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## Financial Highlights

source: Company financial statement

UNIT : Mil.Baht

	2013	2014	2015
<b>Operating result and financial position</b>			
Total revenue	356.43	438.34	593.78
Gross profit	162.21	219.39	307.93
Net profit	72.93	116.17	99.86
Total assets	907.74	2,200.97	3,668.95
Total liabilities	291.94	1,523.00	1,998.40
Total shareholders' equity	615.80	677.97	1,670.55
<b>Key Financial Ratio</b>			
Net Profit Margin (%)	20.46%	26.50%	16.82%
Return on Shareholders' equity (%) (ROE)	11.84%	17.13%	5.98%
Return on total assets (%) (ROA)	8.03%	5.28%	2.72%
Earnings per share (Baht/share) (EPS)	0.24	0.39	0.29

source: Consolidated financial statements

UNIT : Mil.Baht

	2012	2013	2014
<b>Operating result and financial position</b>			
Total revenue	362.33	487.69	719.14
Gross profit	166.73	259.40	403.51
Net profit	75.08	120.61	94.64
Total assets	914.15	2,220.76	3,739.87
Total liabilities	299.04	1,539.03	2,071.24
Total shareholders' equity	615.11	681.73	1,668.63
<b>Key Financial Ratio</b>			
Net Profit Margin (%)	20.72%	24.73%	13.16%
Return on Shareholders' equity (%) (ROE)	12.21%	17.69%	5.67%
Return on total assets (%) (ROA)	8.21%	5.43%	2.53%
Earnings per share (Baht/share) (EPS)	0.25	0.40	0.27%

Notes: ROE : Return On Equity

ROA : Return On Assets

EPS : Earnings Per Share



## Message from the Board of Directors

In the year 2015, the company continued driving our business from last year. For the overall outlook of the year 2015, there was the economic slowdown from the 2<sup>nd</sup> quarter to the 4<sup>th</sup> quarter. There was the reduction in cash flow from the debts management because people had lower purchasing power. However, our company had the policy to compromise with customers by offering our consulting services to them. In addition, we helped to extend the payment period with some customers in order to increase their liquidity. We were also aware of our roles to take part in social responsibility in customers management and had the good governance in our management. And in the 3<sup>rd</sup> quarter, we launched the personal loans service under the J Money Brand to serve the clients demand and became another choice for the finance market.

In 2016, I'm confident that the company is able to enhance its business strengths by increasing and development the capability to compete in the market. We would like to have the competitive advantages with other operators through the partnership with our strategic business partners and many suppliers.

JMT would like to take this opportunity to thank our shareholders, customers, strategic business partners, management and all employees for supporting JMT. We would like to confirm that JMT will operate in the professional way and constantly develop our organization. Such practices will be in line with the social responsibility policy. We will be a good corporate example for the society so that people will have better quality of life.



Mr. Adisak Sukumvittaya  
(Chairman of The Board)



Mr. Piya Pong-Acha  
(Chairman of The Executive Committee)



## Directors and Management Biography

### Mr. Adisak Sukhumvittaya

<b>Age</b>	: 60 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 Director	
	: 2014 Capital Market Academy (CMA 15)	



#### Experience

2012 - Present	Chairman of the Board	JMT Network Services PCL.
1994 - 2012	Director	JMT Network Services PCL.
2013 – Present	Chairman of the Board	J Asset Management Company Limited
2013 – Present	Chairman of the Board	JAY Insurance Broker Company Limited
1990 - Present	Director and Chief Executive Officer	JMART PCL.
2004 - Present	Chairman of Executive Board member	JMART PCL.
2012 - Present	Chairman of the Board	JAS Asset PCL.

#### Prohibited Qualification

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

### Miss Yuvadee Pong-acha

<b>Age</b>	: 60 Years	
<b>Position in the Company</b>	: Director of the Company , Chairman of the Executive Director	
	: Nomination and Remuneration committee	
<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



#### Experience

2012–Present	Chairman of Executive Board member	JMT Network Services PCL.
1994–Present	Director	JMT Network Services PCL.
2007– 2011	Managing Director	JMT Network Services Company Limited
2013 – Present	Director	J Asset Management PCL.
2013 – Present	Director	JAY Insurance Broker Company Limited
2011–Present	Chairman of the Board	JMT PLUS Company Limited
1990–Present	Director	JMART PCL.
2004–Present	Executive Director and Deputy Chief Executive	JAY MART PCL.
2012–Present	Director	JAS ASSET PCL.
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** : 46 Years

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

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

**Director Role and duty training** : 2011 Director Accreditation Program (DAP) of Thai Institute of Directors

**Experience**

2012 – Present Director, Executive Director and Chief Executive Officer JMT NETWORK SERVICES PCL.

1998 – 2012 Director of Marketing JMT NETWORK SERVICES COMPANY LIMITED

2013 – Present Director J Asset Management Company Limited

2013 – Present Director JAY Insurance Broker Company Limited

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** : 60 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 PCL.

2013 – Present Head of Office of CEO Ananda Development PCL.

2010 – 2013 Supply chain performance manager And development manager SIAM CITY CEMENT PCL.

2004 – 2010 Geocycle manager SIAM CITY CEMENT PCL.

**Prohibited Qualification**

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

**Mr. Preecha Prakorbkij**

**Age** : 68 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 PCL.





2011 – 2014	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

<b>Age</b>	: 50 Years
<b>Position in the Company</b>	: Director (Independent Director), Director of the Audit Committee
<b>Education</b>	: Master of Business Administration University of Missouri, U.S.A Bachelor of Architecture King Mongkut's Institute of Ladkrabang
<b>Director Role and duty training</b>	: 2005 Director Accreditation Program (DAP) of Thai Institute of Directors



#### Experience

2012–Present	Director and Director of the Audit Committee	JMT NETWORK SERVICES PCL.
2014 – Present	Chairman of The Board	Mindset Entertainment Co., Ltd
2013 - 2014	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

: 53 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 PCL.
2013 – Present	Director	J Asset Management Company Limited
2012 – Present	Director	JAS ASSET PCL.
2011 – Present	Director	JMT PLUS COMPANY LIMITED
2004 – Present	Chief Finance Officer	JAY MART PCL.



### Prohibited Qualification

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

### History Executive Committee

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

**Mr. Suphot Wanna**

**Age** : 41 Years

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

**Education** : Master of Management Sriprathum University  
: Bachelor of Financial Economics Ramkhamhaeng University

**Director Role and duty training** : 2012 Director Accreditation Program (DAP) of Thai Institute of Directors

### Experience

2011 - Present	Executive Director	JMT NETWORK SERVICES PCL.
2012 - Present	Chief Finance Officer	JMT NETWORK SERVICES PCL.
2014 – Present	Director	JAS ASSET PCL.
2013 – Present	Director	J Asset Management Company Limited
2013 – Present	Director	JAY Insurance Broker Company Limited
2006 – Present	Director	JMT NETWORK SERVICES COMPANY LIMITED
2012 – 2013	Financial Controller	JAY MART PCL.

### Prohibited Qualification

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

**Mr. Sutthirak Traichira-aporn**

**Age** : 40 Years

**Position in the Company** : Executive Director  
Assistant Vice President of Marketing and Sales

**Education** : 1997 Bachelor of Business Administration in Marketing Bangkok University

**Director Role and duty training** : - None -

### Experience

2012 – Present	Executive Director	JMT NETWORK SERVICES PCL. PCL.
2013 – Present	Assistant Vice President of Marketing and Sales	JMT NETWORK SERVICES PCL.
2013 – Present	Director	J Asset Management Company Limited
2013 – Present	Director	JAY Insurance Broker Company Limited
2001 – 2013	Senior Manager in Marketing and Sales	JMT NETWORK SERVICES PCL.

### Prohibited Qualification

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



**Mr. Wongsakorn Kittitrakulkarn**

**Age** : 41 Years

**Position in the Company** : Executive Director, Assistant Vice President of Accounting and Finance

**Education** : Bachelor of Accounting Dhurakij Pundit University

**Director Role and duty training** - None -


**Experience**

2013 – Present	Executive Director	JMT NETWORK SERVICES PCL. PCL.
2014 – Present	Assistant Vice President of Accounting and Finance	JMT NETWORK SERVICES PCL.
2016 – Present	Chief Finance Officer (Acting)	JMT NETWORK SERVICES PCL.
2013 – Present	Director	JAY Insurance Broker Company Limited
2009 – 2014	Senior Manager in Accounting and Finance	JMT NETWORK SERVICES PCL.
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** : 49 Years

**Position in the Company** : Assistant Vice President of Information Management.

**Education** : 1989 Bachelor of Political Science Ramkhamhaeng University

**Director Role and duty training** : -None-


**Experience**

2013 – Present	Assistant Vice President of Information Management.	JMT NETWORK SERVICES PCL.
2003 – 2013	Senior Manager of Operations	JMT NETWORK SERVICES PCL.

**Prohibited Qualification**

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



## General Information

### JMT 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.jmntnetwork.co.th">www.jmntnetwork.co.th</a>
Type of Business :	Debt collection services , distressed debt management, and Finance Business
Registered Capital :	444,000,000 Baht
Paid-up Capital :	369,999,930 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 :	0-2308-9928
Company Registered Number:	0105554042308
Website :	<a href="http://www.jmtplus.co.th">www.jmtplus.co.th</a>
Type of Business :	Debt tracking and collection service business and Finance Business
Registered Capital:	120,000,000 Baht
Paid-up Capital:	120,000,000 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 :	Non-performing Debt Management Business
Registered Capital:	25,000,000 Baht
Paid-up Capital:	25,000,000 Baht



## **JAY 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.jayinsurancebroker.co.th](http://www.jayinsurancebroker.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

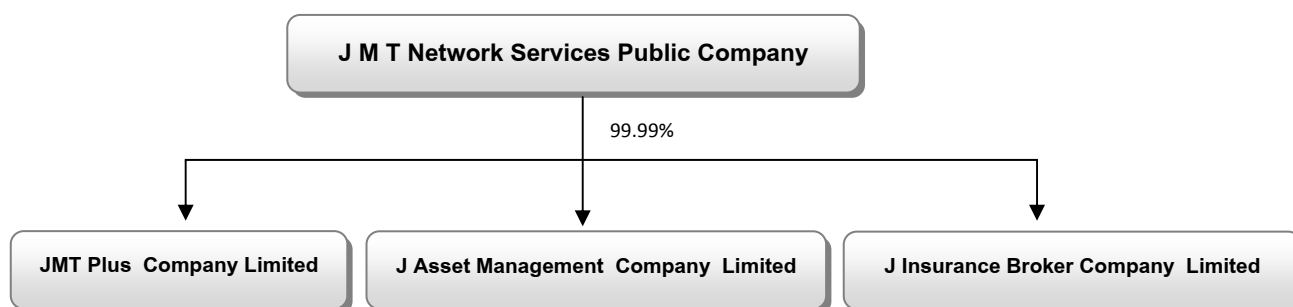
- 1994** The company was established to operate business in servicing for tracking and collection of debts, sue to investigate property, compulsory execution across Thailand with a paid registered capital of 5 million baht, divided into 50,000 shares with a par value per share of 100 Baht
- 2006** Expand 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
- 2014** JMT Insurance Broker Company Limited name changed J Insurance Broker Company Limited is a subsidiary of Company
- 2015** JMT PLUS Co., Ltd. (Subsidiary) received a license to conduct a personal loan business under supervision and retail loans for making a living under supervision. The J-Money personal loan service was launched during the 4th quarter of 2015.



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

### Company Group Structure

As at 31 December 2014, the company has a subsidiary company operating of 3 company, JMT Plus, J Asset Management and J Insurance Broker.



### Business operation of the Company and its subsidiary

Today the company and its subsidiary have operated in core businesses, comprises of debts tracking and collection services, management of Non-performing debt, Finance Business, 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, 2015 the company has the amount of debt assigned to track from the employer in the amount of 25,367 million baht. The key employers are financial institutions and leasing companies.

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



### Non-performing Debt Management Business

The company operates the business of managing distressed debt resulting from the fact that financial institutions, including some of the leasing companies have a policy to reduce the proportion of the Non-performing debt and reduce their cost in tracking the debt. Hence, has a policy to distribute such distressed debt out from the account. The creditor will open for the company that specializes in debt tracking and collection to auction the distressed debt at a discount price of the full debt. The bidder shall have the obligation of managing and take on the risk of tracking and collection of the debt auctioned. From the fact that the company has the analysis data on personnel debt collection and expertise in debt tracking and collection for more than 20 years, it is an essential factor which causes the company to be able to analyze and evaluate the opportunities in tracking and collection of debt effectively and succeed in operating such business.

As at December 31, 2015, the company has distressed debt under management in the total book value of investments in Non-performing debt – net equivalent to 2,829.55 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, 2015, the company and its subsidiary have the amount of debtor from the leases - net equals to 23.35 million baht.

### Personal loan service business

The company provides personal loan service under supervision of the Bank of Thailand as it sees business opportunities with high returns despite risks from default account receivables. Moreover, the company has experiences in debt collection business which requires investigation, following up and negotiating with non-performing debt account receivables all along, therefore there are procedures and expertise in investigating, analyzing and assessing account receivables before approving each loan. As of 31st December 2015, the company and its subsidiaries has the amount of account receivables from net loan provision totaling of 617.78 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 2013-2015, comprises of revenues as follows



Consolidated financial statement	For the Year					
	2013		2014		2015	
	Million baht	Percent	Million baht	Percent	Million baht	Percent
<b>Key Business</b>						
Revenue from debt tracking and collection service business	97.44	26.83	92.83	19.01	99.03	13.75
Revenue from Non-performing debt Management business	255.11	70.26	388.39	79.53	570.72	79.23
Revenue from car loan business	9.78	2.69	6.47	1.32	49.39	6.86
<b>Total revenue from key business</b>	<b>362.33</b>	<b>99.78</b>	<b>487.69</b>	<b>99.86</b>	<b>719.14</b>	<b>99.84</b>
<b>Other revenues</b>	<b>0.79</b>	<b>0.22</b>	<b>0.67</b>	<b>0.14</b>	<b>1.19</b>	<b>0.16</b>
<b>Total revenue</b>	<b>363.12</b>	<b>100.00</b>	<b>488.36</b>	<b>100.00</b>	<b>720.33</b>	<b>100</b>

<sup>1/</sup>  
Note: 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 20,000 million baht per year by focusing and managing as follows

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

### 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.

#### Personal Loans Business

The company targets on offering personal loans to our clients. We focus primarily on offering the services through the network of J Mart, JMT and various strategic business partners. We will serve the demand for personal loans of all customers by offering the loans with the investment budget of 2 billion baht per year.



## 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 20 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.

#### **1.1.1.3 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.

#### **1.1.1.4 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.



#### **1.1.1.5 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 20 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.

### **1.1.3 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 389 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**

### **1.2.2 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.

### **1.2.3 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.

#### **1.2.4 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 2014 (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. Such business, in 2014, was issued bill of exchange approved by shareholder to reserve the capital budgeting worth 1,000 million baht per year for rising investment in acquisition loan management.



# Shareholder Structure

## 1. Common shares

As at December 30, 2015 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.	206,749,783	55.88%
2. Naret Ngamaprichon	18,549,500	5.01%
3. BTS Group	18,000,000	4.86%
4. Mrs. Waranee Saereewattana	7,707,625	2.08%
5. Mrs. Wantanee Phetlohakuk	7,071,668	1.91%
6. Mr. Monchai Leesirikul	5,681,600	1.54%
7. Thai NVDR	5,151,286	1.39%
8. Miss Pitsinee Sereewattana	5,000,000	1.35%
9. Mr. Chaiyadej Hongradarom	4,504,600	1.22%
10. Mr. Napat Panjakunatorn	4,500,000	1.22%
11. Mr. Twat Phetlohakuk	3,995,194	1.08%
12. Mr. Chan Mekengkrai	3,578,500	0.97%
13. Mr. Adisak Naknotim	3,562,300	0.96%
14. Mr. Somsak Tirakanun	3,063,643	0.83%
15. Mr. Paiboon Sereewattana	2,400,000	0.65%
16. Mr. Apisit Supapipat	2,283,800	0.62%
17. Mr. Suwat Niyomsataen	2,272,000	0.61%
18. Phillip	2,162,991	0.58%
19. Mr. Mr. Somboon Titissakul	2,130,066	0.58%
20. Mr. Worapat Setsompob	2,000,000	0.54%
<b>TOTAL</b>	<b>310,364,556</b>	<b>83.88%</b>

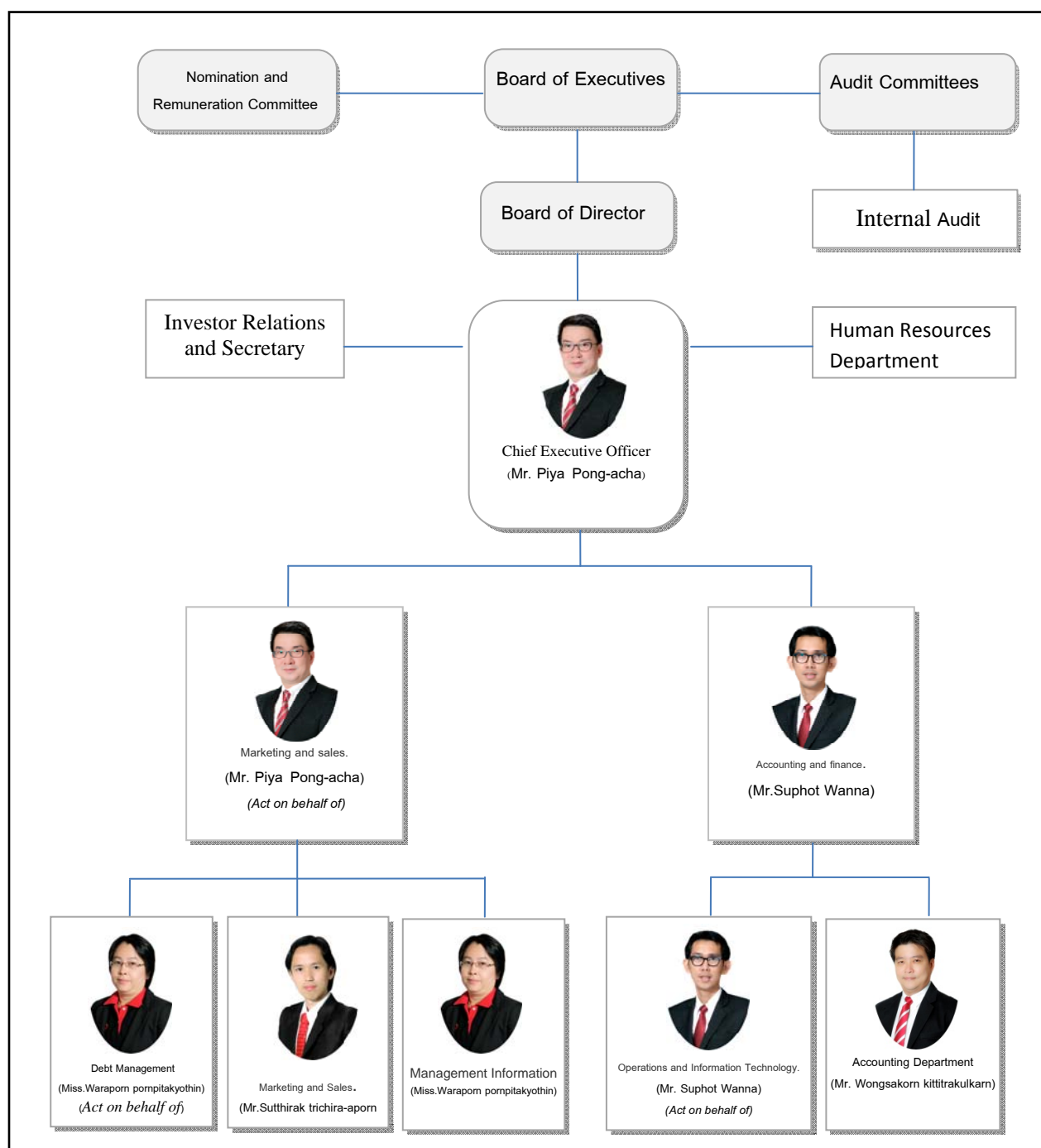
**Remarks :** The information from JMT Network Services Public Company Limited as of book closing date on December 30,2015



# Organization Structure

As at December 31, 2015 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, 2015 the Board of Directors of the company comprises of 7 Directors as follows

1.	Mr. Adisak	Sukhumvittaya	Chairman of the Board
2.	Miss. Yuvadee	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. Yuvadee Pong-acha or Mr. Piya Pong-acha to signed together with Miss Ladda Waruntarakul in total of 2 persons and Seal of the company.

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

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



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

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

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

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

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



## Audit Committee

As at December 31, 2015 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 Mr. Kanchit Kawaachart and Mr. Preecha Prakorbkij 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 earningor 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 2015 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	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 2015 the Board of Directors shall consist of 6 members as follows.

1.	Miss. Yuvadee	Pong-acha	Chairman of the Executive Director.
2.	Mr. Piya	Pong-acha	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 2015 the General Meeting of Shareholders 1/2015 on April 9, 2015 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 2014	Year 2015
1. Mr. Adisak Sukhumvittaya	Chairman of the board	200,000	200,000
2. Miss. Yuvadee 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 1/2015 on April 9, 2015 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	2014		2015	
	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, 2015 and for the period ended December 31, 2014 was 7,801,376 Baht and 7,851,136 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 polices.

- 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 2014 and 2015, the company arranges the Board of Direct committee meeting for 5 times and 6 time that there are the detail in the meeting as follow;

Name	Position	2014	2015
1. Mr.Adisak Sukumvittaya	Committee chairman	5/5	6/6
2. Miss Yuvadee Pong-acha	Committee	5/5	6/6
3. Mr.Piya Pong-acha	Committee	5/5	6/6
5. Miss Ladda Waroonthara	Committee	5/5	6/6
6. Mr.Reangchai Engkaohakorn	Independent Committee	5/5	5/6
7. Mr.Preecha Prakopjit	Independent Committee	5/5	6/6
8. Mr. Kanchit Kawachat	Independent Committee	5/5	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. In 2014 and 2015, the Executive Committee meeting for 16 times and 23 times, the details of attendance of each director are as follows.

Name	Position	2014	2015
1. Miss Yuvadee Pong-acha	Chairman of the Executive Director	16/16	23/23
2. Mr.Piya Pong-acha	Executive Director	16/16	23/23
3. Miss Ladda Waroonthara	Executive Director	16/16	23/23
4. Mr. Suphot Wanna	Executive Director	16/16	23/23
5. Mr. Sutthirak Trichira-aporn	Executive Director	16/16	23/23
6. Mr. Wongsakorn Kittitrakulkarn	Executive Director	16/16	23/23

#### 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. In 2014 and 2015 the Audit Committee meeting for 4 times and 4 times, the details of attendance of each director are as follows.



Name	Position	2014	2015
1. Mr.Reangchai Engkaohakorn	Chairman of Audit Committee	4/4	3/4
2. Mr.Preecha Prakopjit	Audit Committee	4/4	4/4
3. Mr. Kanchit Kawachat	Audit Committee	4/4	3/4

#### Nomination and Remuneration Committee

Nomination and Remuneration Committee Consider the written report for meeting and manage the system that can evaluate at the meeting at JMT Network Services Ltd. In 2014 and 2015, the Nomination and Remuneration Committee arrange meeting for 2 times and 1 times, the details of attendance of each director are as follows.

Name	Position	2014	2014
1. Mr.Preecha Prakopjit	Chairman of the Nomination and Remuneration committee	2/2	1/1
2. Miss Yuvadee Pong-acha	Nomination and Remuneration committee	2/2	1/1
3. Mr.Piya Pong-acha	Nomination and Remuneration committee	2/2	1/1

#### 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 2015 on 9 April 2015 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.

### **Dividend Policy And subsidiaries**

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



## Anti-Corruption Policy

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

### Anti-corruption policy

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

### Duty and responsibilities of each agency

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

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

2.1 Consider the anti-corruption policy proposed by the Chief Executive Office and ensure that such policy is suitable for the business pattern, the company's environments and organizational culture, and propose to the Board of Directors for approval;

2.2 Consider and review the appropriateness of the change in the anti-corruption policy obtained from the Chief Executive Officer, and propose to the Board of Directors for approval;

2.3 Verify the internal control system report and the assessment of risks involved in corruption that the Internal Audit Division has proposed. This is to ensure that such system has the least risks of corruption occurring that affects the financial position and performance of the company. In addition, such system should be consistent with the business pattern of the company.

2.4 Receive reports on corruption clues, that individuals in the organization are involved, examine the informed facts and propose the issue to the Board of Directors to jointly consider the penalty or look for solutions to the issue.

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



3.1 Perform and ensure the duty and responsibilities follow the predetermined internal audit plan and propose the audit report, the internal control system and the assessments of corruption risks revealed from the internal control system examination to the Audit Committee for acknowledgement.

3.2 Perform work as assigned by the Audit Committee on the examination of corruption that relates to the organization in addition to the specified internal audit plan.

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

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

4.2 Communicate with personnel in the organization and those related in order to acknowledge the anti-corruption policy.

4.3 Revise the appropriateness of the anti-corruption policy to be consistent with the changing business environments or legal requirements, and propose to the Audit Committee.

4.4 Assist the Audit Committee in investigating informed facts or tasks assigned by the Audit Committee on corruption investigation by delegating work to the capable management team.

#### Anti-corruption regulations

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

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

1.1 Do not receive or offer any gifts or souvenirs that are cash, cheques, bonds, gold, jewelry, real estate or any goods alike to related persons with whom the contact is made both in government and private agencies.

1.2 Do not receive any assets, goods, gifts, presents or other benefits that lead to omission of own duty. Before receiving gifts, one should examine to ensure compliance with relevant laws and the company's regulations. Goods or gifts exchanged in work should not have high prices and occasionally appropriate.

1.3 Do not offer any assets, goods, gifts or presents or other benefits as an incentive to decision making, or having influences such that a recipient is not following trade practices in the same way as other clients. Goods offered based on various occasions must not have excessive prices.

1.4 Do not act as a medium in offering money, assets, goods or other benefits to persons related to business, government agencies or any organizations in order to exchange for improper privileges or cause government officials to refrain from performing according to stipulated rules, regulations and legal practices.

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



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

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

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

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

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

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

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

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

#### Trace notification channels for corruption petition

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

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

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

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

#### Protection and secrecy measure



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

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

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

The Chief Executive President can assign work to any executive to act on behalf in using judgment to give security protection order for those who have reported the trace or the witness petitioner and information providers. The assigned executive must not involve with the issue reported or the petition either directly or indirectly (for example, the accused is a direct senior line officer).

However, those, who receive the information on the petition from doing their related duty, are responsible to keep the information, petition and evidence documents of the petitioner and information providers as strictly confidential and do not disclose the information to others who do not have the related duty unless the information must be disclosed as stipulated in the relevant laws.

#### Dissemination of the anti-corruption policy

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

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



## Related Transactions

During the years 2015 and 2014, 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

### JAY MART Public Company Limited

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2015	2014	
1. Contractors Debt Collection	-	0.11	Marketing Price / Services on the same terms as other customers
2. Transfer documents	-	0.02	Marketing Price / Services on the same terms as other customers
3. Miscellaneous expense	0.06	0.051	Marketing Price / Purchase mobile for the normal operation of the business.
4. Promotional	0.02	0.05	Marketing Price / To support Marketing activity
5. Management fees	1.41	0.67	Information Systems and Financial Consulting
6. The rental fee office	16.40	16.16	Marketing Price / office rental
7. The seminars	-	0.07	Rate agreement / Personnel development
8. buy property	0.24	4.57	Marketing Price / Purchase mobile for the normal operation of the business.
9. Advertising expense	0.01	-	Rate agreement / Installation Jobs
10. Commission	0.07	-	Rate agreement / Compensation representation Get Loan
11. Earning promotion	20.08	-	Rate agreement / Marketing support J-Money
12. Income Credit	4.31	-	Rate agreement / Marketing support J-Money

### JAS Asset Public Company Limited

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2015	2014	
1. The rental fee office	0.28	0.50	Marketing Price /Branch rental

### JMT Plus Company Limited

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2015	2014	
1. interest income	4.05	0.15	Rate agreement / Corporate lending operations.
2. Contractors Debt Collection	1.77	0.25	Marketing Price / Services on the same terms as other customers
3. The cost of debt collection	0.22	0.17	Marketing Price / Services on the same terms as other customers



**J Asset Management Company Limited**

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2015	2014	
1. interest income	23.26	6.33	Rate agreement / Corporate lending operations.

**JAY Insurance Broker Company Limited**

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2015	2014	
1. interest income	0.12	-	Rate agreement / Corporate lending operations.

**SINGER THAILAND Public Company Limited**

Description of important items	Total amount remaining (Million Baht)		Conditions of price/ Necessity
	2015	2014	
1. Contractors Debt Collection	0.60	-	Marketing Price / Services on the same terms as other customers



## 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 2015 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. Ruengchai	Ingkapakorn	Chairman of Audit Committee
2. Mr. Kanchit	Kawachart	Audit Committee
3. Mr. Preecha	Prakorbkij	Audit Committee
Miss Chuleewan	Hawichit	Secretary Audit Committee

Year 2015, 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 HR management. 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. Ruengchai Ingkapakorn)  
Chairman of Audit Committee



## Explanation and Analysis of financial statement

### Operational Performance

	Amount (million baht)		Change
	2015	2014	YoY (%)
Total revenue	719.14	487.69	47.46%
Total costs	315.63	228.28	38.26%
Gross profits	403.51	259.41	55.55%
Expenses on sale and administration	231.30	92.42	150.27%
Profits before interest and tax	173.39	167.65	3.42%
Net profits	94.64	120.61	-21.53%

### Revenue

The company's total revenue increases from 487.69 million baht in 2014 to 719.14 million baht in 2015, equivalent to an increase of 47.46 per cent, as a result of the following changes in revenue:

1. Revenue from the acquisition of non-performing debts increases from 388.39 million baht to 570.72 million baht, an increase of 182.33 million baht or equivalent to 46.95 per cent as a result of buying more debts to manage.
2. Revenue from interests and revenue related to providing credits increase by 42.92 million baht from 6.47 million baht with the amount of 49.39 million baht resulting from the expansion of personal loan business to subsidiaries.
3. Revenue from debt collection and other services in 2015 amounts to 99.03 million baht, an increase of 6.20 million baht as compared with 92.83 million baht of the previous year, or equivalent to 6.68 per cent, due to more debts have been collected.

### Costs of sale

In 2015 and 2014, the company has the costs of sale of 315.63 million baht and 228.28 million baht, respectively. The increase is due to an increase in the number of employees in support of continuously more acquisition of debts to manage, as well as an increase in legal expenses arising from litigation of more account receivables from acquiring non-performing debts.

### Expenses on sale and administration

In 2015 and 2014, the company has expenses on sale and administration totaling of 231.30 million baht and 92.42 million baht, respectively. The increase of 138.88 million baht includes the reserve for bad debts arising from investments in account receivables who are in the non-performing debt management business amounting to 102.13 million baht, an increase of 85.58 million baht from that of 2014 of 16.55 million baht; the rent of an office building as a result of expanding space in order to support more employees; depreciation of assets from expanding the business in order to support more non-performing debt acquisition; and the expansion of more credit business bases.



## Net profits

In 2015, the company has the gross profits of 403.51 million baht while the gross profits in 2014 are 259.41 million baht. The increase of 55.55 per cent is due to the realization of revenue from acquisition of more non-performing debts and debts to manage.

In 2015 and 2014 the company had a net profit of 94.64 million baht and 120.61 million baht respectively . Earnings per share were 0.27 and 0.40 baht

## Financial position

### Assets

As of 31<sup>st</sup> December 2015, the company has assets totaling of 3,739.87 million baht, including current assets of 486.84 million baht, equivalent to 13.02 per cent of the total assets, and non-current assets of 3,253.03 million baht, equivalent to 86.98 per cent of the total assets. Comparing to 2014, the total assets increase by the amount of 1,519.11 million baht or 68.41 per cent.

- Hire-purchase account receivables

As of 31<sup>st</sup> December 2015, hire-purchase account receivables amount to 23.35 million baht, a decrease from the previous year of 23.41 million baht, or equivalent to a decrease of 50.07 per cent as a result of more allowance for doubtful debts and postponement of providing credits of the company.

Table shows hire-purchase account receivables according to the age of debt arrears.

Unit : million baht

Hire-purchase account receivables	Amount of account receivables after deducting interests that have not yet counted as revenue		Percentage of doubtful debts	Allowances for doubtful debts		Net hire-purchase account receivables	
	2015	2014		2015	2014	2015	2014
Not yet completing the term of payments	9.13	16.98	1	0.01	0.02	9.12	16.96
1installment in arrears	2.09	9.03	1	-	0.01	2.09	9.02
2-3 installments in arrears	6.90	13.33	2	0.02	0.04	6.88	13.29
4-6 installment in arrears	2.66	5.54	20	0.09	0.19	2.57	5.35
7-12 installment in arrears	5.23	4.20	50	2.60	2.10	2.63	2.11
More than 12 installment in arrears	32.91	23.95	100	32.85	23.92	0.06	0.04
Total	58.92	73.04		35.57	26.27	23.35	46.76

The company and its subsidiaries set the allowances for doubtful debts according to the remaining arrear period of hire-purchase account receivables deducting deferred hire-purchase interests and guarantees (if any). The



guarantees are calculated at 15 – 75 per cent of the cash price of the assets prevailing at the contract date by comparing the payback opportunity of account receivables and the ability to sale the guarantees.

Regarding the guidelines for collecting debts of more than 1 year in arrears, the company emphasizes the follow-up of getting vehicle returns or customers paying installments in arrears, as well as exercises of the legal right to litigate customers whose contracts have been cancelled by the company.

- Loans to account receivables and accrued interest receivables

Unit : million baht

	2014		2013	
	Amount	%	Amount	%
Loans to account receivables after deducting undue interests	632.97	100	22.86	100
Deduct: Amount due within one year	(327.98)	52	(19.14)	84
Remaining balance due more than one year	304.98	48	3.72	16

In 2015, the company expanded its business with respect to personal loans by having account receivables with less than 1 year maturity accounting for 52 per cent of loan account receivables.

Table shows loan account receivables according to the age of debt arrears.

Unit : million baht

Loans provided to account receivables	Amount of account receivables after deducting interests that have not yet counted as revenue		Allowances for doubtful debts		Percentage	Net loans provided to account receivables
	Amount	%	%	Amount		
Not yet completing the term of payments	517.58	81.77	1	5.18	0.82	512.40
1 installment in arrears	53.71	8.49	1	0.54	0.09	53.17
2-3 installments in arrears	53.28	8.42	2	1.07	0.17	52.21
4-6 installment in arrears	4.35	0.69	100	4.35	0.69	-
7-12 installment in arrears	3.80	0.60	100	3.80	0.60	-
More than 12 installment in arrears	0.25	0.04	100	0.25	0.04	-
Total	632.97	100.00		15.19	2.40	617.78

Loans provided to account receivables are classified by the age of debt arrears. Most of the loans have not completed the term of payments which account for 81.77 per cent, debts with 1 installment in arrears accounting for 8.49 per cent and debts with 2 – 3 installments in arrears accounting for 8.42 per cent.



As of 31<sup>st</sup> December 2015, the company and its subsidiaries have budgeted for the allowances for doubtful debts by the amount of 15.19 million baht, equivalent to 2.40 per cent of the total amount of loans.

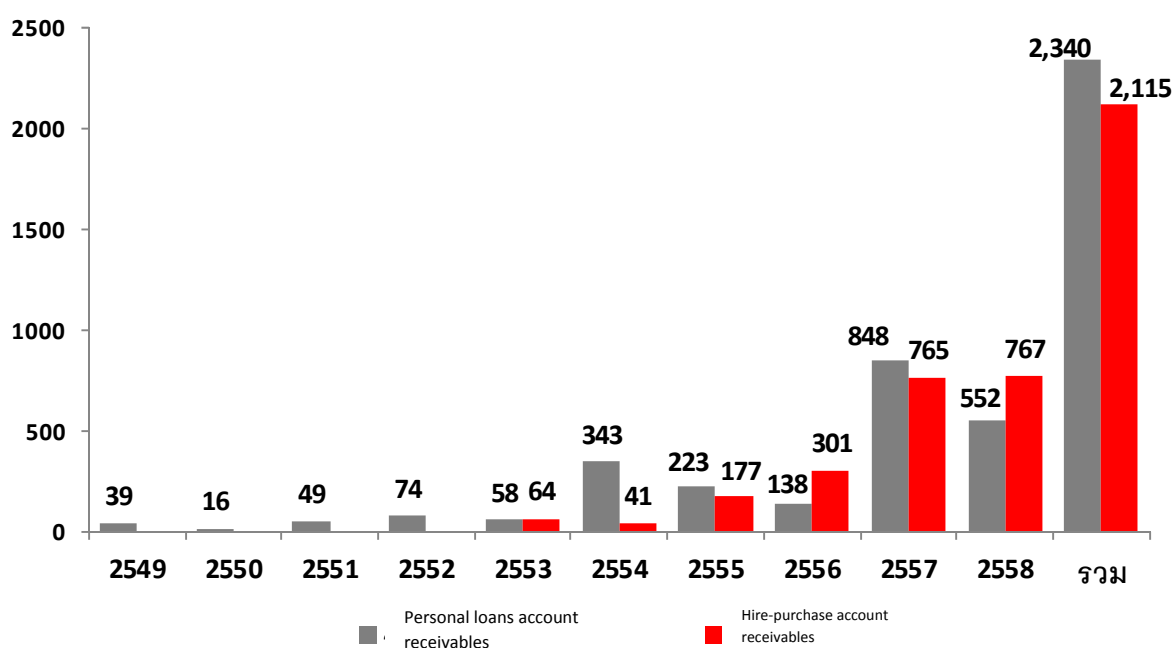
- Investments in account receivables

Net investments in account receivables amount to 2,829.55 million baht, equivalent to 75.66 per cent of the total assets which increases from that of the previous year by 850.26 million baht. This is due to the fact that the company has bought more non-performing debts to manage.

In 2015, the company and its subsidiaries invested in acquiring more non-performing debts to manage. Debt-selling credit groups with high growth mainly include personal loans and hire-purchase credits for vehicles.

#### Investments in account receivables

Unit : million baht

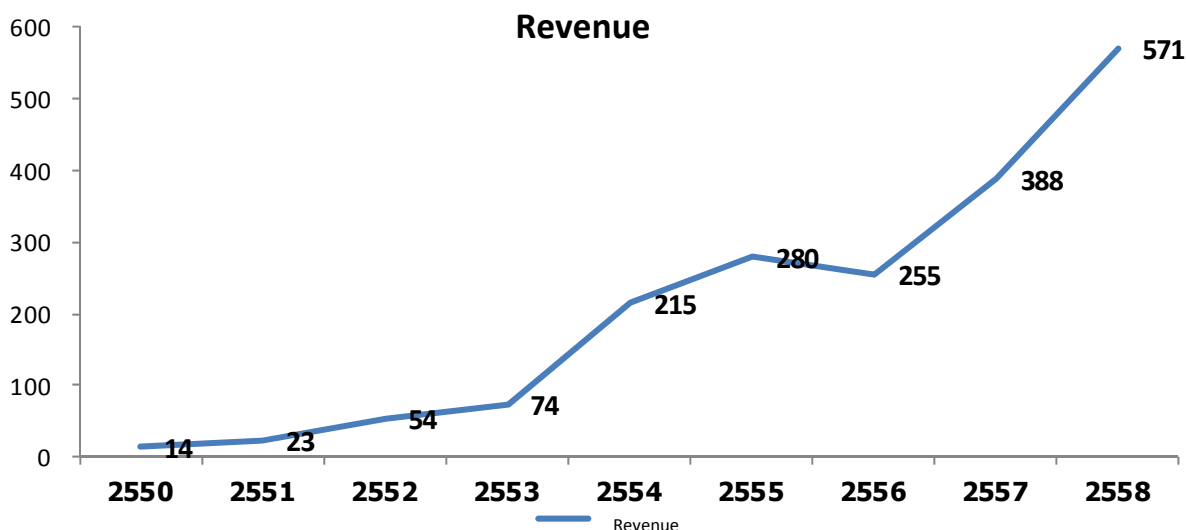


In 2015, the company and its subsidiaries invest in account receivables by the amount of 1,319 million baht, a decrease from 1,613 million baht for the year 2014. Altogether, the company and its subsidiaries have invested in account receivables accumulating to 4,455 million baht.



### Revenue from investments in account receivables

Unit : million baht



The company and its subsidiaries have made revenue from investments in account receivables increasing to 183 million baht, equivalent to 46.95 per cent which in 2015 revenue from investments in account receivables is accounted for 79.23 per cent of the total revenue.

The company and its subsidiaries realizes revenue from investments in account receivables according to the real interest rate (the rate of returns from debt collection expected to be obtained) multiplying by the amount of investments in the remaining account receivables. If cash collected is higher than calculated revenue, the remaining cash will be amortized with the value of investments in account receivables in each installment. In case investments in account receivables are entirely amortized, the company and its subsidiaries will recognize the entire cash flows received as a result of debt collection as revenue.

The company and its subsidiaries will record allowances for impairments of investments in account receivables when they find that the future estimates of cash flows discounted to the present value expected to be received is lower than the book value.

Regarding the guidelines for customers' debt collection, the company continues to implement the debt collection policy by providing customers with opportunity to pay in installments and discounts for account closing, in order to persuade customers who are financial capable.

- Investments in subsidiaries

The policy regarding investments in subsidiaries in 2015 still focuses on more investments in debt acquisition of J Asset Management Co., Ltd. with the debt proportion that the company entirely invested in 2015 increases from subsidiaries as compared with the year 2014. Moreover, the company has started to expand its credit business base under the name of JMT PLUS Co., Ltd.



- Other current assets

As of 31<sup>st</sup> December 2015, the company has other current assets amounting to 18.29 million baht, equivalent to 0.49 of the total assets. They include prepaid expenses of 7.84 million baht, advances for legal implementation of 4.59 million baht, welfare loans of 2.30 million baht, pay agent account receivables of 2.51 million baht and others of 1.05 million baht.

### Liabilities

As of 31<sup>st</sup> December 2015, the company has the total liabilities of 2,071.24 million baht. When comparing with that of 2014, the total liabilities increase by 532.21 million baht, equivalent to 34.58 per cent with material changes in 2015 as follows:

1. Short-term loans from financial institutions amount to 902.50 million baht as a result of continuous acquisition of non-performing debts to manage.

2. Trade account payables amount to 33.03 million baht or a decrease of 131.99 million baht due to installment payments of investments in non-performing loans.

3. Long-term loans amount to 415.78 million baht, an increase of 10.85 million baht, due to more investments in non-performing debts.

4. Debentures increase by 610 million baht as a result of business expansion with respect to credits and acquisition of non-performing debts to manage.

5. Other current liabilities amount to 48.17 million baht, an increase of 40.17 million baht, due to deferred revenue of 18.60 million baht in credit business, other account payables of 6.24 million baht in investments in assets relating to branch expansion, and deposits of 12.46 million baht in the insurance broker business. The liabilities are managed with quality.

As of 31<sup>st</sup> December 2015, the ratio of liabilities to shareholder's equity and the ratio of liabilities with interest burden to shareholder's equity are 1.24 and 1.16 times, respectively. There are the rates consistent with the management policy to keep such rates no more than specified criteria. Moreover, towards the end of the 4<sup>th</sup> quarter, the company did not buy a large lot of debts to manage so that the ratios are not affected.

### Liquidity

In 2015, the company has a net increase of cash and cash equivalents of 7.37 million baht. Details of cash flows in each activity can be grouped as follows:

	2014	2015
Cash flows from operation activities	(1,426.00)	(1,051.98)
Cash flows from investment activities	(44.63)	(29.36)
Cash flows from financing activities	1,486.93	1,088.72
Cash and cash equivalents – net increase (decrease)	16.30	7.37



In 2015 regarding cash flows from operation activities, the company has net cash used in operation activities by the amount of 1,426 million baht which is a result of acquisition of more non-performing debts to manage and more expansion of credit business. For the year 2014, the company has net cash used in operation activities of 1,051.98 million baht which is resulted from acquisition of more non-performing debts to manage.

In 2015 and 2014, with respect to cash flows from investment activities, the company has net cash paid from investment activities of 44.63 million baht and 29.36 million baht, respectively, which is resulted from cash paid in asset acquisition.

Regarding cash flows from financing activities in 2015, the company has net cash gained from financing activities amounting to 1,486.93 million baht. The main reasons include short-term and long-term borrowings, as well as issuance of debentures to be used in the non-performance debt management business and credit business. In 2014, the company has net cash gained from financing activities amounting to 1,088.72 million baht with the main reason being short-term and long-term borrowings for the non-performing debt management business.

The company's liquidity ratio is 0.36 times in 2015 compared with 0.09 in 2014. The company has higher liquidity ratio due to credit business expansion by focusing on funding sources that have long payback periods. In addition, cash flows received from both the non-performing debt management business and credit business coming in faster than expected such that short-term loans do not increase by much.

#### **Sources of funds**

Main sources of funds of the company include short-term loans from financial institutions. As of 31<sup>st</sup> December 2015, such loans amount to 902.50 million baht, a decrease from the previous year of 6 million baht. Long-term loans amount to 409.78 million baht, a decrease of 10.85 million baht, and debentures of 610 million baht.

#### **Off Balance Sheet Obligations**

Potential Obligations and Liabilities	2015	2014
Less than one year	18.26	15.16
More than one but less than five years	22.63	25.51
Total	40.89	40.66

As of 31<sup>st</sup> December 2015, the company has obligations concerning office building rental contracts and service contracts, and vehicle hiring contracts amounting to 39.88 million baht and 1.00 million baht, respectively, due to expansion of branches and space in order to support more employees.



## Auditing Fee

The Company and its subsidiaries' 2015 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 2014 amounted for Baht. 2,140,000 and year 2015 amounted for Baht. 2,190,000

Auditing Fee (Baht)	2014	2015
1. Financial Statement Auditing Fee		
JMT Network Services Public Company Limited	1,000,000	1,110,000
2. Financial Statement Auditing Fee		
JMT Network Services Public Company Limited and its subsidiaries	2,140,000	2,190,000



## Corporate Social Responsibility of the Company

On November 14, 2015, management and representatives of JMT Network Services Public Company Limited jointly organized the CSR activity and workshop. We also planted the trees at the Surasi Camp Learning Center in Karnjanaburi province. Moreover, we were briefed about the historical background and the management systems of the Surasi Camp Learning Center by the guest speaker.









## **REPORT OF INDEPENDENT AUDITOR**

To the Shareholders of JMT Network Services Public Company Limited

I have audited the accompanying consolidated financial statements of JMT Network Services Public Company Limited and its subsidiaries, which comprise the consolidated statement of financial position as at 31 December 2015, the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of 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 2015, the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements**

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 is 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 and plan and perform 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 procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 the financial statements.

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

### **Opinion**

In my opinion, the financial statements present fairly, in all material respects, the consolidated financial position of JMT Network Services Public Company Limited and its subsidiaries as at 31 December 2015, and the results of operations and cash flows for the year then ended, and the separate financial position of JMT Network Services Public Company Limited as at 31 December 2015, and the results of operations and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Other matter**

The consolidated financial statements of JMT Network Services Public Company Limited and its subsidiaries and the separate financial statements of JMT Network Services Public Company Limited for the year ended 31 December 2014, were audited by other auditor, in the same office as mine, who expressed an unmodified opinion on those statements on 20 February 2015.

**Mr. Teerasak Chuasrisakul**

Certified Public Accountant

Registration No. 6624

Bangkok, Thailand

19 February 2016



**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	5	44,187,564	27,891,594	16,347,260	19,897,731
Trade accounts receivable - general customers	6	14,010,057	14,122,922	11,472,569	8,853,609
Other receivables - parent company	22	4,471,440	99,724	150,401	95,410
- subsidiary company	22	-	-	1,097,811	20,400
Accrued income	7	19,622,642	11,305,893	11,185,933	10,769,600
Current portion of hire purchase - receivables - net	8	9,413,866	13,992,155	3,291,411	5,577,823
Current portion of loan receivables - net	9	314,368,198	19,140,201	35,920,290	19,140,201
Short - term loan to subsidiary companies	22	-	-	1,188,500,000	499,500,000
Refundable value added tax		62,468,340	34,736,824	36,758,988	18,844,653
Other current assets		18,293,065	23,257,403	16,446,211	15,456,405
<b>Total Current Assets</b>		<b>486,835,172</b>	<b>144,546,716</b>	<b>1,321,170,874</b>	<b>598,155,832</b>
<b>NON - CURRENT ASSETS</b>					
Hire - purchase receivables - net	8	13,931,307	32,772,043	2,907,918	9,372,534
Loan receivables - net	9	303,411,707	3,721,091	46,105,347	3,721,091
Restricted deposits with banks	10	2,058,720	2,160,782	1,035,860	1,160,782
Investments in accounts receivable - net	11	2,829,553,750	1,979,291,229	2,088,939,512	1,467,986,636
Investments in subsidiary companies - net	12	-	-	126,283,218	63,847,118
Office furniture and equipment – net	13	52,181,367	37,115,273	42,076,860	36,159,135
Computer software - net	14	21,256,415	12,593,854	13,786,450	12,533,398
Deferred tax assets	15	23,913,964	4,662,370	22,102,523	4,570,101
Other non - current assets	22	6,723,620	3,892,860	4,544,048	3,458,609
<b>Total Non - Current Assets</b>		<b>3,253,030,850</b>	<b>2,076,209,502</b>	<b>2,347,781,736</b>	<b>1,602,809,404</b>
<b>TOTAL ASSETS</b>		<b>3,739,866,022</b>	<b>2,220,756,218</b>	<b>3,668,952,610</b>	<b>2,200,965,236</b>

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



**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF FINANCIAL POSITION**

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>					
<b>CURRENT LIABILITIES</b>					
Short - term loan from financial institutions	16	902,500,000	908,500,000	902,500,000	908,500,000
Trade accounts payable		33,023,086	165,015,568	30,427,799	164,935,318
Current portion of long-term loan	18	314,502,400	426,630,000	314,502,400	426,630,000
Other payables - parent company	22	13,128,490	7,500	-	6,300
- subsidiary company	22	-	-	48,900	79,540
Accrued expenses	17	20,303,277	10,404,343	15,445,889	9,430,060
Short - term loan from subsidiary company	22	-	-	-	3,000,000
Income tax payable		23,194,584	17,618,927	7,752,886	1,468,772
Other current liabilities		48,167,534	8,000,878	11,935,334	6,232,069
<b>Total Current Liabilities</b>		<b>1,354,819,371</b>	<b>1,536,177,216</b>	<b>1,282,613,208</b>	<b>1,520,282,059</b>
<b>NON - CURRENT LIABILITIES</b>					
Long - term loan - net	18	101,280,000	-	101,280,000	-
Debentures	19	610,000,000	-	610,000,000	-
Employee benefit obligations	20	5,139,819	2,850,885	4,508,204	2,713,755
<b>Total Non - Current Liabilities</b>		<b>716,419,819</b>	<b>2,850,885</b>	<b>715,788,204</b>	<b>2,713,755</b>
<b>TOTAL LIABILITIES</b>		<b>2,071,239,190</b>	<b>1,539,028,101</b>	<b>1,998,401,412</b>	<b>1,522,995,814</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share capital, common share at Baht 1 par value	23				
Registered - 444,000,000 shares					
(31 December 2014 : 300,000,000 shares)		444,000,000	300,000,000	444,000,000	300,000,000
Fully paid - up - 369,999,930 shares					
(31 December 2014 : 300,000,000 shares)		369,999,930	300,000,000	369,999,930	300,000,000
Share Premium		1,093,231,165	212,449,464	1,093,231,165	212,449,464
Retained earnings					
Appropriated for legal reserve	24	44,400,000	30,000,000	44,400,000	30,000,000
Unappropriated		160,995,637	139,278,553	162,920,103	135,519,958
<b>EQUITY ATTRIBUTABLE TO THE COMPANY</b>		<b>1,668,626,732</b>	<b>681,728,017</b>	<b>1,670,551,198</b>	<b>677,969,422</b>
Non - controlling interests		100	100	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>1,668,626,832</b>	<b>681,728,117</b>	<b>1,670,551,198</b>	<b>677,969,422</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3,739,866,022</b>	<b>2,220,756,218</b>	<b>3,668,952,610</b>	<b>2,200,965,236</b>

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



**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED 31 DECEMBER**

(Unit : Baht)

		CONSOLIDATED F/S		SEPARATE F/S	
	Notes	2015	2014	2015	2014
<b>REVENUES</b>	28				
Services income from debts collection and others	22	99,031,713	92,832,256	98,553,824	92,571,288
Revenues from collection of purchased accounts receivable		570,721,013	388,387,729	485,086,908	343,412,850
Interest income and related income	22	49,388,855	6,468,699	10,140,597	2,357,070
<b>Total revenues</b>		719,141,581	487,688,684	593,781,329	438,341,208
Costs of services	22	(315,634,002)	(228,282,938)	(285,855,778)	(218,955,517)
<b>Gross profit</b>		403,507,579	259,405,746	307,925,551	219,385,691
Other income	22	1,187,079	668,203	28,579,338	7,107,656
<b>Profit before expenses</b>		404,694,658	260,073,949	336,504,889	226,493,347
Administrative expenses	22, 27	(231,303,800)	(92,421,056)	(187,747,403)	(85,758,304)
<b>Profit before finance costs and income tax</b>		173,390,858	167,652,893	148,757,486	140,735,043
Finance costs	22	(53,757,246)	(16,228,483)	(54,186,171)	(16,223,357)
<b>Profit before income tax</b>		119,633,612	151,424,410	94,571,315	124,511,686
Income tax	15	(24,989,316)	(30,810,768)	5,286,317	(8,345,055)
<b>Profit for the year</b>		94,644,296	120,613,642	99,857,632	116,166,631
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Actuarial loss - net of tax	20	(1,527,212)	-	(1,057,487)	-
<b>Total comprehensive income for the year</b>		93,117,084	120,613,642	98,800,145	116,166,631
<b>Profit for the year attributable to :</b>					
Equity holders of the Company		94,644,296	120,613,642	99,857,632	116,166,631
Non - controlling interests		-	-	-	-
		94,644,296	120,613,642	99,857,632	116,166,631
<b>Total comprehensive income for the year attributable to :</b>					
Equity holders of the Company		93,117,084	120,613,642	98,800,145	116,166,631
Non - controlling interests		-	-	-	-
		93,117,084	120,613,642	98,800,145	116,166,631
<b>Basic earnings per share</b>					
Profit (Baht per share)	26	0.27	0.40	0.29	0.39
Weighted average number of common share (Shares)		341,808,219	300,000,000	341,808,219	300,000,000

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



JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED 31 DECEMBER

	Notes	Company's Shareholders' equity					Non - controlling interests	Total	
		Issued and paid - up share capital	Share premium	Retained earnings		Total equity attributable to the Company			
				Legal reserve	Unappropriated				
<u>CONSOLIDATED F/S</u>									
<b>Balance as at 1 January 2014</b>									
Dividend paid	25	300,000,000	212,449,464	30,000,000	72,664,911	615,114,375	100	615,114,475	
Total comprehensive income for the year		-	-	-	(54,000,000)	(54,000,000)	-	(54,000,000)	
<b>Balance as at 31 December 2014</b>									
		300,000,000	212,449,464	30,000,000	139,278,553	681,728,017	100	681,728,117	
<b>Balance as at 1 January 2015</b>									
Issue of share capital increment	23	300,000,000	212,449,464	30,000,000	139,278,553	681,728,017	100	681,728,117	
Appropriated for legal reserve	24	69,999,930	880,781,701	-	-	950,781,631	-	950,781,631	
Dividend paid	25	-	-	14,400,000	(14,400,000)	-	-	-	
Total comprehensive income for the year		-	-	-	(57,000,000)	(57,000,000)	-	(57,000,000)	
<b>Balance as at 31 December 2015</b>									
		369,999,930	1,093,231,165	44,400,000	160,995,637	93,117,084	100	1,668,626,832	

(Unit : Baht)

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



JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

FOR THE YEARS ENDED 31 DECEMBER

	Notes	Issued and paid - up share capital	Share premium	Retained earnings		(Unit : Baht)
				Legal reserve	Unappropriated	
<b>SEPARATE F/S</b>						
<b>Balance as at 1 January 2014</b>		300,000,000	212,449,464	30,000,000	73,353,327	615,802,791
Dividend paid	25	-	-	-	(54,000,000)	(54,000,000)
Total comprehensive income for the year		-	-	-	116,166,631	116,166,631
<b>Balance as at 31 December 2014</b>		<b>300,000,000</b>	<b>212,449,464</b>	<b>30,000,000</b>	<b>135,519,958</b>	<b>677,969,422</b>
<b>Balance as at 1 January 2015</b>		300,000,000	212,449,464	30,000,000	135,519,958	677,969,422
Issue of share capital	23	69,999,930	880,781,701	-	-	950,781,631
Appropriated for legal reserve	24	-	-	14,400,000	(14,400,000)	-
Dividend paid	25	-	-	-	(57,000,000)	(57,000,000)
Total comprehensive income for the year		-	-	-	98,800,145	98,800,145
<b>Balance as at 31 December 2015</b>		<b>369,999,930</b>	<b>1,093,231,165</b>	<b>44,400,000</b>	<b>162,920,103</b>	<b>1,670,551,198</b>

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



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

(Unit : Baht)

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
<b>Cash flows from operating activities :-</b>				
Profit before income tax	119,633,612	151,424,410	94,571,315	124,511,686
<b>Adjustments to reconcile profit before income tax to net cash provided from operating activities:-</b>				
Depreciation and amortization	20,988,736	13,383,827	19,581,989	13,103,907
Loss on impairment of investment	-	-	7,563,900	2,552,782
Loss (gain) on disposal of assets	19,166	(38,864)	33,243	(38,864)
Bad debt and doubtful accounts	110,377,679	17,456,387	89,589,958	12,680,131
Interest income	(18,557,222)	(6,551,554)	(37,865,711)	(9,378,584)
Interest expense	53,757,246	16,228,483	54,186,171	16,223,357
Employee benefit obligations expenses	343,115	287,232	278,769	267,348
<b>Cash provided from operating activities before changes in operating assets and liabilities</b>	<b>286,562,332</b>	<b>192,189,921</b>	<b>227,939,634</b>	<b>159,921,763</b>
<b>Decrease (increase) in operating assets:-</b>				
Trade accounts receivable - general customers	112,866	(2,876,605)	(2,618,960)	2,392,709
Other receivables - parent company	(4,371,716)	620,703	(54,991)	612,437
- subsidiary company	-	-	(1,077,411)	300
Accrued income	(7,816,334)	(894,919)	703,461	(741,763)
Refundable value added tax	(27,731,516)	(30,816,281)	(17,914,335)	(18,004,261)
Other current assets	5,065,927	9,072,821	(888,214)	14,742,357
Hire - purchase receivables	14,117,592	16,533,847	5,924,407	7,030,716
Loan receivables	(610,106,594)	(22,861,292)	(68,532,625)	(22,861,292)
Investments in accounts receivable	(908,478,660)	(1,098,877,685)	(670,675,807)	(631,456,212)
Other non - current assets	(2,830,763)	(1,683,050)	(1,085,440)	(1,391,812)
<b>Increase (decrease) in operating liabilities:-</b>				
Trade accounts payable	(159,358,486)	(83,403,884)	(161,873,522)	(77,176,869)
Other payables - parent company	13,120,990	7,500	(6,300)	6,300
- subsidiary company	-	-	(30,640)	(900)
Accrued expenses	6,828,946	(2,303,540)	1,702,478	(2,889,295)
Other current liabilities	40,166,659	2,107,653	5,703,264	714,537
Other non - current liabilities	-	-	66,040	-
<b>Cash used in operations</b>	<b>(1,354,718,757)</b>	<b>(1,023,184,811)</b>	<b>(682,718,961)</b>	<b>(569,101,285)</b>
Cash received from interest	16,813,445	6,803,316	36,745,918	9,475,577
Cash paid for interest	(49,715,525)	(19,804,709)	(50,152,774)	(19,805,054)
Income tax paid	(38,382,730)	(15,797,511)	(5,697,598)	(9,416,799)
<b>Net cash used in operating activities</b>	<b>(1,426,003,567)</b>	<b>(1,051,983,715)</b>	<b>(701,823,415)</b>	<b>(588,847,561)</b>

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



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

(Unit : Baht)

	<b>CONSOLIDATED F/S</b>		<b>SEPARATE F/S</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from investing activities:-</b>				
Proceeds from short - term loan to subsidiary companies	-	-	250,500,000	126,300,000
Paid for short - term loan to subsidiary companies	-	-	(939,500,000)	(590,300,000)
Decrease in restricted deposits with bank	102,063	488,534	124,922	488,534
Invest in subsidiary company	-	-	(70,000,000)	-
Proceeds from disposal of assets	383,402	46,965	196,486	46,965
Purchase of assets	(45,119,959)	(29,896,563)	(26,982,495)	(29,474,050)
<b>Net cash used in investing activities</b>	<b>(44,634,494)</b>	<b>(29,361,064)</b>	<b>(785,661,087)</b>	<b>(492,938,551)</b>
<b>Cash flows from financing activities:-</b>				
Increase (decrease) in short - term loan from financial institutions	(6,000,000)	716,160,000	(6,000,000)	716,160,000
Proceeds from short - term loan from subsidiary company	-	-	-	3,000,000
Repayment of short - term loan from subsidiary company	-	-	(3,000,000)	-
Repayment of liability under finance lease agreement	-	(74,121)	-	(74,121)
Proceeds from long - term loan	211,000,000	426,630,000	211,000,000	426,630,000
Repayment of long - term loan	(221,847,600)	-	(221,847,600)	-
Proceeds from issuance of debentures	610,000,000	-	610,000,000	-
Proceeds from issues of share capital	950,781,631	-	950,781,631	-
Dividend payment	(57,000,000)	(54,000,000)	(57,000,000)	(54,000,000)
<b>Net cash provided from financing activities</b>	<b>1,486,934,031</b>	<b>1,088,715,879</b>	<b>1,483,934,031</b>	<b>1,091,715,879</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>16,295,970</b>	<b>7,371,100</b>	<b>(3,550,471)</b>	<b>9,929,767</b>
<b>Cash and cash equivalents - beginning of the year</b>	<b>27,891,594</b>	<b>20,520,494</b>	<b>19,897,731</b>	<b>9,967,964</b>
<b>Cash and cash equivalents - end of the year</b>	<b>44,187,564</b>	<b>27,891,594</b>	<b>16,347,260</b>	<b>19,897,731</b>
<b>Supplemental cash flows information:</b>				
Non - cash transactions				
Investments in accounts receivable from financial institutions by installments not affecting the cash flows	27,366,003	164,150,041	27,366,003	164,150,041

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



**JMT NETWORK SERVICES PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2015**

1. GENERAL INFORMATION

JMT Network Services Public Company Limited was incorporated as a Public Company in Thailand, and has been listed in the Stock Exchange of Thailand (SET). The Company and its subsidiaries are engaged in debts collection services, purchase of non-performing accounts receivable from financial institutions for debts management and collection, providing finance leasing services, insurance broker services and consumer lendings. The Company's registered office address is 325/7, J MART Tower, 4 - 6th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok. The Company is 55.88% 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, 4th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok	Debt collection business, leasing and consumer lendings
Jay Insurance Broker Company Limited	325/7, J MART Tower, 5th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok	Insurance broker
J Asset Management Company Limited	325/7, J MART Tower, 4th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok	Asset management

At the Board of Directors meeting of the Company held on 11 August 2015, the boards pass a resolution to invest in a new 70.00% subsidiary, JP Finance Company Limited, with registered share capital of MMK 600 million (equivalent to Baht 20 million) to engage in providing consumer lending service in the Republic of Myanmar. This subsidiary is in the process of establishment.

2. BASIS OF FINANCIAL STATEMENTS PREPARATION AND CONSOLIDATION

2.1 Statement of compliance

The accompanying financial statements have been officially prepared in Thai in accordance with the Accounting Act B.E. 2543 and Thai Financial Reporting 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 conform to the official report in Thai.

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



## 2.2 New Accounting Standards

The Federation of Accounting Professions has issued new and revised TFRS effective for accounting periods beginning on or after 1 January 2015. The initial application of these new and revised TFRS has resulted in changes in certain of the Company and subsidiaries' accounting policies as follow;

### TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the part of account for consolidated financial statements as included in TAS 27: Consolidated and Separate Financial Statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgement when reviewing whether the Company has control over the investees and determine which entities have to be included for preparation of the consolidated financial statements.

### TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other accounting standards to measure their assets or liabilities at fair value. The effect of the change from the adoption of this standard is to be recognized prospectively.

Based on the assessment, the management consider that the above standards do not have any significant impact on the current year financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of other new and revised TFRSs which are effective for annual financial periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements.

In addition to the above new and revised TFRSs, the FAP has issued a number of other new and revised TFRSs which are effective for accounting periods beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRSs that may be relevant to the Company and subsidiaries' operations, are set out below.



<b>TFRS</b>	<b>Topic</b>
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee Benefits
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings Per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 36 (revised 2015)	Impairment of Assets
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2015)	Intangible Assets
TAS 40 (revised 2015)	Investment Property
TAS 41	Agriculture
TFRS 2 (revised 2015)	Share-based Payment
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Assets
TFRS 8 (revised 2015)	Operating Segments
TFRS 10 (revised 2015)	Consolidated Financial Statements
TFRS 11 (revised 2015)	Joint Arrangements
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities
TFRS 13 (revised 2015)	Fair Value Measurement
TSIC 10 (revised 2015)	Government Assistance – No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases – Incentives
TSIC 25 (revised 2015)	Income Taxes – Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Disclosure – Service Concession Arrangements
TSIC 31 (revised 2015)	Revenue – Barter Transactions Involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets – Web Site Costs
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities



TFRS	Topic
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmes
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) <i>Employee Benefits</i> – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine
TFRIC 21	Levies

The Company and subsidiaries have made a preliminary assessment and believe that there will be no significant impact on the financial statements in the period of initial adoption.

## 2.3 Basis of consolidation

The consolidated financial statements include the separate financial statements of JMT Network Services Public Company Limited and its subsidiaries which the Company can exercise control or holdings shares with voting right more than 50% as follow :

Company	Percentage of shareholding		Type of businesses
	2015	2014	
<u>Subsidiary companies</u>			
JMT Plus Company Limited	99.99	99.99	Debt collection business, leasing and consumer lendings
Jay Insurance Broker Company Limited	99.99	99.99	Insurance broker
J Asset Management Company Limited	99.99	99.99	Asset management

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

#### 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 are presented at anticipated realizable values. Allowances 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.

##### *Hire - purchase receivables*

Hire - purchase receivables are presented amount net of unearned interest income and allowance for doubtful accounts. The Company and subsidiary provided allowances for doubtful accounts based on receivables aging report which is calculated from hire - purchase receivables, after the deduction of unearned interest income and collaterals. The collaterals are calculated 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 Company and subsidiary used basis for determination of allowance for doubtful accounts are the number of overdue installment 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 and its subsidiary consider account receivables to be un-collectable, they will write them off from the accounts.

#### Foreclosed assets

Foreclosed assets are assets seized from hire - purchase receivables and presented at the lower of carrying amount (which mostly comprises the net outstanding balance) or fair value less costs to sell.



### Loan receivables

Loan receivables would initially be recognized at an amount equal to the net investment.

The Company and subsidiary used basis for determination of allowance for doubtful accounts for loan receivables as follows :

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

### Investments in accounts receivable

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

### Investments in subsidiary companies

Investments in subsidiary companies are accounted for in the separate financial statements by the cost method. Such investments are 100% owned by the Company under the control of the Company's management. When there is an indication of impairment on investment, the Company will recognize loss on impairment as expense immediately in the statement of profit or loss.

### Office furniture and equipment

Office furniture and equipment are presented at cost less accumulated depreciation and allowance for impairment of assets (if any). 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.

The Company and subsidiaries depreciated their office furniture and equipment by the straight – line method over the estimated useful lives of the assets as follow:

	Years
Office furniture	5
Office equipment	3 - 5
Vehicles	5

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



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

#### Computer software

Computer software with finite useful lives is recorded at costs less accumulated amortization and allowance for impairment (if any). Amortization is charged to the statement of profit or loss on a straight-line basis over the estimated useful life of the computer software for 5 years.

#### Long – term leases – where Company and subsidiaries are the lessees.

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

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 profit or loss 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 of assets

At the reporting date, the Company and subsidiaries assess whether there is an indication that any asset may be impaired. If any such indication exists, the Company and subsidiaries make estimates of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell or value in use.

#### Revenue recognition

- The Company recognized service income from debts collection when services are rendered to customers based on the agreed rates.
- The Company and subsidiary recognized revenues from investments in accounts receivable by using effective interest rates (expected return on debts collection) calculated from outstanding investments in accounts receivable. If actual cash flows from collection exceed calculated revenues, the remaining cash collection will be amortised from the value of investments in accounts receivable for each period. If investments in accounts receivable are fully amortised, the Company and subsidiary will recognize such cash collection as revenues and recognized loss on impairment immediately when there is an indication of significant decrease in estimated cash flows.



- 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 and subsidiary ceased to recognize the revenue when the accounts receivable are transferred to the group that cease the recognition of income.
- The Company and subsidiary recognized hire - purchase interest income as income over the period of the agreement, using effective rate method, with income recognized when the installments fall due irrespective of when actual collection is made. The Company and subsidiary ceased recognizing hire - purchase interest income when the contract receivables are overdue for more than 3 installment periods except where there is an indication of receivables' inability to repay, which income recognition is ceased immediately.
- The Company and subsidiary recognized interest income from loan with effective interest rate method over the installment period. The Company and subsidiary ceased recognizing interest income from loan when the contract receivables are overdue for more than 3 installment periods except where there is an indication of receivables' inability to repay, which income recognition is ceased immediately.
- The subsidiary company recognized sale promotion revenues over the period of the agreement, using effective rate method.
- Other income is recognized on an accrual basis.

#### Employee benefits

##### *Short-term employee benefits*

The Company and subsidiaries recognized 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.

##### *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 subsidiaries. The fund's assets are held in a separate fund from the Company and subsidiaries' assets. 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 to employees upon retirement under Labor Law. The Company and 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 for defined benefit plan are presented in other comprehensive income.

#### Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

#### *Current income tax*

Current income tax is the expected tax payable or claimable on the taxable income or loss for the year, 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 tax*

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

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that the related tax benefit will be realized.

#### Related parties

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



#### Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

#### 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.

#### Share premium

The Company recorded cash received in excess of the par value of the shares issued as share premium in the statement of financial position, share premium are deducted from any transaction costs associated with the issuing of shares and related income tax benefits.

#### Dividend payment

The Company records dividend payment in the financial statements in the fiscal year in which it approved by the Shareholders or Board of Directors.

#### 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.

For the purpose of calculating diluted earnings per share, the weighted average number of outstanding common shares is assumed to be converted to common shares that dilute the total number of shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company's shares during the year) based on the outstanding warrants to determine the number of potential common shares to be additionally issued.

#### Provisions for liabilities and expenses, and contingent assets

The Company and subsidiaries recognized provisions for liabilities and expenses in the financial statements when the Company and subsidiaries 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 JUDGMENTS

The preparation of the financial statements requires management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

Critical accounting estimates, assumption and judgments are as follows:

##### 1. Impairment of receivables, loan receivables and investments in accounts receivable

The Company and subsidiaries set allowance for doubtful accounts to reflect impairment of receivables, loan receivables and investments in accounts receivable resulting from non - collection of receivables. The estimated losses are based on uncertainty in the collection and consideration of the management.

##### 2. Impairment of investment

The Company consider impairment of investment when there has been a significant and prolonged decline in the fair value below their cost. The determination of what is “significant” or “prolong” requires management judgment.

##### 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 will revise 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. 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 determine the estimated recoverable amount.



## 5. Estimated cash in flows from investment in accounts receivable

The Company and subsidiary estimated 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 and subsidiary assess the periods of collection of investments in accounts receivable for 4 - 5 years.

## 6. Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company and subsidiaries' 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

## 7. Post-employment benefits

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. Actual post-retirement costs may ultimately differ from these estimates.

## 5. CASH AND CASH EQUIVALENTS

The outstanding balances as at 31 December 2015 and 2014 are as follows :

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Cash on hand	28,000	28,000	10,000	10,000
Bank deposits – current accounts	43,385,235	21,178,150	16,007,163	14,012,128
Bank deposits – saving accounts	774,329	6,685,444	330,097	5,875,603
Total	44,187,564	27,891,594	16,347,260	19,897,731

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 2015 and 2014 classified by ages are as follow:

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Not yet due	11,449,575	13,153,992	9,585,488	7,884,679
Past due				
Less than 3 months	2,418,577	968,930	1,745,176	968,930
3 - 6 months	141,905	-	141,905	-
Total	14,010,057	14,122,922	11,472,569	8,853,609

The Company and subsidiaries regularly evaluate risk factor from the collection of receivables and do not expect to incur loss from debt collection.

7. ACCRUED INCOME

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Accrued services income	16,850,528	10,716,779	9,852,998	10,556,458
Accrued interest income	2,772,114	589,114	1,332,935	213,142
Total	19,622,642	11,305,893	11,185,933	10,769,600



## 8. HIRE - PURCHASE RECEIVABLES

As at 31 December 2015 and 2014, the Company and its subsidiary had receivables under hire - purchase financing services totalling Baht 58.92 million and Baht 73.04 million, respectively, covering the periods of 1 - 6 years. The interest rates are fixed as specified in hire - purchase agreements. Hire - purchase receivables are presented at outstanding balances net of unearned interest 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	
	2015	2014	2015	2014	2015	2014
Hire - purchase receivables	32,093,307	33,887,889	39,540,384	55,180,458	670	670
Less : Unearned interest income	(7,831,985)	(8,753,075)	(4,881,004)	(7,276,978)	(670)	(670)
Total	24,261,322	25,134,814	34,659,380	47,903,480	-	-
Less : Allowance for doubtful accounts	(14,847,456)	(11,142,659)	(20,728,073)	(15,131,437)	-	-
Net	9,413,866	13,992,155	13,931,307	32,772,043	-	-

(Unit : Baht)

	SEPARATE F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	2015	2014	2015	2014	2015	2014
Hire - purchase receivables	11,765,911	15,059,638	13,402,619	17,092,530	-	-
Less : Unearned interest income	(2,703,351)	(3,231,544)	(1,512,364)	(2,043,403)	-	-
Total	9,062,560	11,828,094	11,890,255	15,049,127	-	-
Less : Allowance for doubtful accounts	(5,771,149)	(6,250,271)	(8,982,337)	(5,676,593)	-	-
Net	3,291,411	5,577,823	2,907,918	9,372,534	-	-



Aged hire - purchase receivables and details of allowance for doubtful accounts are as follows:

(Unit : Baht)

CONSOLIDATED F/S					
2015					
Hire – purchase receivables	Number of agreements	Receivable net of unearned interest income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	62	9,129,316	625,938	1	6,259
Overdue for 1 period	13	2,089,891	243,986	1	2,440
Overdue for 2 - 3 periods	36	6,909,347	836,020	2	16,720
Overdue for 4 - 6 periods	16	2,657,599	462,233	20	92,447
Overdue for 7 - 12 periods	25	5,228,036	5,208,243	50	2,604,121
Overdue for over 12 periods	154	32,906,513	32,853,542	100	32,853,542
Total	306	58,920,702	40,229,962		35,575,529

(Unit : Baht)

CONSOLIDATED F/S					
2014					
Hire – purchase receivables	Number of agreements	Receivable net of unearned interest income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	86	16,980,342	1,708,097	1	17,081
Overdue for 1 period	37	9,030,108	1,231,645	1	12,316
Overdue for 2 - 3 periods	54	13,326,087	1,889,758	2	37,795
Overdue for 4 - 6 periods	21	5,544,799	960,691	20	192,138
Overdue for 7 - 12 periods	20	4,202,321	4,193,374	50	2,096,687
Overdue for over 12 periods	110	23,954,637	23,918,079	100	23,918,079
Total	328	73,038,294	33,901,644		26,274,096



(Unit : Baht)

SEPARATE F/S					
2015					
Hire – purchase receivables	Number of agreements	Receivable net of unearned interest income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	29	3,228,934	6,445	1	65
Overdue for 1 period	3	514,996	-	1	-
Overdue for 2 - 3 periods	13	1,543,499	-	2	-
Overdue for 4 - 6 periods	5	393,235	-	20	-
Overdue for 7 - 12 periods	6	973,021	968,575	50	484,288
Overdue for over 12 periods	75	14,299,130	14,269,133	100	14,269,133
Total	131	20,952,815	15,244,153		14,753,486

(Unit : Baht)

SEPARATE F/S					
2014					
Hire – purchase receivables	Number of agreements	Receivable net of unearned interest income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	37	5,524,324	160,291	1	1,603
Overdue for 1 period	14	2,697,716	66,214	1	662
Overdue for 2 - 3 periods	18	3,751,069	119,128	2	2,383
Overdue for 4 - 6 periods	10	2,128,043	227,593	20	45,519
Overdue for 7 - 12 periods	11	1,759,625	1,756,635	50	878,316
Overdue for over 12 periods	56	11,016,445	10,998,381	100	10,998,381
Total	146	26,877,221	13,328,242		11,926,864

The Company and subsidiary provided 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 hire - purchase receivables 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 receivables 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 the Federation of Accounting Profession (FAP) with the approval of the Securities and Exchange Commission. The Company and subsidiary have a policy to set up allowance for doubtful accounts based on consideration of the current status, ability to make payments of receivables, statistic, experience and damage information. The management believes that the Company and subsidiary have set up allowances for doubtful accounts adequately. As at 31 December 2015 and 2014, the recorded allowance for doubtful accounts are less than the amount computed under FAP guideline of Baht 5.42 million and Baht 7.42 million, respectively (the Company's portion: Baht 1.05 million and Baht 2.95 million, respectively).



## 9. LOAN RECEIVABLES

As at 31 December 2015 and 31 December 2014, the Company and subsidiary had loan receivables totalling Baht 632.97 million and Baht 22.86 million, respectively, covering the periods of 1 – 4 years. The interest rates are fixed as specified in loan agreements. The outstanding of loan receivables are as follow:

(Unit : Baht)

	CONSOLIDATED F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	31 December	31 December	31 December	31 December	31 December	31 December
	2015	2014	2015	2014	2015	2014
Loan receivables	405,259,872	21,825,076	341,453,931	4,070,567	643,678	-
Less : Unearned interest income	(77,272,391)	(2,684,875)	(36,928,940)	(346,476)	(185,266)	-
Total	327,984,481	19,140,201	304,524,991	3,721,091	458,412	-
Less : Allowance for doubtful accounts	(13,616,283)	-	(1,571,696)	-	-	-
Net	314,368,198	19,140,201	302,953,295	3,721,091	458,412	-

(Unit : Baht)

	SEPARATE F/S					
	Due within one year		Due over one year but not over five years		Due over five years	
	31 December	31 December	31 December	31 December	31 December	31 December
	2015	2014	2015	2014	2015	2014
Loan receivables	61,658,491	21,825,076	57,586,652	4,070,567	-	-
Less : Unearned interest income	(17,941,618)	(2,684,875)	(9,909,609)	(349,476)	-	-
Total	43,716,873	19,140,201	47,677,043	3,721,091	-	-
Less : Allowance for doubtful accounts	(7,796,583)	-	(1,571,696)	-	-	-
Net	35,920,290	19,140,201	46,105,347	3,721,091	-	-

Aged loan receivables and details of allowance for doubtful accounts are as follows:

(Unit : Baht)

	CONSOLIDATE F/S		
	31 December 2015		
	Loan receivable	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	517,575,485	1	5,175,755
Overdue 1 period	53,712,402	1	537,124
Overdue 2 – 3 period	53,281,385	2	1,065,627
Overdue 4 – 6 period	4,351,258	100	4,351,258
Overdue 7 – 12 period	3,803,374	100	3,803,374
Overdue more than 12 period	254,841	100	254,841
Total	632,978,745		15,187,979



(Unit : Baht)

SEPARATE F/S			
31 December 2015			
	Loan receivable	% of allowance for doubtful accounts	Allowance for doubtful accounts
Current	62,677,393	1	626,774
Overdue 1 period	7,432,601	1	74,326
Overdue 2 – 3 period	12,885,309	2	257,706
Overdue 4 – 6 period	4,351,258	100	4,351,258
Overdue 7 – 12 period	3,803,374	100	3,803,374
Overdue more than 12 period	254,841	100	254,841
Total	91,404,776		9,368,279

#### 10. RESTRICTED DEPOSITS WITH BANKS

As at 31 December 2015, the Company's fixed deposits totalling Baht 1.04 million (2014 : Baht 1.16 million) have been placed with banks as collaterals for 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 insurance brokerage operations in accordance with Non-Life Insurance Act. B.E.2535. The fixed deposits bear interest rates of 0.50 – 2.13 percent per annum.

#### 11. INVESTMENTS IN ACCOUNTS RECEIVABLE

The investments portfolio classified by group of receivables as at 31 December 2015 and 2014 are as follow :

CONSOLIDATED F/S				
(Unit : Baht)				
2015		2014		
No. of contracts (Thousand)	Amount	No. of contracts (Thousand)	Amount	
Accounts receivable - Hire purchases	805,012	1,612,102,872	642,847	1,021,827,720
Accounts receivable - Personal loans	1,725,748	1,319,583,957	1,378,660	974,014,445
Total	2,530,760	2,931,686,829	2,021,507	1,995,842,165
Less : Allowance for doubtful accounts		(102,133,079)		(16,550,936)
Net		2,829,553,750		1,979,291,229



(Unit : Baht)

	SEPARATE F/S			
	2015		2014	
	No. of contracts (Thousand)	Amount	No. of contracts (Thousand)	Amount
Accounts receivable - Hire purchases	736,255	1,159,387,046	594,783	659,446,766
Accounts receivable - Personal loans	1,606,013	1,022,730,989	1,318,498	824,629,458
Total	2,342,268	2,182,118,035	1,913,281	1,484,076,224
Less : Allowance for doubtful accounts		(93,178,523)		(16,089,588)
Net		2,088,939,512		1,467,986,636

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

	CONSOLIDATED F/S		SEPARATE F/S	
	(Unit : Baht)			
	2015	2014	2015	2014
Balance as at 1 January	1,995,842,165	732,814,439	1,484,076,224	688,469,971
Add : Purchase of investments	1,319,432,105	1,613,322,094	940,514,710	1,050,657,937
Less : Portion decreased from cash collection during the year	(383,587,441)	(350,294,368)	(242,472,899)	(255,051,684)
Balance as at 31 December	2,931,686,829	1,995,842,165	2,182,118,035	1,484,076,224

The Company and subsidiary expect to collect cash from the investments of accounts receivable of Baht 940.14 million within one year. (the Company's portion : Baht 776.56 million)

## 12. INVESTMENTS IN SUBSIDIARY COMPANIES

	Nature of Business	(Unit : Baht)					
		Paid - up capital		SEPARATE F/S			
		2015	2014	Percentage of Shareholding		Cost	
				2015	2014	2015	2014
<u>Subsidiary companies</u>							
JMT Plus Co., Ltd.	Debt collection business, leasing and consumer lending	120,000,000	50,000,000	99.99	99.99	119,999,970	49,999,970
Less : Allowance for impairment						(20,716,682)	(13,152,782)
						99,283,288	36,847,188
Jay Insurance Broker Co., Ltd.	Insurance broker	2,000,000	2,000,000	99.99	99.99	1,999,960	1,999,960
J Asset Management Co., Ltd.	Asset management	25,000,000	25,000,000	99.99	99.99	24,999,970	24,999,970
Total						126,283,218	63,847,118



### 13. OFFICE FURNITURE AND EQUIPMENT

(Unit : Baht)

	CONSOLIDATED F/S			
	Furniture	Equipment	Vehicle	Total
<b>Cost</b>				
<b>As at 1 January 2014</b>	1,595,014	35,277,083	8,482,603	45,354,700
Increase	2,573,879	22,072,734	-	24,646,613
Decrease	-	(644,556)	-	(644,556)
<b>As at 31 December 2014</b>	4,168,893	56,705,261	8,482,603	69,356,757
Increase	7,237,699	23,397,172	1,336,178	31,971,049
Decrease	(115,935)	(3,960,457)	(1,146,921)	(5,223,313)
Transferred in (out)	212,800	(212,800)	-	-
<b>As at 31 December 2015</b>	11,503,457	75,929,176	8,671,860	96,104,493
<b>Accumulated depreciation</b>				
As at 1 January 2014	171,898	18,672,943	3,934,885	22,779,726
Depreciation for the year	478,794	8,263,339	1,356,080	10,098,213
Decrease	-	(636,455)	-	(636,455)
<b>As at 31 December 2014</b>	650,692	26,299,827	5,290,965	32,241,484
Depreciation for the year	1,412,160	13,751,485	1,338,742	16,502,387
Decrease	(54,674)	(3,808,572)	(957,499)	(4,820,745)
<b>As at 31 December 2015</b>	2,008,178	36,242,740	5,672,208	43,923,126
<b>Net Book Value</b>				
<b>As at 31 December 2014</b>	3,518,201	30,405,434	3,191,638	37,115,273
<b>As at 31 December 2015</b>	9,495,279	39,686,436	2,999,652	52,181,367
<b>Depreciation for the year 2014</b>				
- Cost of services				1,827,440
- Administrative expenses				8,270,773
Total				10,098,213
<b>Depreciation for the year 2015</b>				
- Cost of services				2,445,916
- Administrative expenses				14,056,471
Total				16,502,387

As at 31 December 2015 and 2014, a portion of the Company and subsidiaries' 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 13.10 million and Baht 15.28 million, respectively.



(Unit : Baht)

	SEPARATE F/S			
	Furniture	Equipment	Vehicle	Total
<b>Cost</b>				
<b>As at 1 January 2014</b>	1,595,013	35,170,507	7,363,332	44,128,852
Increase	2,368,052	21,885,147	-	24,253,199
Decrease	-	(644,556)	-	(644,556)
<b>As at 31 December 2014</b>	3,963,065	56,411,098	7,363,332	67,737,495
Increase	4,678,980	15,399,028	1,336,177	21,414,185
Decrease	(115,935)	(3,960,457)	(587,285)	(4,663,677)
Transferred in (out)	212,800	(212,800)	-	-
<b>As at 31 December 2015</b>	8,738,910	67,636,869	8,112,224	84,488,003
<b>Accumulated depreciation</b>				
<b>As at 1 January 2014</b>	171,898	18,616,504	3,596,118	22,384,520
Depreciation for the year	473,960	8,224,108	1,132,227	9,830,295
Decrease	-	(636,455)	-	(636,455)
<b>As at 31 December 2014</b>	645,858	26,204,157	4,728,345	31,578,360
Depreciation for the year	1,191,635	12,953,768	1,121,328	15,266,731
Decrease	(54,674)	(3,808,572)	(570,702)	(4,433,948)
<b>As at 31 December 2015</b>	1,782,819	35,349,353	5,278,971	42,411,143
<b>Net Book Value</b>				
<b>As at 31 December 2014</b>	3,317,207	30,206,941	2,634,987	36,159,235
<b>As at 31 December 2015</b>	6,956,091	32,287,516	2,833,253	42,076,860
<b>Depreciation for the year 2014</b>				
- Cost of services				1,827,440
- Administrative expenses				8,002,855
Total				9,830,295
<b>Depreciation for the year 2015</b>				
- Cost of services				2,429,122
- Administrative expenses				12,837,609
Total				15,266,731

As at 31 December 2015 and 2014, 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 13.00 million and Baht 15.28 million, respectively.



14. COMPUTER SOFTWARE

	(Unit : Baht)	
	CONSOLIDATED	SEPARATE
	F/S	F/S
<b>Cost</b>		
<b>As at 1 January 2014</b>	16,860,970	16,811,469
Increase	5,249,950	5,220,851
<b>As at 31 December 2014</b>	22,110,920	22,032,320
Increase	13,148,910	5,568,310
<b>As at 31 December 2015</b>	35,259,830	27,600,630
<b>Accumulated amortization</b>		
<b>As at 1 January 2014</b>	6,231,452	6,225,310
Increase	3,285,614	3,273,612
<b>As at 31 December 2014</b>	9,517,066	9,498,922
Increase	4,486,349	4,315,258
<b>As at 31 December 2015</b>	14,003,415	13,814,180
<b>Net Book Value</b>		
<b>As at 31 December 2014</b>	12,593,854	12,533,398
<b>As at 31 December 2015</b>	21,256,415	13,786,450
<b>Amortization for the year 2014</b>		
- Cost of services	1,023,357	1,023,357
- Administrative expenses	2,262,257	2,250,255
Total	3,285,614	3,273,612
<b>Amortization for the year 2015</b>		
- Cost of services	1,333,316	1,279,313
- Administrative expenses	3,153,033	3,035,945
Total	4,486,349	4,315,258



# 15. DEFERRED TAX

Deferred tax assets and liability are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Deferred tax assets	24,234,469	4,662,370	22,423,028	4,570,101
Deferred tax liability	(320,505)	-	(320,505)	-
<b>Net</b>	<b>23,913,964</b>	<b>4,662,370</b>	<b>22,102,523</b>	<b>4,570,101</b>

The movements in deferred tax assets and liability are as follows :

(Unit : Baht)

	CONSOLIDATED F/S			
	Recognized as income (expense)			
1 January	Statement of	Shareholders'		31 December
2015	profit or loss	equity		2015
<b>Deferred tax assets :</b>				
From allowance for doubtful accounts of hire - purchase receivable	776,824	141,370	-	918,194
From allowance for doubtful accounts of investments in accounts receivables	3,310,186	17,116,408	-	20,426,614
From allowance for loan to employee	32,609	61,225	-	93,834
From allowance for loan receivables	-	1,873,656	-	1,873,656
From employee benefits obligation	542,751	96,918	282,502	922,171
Total	4,662,370	19,289,597	282,502	24,234,469
<b>Deferred tax liability :</b>				
From cost of issuing debentures	-	(320,505)	-	(320,505)
Total	-	(320,505)	-	(320,505)



(Unit : Baht)

## SEPARATE F/S

	1 January 2015	Recognized as income (expense)		31 December 2015
		Statement of profit or loss	Shareholders' equity	
<b>Deferred tax assets :</b>				
From allowance for doubtful accounts of hire - purchase receivables	776,824	141,370	-	918,194
From allowance for doubtful accounts of investments in accounts receivable	3,217,917	15,417,786	-	18,635,703
From allowance for loan to employee	32,609	61,225	-	93,834
From allowance for loan receivables	-	1,873,656	-	1,873,656
From employee benefits obligation	542,751	94,518	264,372	901,641
Total	4,570,101	17,588,555	264,372	22,423,028
<b>Deferred tax liability :</b>				
From cost of issuing debentures	-	(320,505)	-	(320,505)
Total	-	(320,505)	-	(320,505)

(Unit : Baht)

## CONSOLIDATED F/S

	1 January 2014	Recognized as income (expense)		31 December 2014
		Statement of profit or loss	Shareholders' equity	
<b>Deferred tax assets :</b>				
From allowance for doubtful accounts of hire - purchase receivables	1,199,408	(422,584)	-	776,824
From allowance for doubtful accounts of investments in accounts receivable	1,781,123	1,529,063	-	3,310,186
From allowance for loan receivables	-	32,609	-	32,609
From employee benefits obligation	467,055	75,696	-	542,751
Total	3,447,586	1,214,784	-	4,662,370



(Unit : Baht)

	SEPARATE F/S		
	Recognized as income (expense)		31 December 2014
	1 January 2014	Statement of profit or loss	Shareholders' equity
<b>Deferred tax assets :</b>			
From allowance for doubtful accounts of hire - purchase receivables	1,199,408	(422,584)	-
From allowance for doubtful accounts of investments in accounts receivable	1,781,123	1,436,794	-
From allowance for loan receivables	-	32,609	-
From employee benefits obligation	467,055	75,696	-
Total	3,447,586	1,122,515	-

Income tax expense for the years ended 31 December 2015 and 2014 are as follows :

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Current income tax expense	43,958,408	32,025,552	11,981,733	9,467,570
Deferred tax	(18,969,092)	(1,214,784)	(17,268,050)	(1,122,515)
Income tax expense	24,989,316	30,810,768	(5,286,317)	8,345,055

Reconciliation of income tax are as follows

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Accounting profit before income tax	119,633,612	151,424,410	94,571,315	124,511,686
Loss of subsidiary companies per tax base	10,759,157	2,598,817	-	-
Total	130,932,769	154,023,227	94,571,315	124,511,686
Tax rate (percentage)	20	20	20	20
Income tax using tax rate	26,078,554	30,804,646	18,914,263	24,902,337
Income tax of income not subject to tax	(2,136,449)	(366,310)	(26,753,332)	(18,156,176)
Income tax of expenses not deductible for tax purposes	1,047,211	372,432	2,552,752	1,598,894
Income tax expense	24,989,316	30,810,768	5,286,317	8,345,055



16. SHORT – TERM LOANS FROM FINANCIAL INSTITUTIONS

As at 31 December 2015 and 2014, the Company has bill of exchange and promissory notes payable of Baht 902.50 million and Baht 908.50 million, respectively, which bear interest at the rates of 2.85 – 4.20 percent per annum and 3.18 – 4.50 percent per annum, respectively.

As at 31 December 2015 and 2014, the Company has bank overdraft credit facilities totalling Baht 7 million. During the years 2015 and 2014, the interest rates on bank overdraft are 7.38 – 7.75 percent per annum.

17. ACCRUED EXPENSES

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Accrued commission	6,511,550	5,522,164	4,215,110	5,330,844
Accrued printing expenses	2,226,151	1,102,480	1,957,150	846,375
Accrued postal expenses	3,047,699	983,101	2,364,850	971,567
Payables for equipment and supplies	601,566	225,172	433,515	225,172
Others	7,916,311	2,571,426	6,475,264	2,056,102
Total	20,303,277	10,404,343	15,445,889	9,430,060

18. LONG – TERM LOANS

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2015	2014
Long - term loans	415,782,400	426,630,000
Less : Current portion	(314,502,400)	(426,630,000)
Long – term loans - net	101,280,000	-

The Company entered into loan agreement with a local bank for credit facilities of Baht 427 million. This loan bears interest at 3.40% per annum, with grace period for principal repayment for six months with monthly payment of interest separately, after that repayment of principal and interest every 3 months for seventh installments. First and second installment repayments are 20% of total withdrawal amount, third to seventh installments repayment are 12% of total withdrawal amount and repay within 24 months starting after first withdrawal.



During November 2015, the Company entered into loan agreement with a same local bank for credit facilities of Baht 211 million. This loan bears interest at 3% per month THBFIX plus 1.35% per annum, with grace period for principal repayment for six months with monthly payment of interest separately, after that repayment of principal and interest every 3 months for seventh installments. First and second installment repayment are 20% of total withdrawal amount, third to seven installments repayment are 12% of total withdrawal amount and repay within 24 months starting after first withdrawal.

Under the loans agreement with bank, the Company is committed to comply with financial covenants condition such as debt to equity ratio and debt service coverage ratio, etc.

As at 31 December 2014, the Company unable to maintain debt to equity ratio at such level as stipulated in the loan agreement. The Company therefore, reclassified such balance of bank loan as current liabilities in the statement of financial position.

The movements in long – term loans are as follows:

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2015	2014
Balance as at 1 January	426,630,000	-
Add: Additional borrowings	211,000,000	426,630,000
Less : Repayment	(221,847,600)	-
Balance as at 31 December	415,782,400	426,630,000

#### 19. DEBENTURES

At the Annual General Meeting of the Company held on 9 April 2015, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 2,000 million or the equivalent in any other currency, with a maximum terms of 20 years, by way of public offering and/or private placement and/or institutional investors in Thailand or offshore, in accordance with the relevant Notification of the Securities and Exchange Commission. Those debentures could be issued in one or several tranches as consideration.

On 23 July 2015, the Company issued unsecured and unsubordinated debentures with a principal amount of Baht 400 million with 2 years and 1 day tenure and with a face value of Baht 1,000. These bear interest at rate of 4.40 percent per annum which is payable quarterly. The debenture will be due for redemption on 23 July 2017.

On 11 September 2015, the Company issued unsecured and unsubordinated debentures with principal amount of Baht 100 million with 2 years tenure and with a face value of Baht 1,000. These bear interest at rate of 4.35 percent per annum which is payable quarterly. The debenture will be due for redemption on 11 September 2017.



On 22 October 2015, the Company issued unsecured and unsubordinated debentures with principal amount of Baht 110 million with 2 years and 14 days tenure and with a face value of Bath 1,000. These bear interest at rate of 4.30 percent per annum which is payable quarterly. The debenture will be due for redemption on 5 November 2017.

The Company used the proceed from issuance of debentures for working capital.

Movement of debentures during the years ended 31 December 2015 and 2014 in the consolidated and separate financial statements are as follows :

	(Unit : Baht)	
	CONSOLIDATED AND SEPARATE F/S	
	2015	2014
Balance as at 1 January	-	-
Issuance of debentures	610,000,000	-
Balance as at 31 December	610,000,000	-

## 20. EMPLOYEE BENEFITS OBLIGATION

- Movements in employee benefits obligation for the year ended 31 December 2015 and 2014 are as follows :

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Employee benefits obligation at 1 January	2,850,885	2,447,049	2,713,755	2,335,275
Current service cost	343,115	287,232	278,769	267,348
Interest expense	136,105	116,604	127,781	111,132
Remeasurement – actuarial loss	1,809,714	-	1,387,899	-
Employee benefits obligation at 31 December	5,139,819	2,850,885	4,508,204	2,713,755
Wholly unfunded	5,139,819	2,850,885	4,508,204	2,713,755

- Principal actuarial assumptions at the reporting date for the years ended 31 December 2015 and 2014 are as follows :

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Discount rate	3.21 – 3.81 % per annum	4.27 % per annum	3.21 % per annum	4.27 % per annum
Future salary increment rate	9.94 % per annum	8.01 % per annum	9.94 % per annum	8.01 % per annum
Normal retirement age	55 years	55 years	55 years	55 years
Mortality rate	Thai mortality table 2008	Thai mortality table 2008	Thai mortality table 2008	Thai mortality table 2008



Weighted average duration of the defined benefit obligation is 16 - 24 years.

- Employee benefit obligation expenses

Amounts recognised in profit or losses related to the employee benefits obligation are as follows:

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Current service cost	343,115	287,232	278,769	267,348
Net interest expense	136,105	116,604	127,781	111,132
Total expenses recognised in profit or loss	479,220	403,836	406,550	378,480

The current service cost is included in employee benefits expense. The net interest expense is included in finance costs.

- Amounts recognised in other comprehensive income related to the employee benefits obligation are as follows :

	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Actuarial gains from changes in demographic assumptions	(4,563,482)	-	(4,243,722)	-
Actuarial loss from changes in financial assumptions	2,655,112	-	2,449,710	-
Adjustment from experience	3,718,084	-	3,181,911	-
Total income recognised in other comprehensive income	1,809,714	-	1,387,899	-

All expenses summarised above were included within item that will not be reclassified subsequently to profit or loss.



- Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015		2015	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
<b>Discount rate</b>				
Increase (decrease) in the employee benefits obligation	(225,714)	240,691	(193,857)	206,517
<b>Salary increment rate</b>				
Increase (decrease) in the employee benefits obligation	216,391	(206,618)	185,410	(176,246)
<b>Employee turnover</b>				
Increase (decrease) in the employee benefits obligation	(148,440)	156,360	(126,039)	132,588

As at 31 December 2015 expected maturity of employee benefits obligation before discount are as follow :

	(Unit : Baht)	
	CONSOLIDATED F/S	SEPARATE F/S
Between 2 -5 years	969,659	516,127
Between 6 – 10 years	7,371,305	2,491,230
Between 11 - 15 years	6,120,772	3,746,436
Total	14,461,736	6,753,793

## 21. 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 subsidiaries 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 2015 and 2014, the Company and its subsidiaries contributed to the fund totalling Baht 0.89 million and Baht 0.62 million, respectively.



## 22. RELATED PARTY TRANSACTIONS

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

Relationship with related companies were as follows:

Companies	Relationship
Jay Mart Public Company Limited	Parent company
JMT Plus Company Limited	Subsidiary company
Jay Insurance Broker Company Limited	Subsidiary company
J Asset Management Company Limited	Subsidiary company
JAS Asset Public Company Limited	Related company (related by way of common shareholders and/or directors)
Jay Mart Holding Company Limited	Related company (related by way of common shareholders and/or directors)
J & P (Thailand) Company Limited	Related company (related by way of common shareholders and/or directors)
T.A.S. Assets Company Limited	Related company (related by way of common shareholders and/or directors)
Singer Thailand Public Company Limited	Related company (related by way of common shareholders and/or directors)
Smart Item Company Limited	Related company (related by way of common shareholders and/or directors)

Significant related party transactions for the years ended 31 December 2015 and 2014 are as follows:

Transaction with related parties	Pricing policy	(Unit : Baht)			
		CONSOLIDATED F/S		SEPARATE F/S	
		2015	2014	2015	2014
<u>Services income from debts collection</u>					
Parent company	Market price	-	115,722	-	115,722
Subsidiary company	Market price	-	-	1,773,188	246,729
Related companies	Market price	605,320	-	605,320	-
Total		605,320	115,722	2,378,508	362,451
<u>Services income from lending services</u>					
Parent company	Market price	4,307,243	-	-	-
<u>Promotion income</u>					
Subsidiary company	Market price	20,087,065	-	-	-
<u>Messenger services income</u>					
Parent company	Market price	-	17,125	-	17,125
<u>Management fee expenses</u>					
Parent company	Mutually agreed rate	1,414,827	667,996	1,414,827	667,996



		(Unit : Baht)			
Transaction with related parties	Pricing policy	CONSOLIDATED F/S		SEPARATE F/S	
		2015	2014	2015	2014
<u>Miscellaneous expenses</u>					
Parent company	Market price	65,558	51,050	65,558	37,031
<u>Commission expenses</u>					
Parent company	Mutually agreed rate	69,545	-	69,545	-
Subsidiary company	Mutually agreed rate	-	-	700,614	-
Total		69,545	-	770,159	-
<u>Debt collection expenses</u>					
Subsidiary company	Mutually agreed rate	-	-	219,533	172,150
<u>Welfare expenses</u>					
Parent company	As agreed by supplier	-	31,758	-	31,758
<u>Sale promotion expenses</u>					
Parent company	As agreed by supplier	20,327	52,786	20,327	6,010
<u>Office rental and service expenses</u>					
Parent company	Market price	16,395,849	16,157,917	15,257,471	15,364,144
Related companies	Market price	282,525	499,414	261,348	499,414
Total		16,678,374	16,657,331	15,518,819	15,863,558
<u>Entertainment expense</u>					
Parent company	Mutually agreed rate	-	27,938	388,397	27,938
<u>Office relocation expenses</u>					
Parent company	As agreed by supplier	12,971	450,794	12,971	450,794
<u>Seminar expenses</u>					
Parent company	Mutually agreed rate	-	70,379	113,379	70,379
<u>Advertising expenses</u>					
Parent company	Mutually agreed rate	8,264	-	8,264	-
Subsidiary company	Mutually agreed rate	-	70,379	90,000	70,379
Total		8,264	70,379	98,264	70,379



		(Unit : Baht)			
Transaction with related parties	Pricing policy	CONSOLIDATED F/S		SEPARATE F/S	
		2015	2014	2015	2014
<u>Traveling expenses</u>					
Parent company	Mutually agreed rate	117,931	-	117,931	-
<u>Postal expenses</u>					
Parent company	Mutually agreed rate	21,656	-	21,656	-
<u>Supply expenses</u>					
Parent company	As agreed by supplier	-	36,937	-	36,937
<u>Purchase of assets</u>					
Parent company	As agreed by supplier	236,713	4,573,984	236,713	4,573,984
<u>Dividend payment</u>					
Parent company	Shareholder's resolution	42,749,962	40,499,964	42,749,962	40,499,964
<u>Interest income</u>					
Subsidiary company	Mutually agreed rate	-	-	27,421,437	6,487,607
<u>Interest expense</u>					
Subsidiary company	Mutually agreed rate	-	-	437,277	345
<u>Key management personnel compensation</u>					
Current employment benefits		13,843,376	8,731,136	8,681,376	8,731,136
Post-employment benefits		155,535	145,627	155,535	145,627
Total		13,998,911	8,876,763	8,836,911	8,876,763



As at 31 December 2015 and 2014, the outstanding balances with related companies are as follows :

			(Unit : Baht)	
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
<u>Other receivable – parent company</u>				
Jay Mart Public Company Limited	4,471,440	99,724	150,401	95,410
<u>Other receivable – subsidiary company</u>				
J M T Plus Company Limited	-	-	1,097,811	20,400
<u>Short – term loans to subsidiary companies</u>				
J Asset Management Company Limited	-	-	734,000,000	498,500,000
Jay Insurance Broker Company Limited	-	-	3,000,000	1,000,000
J M T Plus Company Limited	-	-	451,500,000	-
Total	-	-	1,188,500,000	499,500,000
<u>Rental deposit receivable – parent company</u>				
Jay Mart Public Company Limited	4,376,973	3,401,773	2,914,232	2,997,523
<u>Rental deposit payable – related company</u>				
JAS Asset Public Company Limited	340,325	205,184	172,125	205,184
<u>Other payable – parent company</u>				
Jay Mart Public Company Limited	13,128,490	7,500	-	6,300
<u>Other payable – subsidiary company</u>				
J M T Plus Company Limited	-	-	48,900	79,540
<u>Short – term loan from subsidiary company</u>				
J M T Plus Company Limited	-	-	-	3,000,000

The movements in short – term loans to subsidiary companies are as follows :

			(Unit : Baht)	
	CONSOLIDATED AND		SEPARATE F/S	
	2015	2014	2015	2014
Balance as at 1 January	499,500,000	35,500,000		
Add : Additional borrowing	939,500,000	590,300,000		
Less : Repayment	(250,500,000)	(126,300,000)		
Balance as at 31 December	1,188,500,000	499,500,000		



Loan to subsidiary companies bear interest at 4.12 percent per annum and due at call.

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

	(Unit : Baht)	
	CONSOLIDATED AND	
	SEPARATE F/S	
	2015	2014
Balance as at 1 January	3,000,000	-
Add : Additional borrowing	21,000,000	3,000,000
Less: Repayment	(24,000,000)	-
Balance as at 31 December	-	3,000,000

Loan from subsidiary company bears interest at 4.20 percent per annum and due at call.

## 23. SHARE CAPITAL

At the Annual General Shareholders Meeting of the Company held on 9 April 2015, the shareholders approved as following :

- 23.1 Approval to increase the registered share capital from Baht 300 million (300,000,000 shares at Baht 1 par value) to Baht 444 million (444,000,000 shares at Baht 1 par value) for right offering to the existing shareholders of Company of 25,000,000 shares, at Baht 13 per share, for offered to private placement of 45,000,000 shares, at Baht 14.20 per share, and the exercise warrant of 74,000,000 shares. The Company registered the change in share capital and increase the paid – up share capital with the Department of Business Development on 2 June 2015. The Company received the paid – up capital amounting to Baht 950.78 million net of issuance cost amounting to Baht 13.22 million.
- 23.2 Approval to issue warrants No.1 of 74,000,000 units and to be offered free of charge to the shareholders of the Company in proportion to their respective shareholding, by the ratio of existing 12 shares to 1 unit of warrant.

## 24. LEGAL RESERVE

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



## 25. DIVIDEND PAYMENT

Details of Company's dividends declaration and payments during the years 2015 and 2014 are as follow :

	Approved by	Qualified common share (shares)	Dividend per share (Baht)	Dividend paid (Million Baht)
1) Final annual dividend	Annual General Meeting of the shareholders held on 9 April 2015	300,000,000	0.19	57.00
2) Interim dividend	Meeting of the Board of Directors held on 8 August 2014	300,000,000	0.11	33.00
3) Final annual dividend	Annual General Meeting of the shareholders held on 9 April 2014	300,000,000	0.07	21.00

## 26. EARNINGS PER SHARE

The Company has issued and allocated warrant no.1 ("JMT-W1") with free of charge by specified holders and transferable to existing shareholders totaling 74,000,000 units. 1 unit of warrant is exercisable to purchase 1 common share at Baht 18 each within 3 years starting from 30 June 2015 to 29 June 2018. It first exercise is on 30 September 2015 and able to exercise on the last working day of each quarter. As at 31 December 2015, there are 74,000,000 units of warrants are still outstanding unexercised.

There is no potential dilution in earnings per share arose from warrant because the average share price during this period was lower than the exercise price. The Company therefore, has not computed the diluted earnings per share from warrant.



27. EXPENSES BY NATURE

	(Unit : Baht)			
	CONSOLIDATED F/S		SEPARATE F/S	
	2015	2014	2015	2014
Salaries, wages and other employee benefit	222,665,711	143,092,937	187,799,485	136,200,753
Debt collection expenses	56,549,484	57,520,804	54,078,842	57,103,121
Legal fee	38,074,677	20,506,966	32,902,173	18,558,414
Bad debt and doubtful accounts	110,377,679	17,456,387	89,589,958	12,680,131
Rental expense	19,721,151	15,568,844	15,352,266	14,860,795
Depreciation and amortization	20,988,736	13,383,827	19,581,989	13,103,907
Utilities expenses	17,216,766	13,181,172	16,084,771	13,108,647
Postage expenses	14,870,650	11,566,753	13,475,924	11,409,215
Transportation expenses	7,162,496	4,215,190	6,023,760	3,950,062
Repair and maintenance expenses	2,102,725	896,563	1,713,879	835,771
Management fee	1,414,827	667,996	1,414,827	667,996
Loss on impairment of investment	-	-	7,563,900	2,552,782



## 28. SEGMENT REPORTING

The Company's segmental reporting as presented in the consolidated financial statements for the years ended 31 December 2015 and 2014, are as follows :

(Unit : Baht)

CONSOLIDATED F/S						
For the year ended 31 December 2015						
	Debt collection business	Non-Performing receivable management business	Personal loan business	Other	Elimination	Total
Services income to external customer	96,660,425	570,721,013	49,388,855	2,371,288	-	719,141,581
Services income to subsidiaries	2,120,871	-	-	-	(2,120,871)	-
Cost of services	(75,593,757)	(229,835,404)	(9,791,862)	(2,533,850)	2,120,871	(315,634,002)
Gross profit	23,187,539	340,885,609	39,596,993	(162,562)	-	403,507,579
Other income				1,120,452		1,120,452
Interest income						66,627
Finance costs						(53,757,246)
Depreciation and amortization						(20,988,736)
Bad debt and doubtful accounts	-	(85,582,142)	(24,489,414)	(306,123)	-	(110,377,679)
Profit before income tax						119,633,612
Trade accounts receivable	6,555,081	4,917,488	1,807,595	729,893	-	14,010,057
Investments in accounts receivable - net	-	2,829,553,750	-	-	-	2,829,553,750
Hire - purchase receivable - net	-	-	23,345,173	-	-	23,345,173
Loan receivables - net	-	-	617,779,905	-	-	617,779,905
Office furniture and equipment - net	12,217,439	30,641,036	8,587,844	735,048	-	52,181,367
Computer software - net	3,998,698	9,779,521	7,445,935	32,261	-	21,256,415
Other assets	71,812,234	79,389,714	23,167,115	1,323,921,902	(1,316,551,610)	181,739,355
Total Assets	94,583,452	2,954,281,509	682,133,567	1,325,419,104	(1,316,551,610)	3,739,866,022



(Unit : Baht)

## CONSOLIDATED F/S

For the year ended 31 December 2014

	Debt collection business	Non-Performing receivable management business	Personal loan business	Other	Elimination	Total
Services income to external customer	92,326,867	388,387,729	6,468,699	505,389	-	487,688,684
Services income to subsidiaries	418,879	-	-	-	(418,879)	-
Cost of services	(60,280,078)	(165,623,394)	(1,969,966)	(828,379)	418,879	(228,282,938)
Gross profit	32,465,668	222,764,335	4,498,733	(322,990)	-	259,405,746
Other income				610,105		610,105
Interest income						58,098
Finance costs						(16,228,483)
Depreciation and amortization						(13,383,827)
Bad debt and doubtful accounts	-	(7,645,315)	(9,648,029)	(163,043)	-	(17,456,387)
Profit before income tax						151,424,410
Trade accounts receivable	6,349,641	7,545,281	228,000	-	-	14,122,922
Investments in accounts receivable - net	-	1,979,291,229	-	-	-	1,979,291,229
Hire - purchase receivable - net	-	-	46,764,198	-	-	46,764,198
Loan receivables - net	-	-	22,861,292	-	-	22,861,292
Office furniture and equipment - net	10,337,987	25,821,148	571,816	384,322	-	37,115,273
Computer software - net	3,567,254	8,918,719	65,900	41,981	-	12,593,854
Other assets	55,408,638	47,903,090	1,564,240	569,578,539	(566,447,057)	108,007,450
Total Assets	75,663,520	2,069,479,467	72,055,446	570,004,842	(566,447,057)	2,220,756,218

**Major Customer**

The Company has no major external customer exceed 10% of it revenues.

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its operations.



## 29. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2015, the Company and its subsidiaries have outstanding commitments as follows:

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

Year	CONSOLIDATED F/S		SEPARATE F/S	
	Third Parties	Related	Third Parties	Related
		companies		companies
Not over 1 year	2,147,755	16,110,000	2,147,755	11,697,800
Over 1 year but not over 5 years	1,312,834	21,317,300	1,312,834	15,756,000
Total	3,460,589	37,427,300	3,460,589	27,453,800

- 29.2 The Company and subsidiaries have outstanding commitment of approximately Baht 3.01 million (Company's portion: Baht 3 million) arising from outstanding bank guarantees issued by banks on behalf of the Company and subsidiaries in respect of certain performance bonds as required in the ordinary courses of the Company and subsidiaries' businesses.

## 30. FINANCIAL INSTRUMENTS

### Credit risk

The Company and subsidiaries provided 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

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

- Financial assets are presented at estimated fair value.
- Financial liabilities are presented at the book value which is considered fair value because such liabilities will be matured in short term.



### 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 are as follows :

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2015			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
Cash and cash equivalents	1	-	43	44
Restricted deposits with banks	-	2	-	2
Short - term loans from financial institutions	903	-	-	903
Long – term loans	-	416	-	416

(Unit : Million Baht)

	CONSOLIDATED F/S			
	As at 31 December 2014			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
Cash and cash equivalents	7	-	21	28
Restricted deposits with banks	-	2	-	2
Short - term loans from financial institutions	909	-	-	909
Long - term loans	-	427	-	427

(Unit : Million Baht)

	SEPARATE F/S			
	As at 31 December 2015			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
Cash and cash equivalents	-	-	16	16
Restricted deposits with banks	-	1	-	1
Short - term loans from financial institutions	903	-	-	903
Long - term loans	-	416	-	416



(Unit : Million Baht)

## SEPARATE F/S

	As at 31 December 2014			
	Floating rate	Fixed rate	Non - interest	Total
<b><u>Financial assets/ liabilities</u></b>				
Cash and cash equivalents	6	-	14	20
Restricted deposits with banks	-	1	-	1
Short - term loans from financial institutions	909	-	-	909
Long - term loans	-	427	-	427

Financial assets and liabilities as of 31 December 2015 and 2014 with fixed interest rates, and the periods of time from the year end to their maturity dates are as follows :

(Unit : Million Baht)

## CONSOLIDATED AND SEPARATE F/S

	As at 31 December 2015				
	At call	1 - 6 months	6 - 12 months	Over 12 months	Total
<b><u>Financial assets/ liabilities</u></b>					
Restricted deposits with banks	-	1	1	-	2
Short - term loans from financial institutions	-	903	-	-	903
Long - term loans	-	315	101	-	416
Debentures	-	-	-	610	610

(Unit : Million Baht)

## CONSOLIDATED AND SEPARATE F/S

	As at 31 December 2014			
	At call	1 - 6 months	6 - 12 months	Total
<b><u>Financial assets/ liabilities</u></b>				
Restricted deposits with banks	-	1	1	2
Short - term loans from financial institutions	-	909	-	909
Long - term loans	-	427	-	427

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

### 31. CAPITAL RISK MANAGEMENT

The Company's objective 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 may adjust the amount of dividends payment for shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.



32. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors' meeting held on 19 February 2016, the Board passed a resolution to submit at the annual general Shareholders Meeting for approval to pay dividend from its net profit after tax year 2015 at Baht 0.16 per share for 369,999,930 shares for a total amount of Baht 59.20 million.

33. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Company's Board of Directors on 19 February 2016.



## Auditing Fee

The Company and its subsidiaries' 2015 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 2014 amounted for Baht. 2,140,000 and year 2015 amounted for Baht. 2,190,000

Auditing Fee (Baht)	2014	2015
1. Financial Statement Auditing Fee		
JMT Network Services Public Company Limited	1,000,000	1,110,000
2. Financial Statement Auditing Fee		
JMT Network Services Public Company Limited and its subsidiaries	2,140,000	2,190,000



## Corporate Social Responsibility of the Company

On November 14, 2015, management and representatives of JMT Network Services Public Company Limited jointly organized the CSR activity and workshop. We also planted the trees at the Surasi Camp Learning Center in Karnjanaburi province. Moreover, we were briefed about the historical background and the management systems of the Surasi Camp Learning Center by the guest speaker.





