the factors which customers use in determining in taking the insurance broker services from any company. Car insurance department has the highest value of the insurance premium than any other type of the insurance that any insurance broker corporations possess.

#### **Risks from the service complaints**

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

## **1.2 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 P&L Internal Audit Limited ("P&L") 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. Piya phongacha, 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 (1-2years 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.

## Shareholder Structure

### 1. Common shares

As at December 31, 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.

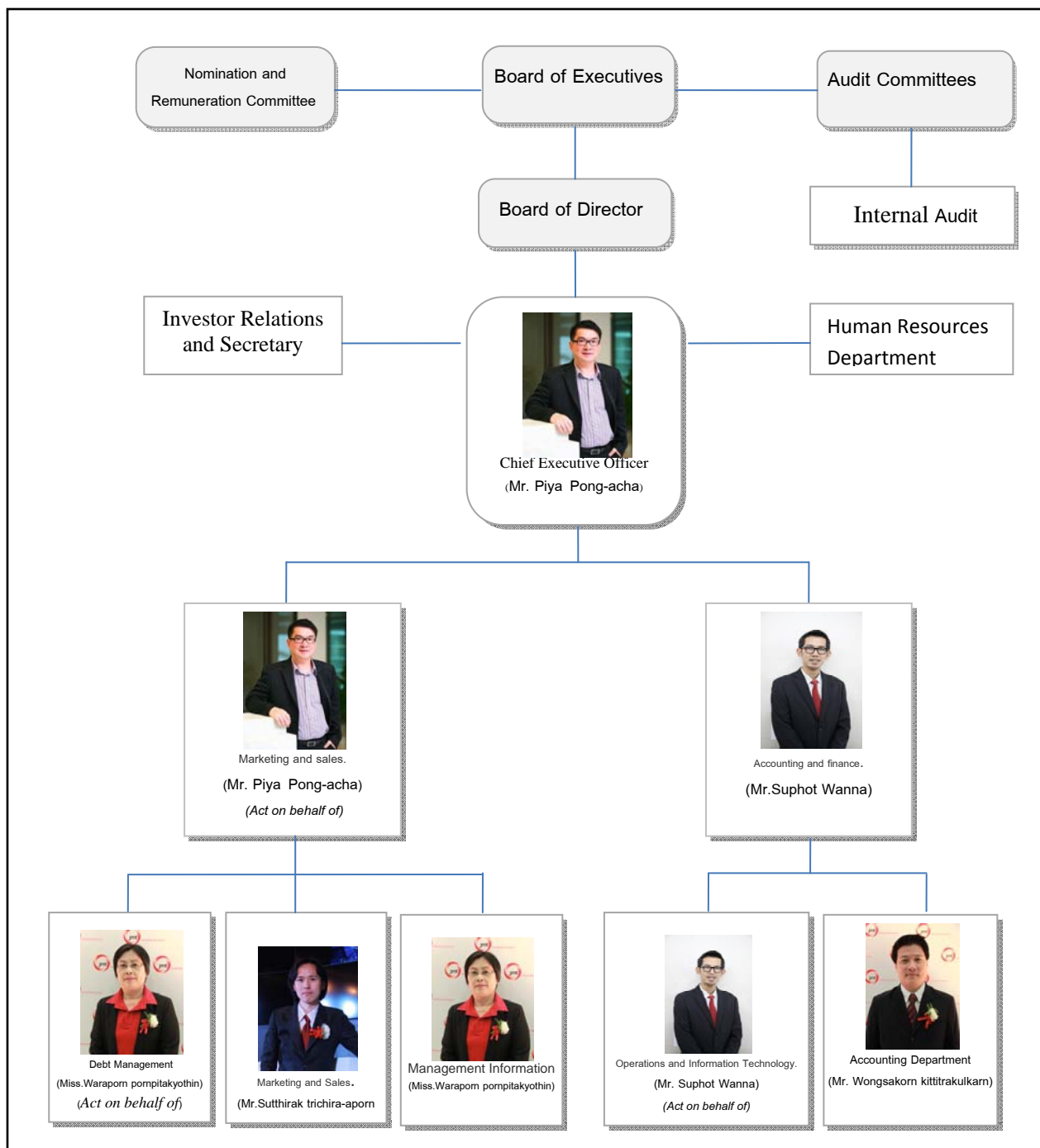
Name of shareholders	Number of Shares	%
1. Jaymart PLC.	224,999,800	75.00
2. Mrs. Waranee Saereewattana	6,641,500	2.21
3. Mr. Somchai Copnirattisai	3,687,400	1.23
4. Mr. Amorn Tirakritporn	3,093,200	1.03
5. Thai NVDR	2,806,170	0.94
6. Mr. Somchai Copnirattisai	2,514,100	0.84
7. Mr. Suwat Niyomsataen	2,080,400	0.69
8. Mr. Somboon Titisakul	2,020,000	0.67
9. Miss Lumdun Suwannrad	1,940,000	0.65
10. Miss Rarin Utookapan Panjarungrote	1,500,000	0.50
11. Mr. Somsak Tirakanun	1,448,192	0.48
12. Mr. Eakkarat Bulngammsri	1,420,251	0.47
13. Mr. Tawat Phetlohakuk	1,349,000	0.45
14. Mr. Adisak Srisuda	1,345,300	0.45
15. Mrs. Supranee Srisuda	1,317,001	0.44
16. Mr. Napat Panjakunatorn	1,265,000	0.42
17. Mr. Somsak Ngamprasert	1,161,100	0.39
18. Mrs. Walaiya Niyomsataen	957,000	0.32
19. Mr. Tanasan Horsuwan	950,000	0.32
20. Mrs. Wantanee Phetlohakuk	936,400	0.31
<b>TOTAL</b>	<b>263,431,814</b>	<b>87.81</b>

**Remarks :** The information from JMT Network Services Public Company Limited as of book closing date on December 31, 2013

# Organization Structure

As at December 31, 2013 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, 2013 the Board of Directors of the company comprises of 7 Directors as follows

1.	Mr. Adisak	Sukhumvittaya	Chairman of the Board
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	Kawachat	Audit Committee/ Independent Director
7.	Mr. Preecha	Prakorbkij	Audit Committee/ Independent Director Nomination and Remuneration Committee
	Mr. Suphot	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

1. 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.
2. 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.
3. 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.
4. Reconsider, verify and authorized policy, direction, strategy, business operation plan and mega investment project of the company proposed by the management.
5. Monitoring the performance to be in accordance with the plan and budget consistently.
6. 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.
7. Determine the policy, direction, and strategy in supervising and managing the work of the subsidiary and/or its affiliates.
8. 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, 2013 the Audit Committee consist of 3 directors as follows

1. Mr. Rerngchai	Ingkapakorn	Chairman of Audit Committee/Independent Director
2. Mr. Kanchit	Kawachat	Audit Committee/ Independent Director
3. Mr. Preecha	Prakorbkij	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 2013 Nomination and Remuneration Committee consist with 3 persons such

1. Mr. Preecha	Prakobkit	Chairman of the Nomination and Remuneration committee
2. Ms. Yuvadee	Pong-Acha	Nomination and Remuneration committee
3. Mr. Piya	Pong-Acha	Nomination and Remuneration committee
Mr. Suphot	Wanna	is secretary of the Nomination and Remuneration committee

### 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.



## Executive Committee

As at 31 December 2013 the Board of Directors shall consist of 6 members as follows.

1.	Miss. Yuwadee	Phongachaya	Chairman of the Executive Director.
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.
11. Acting on behalf of the company under delegated authority includes management Authorization Chart in order to effectively manage such a system control and monitoring system.
12. Other duties as assigned by the Board of Directors.

In addition to the items mentioned above will have no effect on the approval of the Board of Directors or the Executive Committee may delegate the approval or persons who may have conflicts of interest. There may be a conflict of interest or any other benefits to the company, or its subsidiaries, or related companies. (Following Securities and Exchange Commission and/or the Notification of the Capital Market and/or stock exchange.) The Board of Directors shall present the matter to the Board of Directors of the Company and/or shareholders to consider and approve the transaction under applicable law or regulations, or announcements on all except in accordance with normal business transactions and normal commercial terms which are required by the Capital Market Commission and the Stock Exchange of Thailand.

## Compensation of Directors and Executive Director.

For year 2013 the General Meeting of Shareholders 1/2013 on April 10, 2013 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 2012	Year 2013
1. Mr. Adisak Sukhumwittaya	Chairman of the board	200,000	200,000
2. Miss. Yuwadee Pong-acha	Committee	80,000	80,000
3. Mr. Piya Pong-acha	Committee	80,000	80,000
4. Miss. Ladda Waruntarakul	Committee	80,000	80,000
5. Mr. Rerngchai Ingkapakorn	Chairman of Audit Committee/ Independent Director	200,000	200,000
6. Mr. Kanchit Kawachat	Audit Committee/ Independent Director	120,000	120,000
7. Mr. Preecha Prakorbkiij	Audit Committee/Independent Director	120,000	120,000
Total amount paid		<b>880,000</b>	<b>880,000</b>

In addition, the General Meeting of Shareholders 1/2013 on April 10, 2013 Compensation Committee approved the detailed remuneration with in 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	2012		2013	
	Quarterly allowances (Baht)	allowances/man/time In case of more than 8 times. (Baht)	Quarterly allowances (Baht)	allowances/man/time In case of more than 8 times. (Baht)
Chairman of the board	50,000	20,000	50,000	20,000
Committee	20,000	10,000	20,000	10,000
Chairman of Audit Committee	50,000	20,000	50,000	20,000
Audit Committee	30,000	15,000	30,000	15,000
Chairman of the Nomination and Remuneration committee	-None-	-None-	-None-	-None-
Nomination and Remuneration committee	-None-	-None-	-None-	-None-

### Board

Total compensation of the 5 executives for the period ended December 31, 2013 and for the period ended December 31, 2012 was 7,715,424 Baht and 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

## Good Corporate Governance Report

### 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 legitimacy 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 4 people and not administrative 3 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 2012 and 2013, the company arranges the Board of Direct committee meeting for 8 times that there are the detail in the meeting as follow;

Name	Position	2012	2013
1. Mr.Adisak Sukumwittaya	Committee chairman	8/8	6/6
2. Miss Yuwadee Phong-acha	Committee	8/8	6/6
3. Mr.Piya Phong-acha	Committee	8/8	6/6
5. Miss Ladda Waroonthara	Committee	6/6	6/6
6. Mr.Reangchai Engkaohakorn	Independent Committee	6/6	6/6
7. Mr.Preecha Prakopjit	Independent Committee	5/6	6/6
8. Mr. Kanchit Kawachat	Independent Committee	5/6	5/6

#### Executive Committee

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 4/2012 on 10 May 2012. Then appoint the board of director since 10 May 2012. In 2012 and 2013, the Executive Committee meeting for 11 times and 13 times, the details of attendance of each director are as follows.

Name	Position	2012	2013
1. Miss Yuwadee Phong-acha	Chairman of the Executive Director	11/11	13/13
2. Mr.Piya Phong-acha	Executive Director	11/11	13/13
3. Miss Ladda Waroonthara	Executive Director	11/11	13/13
4. Mr. Suphot Wanna	Executive Director	11/11	13/13
5. Mr. Sutthirak Trichira-aporn	Executive Director	11/11	13/13
6. Mr. Wongsakorn Kittitrakulkarn	Executive Director	11/11	13/13

#### Audit Committee

Audit 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 2012. Then appoint the examined committee since 23 February 2012. In 2012 and 2013 the Audit Committee meeting for 4 times and 4 times, the details of attendance of each director are as follows.

Name	Position	2012	2013
1. Mr.Reangchai Engkaohakorn	Chairman of Audit Committee	4/4	4/4
2. Mr.Preecha Prakopjit	Audit Committee	3/4	4/4
3. Mr. Kanchit Kawachat	Audit Committee	3/4	3/4

### Nomination and Remuneration Committee

Nomination and Remuneration Committee 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 manage the system that can evaluate at the meeting at JMT Network Services Ltd. In 2012 and 2013, the Nomination and Remuneration Committee arrange meeting for 2 times and 2 times, the details of attendance of each director are as follows.

Name	Position	2012	2013
1. Mr.Preecha Prakopjit	Chairman of the Nomination and Remuneration committee	2/2	2/2
2. Miss Yuwadee Phong-acha	Nomination and Remuneration committee	2/2	2/2
3. Mr.Piya Phong-acha	Nomination and Remuneration committee	2/2	2/2

#### 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 Year 2013 on 10 April 2013 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.

## Related Transactions

During the years 2013 and 2012, 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 2013	Year 2012	
<b>JayMart Public Company Limited</b> <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 company, are <i>Mr. Adisak Sukhumvitaya</i> <i>(Chairman of the Company)</i> , holds a position of Director, Chairman of Executive board member and Chief Executive Officer of JMART  <i>Miss Yuwadee Phongachya</i> (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  <u>Relationship with the company (continue)</u> <i>Mrs. Ladda Waruntarakul</i> (Director, Executive Director of the company), holds a position of Acting Director of the Division of Accounting and Finance of JMART.	<u><b>Tracking and collection of debt service</b></u> The company provides tracking and collection of debt to Jaymart. - Tracking and collection of debt service revenue	28,233	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.  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><b>Document Delivery service</b></u> Jaymart employed the company in providing document Delivery service - Document Delivery service revenue	54,975	131,815	
	<u><b>Pay point</b></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			
				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

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 2013	Year 2012	
Jaymart (continue)	to the company as follows. -Other debtors	720,427	291,378	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.
	<b><u>Purchasing</u></b> 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	- - -	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. <b><u>Opinion of the Audit Committee</u></b> 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.
	<b><u>Sales promotion Cost</u></b> 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. <b><u>Opinion of the Audit Committee</u></b> 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.
	<b><u>Management</u></b> The company employed Jaymart in managing only at the Management level, comprises of budgeting, Finance, accounting, human resources consulting,			In the past the company is a medium-sized company. There are not a lot of commercial transactions, hence employed Jaymart to provide the management service only in the executive level. The fee is based on cost plus profit, which is

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 2013	Year 2012	
Jaymart (continue)	Corporate Communications and provide counseling for computer works, with the service fee of 270,000 baht per month. -Managing expense	-	1,129,548	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 -Beginning period Short-term loan -Additional loan during the period -Repay during the period -End period Short term loan  Interest paid	-	61,000,000 195,000,000 <u>(256,000,000)</u> <u>=====</u> 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 hasused the funds to repay the loan from Jaymartin full amount. <u>Opinion of the Audit Committee</u> Loaning fromJaymart as such is according to the normal course of the company. 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 2013	Year 2012	
	<u>Office Building rental and Service fees</u> - Office Building rental and Service fees  <u>Purchase Asset</u> - Purchase asset	15,662,285          707,866	3,746,781          -	<p>The company has rented the building area with Jaymart, starting on October 1, 2013, with an agreement term of 1 year. The rental rate and service fee is as according to the market price.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is necessary and reasonable and beneficial to the company.</p> <p>The company purchased equipment and office supplies with Jmart. For office use Which is based on market price</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is necessary and reasonable and beneficial to the company.</p>
<b>T.A.S Asset Company Limited (“T.A.S”)</b> <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 Yuwadee Phongachaya</i> (Director, Chairman of Executive Board member and Nomination 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	264,558	276,060	<p>The company rent car from TAS at a market rate to be used as vehicle for the Chief executive officer of the company.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Using such services is for the use as vehicle for the Chief Executive officer of the company and 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.</p>
<b>JAS Asset Company Limited “JAS”</b> Performs retail area management of which the head office is located at 325/7 JMART Tower, Floor 4, Ramkhamhang Rd., Saphasong Sub-District, Bangkok. It has the relationships with Jmart as follows: Jmart holds 99.99% of the paid up capital in JAS	<u>Office Building rental and Service fees</u> - Office Building rental and Service fees	663,418	-	<p>The company has leased the J-Market Amorphant lease term of 3 years commencing from 1 July 2556 to 30 June 2559 to form a branch of the company. For debt The increases in rents and services at market prices.</p> <p><u>Opinion of the Audit Committee</u></p> <p>Such transaction is necessary and reasonable and beneficial to the company.</p>

## 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 2013 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
Miss Chuleewan	Hawichit	Secretary Audit Committee

Year 2013, 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 P&L Internal Audit 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, Control of information systems and Management fixed assets. 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
	2013	2012	YoY(%)
Total revenue	362.33	393.74	-7.98%
Total Cost	195.60	187.29	4.44%
Profit Margin	166.73	206.45	-19.24%
Sales and Management Expense	84.19	58.45	44.03%
Profit before interest and Tax	83.33	148.78	-43.99%
Net profit	75.08	110.15	-31.84%

### Income

Gross income of the company has been decreased from 393.74 million baht in 2012 to 362.33 million baht in 2013, or it is about 7.98 % decreasing, causes of this revenue decreasing are followed;

1. Income from acquiring the distressed debt is declined from 279.90 million baht in 2012 to 255.11 million baht in 2013 or it can be said that it has been decreased by 8.85 %. Regarding to the more amount of cutting of the investment in debtors, it affects to the sinking income meanwhile the savings amount is better than the previous year.
2. Revenue from following up the debts is falling down. The revenue in 2013 is 97.44 million baht which has been reduced from 2012 in the amount of 8.72 million baht or 8.21% decreasing, as the result of the declining of following up debt service price.
3. Interest income according to the lease contract is increasing from 7.68 million baht in 2012 to 9.78 million baht in 2013 or it has been lifted for 2.10 million baht. It comes from the escalation of giving more hire-purchase car loans.

### Costs of Sales

In 2013 and 2012, the company has the costs of sales of 195.60 million baht and 187.29 million baht respectively. The increment is resulted from the more amounts of the employees to support the more amount of purchasing of distressed debt, and the adjustment of the base salary of the employees.

### Selling and Administrative Expenses

In 2013 and 2012, the company possesses the selling and administrative expenses for 84.19 million baht and 58.45 million baht respectively. The cost is climbed up to 25.73 million baht or 44.03% rising compared with the previous year. Since the company sets the more amount of allowance for doubtful accounts, employees' expenses, depreciation cost, including renting costs and utility costs, according to the continuously expansion.

### Net Profits

In 2013 and 2012, the corporation has the gross profits of 166.73 million baht and 206.45 million baht respectively. It has been fallen down for 19.24%. Since the revenue recognition from purchasing the distressed debts to managing is decreasing, together with the rise up of the costs of sales.

In 2013 and 2012, the corporation has the net profits of 75.08 million baht and 110.15 million baht respectively. It has been declined about 31.84%, the earnings per share are 0.25 and 0.56 baht.

#### Financial Status

##### Assets

On December 31<sup>st</sup>, 2013, the company owns the total assets of 914.15 million baht; current assets are 93.82 million baht or 10.26% of total assets and non-current assets is 820.34 million baht or 89.74% of total assets. Comparing with 2012, the company has more total assets of 175.19 million baht or 23.71% increasing.

The summary of the changes of the assets in 2013 are as followings;

- Investment in account receivables, net is equal to 723.91 million baht or 79.19% of the total assets. It soars from the previous year about 176.09 million baht. As the company purchases distressed debts to manage more.

##### Liabilities

On December 31<sup>st</sup>, 2013, the company possesses the total liabilities of 299.04 million baht, comparing with the previous year; it increases for 181.12 million baht or 153.59% rising.

	2013	2012
Cash flows from operating activities	3.65	(237.15)
Cash flows from investing activities	(24.30)	(17.15)
Cash flows from financing activities	27.21	264.37
Net-Cash and cash equivalents Increase (decrease)	6.56	10.07

The summary of the changes of the liabilities in 2013 are as followings;

1. Overdraft and short-term loan from the financial institutions is equal to 192.34 million baht, 108.34 million baht increasing.
2. Account payables is equal to 84.27 million baht, 83.48 million baht increasing, it comes from the factoring.

##### Liquidity

In 2013, the company has the cash and cash equivalents are equal to net 6.56 million baht by going into details in cash flow as followed;

The cash flow from operating activities in 2013, the company has the net cash inflow from the operating activities of 3.65 million baht which is generated from collecting the money from purchasing the distressed debts for managing, and giving the hire-purchase loans. For 2012, the company spent the money into the operating activities for 237.15 million baht which is regarding from the purchasing of distressed debts and giving hire-purchase loans.

The cash flow from the investing activities in 2013, the company has the net cash outflow from the investing activities of 24.30 million baht which is from the acquisition of the assets. While in 2012, the company has the net cash outflow from the investing activities equals to 17.15 million baht which also comes from the assets acquisition.

The cash flow from financing activities in 2013, the company has the net cash inflow from the financing activities of 27.21 million baht which is from the short-term loans. In 2012, the company has the net cash inflow from the financing activities of 264.37 million baht which comes from selling the common stocks for raising the capital.

Liquidity ratio of the company is equivalent to 0.31 in 2013. Comparing with 0.65 in 2012, the company has the reduction in liquidity ratio according to the increment of the short-term loans from financial institutions.

#### Source of Investment Funds

The major source of the investment of the company consists of the short-term loans from the financial institutions on December 31<sup>st</sup>, 2013, which equals to 192.34 million baht. It increases from the previous year about 108.34 million baht or 128.98% increasing.

## Auditing Fee

The Company and its subsidiaries' 2013 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 2012 amounted for Baht. 940,000 and year 2013 amounted for Baht. 1,025,000

Auditing Fee (Baht)	2012	2013
1. Financial Statement Auditing Fee		
JMT Network Services Public Company Limited	730,000	800,000
2. Financial Statement Auditing Fee		
JMT Network Services Public Company Limited and its subsidiaries	940,000	1,025,000

## Corporate Social Responsibility of the Company

In 2013 the company has organized social activities. "Project Punrak punnamjai for Children" bring sportswear and sports equipment 200 sets. Instrument, stationery and contributions to capital. Prakitwetsak school. School Director and faculty and students of the 200 who received the donation.



## **REPORT OF INDEPENDENT AUDITOR**

To the Shareholders of JMT Network Services Public Company Limited

I have audited the accompanying consolidated financial statement of JMT Network Services Public Company Limited and its subsidiaries which comprise the consolidated statement of financial position as at 31 December 2013, the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes disclosure summarizing significant accounting policies and other explanatory information. I have also audited the separate financial statements of JMT Network Services Public Company Limited which comprise the separate statement of financial position as at 31 December 2013, the related separate statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes disclosure summarizing significant 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 selected audit procedures 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 referred to above present fairly, in all material respects, the consolidated financial position as at 31 December 2013 and the consolidated results of operations and cash flows for the year then ended of JMT Network Services Public Company Limited and its subsidiaries, and the separate financial position as at 31 December 2013 and the 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

20 February 2014



## JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	CONSOLIDATED			SEPARATE		
		31 December 2013	31 December 2012	31 December 2011	31 December 2013	31 December 2012	31 December 2011
			(Restated)	(Restated)		(Restated)	(Restated)
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	5	20,520,494	13,957,727	3,880,883	9,967,964	11,217,229	2,896,645
Trade accounts receivable - general customers	6	11,246,318	9,073,195	2,777,155	11,246,318	9,073,195	2,777,155
- related company	20	-	3,274,855	1,671,490	-	3,274,855	1,671,490
Other receivable - parent company	20	720,427	291,378	125,381	707,847	291,378	125,381
- subsidiary company	20	-	-	-	20,700	-	-
Accrued income	7	10,662,738	11,510,926	10,948,530	10,124,830	11,185,614	10,948,530
Refundable income tax		-	-	5,905,545	-	-	5,905,545
Current portion of hire purchases receivable - net		18,193,831	18,458,794	2,653,305	7,614,898	7,715,917	2,653,305
Short - term loan to subsidiary company	8	-	-	-	35,500,000	23,500,000	-
Refundable value added tax	20	3,920,544	2,327,143	662,974	840,392	2,327,143	662,974
Other current assets		28,553,476	17,835,612	14,561,113	26,394,900	17,213,918	14,561,068
<b>Total Current Assets</b>		<b>93,817,828</b>	<b>76,729,630</b>	<b>43,186,376</b>	<b>102,417,849</b>	<b>85,799,249</b>	<b>42,202,093</b>
<b>NON - CURRENT ASSETS</b>							
Hire purchases receivable - net	8	54,915,285	89,813,842	13,861,247	19,862,339	33,210,803	13,861,247
Restricted deposits with financial institutions	9	2,649,316	1,359,019	1,036,920	1,649,316	1,359,019	1,036,920
Investments in accounts receivable - net	10	723,908,819	547,815,839	359,272,280	679,564,351	547,815,839	359,272,280
Investments in subsidiary companies	11	-	-	-	66,399,900	49,999,970	999,970
Office furniture and equipment – net	12	22,574,974	13,438,213	5,563,333	21,744,332	12,346,969	5,563,333
Computer software - net	13	10,629,518	5,829,202	1,150,972	10,586,159	5,811,730	1,150,972
Deferred income tax asset	18	3,447,586	955,415	651,335	3,447,586	955,415	651,335
Other non - current assets		2,209,807	3,017,664	2,026,883	2,066,797	2,956,666	2,026,884
<b>Total Non - Current Assets</b>		<b>820,335,305</b>	<b>662,229,194</b>	<b>383,562,970</b>	<b>805,320,780</b>	<b>654,456,411</b>	<b>384,562,941</b>
<b>TOTAL ASSETS</b>		<b>914,153,133</b>	<b>738,958,824</b>	<b>426,749,346</b>	<b>907,738,629</b>	<b>740,255,660</b>	<b>426,765,034</b>

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

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## JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES

## STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

		CONSOLIDATED			SEPARATE		
		31 December 2013	31 December 2012	31 December 2011	31 December 2013	31 December 2012	31 December 2011
Notes			(Restated)	(Restated)		(Restated)	(Restated)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
<b>CURRENT LIABILITIES</b>							
	14	192,340,000	84,000,000	143,700,000	192,340,000	84,000,000	143,700,000
Short - term loans from financial institutions							
Trade accounts payable - general suppliers		84,269,411	788,554	852,778	77,962,146	783,960	852,778
Current portion of liability under finance							
lease and hire - purchase agreement	15	74,121	127,065	127,065	74,121	127,065	127,065
Other payable - subsidiary company	20	-	-	-	80,440	66,040	-
Accrued expenses	16	12,596,850	13,442,123	9,243,492	12,208,322	12,737,414	9,243,493
Short - term loans from parent company		-	-	61,000,000	-	-	61,000,000
Income tax payable		1,418,001	12,397,890	20,945,398	1,418,001	12,397,890	20,945,398
Other current liabilities		5,893,226	5,021,002	2,159,638	5,517,533	4,215,259	2,154,638
<b>Total Current Liabilities</b>		<b>296,591,609</b>	<b>115,776,634</b>	<b>238,028,371</b>	<b>289,600,563</b>	<b>114,327,628</b>	<b>238,023,372</b>
<b>NON - CURRENT LIABILITIES</b>							
Liability under finance lease and							
hire - purchase agreement - net	15	-	74,121	201,186	-	74,121	201,186
Employee benefits obligation	17	2,447,049	2,071,466	1,873,668	2,335,275	1,983,240	1,873,668
<b>Total Non - Current Liabilities</b>		<b>2,447,049</b>	<b>2,145,587</b>	<b>2,074,854</b>	<b>2,335,275</b>	<b>2,057,361</b>	<b>2,074,854</b>
<b>TOTAL LIABILITIES</b>		<b>299,038,658</b>	<b>117,922,221</b>	<b>240,103,225</b>	<b>291,935,838</b>	<b>116,384,989</b>	<b>240,098,226</b>
<b>SHAREHOLDERS' EQUITY</b>							
Share capital, common share at Baht 1 par value							
Registered - 300,000,000 shares		300,000,000	300,000,000	120,000,000	300,000,000	300,000,000	120,000,000
Fully paid - up - 300,000,000 shares	22	300,000,000	300,000,000	120,000,000	300,000,000	300,000,000	120,000,000
Premium on share capital		212,449,464	212,449,464	-	212,449,464	212,449,464	-
Retained earnings							
Appropriated for statutory reserve	23	30,000,000	30,000,000	12,000,000	30,000,000	30,000,000	12,000,000
Unappropriated		72,664,911	78,587,109	54,646,091	73,353,327	81,421,207	54,666,808
<b>SHAREHOLDERS' EQUITY OF THE COMPANY</b>		<b>615,114,375</b>	<b>621,036,573</b>	<b>186,646,091</b>	<b>615,802,791</b>	<b>623,870,671</b>	<b>186,666,808</b>
Non - controlling interests in subsidiaries		100	30	30	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>615,114,475</b>	<b>621,036,603</b>	<b>186,646,121</b>	<b>615,802,791</b>	<b>623,870,671</b>	<b>186,666,808</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>914,153,133</b>	<b>738,958,824</b>	<b>426,749,346</b>	<b>907,738,629</b>	<b>740,255,660</b>	<b>426,765,034</b>

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

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**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

	Notes	CONSOLIDATED		SEPARATE	
		2013	2012	2013	2012
			(Restated)		(Restated)
<b>REVENUES</b>					
Services income from debts collection and others	20,25	97,438,937	106,159,846	97,565,389	105,841,208
Revenues from collection of purchased accounts receivable	25	255,113,570	279,895,008	254,934,929	279,895,008
Interest income under hire-purchase agreements and related income	25	9,781,591	7,682,747	3,930,746	4,693,974
<b>Total revenues</b>		362,334,098	393,737,601	356,431,064	390,430,190
Costs of services	21,25	(195,605,346)	(187,284,517)	(194,217,936)	(183,568,961)
<b>Gross profit</b>		166,728,752	206,453,084	162,213,128	206,861,229
Other income	20,25	787,873	776,637	1,518,445	1,812,931
<b>Income before expenses</b>		167,516,625	207,229,721	163,731,573	208,674,160
Administrative expenses	21	(84,188,891)	(58,453,381)	(82,474,582)	(57,170,963)
<b>Income before financial cost and income tax</b>		83,327,734	148,776,340	81,256,991	151,503,197
Financial cost	20	(3,856,553)	(12,805,844)	(3,931,492)	(12,725,814)
<b>Income before income tax</b>	18	79,471,181	135,970,496	77,325,499	138,777,383
Income tax - net	18	(4,393,379)	(25,820,322)	(4,393,379)	(25,820,322)
<b>Income for the year</b>		75,077,802	110,150,174	72,932,120	112,957,061
<b>Other comprehensive income (loss) for the year</b>					
Income from actuarial assessments		-	40,844	-	47,338
<b>Total comprehensive income for the year</b>		75,077,802	110,191,018	72,932,120	113,004,399
<b>Allocation of income for the year:</b>					
Portion of the Company's shareholders		75,077,802	110,150,174	72,932,120	112,957,061
Portion of non - controlling interests in subsidiaries		-	-	-	-
		75,077,802	110,150,174	72,932,120	112,957,061
<b>Allocation of comprehensive income:</b>					
Portion of the Company's shareholders		75,077,802	110,191,018	72,932,120	113,004,399
Portion of non - controlling interests in subsidiaries		-	-	-	-
		75,077,802	110,191,018	72,932,120	113,004,399
<b>Basic earnings per share</b>					
Income (Baht per share)		0.25	0.56	0.24	0.58
Weighted average number of common share (Shares)		300,000,000	195,614,754	300,000,000	195,614,754

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

**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

		Company's Shareholders' equity						
		Issued and	Premium on	Retained Earnings		Total equity	Non -	
	Notes	paid - up	share capital	Statutory	Unappropriated	attributable to	controlling	
		share capital	share capital	reserve	(Restated)	the Company's	interests	Total
						shareholders		
<u>CONSOLIDATED F/S</u>								
Balance as at 1 January 2012 - as previously reported		120,000,000	-	12,000,000	53,994,757	185,994,757	30	185,994,787
Cumulative effect adjustment for changed accounting policy for deferred income tax	2	-	-	-	651,334	651,334	-	651,334
Balance as at 1 January 2012 - as adjusted		120,000,000	-	12,000,000	54,646,091	186,646,091	30	186,646,121
Increase share capital	22	180,000,000	212,449,464	-	-	392,449,464	-	392,449,464
Statutory reserve	23	-	-	18,000,000	(18,000,000)	-	-	-
Comprehensive income for the year - restated		-	-	-	110,191,018	110,191,018	-	110,191,018
Dividend paid	24	-	-	-	(68,250,000)	(68,250,000)	-	(68,250,000)
Balance as at 31 December 2012 as adjusted		300,000,000	212,449,464	30,000,000	78,587,109	621,036,573	30	621,036,603
Balance as at 1 January 2013 - as previously reported		300,000,000	212,449,464	30,000,000	77,631,695	620,081,159	30	620,081,189
Cumulative effect adjustment for changed accounting policy for deferred income tax	2	-	-	-	955,414	955,414	-	955,414
Balance as at 1 January 2013 - as adjusted		300,000,000	212,449,464	30,000,000	78,587,109	621,036,573	30	621,036,603
Comprehensive income for the year		-	-	-	75,077,802	75,077,802	-	75,077,802
Non - controlling interests increased during the year		-	-	-	-	-	70	70
Dividend paid	24	-	-	-	(81,000,000)	(81,000,000)	-	(81,000,000)
Balance as at 31 December 2013		300,000,000	212,449,464	30,000,000	72,664,911	615,114,375	100	615,114,475

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

JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)  
FOR THE YEARS ENDED 31 DECEMBER

						(Unit : Baht)
	Notes	Issued and paid - up share capital	Premium on share capital	Retained Earnings		Total
				Statutory reserve	Unappropriated (Restated)	
<b>SEPARATE F/S</b>						
<b>Balance as at 1 January 2012 - as previously reported</b>		120,000,000	-	12,000,000	54,015,474	186,015,474
Cumulative effect adjustment for changed accounting policy for deferred income tax	2	-	-	-	651,334	651,334
<b>Balance as at 1 January 2012 - as adjusted</b>		120,000,000	-	12,000,000	54,666,808	186,666,808
Increase share capital	22	180,000,000	212,449,464	-	-	392,449,464
Statutory reserve	23	-	-	18,000,000	(18,000,000)	-
Comprehensive income for the year - restated		-	-	-	113,004,399	113,004,399
Dividend paid	24	-	-	-	(68,250,000)	(68,250,000)
<b>Balance as at 31 December 2012 as adjusted</b>		300,000,000	212,449,464	30,000,000	81,421,207	623,870,671
<b>Balance as at 1 January 2013 - as previously reported</b>		300,000,000	212,449,464	30,000,000	80,465,793	622,915,257
Cumulative effect adjustment for changed accounting policy for deferred income tax	2	-	-	-	955,414	955,414
<b>Balance as at 1 January 2013 - as adjusted</b>		300,000,000	212,449,464	30,000,000	81,421,207	623,870,671
Comprehensive income for the year		-	-	-	72,932,120	72,932,120
Dividend paid	24	-	-	-	(81,000,000)	(81,000,000)
<b>Balance as at 31 December 2013</b>		300,000,000	212,449,464	30,000,000	73,353,327	615,802,791

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

**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities :-</b>				
Income before income tax	79,471,181	135,970,496	77,325,499	138,777,383
<b>Adjustments to reconcile income before income tax to net cash provided from (used in) operating activities:-</b>				
Depreciation and amortization	9,142,620	4,181,225	8,879,421	4,042,573
Loss from impairment of investment	-	-	10,600,000	-
Loss (gain) on disposal of assets	(65,353)	91,261	(66,804)	91,261
Allowance for doubtful accounts	22,005,584	2,143,099	12,108,820	2,007,539
Interest income	(8,862,842)	(6,162,965)	(4,268,836)	(5,052,306)
Interest expense	3,856,553	12,805,844	3,931,492	12,725,814
Employee benefits obligation expense	275,488	186,349	256,402	173,921
<b>Cash provided from operating activities before changes in operating assets and liabilities</b>	<b>105,823,231</b>	<b>149,215,309</b>	<b>108,765,994</b>	<b>152,766,185</b>
<b>Decrease (increase) in operating assets:-</b>				
Trade accounts receivable - general customers	(2,173,123)	(6,296,040)	(2,173,123)	(6,296,040)
- related company	3,274,855	(1,603,366)	3,274,855	(1,603,366)
Other receivable - parent company	(429,049)	(165,996)	(416,469)	(165,996)
- subsidiary company	-	-	(20,700)	-
Accrued income	1,445,865	(44,004)	1,369,256	39,770
Short - term loan to subsidiary company	-	-	(12,000,000)	(23,500,000)
Refundable value added tax	(1,593,400)	(1,664,169)	1,486,751	(1,664,169)
Other current assets	(10,767,636)	2,640,597	(9,180,982)	3,185,403
Hire purchases receivables	20,784,343	(93,982,871)	8,967,070	(26,501,396)
Investments in accounts receivable	(100,004,447)	(188,461,870)	(61,967,145)	(188,461,870)
Other non - current assets	807,856	(990,781)	889,868	(929,781)
<b>Increase (decrease) in operating liabilities:-</b>				
Trade accounts payable - general suppliers	(234,081)	(64,224)	(229,588)	(68,817)
Other payable - subsidiary company	-	-	14,400	-
Accrued expenses	(845,273)	4,193,630	(529,092)	3,493,922
Short - term loans from parent company	-	(61,000,000)	-	(61,000,000)
Other current liabilities	872,222	2,866,362	1,302,274	2,060,620
<b>Cash provided from (used in) operations</b>	<b>16,961,363</b>	<b>(195,357,423)</b>	<b>39,553,369</b>	<b>(148,645,535)</b>
Cash received from interest	8,265,164	5,644,574	3,960,364	4,775,451
Cash paid for interest	(3,691,546)	(12,739,336)	(3,835,859)	(12,597,658)
Income tax paid	(17,880,579)	(34,695,675)	(17,865,439)	(34,683,745)
<b>Net cash provided from (used in) operating activities</b>	<b>3,654,402</b>	<b>(237,147,860)</b>	<b>21,812,435</b>	<b>(191,151,487)</b>

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

**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

	<b>CONSOLIDATED</b>		<b>SEPARATE</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from investing activities:-</b>				
Increase in restricted deposits with financial institutions	(1,290,297)	(322,099)	(290,297)	(322,099)
Cash paid for investments in subsidiary companies	-	-	(26,999,930)	(49,000,000)
Proceeds from disposal of assets	116,304	50,563	116,304	50,563
Purchases of assets	(23,130,647)	(16,876,159)	(23,100,712)	(15,628,792)
<b>Net cash used in investing activities</b>	<b>(24,304,640)</b>	<b>(17,147,695)</b>	<b>(50,274,635)</b>	<b>(64,900,328)</b>
<b>Cash flows from financing activities:-</b>				
Increase in short - term loans from financial institutions	108,340,000	(59,700,000)	108,340,000	(59,700,000)
Repayment of liability under finance lease agreement	(127,065)	(127,065)	(127,065)	(127,065)
Cash received from increase share capital	-	392,449,464	-	392,449,464
Cash received from increase share capital - subsidiary companies	70	-	-	-
Dividend payment	(81,000,000)	(68,250,000)	(81,000,000)	(68,250,000)
<b>Net cash provided from financing activities</b>	<b>27,213,005</b>	<b>264,372,399</b>	<b>27,212,935</b>	<b>264,372,399</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>6,562,767</b>	<b>10,076,844</b>	<b>(1,249,265)</b>	<b>8,320,584</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>13,957,727</b>	<b>3,880,883</b>	<b>11,217,229</b>	<b>2,896,645</b>
<b>Cash and cash equivalents - end of the year</b>	<b>20,520,494</b>	<b>13,957,727</b>	<b>9,967,964</b>	<b>11,217,229</b>
<b>Supplemental cash flows information:</b>				
Non - cash transactions				
Investments in accounts receivable from financial institution by installments not affecting the cash flows	83,714,939	-	77,407,774	-

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

**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO FINANCIAL STATEMENTS**  
**31 DECEMBER 2013 AND 2012**

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 have been listed for trading in the Stock Exchange of Thailand (SET) since 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 providing finance leasing services. The Company's registered office address is 325/7, J MART Tower, 4 - 6<sup>th</sup> 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.

The Company has following 99.99% owned subsidiaries with different businesses:

Company	Address	Type of businesses
JMT Plus Company Limited	325/7, J MART Tower, 4 <sup>th</sup> floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok, 10240	Debt collection business and provides finance leasing services
JMT Insurance Broker Company Limited	325/7, J MART Tower, 5 <sup>th</sup> floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok, 10240	Insurance broker
J Asset Management Company Limited	325/7, J MART Tower, 4 <sup>th</sup> floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok, 10240	Asset management

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 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.



The Federation of Accounting Professions has announced the application of accounting standards, the financial reporting standards that were amended in 2012 and 2013, and the interpretation of accounting standards and reporting standards, to be effective for fiscal years beginning on or after 1 January 2014. The Company's management has considered the impact of those accounting and reporting standards to the financial statements when they are initially applied.

The consolidated and separate financial statements have been prepared with the same manner as prior year, except for the adoption of TAS 12 Income taxes as follow:

#### TAS 12 Income tax

This accounting standard requires the Company to identify temporary differences between the carrying amounts of assets or liabilities under the accounting basis and corresponding amounts under tax basis, in order to recognize the tax effects as deferred tax asset or liability subjecting to certain recognition criteria. Effective 1 January 2013, the Company has adopted such accounting policy and restated the prior year financial statements, presented for comparative information, as if it had recognized the income tax effects as deferred income tax asset or liability in the previous years.

The income tax expense recognized in profit or loss for the year comprises deferred and current income taxes and current income tax not recognized in other comprehensive income or directly in equity.

#### *Current income tax*

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

#### *Deferred income tax*

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred income tax asset is reviewed by management at the end of each reporting period and reduced to the extent that it is no longer probable that the related income tax benefit will be realized.

## The effects from adoption of new accounting policy for income tax

The adoption of new accounting policy for income tax affects the financial statements for the year 2013 as follows:

(Unit : Thousand Baht)

	Consolidated F/S			Separate F/S		
	Previously Reported	Effect of change	Restated	Previously Reported	Effect of change	Restated
<b>Statement of financial position</b>						
<b>as at 31 December 2011</b>						
Deferred income tax asset	-	651	651	-	651	651
Retained earnings - Unappropriated	53,995	651	54,646	54,015	651	54,666
<b>Statement of financial position</b>						
<b>as at 31 December 2012</b>						
Deferred income tax asset	-	955	955	-	955	955
Retained earnings - Unappropriated	77,632	955	78,587	80,466	955	81,421
<b>Statement of comprehensive income for the</b>						
<b>year ended 31 December 2012</b>						
Income tax expense	26,136	(316)	25,820	26,136	(316)	25,820
<b>The effects on earnings per share for the</b>						
<b>year ended 31 December 2012</b>						
Basic earnings per share (Baht)	0.56	-	0.56	0.58	-	0.58

## 2.2 Basis of consolidation

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

Name of Entity	Percentage of shareholding		Type of businesses
	2013	2012	
Subsidiaries companies			
JMT Plus Company Limited	99.99	99.99	Debt collection business and finance leasing services
JMT Insurance Broker Company Limited	99.99	-	Insurance broker
J Asset Management Company Limited	99.99	-	Asset management

On 5 February 2013, the Company established a new 99.99% owned subsidiary, JMT Insurance Broker Co., Ltd., to do Insurance broker business, with registered share capital of Baht 2 million.

On 26 April 2013, the Company established a new 99.99% owned subsidiary, J Asset Management Co., Ltd., to do asset management business, with registered share capital of Baht 25 million.

The subsidiaries' total assets included in the consolidated financial statements of JMT Network Services Public Company Limited and subsidiaries as at 31 December 2013 and 2012, and subsidiaries' total revenues for the years ended 31 December 2013 and 2012 represent the following percentages in the consolidated financial statements:

Name of Entity	Percentage of subsidiaries' total assets to consolidated total assets		Percentage of subsidiaries' total revenues to consolidated total revenues	
			For the years ended 31 December	
	2013	2012	2013	2012
<u>Subsidiaries companies</u>				
JMT Plus Company Limited	5.51	9.79	1.70	0.89
JMT Insurance Broker Company Limited	0.21	-	0.03	-
J Asset Management Company Limited	6.13	-	0.08	-

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

The consolidated financial statements have been prepared with the same accounting policies for the preparation of 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 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 allowances 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

Should the company consider accounts receivable to be un-collectable, it will write them 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 realizable value and set up allowance for loss if the repossessed asset value is less than the recorded amount.

#### 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 are carried at purchase cost less amortized costs and allowance for impairment (if any). The Company recognized loss on impairment of investment when it anticipate discounted cash flows to the present values of receivables are lower than book value.

#### Investments in subsidiary companies

Investments in subsidiary companies are accounted for in the separate financial statements by the cost method. Such investment refers to investment which the Company can fully exercise 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 subsidiaries 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

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 amortization and allowance for impairment (if any). Amortization 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 year, the Company and subsidiaries assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiaries make 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 collection will 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 subsidiaries 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 subsidiaries 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 subsidiaries and their employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiaries. The fund's assets are held in a separate trust fund. The Company's and its subsidiaries' contributions are recognized as expenses when incurred.

#### Defined benefit plans

The Company and subsidiaries have obligations in respect of the severance payments they must make to employees upon retirement under Labor Law. The Company and its subsidiaries 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.

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

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

#### Income tax

The income tax expense recognized in profit or loss for the year comprises deferred and current income taxes and current income tax not recognized in other comprehensive income or directly in equity.

##### *Current income tax*

Current income tax is the expected tax payable or claimable on the taxable profit or loss for the year, which is different from profit or loss in the financial statements, using income tax rates enacted or substantially enacted at the end of the reporting period, and any adjustment to income tax payable in respect of previous years.

##### *Deferred income tax*

Deferred income taxes are calculated using the liability method on temporary differences between the accounting amounts of assets and liabilities and the amounts used for tax computation purpose. Deferred income taxes are calculated at the income tax rates that are expected to be applied to the temporary differences when they reverse, using income tax rates enacted or substantively enacted at the end of the reporting period.

#### Financial instruments

Financial assets in the statement of financial position include cash and cash equivalent, 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 results that are reported to the Group's executive committee (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### 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 are 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 subsidiaries 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 subsidiaries 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 subsidiaries 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 subsidiaries’ 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 judgment 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 subsidiaries consider allowances for impairment of assets when there is an indication that an asset may be impaired. When there has been a significant decline in the fair value of asset, 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 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group’s future taxable income against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions

#### 4.1.8 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 subsidiaries 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 subsidiaries 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 2013 and 2012 are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
Cash on hand	21,000	15,000	10,000	10,000
Bank deposits – current accounts	16,067,380	13,216,690	6,905,214	10,500,756
Bank deposits – saving accounts	4,432,114	726,037	3,052,750	706,473
Total	20,520,494	13,957,727	9,967,964	11,217,229

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

6. TRADE ACCOUNTS RECEIVABLE – GENERAL CUSTOMERS

The outstanding balances as at 31 December 2013 and 2012 classified by ages are as follow:

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
Not yet due	10,696,755	3,296,755	10,696,755	3,296,755
Past due				
Less than 3 months	538,313	5,776,440	538,313	5,776,440
3-6 months	11,250	-	11,250	-
Total	11,246,318	9,073,195	11,246,318	9,073,195

The Company and subsidiaries regularly evaluate risk factor from the collection of receivables and do not expect to incur loss from debt collection services because the services income are recognized after confirmation with customers.

7. ACCRUED INCOME

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
Accrued services income	9,821,860	10,991,270	9,814,695	10,907,495
Accrued interest income	840,878	519,656	310,135	278,119
Total	10,662,738	11,510,926	10,124,830	11,185,614

8. HIRE PURCHASES RECEIVABLE

As at 31 December 2013 and 2012, the Company and its subsidiary had receivables for hire purchases financing services totalling Baht 89.74 million and Baht 110.52 million, respectively, covering the periods of 1 - 6 years. The interest rates are fixed under hire purchase agreements. Hire purchase receivables are stated at outstanding balances net of unearned financial income as follow :

(Unit : Baht)

	CONSOLIDATED F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	2013	2012	2013	2012	2013	2012
Hire purchases receivable	34,766,863	31,007,854	76,789,143	100,928,662	56,855	8,511,790
Less : Deferred financial income	(10,252,295)	(10,785,952)	(11,624,415)	(18,866,925)	(968)	(275,902)
Total	24,514,568	20,221,902	65,164,728	82,061,737	55,887	8,235,888
Less : Allowance for doubtful accounts	(6,320,737)	(1,763,108)	(10,305,330)	(483,783)	-	-
Net	18,193,831	18,458,794	54,859,398	81,577,954	55,887	8,235,888

(Unit : Baht)

	SEPARATE F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	2013	2012	2013	2012	2013	2012
Hire purchases receivable	15,281,462	13,791,829	26,150,153	39,055,357	-	965,777
Less : Deferred financial income	(3,946,005)	(4,448,364)	(3,414,630)	(6,311,096)	-	(15,452)
Total	11,335,457	9,343,465	22,735,523	32,744,261	-	950,325
Less : Allowance for doubtful accounts	(3,720,559)	(1,627,548)	(2,873,184)	(483,783)	-	-
Net	7,614,898	7,715,917	19,862,339	32,260,478	-	950,325

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

(Unit : Baht)

Receivable under hire purchase	CONSOLIDATED F/S				
	2013				
	Number of agreements	Receivables net of unrealized interest	Receivables used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	113	28,995,621	3,761,087	1	37,611
Overdue for 1 period	46	13,402,768	1,937,167	1	19,372
Overdue for 2 - 3 periods	82	23,935,845	4,014,044	2	80,281
Overdue for 4 - 6 periods	20	5,513,193	905,207	20	181,041
Overdue for 7 - 12 periods	11	3,079,166	3,079,166	50	1,539,583
Overdue for over 12 periods	62	14,808,590	14,768,179	100	14,768,179
Total	334	89,735,183	28,464,850		16,626,067

(Unit : Baht)

SEPARATE F/S					
2013					
Receivable under hire purchase	Number of agreements	Receivables net of unrealized interest	Receivables used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	45	9,844,337	496,122	1	4,961
Overdue for 1 period	18	4,611,471	234,655	1	2,347
Overdue for 2 - 3 periods	41	9,040,275	635,470	2	12,709
Overdue for 4 - 6 periods	13	3,172,686	323,981	20	64,796
Overdue for 7 - 12 periods	6	1,741,659	1,741,659	50	870,830
Overdue for over 12 periods	27	5,660,551	5,638,101	100	5,638,101
Total	150	34,070,979	9,069,988		6,593,744

(Unit : Baht)

CONSOLIDATED F/S					
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	843,840
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					
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

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 (if any). 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 2013 and 2012, the recorded allowance for doubtful accounts are less than the amount computed under FAP guideline of Baht 6.85 million and Baht 2.64 million, respectively (the Company's portion: Baht 3.97 million and Baht 1.58 million, respectively).

#### 9. RESTRICTED DEPOSITS WITH FINANCIAL INSTITUTIONS

As at 31 December 2013, the Company's fixed deposits totalling Baht 1.65 million (2012: Baht 1.36 million) have been placed with banks as collaterals for bank overdraft credit facilities and bank guarantees issued by banks on behalf of the Company. The subsidiary's fixed deposit totalling Baht 1 million has been maintained as security deposit for operation in insurance brokerage in accordance with Non-Life Insurance Act. B.E.2535. These fixed deposits bear interest rates of 0.50 – 2.13 percent per annum.

#### 10. INVESTMENTS IN ACCOUNTS RECEIVABLE

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

The Company and its subsidiary recognize revenues from investments in accounts receivable by using effective interest rates (expected return on debts collection) calculate with outstanding investments in accounts receivable. If actual cash flows from collection exceed calculated revenues, the remaining cash will be deducted from the value of investments in accounts receivable for each period. If the values of investments in receivable have been fully amortized, the Company and its subsidiary will recognize such cash flows from collection as revenues.

The Company and its subsidiary have estimated future cash collection from investments in accounts receivable based on quality, type, ages of receivables and historical information of debt collection in the past. The total estimated future cash collection shall not exceed anticipated initial cash in flows which management had expected since the bidding. The Company and its subsidiary have assessed the period of collection of investments in accounts receivable for 4 -5 years.

The investments portfolio classified by group of debtors as at 31 December 2013 and 2012 are as follow:

(Unit : Baht)

	CONSOLIDATED F/S			
	2013		2012	
	No. of contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire purchases	493,155	458,821,145	249,044	208,677,136
Accounts receivable - Personal loans	918,508	273,993,294	857,740	340,417,916
Total	1,411,663	732,814,439	1,106,784	549,095,052
Less : Allowance for doubtful accounts		(8,905,620)		(1,279,213)
Net		723,908,819		547,815,839

(Unit : Baht)

	SEPARATE F/S			
	2013		2012	
	No. of contracts	Amount	No. of contracts	Amount
Accounts receivable - Hire purchases	489,960	414,762,546	249,044	208,677,136
Accounts receivable - Personal loans	918,478	273,707,425	857,740	340,417,916
Total	1,408,438	688,469,971	1,106,784	549,095,052
Less : Allowance for doubtful accounts		(8,905,620)		(1,279,213)
Net		679,564,351		547,815,839

During the year, movements in investment in accounts receivable are as follow :

(Unit : Baht)

	CONSOLIDATED F/S	SEPARATE F/S
Balance as at 1 January 2013	549,095,052	549,095,052
Add : Purchase of new accounts receivable portfolio	439,226,351	394,067,066
Less : Portion decreased from cash collection during the year	(255,506,964)	(254,692,147)
Balance as at 31 December 2013	732,814,439	688,469,971

The Company and its subsidiary expect to collect cash from debtors from the investments of Baht 351.93 million within one year. (the Company's portion : Baht 350.21 million)

## 11. INVESTMENTS IN SUBSIDIARY COMPANIES

(Unit : Baht)

Subsidiary companies	Nature of Business	SEPARATE F/S					
		Paid - up capital		Percentage of Shareholding		Cost	
		2013	2012	2013	2012	2013	2012
JMT Plus Co., Ltd.	Debt collection business and leasing and factoring business	50,000,000	50,000,000	99.99	99.99	49,999,970	49,999,970
	Less : Allowance for impairment					(10,600,000)	-
						39,399,970	49,999,970
JMT Insurance Broker Co., Ltd.	Insurance broker	2,000,000	-	99.99	-	1,999,960	-
J Asset Management Co., Ltd.	Asset management	25,000,000	-	99.99	-	24,999,970	-
Total						66,399,900	49,999,970

## 12. OFFICE FURNITURE AND EQUIPMENT

(Unit : Baht)

	CONSOLIDATED F/S			
	2012	Increase	Decrease	2013
Cost				
Office furniture	377,488	1,217,526	-	1,595,014
Office equipment	31,667,890	11,656,677	8,057,612	35,266,955
Vehicles	5,807,603	2,675,000	-	8,482,603
Tools	10,128	-	-	10,128
Total	37,863,109	15,549,203	8,057,612	45,354,700
Less : Accumulated Depreciation				
Office furniture	10,138	161,760	-	171,898
Office equipment	21,613,278	5,058,431	8,006,601	18,665,108
Vehicles	2,794,270	1,140,615	-	3,934,885
Tools	7,210	625	-	7,835
Total	24,424,896	6,361,431	8,006,601	22,779,726
Office furniture and equipment - net	13,438,213			22,574,974
Depreciation for the year	3,293,869			6,361,431



(Unit : Baht)

	SEPARATE F/S			2013
	2012	Increase	Decrease	
Cost				
Office furniture	377,488	1,217,525	-	1,595,013
Office equipment	31,559,294	11,656,677	8,055,592	35,160,379
Vehicles	4,688,332	2,675,000	-	7,363,332
Tools	10,128	-	-	10,128
Total	36,635,242	15,549,202	8,055,592	44,128,852
Less : Accumulated Depreciation				
Office furniture	10,138	161,760	-	171,898
Office equipment	21,591,568	5,023,199	8,006,098	18,608,669
Vehicles	2,679,357	916,761	-	3,596,118
Tools	7,210	625	-	7,835
Total	24,288,273	6,102,345	8,006,098	22,384,520
Office furniture and equipment - net	12,346,969			21,744,332
Depreciation for the year	3,157,245			6,102,345

As at 31 December 2013 and 2012, 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 12.48 million and Baht 19.33 million, respectively.

### 13. COMPUTER SOFTWARE

(Unit : Baht)

	CONSOLIDATED F/S			2013
	2012	Increase	Decrease	
Cost	18,577,666	7,581,511	9,298,207	16,860,970
Less : Accumulated amortization	12,748,464	2,781,190	9,298,202	6,231,452
Net	5,829,202			10,629,518
Amortisation for the year	887,356			2,781,190

(Unit : Baht)

	SEPARATE F/S			
	2012	Increase	Decrease	2013
Cost	18,558,166	7,551,510	9,298,207	16,811,469
Less : Accumulated amortization	12,746,436	2,777,076	9,298,202	6,225,310
Net	5,811,730			10,586,159
Amortisation for the year	885,329			2,777,076

#### 14. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2013 and 2012, the Company has bill of exchange and promissory notes payable of Baht 192.34 million and Baht 84 million, respectively, which bear interest at the rates of 3.28 – 3.60 percent per annum and 3.85 – 4.40 percent per annum, respectively.

As at 31 December 2013 and 2012, the Company has bank overdraft credit facilities totalling Baht 7 million. Short - term loans from financial institutions are collateralized by the pledges of fixed deposits of the Company. During the years 2013 and 2012, the interest rates on bank overdraft are 7.38 - 7.75 percent per annum.

#### 15. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

(Unit : Baht)

	CONSOLIDATED AND SEPARATE F/S	
	2013	2012
Liabilities under finance lease agreements		
Due within one year	74,121	127,065
Due over 1 year but not over 5 years	-	74,121
Total	74,121	201,186
Less : Current portion	(74,121)	(127,065)
Balance due after one year	-	74,121

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

16. ACCRUED EXPENSES

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
Accrued commission	5,209,243	5,953,641	5,186,644	5,934,566
Accrued legal expenses	1,969,663	1,379,413	1,969,663	1,379,413
Accrued printing expenses	1,084,672	588,401	1,066,243	588,150
Accrued postal expenses	945,132	479,277	945,132	479,277
Payables for equipment and supplies	323,934	420,909	323,934	420,909
Others	3,064,206	4,620,482	2,716,706	3,935,099
Total	12,596,850	13,442,123	12,208,322	12,737,414

17. EMPLOYEE BENEFITS OBLIGATION

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
Balance as at 1 January	2,071,466	1,873,668	1,983,240	1,873,668
Employee benefit expenses				
Current service costs	275,488	186,348	256,402	173,921
Interest on obligation	100,095	64,130	95,633	60,865
Gain from actuarial	-	(52,680)	-	(59,174)
Transfer employee to subsidiary company	-	-	-	(66,040)
Balance as at 31 December	2,447,049	2,071,466	2,335,275	1,983,240

As at 31 December 2012, the Company and its subsidiary have actuarial gain which based on employee wages and others totalling Baht 0.05 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 4.27 percent per annum and normal retirement age of 55 years.

18. DEFERRED INCOME TAX

	(Unit : Baht)	
	Consolidated F/S and Separate F/S	
	2013	2012 (restated)
Deferred income tax asset	<u>3,447,586</u>	<u>955,415</u>

The movements in deferred income tax asset are as follows :

	(Unit : Baht)			
	Consolidated F/S and Separate F/S			
	Recognized as income (expense)			
	1 January 2013	Statement of income	Shareholders' equity	31 December 2013
<b>Deferred income tax asset :</b>				
From allowance for doubtful accounts of hire purchase receivable	302,925	896,483	-	1,199,408
From allowance for doubtful accounts of investments in accounts receivable	255,842	1,525,281	-	1,781,123
From reserve for long – term employee benefits	396,648	70,407	-	467,055
Total	<u>955,415</u>	<u>2,492,171</u>	<u>-</u>	<u>3,447,586</u>

	(Unit : Baht)			
	Consolidated F/S and Separate F/S			
	Recognized as income (expense)			
	1 January 2012	Statement of income	Shareholders' equity	31 December 2012
<b>Deferred income tax asset :</b>				
From allowance for doubtful accounts of hire purchase receivable	4,421	298,504	-	302,925
From allowance for doubtful accounts of investments in accounts receivable	272,180	(16,338)	-	255,842
From reserve for long – term employee benefits	374,734	33,749	(11,835)	396,648
Total	<u>651,335</u>	<u>315,915</u>	<u>(11,835)</u>	<u>955,415</u>

Income tax expenses for the years ended 31 December 2013 and 2012 are as follows :

	Consolidated F/S		Separate F/S	
	2013	2012	2013	2012
Accounting profit before income tax	79,471,181	135,970,496	77,325,499	138,777,383
Tax effect of income and expenses that are not taxable income or not deductible	(47,390,346)	(25,141,568)	(42,897,749)	(25,141,568)
Loss of subsidiary companies per tax base	2,346,915	2,806,887	-	-
Income per tax base	34,427,750	113,635,815	34,427,750	113,635,815
<i>Tax rate (Percentage)</i>	20	23	20	23
<b>Current income tax recognized in profit or loss</b>	<b>6,885,550</b>	<b>26,136,237</b>	<b>6,885,550</b>	<b>26,136,237</b>
<b>Deferred income tax from</b>				
Movement in temporary differences	(2,492,171)	(315,915)	(2,492,171)	(315,915)
<b>Total</b>	<b>4,393,379</b>	<b>25,820,322</b>	<b>4,393,379</b>	<b>25,820,322</b>
<b>Income tax recognized in other comprehensive income</b>				
From Actuarial gain	-	(11,835)	-	(11,835)
<b>Total</b>	<b>-</b>	<b>40,844</b>	<b>-</b>	<b>47,338</b>

#### 19. PROVIDENT FUND

The Company and its subsidiaries 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 2013 and 2012, the Company and its subsidiaries contributed to the fund totalling Baht 0.5 million and Baht 0.3 million, respectively.

## 20. RELATED PARTY TRANSACTIONS

The Company has 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.

During the 3<sup>rd</sup> quarter, the Parent company changed its management. Therefore, AEON Thana Sinsap (Thailand) Public Company Limited is no longer connected to the company.

		(Unit : Baht)			
Transaction with related parties	Pricing policy	CONSOLIDATED F/S		SEPARATE F/S	
		For the years ended 31 December			
		2013	2012	2013	2012
<u>Services income from debts collection</u>					
Parent company	Market price	28,233	70,113	28,233	70,113
Related company	Market price	6,676,736	22,791,798	6,676,736	22,791,798
Subsidiary company	Market price	-	-	244,019	30,561
	Total	6,704,969	22,861,911	6,948,988	22,892,472
<u>Messenger services income</u>					
Parent company	Market price	54,975	131,815	54,975	131,815
<u>Management fee expenses</u>					
Parent company	Baht 270,000 per month (Jan -Apr 2012)	-	1,129,548	-	1,129,548
<u>Miscellaneous expenses</u>					
Parent company	Market price	-	404,031	-	404,031
Subsidiary company	Mutually agreed rate	-	-	-	14,470
	Total	-	404,031	-	418,501
<u>Car rental</u>					
Related company	Mutually agreed rate	264,558	276,060	264,558	276,060
<u>Debt collection expense</u>					
Subsidiary company	Mutually agreed rate	-	-	245,047	130,093
<u>Welfare expense</u>					
Parent company	As agreed by supplier	77,590	-	77,590	-

		(Unit : Baht)			
Transaction with related parties	Pricing policy	CONSOLIDATED F/S		SEPARATE F/S	
		For the years ended 31 December			
		2013	2012	2013	2012
<u>Sale promotion expenses</u>					
Parent company	As agreed by supplier	-	124,500	-	124,500
<u>Office rental and service expense</u>					
Parent company	Market price	15,662,285	3,746,781	14,798,141	3,530,745
Related company	Market price	663,418	-	663,418	-
	Total	16,325,703	3,746,781	15,461,559	3,530,745
<u>Entertainment expense</u>					
Parent company	Mutually agreed rate	578,906	428,012	578,906	428,012
<u>Purchase asset</u>					
Parent company	As agreed by supplier	707,866	-	707,866	-
<u>Dividend payment</u>					
Parent company	Based on net profit	60,749,946	68,249,916	60,749,946	68,249,916
<u>Interest income</u>					
Subsidiary company	Mutually agreed rate	-	-	833,408	1,036,897
<u>Interest expenses</u>					
Parent company	Mutually agreed rate	-	2,231,515	-	2,154,753
Subsidiary company	Mutually agreed rate	-	-	79,401	-
	Total	-	2,231,515	79,401	2,154,753
<u>Key management personnel compensation</u>					
Short-term employee benefits		8,595,424	6,935,025	8,595,424	6,935,025
Post-employment benefits		136,269	86,011	136,269	86,011
Total		8,731,693	7,021,036	8,731,693	7,021,036

As at 31 December 2013 and 2012, the outstanding balances with related companies are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
<u>Trade account receivable – related company</u>				
AEON Thanasinsap PCL	-	3,274,855	-	3,274,855
<u>Other receivable – parent company</u>				
Jay Mart Public Company Limited	720,427	291,378	707,847	291,378
<u>Other receivable – subsidiary company</u>				
J M T Plus Company Limited	-	-	20,700	-
<u>Short – term loan to subsidiary companies</u>				
J M T Plus Company Limited	-	-	10,500,000	-
Jay Asset Management Company Limited	-	-	25,000,000	23,500,000
	-	-	35,500,000	23,500,000
<u>Rental deposit receivable – parent company</u>				
Jay Mart Public Company Limited	1,100,504	-	1,028,492	-
<u>Other payable – subsidiary company</u>				
J M T Plus Company Limited	-	-	80,440	66,040
<u>Rental deposit payable – related company</u>				
JAS Assets Company Limited	592,903	-	592,903	-

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

	(Unit : Baht)
Balance as at 1 January 2013	23,500,000
Add : Borrowing during the year	25,000,000
Less : Payment during the year	(13,000,000)
Balance as at 31 December 2013	35,500,000

Loan to subsidiary company bears interest at 4.00 – 4.30 percent per annum and due at call.



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

	(Unit :Baht)
Balance as at 1 January 2013	-
Add : Borrowing during the year	17,000,000
Less: Repayment during the year	(17,000,000)
Balance as at 31 December 2013	-

Loan from subsidiary company bears interest at 4.48 percent per annum and due at call.

## 21. EXPENSES BY NATURE

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2013	2012	2013	2012
Salaries, wages and other employee benefit	127,536,715	110,054,131	126,256,967	107,800,315
Debt collection expenses	47,909,612	50,901,607	47,949,114	51,017,401
Loss from impairment of investment	-	-	10,600,000	-
Depreciation and amortization	9,142,620	4,181,225	8,879,421	4,042,573
Rental expense	16,033,164	11,805,119	15,169,020	11,589,083
Utility expense	10,617,085	8,785,328	10,613,067	8,741,114
Legal fee	16,147,031	20,495,682	12,315,376	20,495,682
Postage expense	8,024,736	8,795,298	8,016,740	8,794,365
Transportation expense	4,391,243	4,269,143	7,902,423	4,200,623
Management fee	-	1,129,548	-	1,129,548
Allowance for doubtful accounts	22,005,584	2,143,099	12,108,820	2,007,539
Repair and maintenance expenses	655,895	664,987	643,665	660,723

## 22. SHARE CAPITAL

At the Ordinary shareholders meeting held on 12 April 2012, the shareholder passed a resolution to register the Company's shares for trading in the Stock Exchange of Thailand and change the par value from Baht 100 par value to Baht 1 par value. This increased the registered share capital from Baht 120 million to Baht 300 million by issuing additional 180,000,000 common shares for public offering to general investors existing shareholders of Company and existing shareholders of parent Company. 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).

## 23. STATUTORY RESERVE

Under the provisions of the Civil and Commercial Code, the Company is required to set aside as statutory reserve at least 5% of its net earnings at each dividend declaration until the reserve reaches 10% of the authorized share capital. Such reserve is not available for dividend distribution.

## 24. APPROPRIATION OF NET INCOME

Details of Company's dividends declaration and payments during the years 2013 and 2012 are as follow :

	Approved by	Qualified ordinary share (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)
1) Interim dividend	Meeting of the Board of Director on 8 August 2013	300,000,000	0.12	36.00
2) Final annual dividend	Annual General Meeting of the shareholders on 10 April 2013	300,000,000	0.15	45.00
3) Interim dividend	Meeting of the Board of Director on 9 August 2012	225,000,000	0.17	38.25
4) Final annual dividend	Annual General Meeting of the shareholders on 12 April 2012	1,200,000	25.00	30.00

## 25. SEGMENT REPORTING

The Company's segmental financial information as presented in the consolidated financial statements for the years ended 31 December 2013 and 2012, are as follows :

(Unit : Baht)

	CONSOLIDATED F/S					
	For the year ended 31 December 2013					
	Non-Performing					
	Debt collection business	Receivable Management business	Financial Leasing business	Other	Elimination	Total
Services income to external customer	97,326,083	255,113,570	9,781,591	112,854	-	362,334,098
Services income to subsidiaries	489,065	-	-	-	(489,065)	-
Cost of services	(78,764,437)	(115,113,277)	(2,216,697)	-	489,065	(195,605,346)
Gross profit	<u>19,050,711</u>	<u>140,000,293</u>	<u>7,564,894</u>	<u>112,854</u>	<u>-</u>	<u>166,728,752</u>
Other income						713,205
Interest income						74,668
Financial cost						(3,856,553)
Depreciation and amortization						(9,142,620)
Allowance for doubtful accounts	-	(7,626,407)	(14,379,177)	-	-	<u>(22,005,584)</u>
Income before income tax						<u>79,471,181</u>
Trade accounts receivable	11,246,318	-	-	-	-	11,246,318
Investments in accounts receivable - net	-	723,908,819	-	-	-	723,908,819
Hire purchases receivable - net	-	-	73,109,116	-	-	73,109,116
Office furniture and equipment - net	10,250,899	11,493,433	830,642	-	-	22,574,974
Computer software - net	4,974,430	5,543,994	111,093	-	-	10,629,517
Other assets	56,106,395	12,428,286	4,184,808	112,565,940	(112,601,040)	72,684,389
Total Assets	<u>82,578,042</u>	<u>753,374,532</u>	<u>78,235,659</u>	<u>112,565,940</u>	<u>(112,601,040)</u>	<u>914,153,133</u>

(Unit : Baht)

CONSOLIDATED F/S						
For the year ended 31 December 2012						
	Non-Performing					
	Debt collection business	Receivable Management business	Financial Leasing business	Other	Elimination	Total
Services income to external customer	106,159,846	279,895,007	7,682,747	-	-	393,737,601
Services income to subsidiaries	160,654	-	-	-	(160,654)	-
Cost of services	(68,932,892)	(113,401,035)	(5,111,244)	-	160,654	(187,284,517)
Gross profit	<u>37,387,608</u>	<u>166,493,972</u>	<u>2,571,503</u>	<u>-</u>	<u>-</u>	<u>206,453,084</u>
Other income						752,156
Interest income						24,481
Financial cost						(12,805,844)
Depreciation and amortization						(4,181,225)
Allowance for doubtful accounts	-	81,689	(2,224,788)	-	-	<u>(2,143,099)</u>
Income before income tax						<u>135,970,496</u>
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 software - net	3,191,015	2,481,901	156,286	-	-	5,829,202
Other assets	49,825,822	-	3,748,502	74,521,425	(73,566,010)	54,529,739
Total Assets	<u>69,035,202</u>	<u>555,699,539</u>	<u>113,268,668</u>	<u>74,521,425</u>	<u>(73,566,010)</u>	<u>738,958,824</u>

### Major Customer

The Company has no major external customer for its revenue.

## 26. COMMITMENTS

As at 30 September 2013, the Company and its subsidiaries have outstanding commitments as follows:

- 26.1 The Company has commitments under lease and service agreements relating to the rental of space for office building, vehicles and others, with minimum future rental and service fee payable under the agreement (not include the changes that may incur upon renewal) as follow:

Year	Baht
Not over 1 year	11,073,400
Over 1 year but not over 5 years	2,239,190
Total	13,312,590

- 26.2 The Company has outstanding commitment of approximately Baht 1.83 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's businesses.

## 27. FINANCIAL INSTRUMENTS

### Credit risk

The Company and subsidiaries provide credit term on ordinary service transactions. The Company and subsidiaries manages its exposure to credit risk by closely monitoring collection of accounts receivable and focusing on overdue accounts. The Company and subsidiaries 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 subsidiaries' 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 2013			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
Cash and cash equivalents	4	-	16	20
Restricted deposits with financial institutions	-	3	-	3
Bank overdrafts and short - term loans				
from financial institutions	192	-	-	192

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2012			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
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)

	SEPARATE F/S			
	As at 31 December 2013			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
Cash and cash equivalents	3	-	7	10
Restricted deposits with financial institutions	-	2	-	2
Bank overdrafts and short - term loans				
from financial institutions	192	-	-	192

(Unit : Million Baht)

SEPARATE F/S				
As at 31 December 2012				
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
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

Financial instruments as of 31 December 2013 and 2012 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 2013				
	At call	1 - 6 months	6 - 12 months	Total
<b><u>Financial assets/ liabilities</u></b>				Interest Rate
Restricted deposits with financial institutions	-	2	1	3
Bank overdrafts and short - term loans from financial institutions	-	192	-	192

(Unit : Million Baht)

CONSOLIDATED SEPARATE F/S				
As at 31 December 2012				
	At call	1 - 6 months	6 - 12 months	Total
<b><u>Financial assets/ liabilities</u></b>				Interest Rate
Restricted deposits with financial institutions	-	1	-	1
Bank overdrafts and short - term loans from financial institutions	-	84	-	84

## 28. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on 20 February 2014, the Board passed a resolution to submit at the ordinary shareholders meeting for approval to pay dividend from its net income after tax for the year 2013 at Baht 0.19 per share for 300,000,000 shares. The Company has paid interim dividend at Baht 0.12 per share and remaining cash dividend will be paid at Baht 0.07 per share for a total amount of Baht 21.00 million.

## 29. APPROVAL OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Director on 20 February 2014.