

THE POWER OF **SYNERGY**

CHAPTER II

ANNUALREPORT 2016

JMT NETWORK SERVICES PLC.

Contents

Financial Highlights	1
Message from Chairman	2
Board of Directors	3
General Information	7
Nature of Business	9
Risk Factors	14
Shareholding Structure	20
Organization Structure	21
Good Corporate Governance Report	30
Anti-Corruption Policy	39
Related Party Transactions	43
Financial Statements	44
Management Discussion and Analysis	46
Corporate Social Responsibility	52
Independent Auditor's Report	53
Statement of Financial Position	60
Notes to Consolidated Financial Statements	67

Financial Highlights

Unit: Mil. Baht

	2014	2015	2016
Total Revenues	487.7	719.1	1,063.7
Gross Profit	259.4	403.5	685.9
Net Profit	120.6	94.6	290.4
Total Assets	2,220.8	3,740.9	4,164.0
Total Liabilities	1,539.0	2,072.3	2,228.1
Total Shareholder's Equity	681.7	1,668.6	1,935.8

	2014	2015	2016
Net Profit Margin	24.7%	13.2%	27.3%
Return on Equity (ROE)	18.6%	8.1%	16.1%
Return on Assets (ROA)	7.7%	3.2%	7.3%
Interest Bearing Debt to Equity (D/E) (Times)	1.96	1.16	0.96
Earning Per Shares (Baht/Share) (EPS)	0.40	0.27	0.78

Message from Chairman

Dear Shareholders,

2016 is the year-long period of melancholy for Thai people after our beloved King Bhumibol Adulyadej passed away. On behalf of the board of directors, management team, and staff, we would like to extend our deepest gratitude and highest appreciation for everything His Majesty did for us. We pray for His Majesty will rest in peace in heaven and we are determined to continue his royal remarks and duties for our nation in the future.

Even though the economy in 2016 is not recovering to a great extent, we collected highest receivables in this year and significantly generated the total revenues of 1,063.7 million baht with the net income equal to 290.4 million baht. The successful operation was due to the exceptional executive strategy and the effective efforts of all staff working together. Because of this, we could reach the shareholders' expected target.

In 2017, we are confident that we will strengthen our businesses by improving our competitive advantage in the current market as well as expanding our businesses into Southeast Asia. Therefore, we can become a leader in debt collection and management in the future.

For this opportunity, Jaymart would like to thank our shareholders, customers, business partners, management team, and all staff, who help support the continuous growth of the business. We insist that we will be professionally providing the best businesses for our customers, developing and keeping up the high standard as well as having a responsibility to the society. Hence, people will have a better quality of life



Mr. Adisak Sukumvittaya
(Chairman of The Board)



Mr. Piya Pong-Acha
(Chief Executive Officer)

Board of Directors

Mr. Adisak Sukumvittaya

Age	: 61 Years
Position	: Chairman of the Board
Educations	: 1978 Master of Economic Kasetsart University 1980 Bachelor of Economic Kasetsart University
Certification	: 2008 Director Accreditation Program (DAP) of Thai Institute of Director: 2014 Capital Market Academy (CMA 15)



Experience

2016 – Present	Chairman of the Board	Jaymart Mobile Company Limited
2016 – Present	Chairman of the Board	Singer Thailand PCL
2016 – Present	Chairman of the Board	SG Capital Company Limited
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.

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.

Ms. Yuvadee Pong-Acha

Age	: 61 Years
Position	: Director, Chairman of the Executive Director Nomination and Remuneration Committee
Educations	: 1978 Master of Business Administration, Bridgeport University, U.S.A : 1980 Bachelor of Political Science, Thammasart University
Certification	: 2008 Director Accreditation Program (DAP) of Thai Institute of Directors



Experience

2016 – Present	Director/Executive Committee	Jaymart Mobile Company Limited
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
2001 – Present	Chairman of the Board	J Fintech Company Limited
1990 – Present	Director	Jaymart PCL.

2004 – Present	Executive Director and Deputy Chief Executive Jaymart PCL.	
2012 – Present	Director	JAS ASSET PCL.
2002 – Present	Director	T.A.S ASSET COMPANY LIMITED

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	: 47 Years	
Position	: Director, Executive Director, Chief Executive Officer	
Education	: 1994 Bachelor of Management, Kasembundit University	
Certification	: 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 PCL
2013 – Present	Director	J Asset Management Company Limited
2013 – Present	Director	JAY Insurance Broker Company Limited
2011–Present	Director	J Fintech Company Limited

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	: 61 Years	
Position	: 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	
Certification	: 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.

Qualification

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

Mr. Kanchit Kawachat



Age : 51 Years

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

Education : Master of Business Administration University of Missouri, U.S.A
Bachelor of Architecture King Mongkut's Institute of Ladkrabang

Certification : 2005 Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2012 – Present	Director and Director of the Audit Committee	JMT Network Services PCL.
2016 – Present	Director and Advisor	Pruksa Clinic Holding Company Limited
2014 – Present	Chairman of The Board	Mindset Entertainment Company Limited
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.

Qualification;

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

Mr. Somsak Atisattrakul



Age : 50 Years

Position in the Company : Director (Independent Director)

Education : Master of Business Administration Kasetsart University
Bachelor of Engineering Chulalongkorn University

Certification : None

Experience

2016 – Present	Director	JMT Network Services PCL.
2013 – 2015	Country Lead (mobile)	Lenovo
2007 – 2011	Head of mobile phone	LG

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


Ms. Ladda Waruntarakul

Age : 54 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

Certification : 2012 Director Accreditation Program (DAP) of Thai Institute of Directors

Experience

2016 – Present	Director and Executive Director	Jaymart Mobile Company Limited
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	J Fintech Company Limited
2004 – Present	Chief Finance Officer	JAY MART PCL.

Qualifications;

- 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

Stock Symbol :	JMT
Head Office:	325/7 Jaymart Bldg., 4 – 6 th Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone:	0-2308-9999
Fax:	0-2308-9900
Company Registered Number:	0107555000074
Website:	www.jmtnetwork.co.th
Type of Business:	Debt collection services, distressed debt management, and Finance Business
Registered Capital:	444,000,000 Baht
Paid-up Capital:	372,000,182 Baht

Subsidiary and Associated Companies

J Asset Management Company Limited

Head Office:	325/7 Jaymart Bldg., 4 th Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone:	0-2308-9999
Fax:	0-2308-9840
JMT Shareholding Proportion:	99.99%
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 th Fl., Ramkhamhaeng Rd. Sapansoong, Bangkok 10240
Telephone:	0-2308-9999
Fax:	0-2308-9840
JMT Shareholding Proportion:	99.99%
Company Registered Number:	0105556022886
Website:	www.jayinsurancebroker.co.th
Type of Business:	Insurance Brokerage
Registered Capital:	5,000,000 Baht
Paid-up Capital:	5,000,000 Baht

J Fintech Company Limited

Head Office: 325/8 Jaymart Bldg., 3 -3 Fl., Ramkhamhaeng Rd.
Sapansoong, Bangkok 10240

Telephone: 0-2308-9999

Fax: 0-2308-9840

Shareholding Proportion: 9.84% (the Company treat as long-term investment)

Company Registered Number: 0105554042308

Website: www.jfintech.co.th

Type of Business: Personal Loan

Registered Capital: 1,220,000,000 Baht

Paid-up Capital: 1,220,000,000 Baht

Auditor**E Y Office Company Limited**

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

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

Mr. Sophon Permsirivallop	Registration No.3182
Ms. Rungnapa Lertsuwankul	Registration No.3516
Ms. Pimjai Manitkajohnkit	Registration No.4521
Ms. Rosaporn Decharkom	Registration No.5659
Ms. Sumana Punpongsanon	Registration No.5872

Legal Advisor

Thep Co., Ltd

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

Telephone: 0-2278-1683-84

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

Investor Relations

Mr. Panya Chutisiriwong

Tel: 02 308 8196

Nature of Business

1. Nature of the Business

1.1 Overview of Business

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 Development

- 1994** The company was established to operate business in servicing for tracking and collection of debts, sue to investigate property, compulsory execution across Thailand with a paid registered capital of 5 million baht, divided into 50,000 shares with a par value per share of 100 Baht
- 2006** Expand into Non-performing debt management business. By buying the first group of distressed debt to manage and track
- 2011** Established subsidiary company, buy more Non-performing debt and expand to car leasing
- Establishment of a subsidiary company, JMT Plus Co., Ltd. ("JMT Plus" or the "Subsidiary Company"). The Company holds 100 per cent to accommodate the new business in the future.
 - Beginning the car loan service by in the first phase focused on lending to individual customers for used cars of personal cars
- 2012**
- The Company was converted into a public limited company and changed its name to JMT Network Services (Public) Company Limited on Apr. 19, 2012.
 - Change in the par value of the shares, from the par value per share of 100 baht to the par value per share of 1 baht and a capital increase of 120 million baht to 300 million baht.
 - Increase of Paid-up capital of 105 million shares by Right offering and the registered the increased paid-up capital to 225 million baht on May 14, 2012.
 - On November 27, 2012 the company was listed on the Stock Exchange of Thailand and offered increased capital shares of 75 million shares and allotted to the shareholders of JMART and offered to the general public. Resulted in currently, the company has a paid-up capital of 300 million shares. The main shareholder group is the main executives, including JMART Public Company Limited, holds approximately 75 percent
- 2013**
- On February 5th, 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 26th, 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

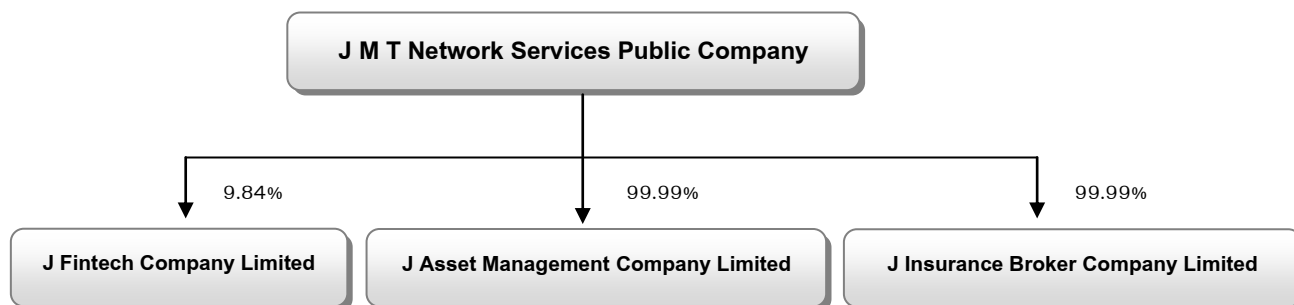
- 2015** JMT PLUS Co., Ltd. (Subsidiary) received a license to conduct a personal loan business under supervision and retail loans for making a living under supervision. The J-Money personal loan service was launched during the 4th quarter of 2015.
- 2016** On 1 September 2016, The Company increases capital in Subsidiaries Jay Insurance Broker to 5 million baht in order to support business expansion.

Board of Directors No.5/2016 on 11 August 2016 has approved the capital increasing of subsidiaries, JMT Plus Co., Ltd, for 110,000,00 shares with par value of 10 baht. The Board of Directors has approved the waiver of share subscription in JMT Plus Co., Ltd to Jaymart Public Company Limited. The Extraordinary General Meeting No.1/2016 passed a resolution as per Board of Directors proposed. After the waiver of share subscription in JMT Plus the Company diluted its shareholdings to 9.84. And JMT Plus Co., Ltd subsequently has been changed the company name to “J Fintech Co., Ltd”

1.2 Nature of the Business of the Company and Subsidiary Company

Company Group Structure

As at 31 December 2016, the company has a subsidiary company operating of 2 companies J Asset Management and J Insurance Broker. J Fintech Co., Ltd is considered as an long-term investment.



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, personal financial 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, 2016 the company has the amount of debt assigned to track from the employer in the amount of 18,921 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, 2016, the company has distressed debt under management in the total book value of investments in Non-performing debt – net equivalent to 3,448.1 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, 2016, the company and its subsidiary have the amount of debtor from the leases – net equals to 17.4 million baht. The Company has discontinued this business.

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 2016, the company and its subsidiaries has the amount of account receivables from net loan provision totaling of 24.7 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.

1.3 Revenues Structure

The revenue structure of the company according to the consolidated financial statements, segmented according to the business for the years 2014 – 2016, comprises of revenues as follows

	2014		2015		2016	
	MN. Baht	%	MN. Baht	%	MN. Baht	%
Core Business						
Revenue from debt tracking and	92.8	19.0	99.0	13.7	135.2	12.6
Revenue from Non-performing debt	388.4	79.5	570.7	79.2	738.9	68.9
Revenue from Loan Business	6.5	1.3	49.4	6.9	189.6	17.7
Total Revenues from Core Business	487.7	99.9	719.1	99.8	1,063.7	99.2
Other Revenues	0.7	0.1	1.2	0.2	8.6	0.8
Total Revenues	488.4	100.0	720.3	100.0	1,072.3	100.0

1.4 Target 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.

Risk Factors

1. Risk Factor

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

1.1 Risk In operating Business

The company operates 4 main types of business such as tracking and collection of debt service business, non-performing debt management and car loan services and Insurance Broker Business. which have risk that are different according to the type of business as follows.

1.1.1 Debt tracking and collection service business

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

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

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

1.1.1.2 Risk of competition in the industry

Debts tracking and collection service business is a business with a lot of operators, may result in the competition in term of the commission Rate. Such business is a business which does not use a large investment fund and with business operation structure that is not complex. Therefore the risk that the new business operator will be competing more in the business, which the competitors may be foreign company or operators of related businesses such as law firms and litigation and Non-performance debt executive. Making the Company may face a highly competitive condition and may affect the performance.

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

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

As at December 31, 2016 JMRT Public Company Limited (“JMART”), a major shareholder of the Company, hold 55.8 per cent of the total paid-up capital after the capital increase and offered to the public at this time.

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 3 out of 4 of the shareholders' meeting. Therefore, other shareholders may not be able to collect enough votes in order to investigate and balance on the topic that the shareholder's proposed. In addition, the holding of shares in the concentration condition also causing the opportunity for the company to be takeover by a third party is not able to happen without the consent of Jmart, although other group of shareholders will see the opportunity to increase the business value.

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

1.2.2 The risk of relying on administrators and staff

The business operations of the company, is a business which must mainly dependent on the capabilities and expertise of the management and staff, both in the relationship ties with various businesses in finding its clients and in the administration. In particularly, Mr. Piya Pong-acha, 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 in 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.

Shareholding Structure

Common shares

As at December 30, 2016 name of shareholders and shareholding of the registered and paid-up capital as shown in the share registration book can be summarized as follows.

No.	Shareholders	No. of Shares	%
1	Jaymart Public Company Limited*	206,749,783	55.9
2	Mr. Naret Ngamaprichon	18,000,000	4.9
3	Mrs. Waranee Saereewattana	8,018,825	2.2
4	Mr. Monchai Leesirikul	7,976,668	2.2
5	BTS Group Holding	7,000,000	1.9
6	Ms. Pitsinee Sereewattana	6,394,400	1.7
7	Thai NVDR	5,000,000	1.4
8	Mr. Twat Phetlohakul	4,994,625	1.3
9	Mr. Napat Panjakunatorn	4,054,094	1.1
10	Mr. Wichaya Mekaapirak	4,020,000	1.1
11	Others	272,208,395	73.6
	Total	369,999,930	100

*Jaymart Ultimate Shareholders detail are as following;

1	Mr. Adisak Sukumvitaya	93,510,741 shares	or 14.9%
2	Ms. Yuvadee Pong-Acha	73,605,846 shares	or 11.7%
3	Mr. Ekachai Sukumvitaya	59,340,000 shares	or 9.4%
4	Ms. Jutamas Sukumvitaya	49,943,636 shares	or 7.9%

On 30 December 2016, the Company has been notified by shareholder for JMT-W1 conversion. After complete registration process with Ministry of Commerce, the Company's paid-up capital will be equaled to 372,000,182 Baht.

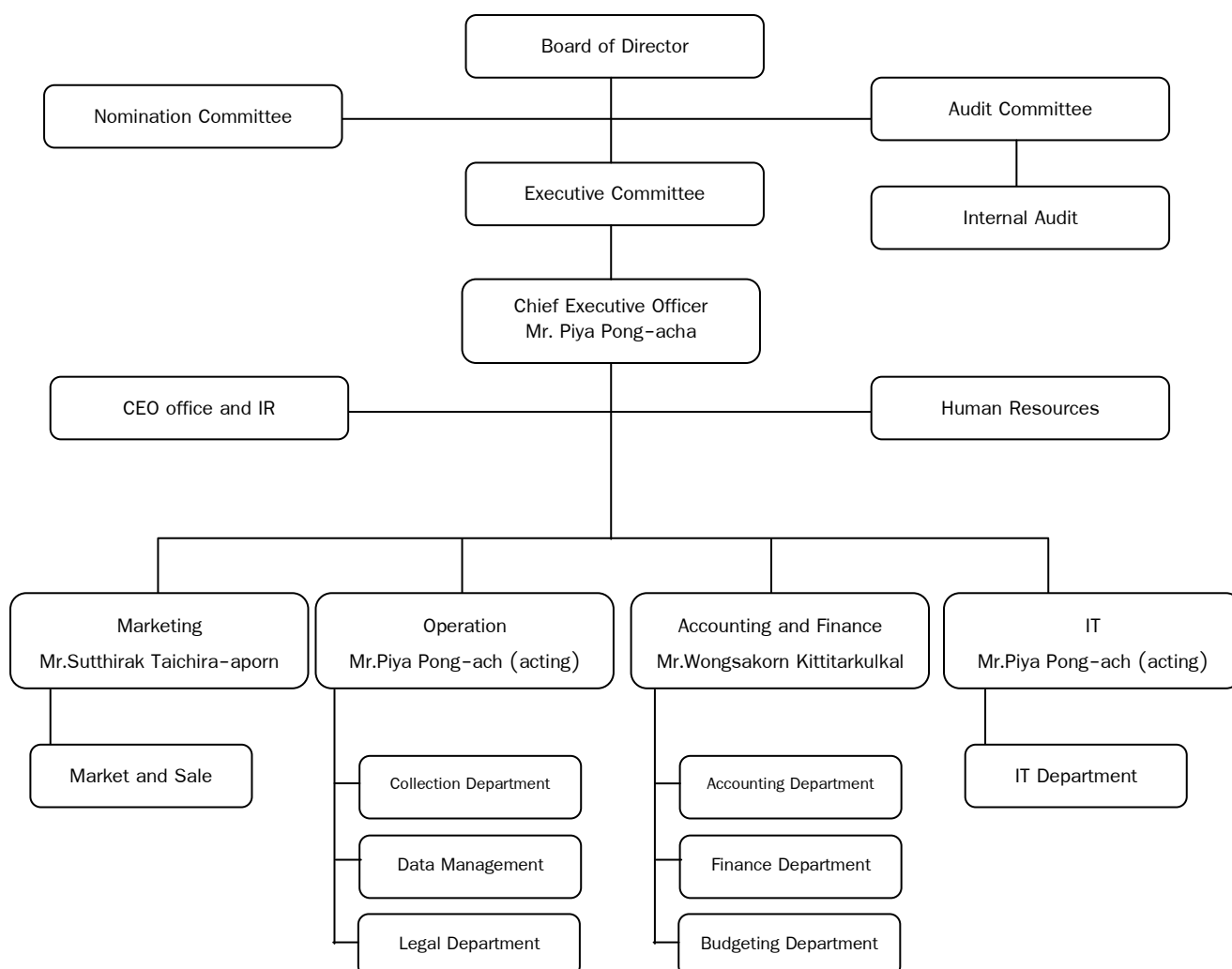
Dividend Policy

The Company's dividend policy is no less than 50 percent of Company's net income after tax and all reserved, however, the dividend payment may change subjected to Company's operation, investment plan, necessity, and appropriation

Organization Structure

As at December 31, 2016 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 Committee
4. Executive Committee
5. Management Team



Board of Directors

As at December 31, 2016 the Board of Directors of the company comprises of 7 Directors as follows

1.	Mr. Adisak	Sukumvittaya	Chairman of the Board
2.	Ms. Yuvadee	Pong-Acha	Director/Chief Executive Officer/ Nomination and Remuneration Committee
3.	Mr. Piya	Pong-Acha	Director/ Executive Director/ Nomination and Remuneration Committee
4.	Ms. 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. Somsak	Atisairakul ^{1/}	Audit Committee/ Independent Director Nomination and Remuneration Committee
	Mr. Wongsakorn	Kittitrakulkarn	Company Secretary

Remark; 1/ The Board of Committee No.5/2016 on 11 August 2016 has been approved to appoint Mr. Somsak Atisairakul to be director in replace of Mr. Preecha Prakobkit who resigned from the Board of Directors

The Chairman of the Board is not the same person with Chief Executive Officer to separate responsibilities.

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

Mr. Adisak Sukumvitaya 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

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

6. Consider authorizing the investment in the expansion of the business, including entering into a joint venture with other business operator or invest in the company or other business.
7. Determine the policy, direction, and strategy in supervising and managing the work of the subsidiary and/or its affiliates.
8. Determine various regulation of the company.

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

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

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

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

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

Audit Committee

As at December 31, 2016 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. Somsak	Atisaitrakul	Audit Committee/ Independent Director
Ms. Chuleewan	Hawichit	Secretary to the Audit Committee

Mr. Rerngchai Ingkapakorn, Mr. Kanchit Kawaachart and Mr. Somsak Atisaitrakul are persons who have sufficient knowledge and experience in accounting and finance, to audit the credibility of the financial statement of the company. All member of Audit Committee are independent committee.

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.

Scope 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 reconsiders financial policy and crisis management. The power of committee aren't including to conclude for their opinion

Nomination and Remuneration Committee

Date 31 December 2016 Nomination and Remuneration Committee consist with 3 persons such

1. Mr. Somsak	Atisaitrakul	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. Chaiyanun	Pikulsom	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 2016 the Board of Directors shall consist of 5 members as follows.

1.	Ms. Yuvadee	Pong-Acha	Chairman of the Executive Director.
2.	Mr. Piya	Pong-Acha	Executive Director.
3.	Mr. Sutthirak	Trichira-aporn	Executive Director.
4.	Ms. Ladda	Waruntarakul	Executive Director.
5.	Mr. Wongsakorn	Kittitrakulkarn	Executive Director.
	Ms. Waraporn	Pornpitakyothin	Secretary to the Executive Committee.

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 200 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 2016 the Annual General Meeting of Shareholders 1/2016 on April 7, 2016 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	2015	2016
1. Mr. Adisak Sukumvittaya	Chairman of the board	200,000	200,000
2. Ms. Yuvadee Pong-Acha	Committee	80,000	80,000
3. Mr. Piya Pong-Acha	Committee	80,000	80,000
4. Ms. 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	60,000
8. Mr. Somsak Atisaitrakul	Audit Committee/Independent Director		60,000
Total		880,000	880,000

In addition, the Annual General Meeting of Shareholders 1/2016 on April 7, 2015 Compensation Committee approved the detailed remuneration within 5,000,000 baht by separate allowances for the quarter (at 8 times per year) and meeting for the first time. In addition to the quarterly meetings.

Position	2015		2016	
	Quarterly allowances (Baht)	Allowances/Person/time In case of more than 8 times (Baht)	Quarterly allowances (Baht)	Allowances/Person/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

Position	2015		2016	
	Quarterly allowances (Baht)	Allowances/Person/time In case of more than 8 times (Baht)	Quarterly allowances (Baht)	Allowances/Person/time In case of more than 8 times (Baht)
Chairman of the Nomination and Remuneration committee	-None-	-None-	-None-	-None-
Nomination and Remuneration committee	-None-	-None-	-None-	-None-

Management Remuneration

Total compensation of the 4 executives for the period ended December 31, 2016 and for the period ended December 31, 2015 was 9,036,226 Baht and 7,801,376 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

Employee Number

	2014	2015	2016
Employee	759	928	1,270

Good Corporate Governance Report

Good Corporate Governance Policy

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 Shareholders

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

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

- The company will provide the date, time, place and agenda cover all information that associate to decide of shareholder's meeting. At least 7 days or the legimacy period. Moreover, there are the announcement to the shareholder in the meeting and the method to vote include to public these information on the company's website before provide as the documents. This is the opportunity for the shareholders have enough time to study the information before the meeting.
- The company will not perform that will be limit the opportunity of the shareholders to study IT information of the company.
- The company will produce the convenience to the shareholders could use their own right in the meeting and vote efficiency, and avoid any performance that will be limited the opportunity of participate the company's meeting. The vote meeting should smooth and not too much expense.
- The company will allocate the time properly and support the shareholders discuss in while they are meeting. Include producing the opportunity for the shareholders submit the questions before the meeting day for 1 day.
- The company will support the committee participate in the meeting with the shareholders and answer the questions of theirs.
- The company will arrange the minutes that will be show the correct information and collect system properly to check.

The Second Category: Approach to the shareholder equally

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

- The committee of company will manage the minority shareholders are able to present the agenda in advance for 1 day meeting.
- The committee of company will specify the clear principle in advance to consider that should increase the agenda for the minority shareholders or not.
- The president of the meeting will not increase the agenda if it is not informed in advance unnecessary. Especially the important agenda the shareholders have to use enough time to study before decision.
- The company will determine the way for the minority shareholders are presented the committee position that could present the name through the committee in advance. That will be presented with the information to consider.
- The shareholders are able to use the voted right by provide the authorization to another. Moreover the committee will present the independent committee who is chose as the authorization of shareholders.
- The company will provide the opportunity to the shareholders have the right to appoint the committee.
- The company uses ballot box to vote for the important agenda such as involved list or the list to purchase and distribute to be clear and available to check.
- The company has informed the committee and administration to realize the reported tasks that possess asset in the company of owner, partner, underage and the changing of the possessor in the office. The committee regulates the property and stock exchange section 59 of Act of Parliament in 2535 within 3 day officially.
- The company has determined the way to protect insider trading by hand written. That has to inform this information to all in the company and follow strictly. Dissuade the person who relate with the information purchasing stock exchange for 1 month. Before disclose the three months budget and financial budget for 48 hrs. , after the IT information is disclosed.

The Third Category: The role of interested person

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

Shareholder:

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

Employee:

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: Information Disclosure and Transparency

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 Trichiraarpon and Mr. Panya Chutisiwong, 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 Trichiraarpon who the communicator with the investor, analyst and associate official.

The Fifth Category: Responsibility of committee

1.) Committee Structure

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

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

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

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

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

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

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

There are 3 recruit committees and determine the allowance include 1 committee of administration, 1 administration and 1 independent committee that satisfy the allowance. Their duties are consider the policy and the way to recruit and satisfy the allowance. Allowance is the money and not the money conforms with the outcome of the company.

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

2.) Roles and Responsibility of committees

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

- **Controlled Policy**

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

- **Business Morality**

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

- **Conflict and Profit**

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

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

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

- **Internal quality control**

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

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

- Risk Management

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

3.) Committee Meeting

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

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

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

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

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

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

In 2015 and 2016, the company arranges the Board of Direct committee meeting for 6 times and 8 time that there are the detail in the meeting as follow;

Name	Position	2015	2016
1. Mr. Adisak Sukumvittaya	Chairman of The Board	6/6	8/8
2. Ms. Yuvadee Pong-Acha	Director	6/6	8/8
3. Mr. Piya Pong-Acha	Director	6/6	8/8

5. Ms. Ladda Waruntarakul	Director	6/6	8/8
6. Mr. Reangchai Ingkaphakorn	Audit Committee	5/6	7/8
7. Mr. Preecha Prakopkit 1/	Audit Committee	6/6	4/4
8. Mr. Kanchit Kawachat	Audit Committee	5/6	8/8
9. Mr. Somsak Atisairakul ^{2/}	Audit Committee	-	2/2

Remark:

1/ Mr. Preecha Prakopkit has resigned from the Board of Directors effective date on 31 July 2016

2/ The Board of Committee No.5/2016 on 11 August 2016 has been approved to appoint Mr. Somsak Atisairakul to be director in replace of Mr. Preecha Prakopkit who resigned from the Board of Directors

From meeting attendance statistic show that the directors of company attend the board of meeting more than 75% of total number of meeting in 2016.

The board of director receiver agenda and document 7 days before meeting date via email or document. Moreover, the company also set the meeting schedule in advance for meeting on yearly basis.

The composition of director has non-management 5 person from 7 person or 71 percent of the number of committee.

Executive Committee

The committees meeting arrange at least 4 times per year and they are able to call the meeting for important agenda. In 2015 and 2016, the Executive Committee meeting for 20 times and 20 times, the details of attendance of each director are as follows.

Name	Position	2015	2016
1. Ms. Yuvadee Pong-acha	Chairman of the Executive Director	23/23	20/20
2. Mr. Piya Pong-acha	Executive Director	23/23	20/20
3. Ms. Ladda Waroonthara	Executive Director	23/23	20/20
4. Mr. Suphot Wanna*	Executive Director	23/23	-
5. Mr. Sutthirak Trichira-aporn	Executive Director	23/23	20/20
6. Mr. Wongsakorn Kittitrakulkarn	Executive Director	23/23	20/20

*Mr. Suphot Wanna resigned from Executive Committee since 1 February 2016

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 manage 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	2015	2016
1 Mr. Reangchai Ingkaphakorn	Chairman of Audit Committee	3/4	4/5
2. Mr. Preecha Prakopjit ^{1/}	Audit Committee	4/4	2/2

3. Mr. Kanchit Kawachat	Audit Committee	3/4	5/5
4. Mr. Somsak Atisairakul ^{2/}	Audit Committee	-	2/2

Remark:

1/ Mr. Preecha Prakopkit has resigned from the Board of Directors effective date on 31 July 2016

2/ The Board of Committee No.5/2016 on 11 August 2016 has been approved to appoint Mr. Somsak Atisairakul to be director in replace of Mr. Preecha Prakopkit who resigned from the Board of Directors

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 2015 and 2016, the Nomination and Remuneration Committee arrange meeting for 2 times and 2 times, the details of attendance of each director are as follows.

Name	Position	2015	2016
1. Mr. Preecha Prakopjit	Chairman of the Nomination and Remuneration committee	1/1	1/2
2. Ms. Yuvadee Pong-Acha	Nomination and Remuneration committee	1/1	2/2
3. Mr. Piya Pong-Acha	Nomination and Remuneration committee	1/1	2/2

1/ Mr. Preecha Prakopkit has resigned from the Board of Directors. The board of director appoints Mr. Somsak Atisairakul in replacement.

The number of meeting of nomination and remuneration committee is in line with the CG guideline or at least 2 time per year.

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 2016 on 7 April 2016 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 Training

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.

In 2016, the Executive Committee has joined the development program as detail below;

Executives	Development Program	Institute
Mr. Piya Pong-Acha	Capital Market Academy Class 22	Capital Market Academy, SET
Mr. Wongsakorn Kittittrakul	Strategic CFO in Capital Market	The Stock Exchange of Thailand

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 for Using of 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

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

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 2016, 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

Related Parties	Items	2016	2015	Price Condition / Necessary
1. Jaymart Public Company Limited	Account Receivables	0.4	4.5	Market Rate
	Management Fee	1.9	1.4	Agreed rate
	Head Office Rental	23.9	20.3	Market Rate
	Seminar Expenses	0.2	0.1	Agreed rate
	Deposit of Rental and Ser.	4.0	4.3	Market Rate
	Asset Buy	0.3	0.3	As Seller determined
	PR and advertising	-	0.1	As Seller determined
2. J Fintech Co., Ltd	Interest Received	41.2	4.0	Market Rate
	Collection Fee	19.5	1.8	Agreed Rate and base on Arm's Length basis
	Debt Tracking Fee	0.6	0.2	Agreed Rate and base on Arm's Length basis
3. JAS Asset PCL	Office Rental	1.0	0.2	Market Rate
	Deposit of Rental and Ser.	0.1	0.3	Market Rate
4. Singer Thailand PCL	Debt Tracking Fee	0.6	0.6	Agreed Rate and base on Arm's Length basis
5. SG Capital Co., Ltd	Debt Tracking Fee	12.8	-	Agreed Rate and base on Arm's Length basis

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 2016 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
(Chief Executive Officer)

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Audit Committee Report

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

1. Mr. Rerngchai	Ingkapakorn	Chairman of Audit Committee
2. Mr. Kanchit	Kawachart	Audit Committee
3. Mr. Somsak	Atisaitrakul	Audit Committee
Miss Chuleewan	Hawichit	Secretary of Audit Committee

Year 2016, 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. In the year of 2016, internal audit has 2 topic to cover were debt acquisition process and human resource. There are no major issues in the report and the Company is now improved in the process as the internal audit's suggestion. 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. Rerngchai Ingkapakorn)
Chairman of Audit Committee

Management Discussion and Analysis

Overview of 2016 Business and Key Factors Impact on the Company's performance

Overall of financial industry situation causes an opportunity for the Company to acquired more non-performing in nearly future. Data from Bank of Thailand showed that Gross NPL at the end of 2016 was 385.7 Billion Baht higher than 48.1 Billion Baht from previous year. This would allow the Company to paving more chance to acquire more NPL in future.

In 2016, the Company achieved a remarkably success in bad debt management business. The Company achieved its highest in cash collection at 1,026 million Baht. Thanks to the Company's strategy and efficient of collection team, the Company's financial performance in 2016 reached to its highest in corporate history with net profit of 290 million Baht, increased at 207% from the previous year.

The Company operation target in 2016 for bad debt purchasing value reached to the target at 19,600 billion baht. This would be an asset for the Company to grow revenues further.

The Company's structure has been changed by the dilution of shareholding in J Fintech Co., Ltd (former JMT Plus Co., Ltd) as the shareholders has passed a resolution in Extraordinary General Meeting 1/2016 on 14 October 2016 to approve the waiver of subscription in newly share issued by J Fintech amount of 1,100 million Baht. This would cause the shareholding proportion lower to 9.84% and J Fintech is no longer be a subsidiaries of the Company since November 2016.

Key Statistic for Business Operation

The Company key business operation in 2016 as compare to 2015 is exhibited below;

	2015	2016
Bad Debt Management Operation Statistic		
No. of Bad Debt under management	87	100
Value of NPL under management	88,683	108,283
No. of Bad Debt that fully amortized cost of purchasing	34	36

Summary of Profit and Loss Statement

Unit: MN.THB

	2015		2016		Change	
	MN.THB	%	MN.THB	%	MN.THB	%
Total revenues	719.1	100.0%	1,063.7	100.0%	344.6	47.9%
Total Cost	315.6	43.9%	377.9	35.5%	62.3	19.7%
Gross Profit	403.5	56.1%	685.9	64.5%	282.4	70.0%
Other revenues	1.2	0.2%	8.6	0.8%	7.4	626.3%
Gain from Shareholding Proportion Change in Subsidiaries to Long term investment	-	n.a.	143.9	13.5%	143.9	100.0%
Selling and Administrative Expenses	231.3	32.2%	416.5	39.2%	185.2	80.1%
Operating Profit	173.4	24.1%	421.5	39.6%	248.1	143.1%
Finance Cost	53.7	7.5%	84.6	7.9%	30.8	57.3%
Net Profit	94.6	13.2%	290.4	27.3%	195.8	207.0%

Revenues Analysis

In 2016, the Company's Total revenues increased from 719.1 in 2015 to 1,063.7 million Baht in 2016 or increased by 47.9%. The changing revenues can be explained as following;

1. Revenues from collection of purchased account receivables was 738.9 million Baht in 2016, increase 168.2 million Baht or 29.5%. This was because the Company has a cash collection value at 1,026 million Baht or 7.5% more than 2015. The revenues from collection of purchased account receivables accounted 69.5% of total revenues in 2016.
2. Interest Income and related incomes in 2016 was 189.6 million Baht more than 2015 of 140.2 million Baht or 283.9% higher. This is the incomes related to Personal Loan business. After the shareholding structure has been changed in J Fintech Co., Ltd, the Company does not require consolidating this revenue on consolidated financial statement. Interest Income and related incomes accounted 17.8% of total revenues in 2016.
3. Service Income from debt collection in 2016 was 135.2 million Baht, increased by 36.2 million Baht or 36.6% from 2015. The total amount of outsource collection portfolio value was 18,921 million Baht at the end of 2016. Service Income from debt collection accounted 12.7% of total revenues in 2016.

Analysis of Cost of Services and Gross Profit

In 2016, the Company's cost of services was 377.9 million Baht higher than 2015 of 62.3 million Baht or 19.7%. The reasons were an increasing of new staff, commission from debt collection for staff increase and legal expenses incurred from litigation process.

However, the Company's gross profit margin stood at 64.5% higher than 2015 70% due to the efficient in collection process.

Selling and Administrative Expenses

The Company incurred selling and administrative expenses 416.9 million Baht, increased by 185.5 million Baht or 80.2%. Owe to the allowance for bad debt and employee remuneration increase from number of employee in the group of companies.

Gain from Shareholding Proportion Change in Subsidiaries to Long term investment

The Company realized gain from shareholding Proportion Change in Subsidiaries to Long term investment of 143.9 million Baht. This was a result of group of company structure amendment as approved by shareholder in Extraordinary General Meeting No.1/2016 to waiver from subscription of capital share of J Fintech Co., Ltd worth 1,100 million baht to Jaymart Public Company Limited. The shareholding portion of J Fintech Co., Ltd diluted to 9.84%. And the Company does not have to consolidate the financial performance for the company and treat as a long-term investment.

Finance Cost

Finance Cost for the year of 2016 was 84.5 million, increase from 2015 30.8 million Baht or 57.3% increase. Most of Company's liabilities are short-term loan and debenture.

Net Profit

The Company's Net Profit in 2016 was 290.4 million Baht more than 2015 of 195.8 million Baht or 207% increased. If eliminated gain from shareholding Proportion Change in Subsidiaries (J Fintech Co., Ltd) the Company's net profit was 146.5 million Baht or increase from 2015 51.9 million or 54.8% increase. Net profit number in 2016 was the highest level that company achieved since established.

Analysis of Financial Statement of Position

Asset

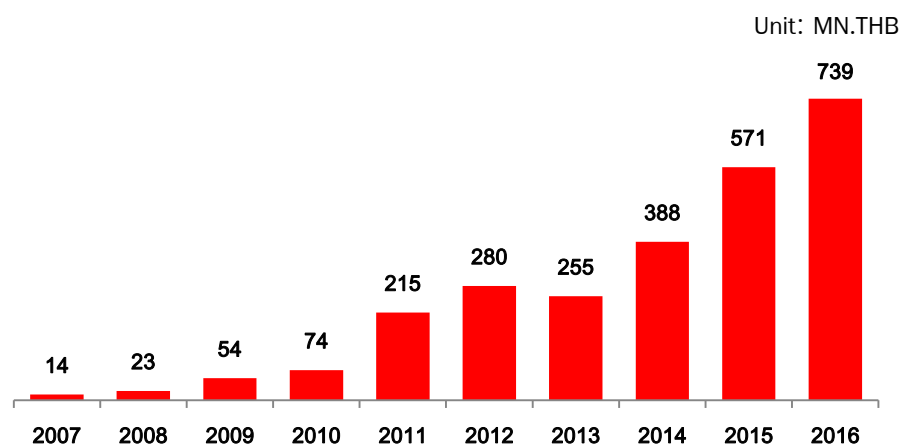
As of the period ending 31 December 2016, the Company had total assets equal to 4,163.9 million Baht divided to current asset 489.8 million Baht or 11.8% of total asset and non-current asset 3,674.1 million Baht or 88.2% of total asset. Total asset increase 423 million Baht or 11.3% increase from 2015.

Loan receivable from purchase of account receivables

In 2016, the Company has loan receivable from purchase of account receivables equal to 3,448.2 million or accounted for 82.8% of total asset and increase from the previous year 618.6 million Baht. Due to the Company acquired more non-performing debt.

The Company and subsidiary invested in non-performing debt 906 million Baht, a decline from 2015 which invested for 1,319 million Baht. The accumulated investment was 5,360 million Baht. The investment in account receivables ramped up the Company's revenues for 10 years in the past.

Revenues from purchase of account receivables



The Company and subsidiary incurred revenues from purchase of account receivables of 739 million Baht or 29% growth as compare to the previous year. Revenues form from purchase of account receivables contributed 69.5% of total revenues. 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.

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.

Liabilities

As of the period ending 31 December 2016, the Company had total assets equal to 2,228.1 million Baht, increase by 155.8 million baht or 7.5%. The details of changing are explained as following;

1. Debentures stood at 1,158.3 million Baht, increased by 548.3 million Baht from personal loan business and bad-debt purchase.
2. Trade payables were 320.7 million Baht, increased by 247.1 million Baht from installment payment for bad-debt purchasing.
3. Short-term loan was 592.5 million Baht, increase by 132.5 million Baht as a result of continuous acquisition of non-performing debts to manage.

The Company' Debt to Equity Ratio and Interest Bearing Debt to Equity ratio at the end of 2016 were 1.16 times and 0.96 times respectively.

Cash Flow Statement

In 2016, the company has a net increase of cash and cash equivalents of 66.9 million baht. Details of cash flows in each activity can be grouped as follows:

	2015	2016
Cash flows from operation activities	(1,431.4)	(1,485.2)
Cash flows from investment activities	(39.2)	1,648.6
Cash flows from financing activities	1,486.9	(96.5)
Cash and cash equivalents – net increase (decrease)	16.3	66.9

In 2016 regarding cash flows from operation activities, the Company has net cash used in operation activities by the amount of 1,485.2 million Baht which is a result of acquisition of more non-performing debts to manage and more expansion of personal loan business. For the year 2015, the Company has net cash used in operation activities of 1,431.4 million Baht which is resulted from acquisition of more non-performing debts to manage.

In 2016 and 2015, with respect to cash flows from investment activities, the Company has net cash gained (used) from investment activities of 1,648.6 million baht and (39.2) million baht, respectively, which is resulted from short-term loan decrease and cash flow from change in shareholding proportion in subsidiaries.

Regarding cash flows from financing activities in 2016, the Company has net cash used from financing activities amounting to 96.5 million baht. The main reasons were the Company repaid short-term debt and long-term borrowings and cash received from debentures. Whereas in 2015, the Company has net cash receive 1,486.9 million Baht for the non-performing debt management business.

The Company's liquidity ratio is 0.29 times in 2016 compared with 0.39 in 2015. The Company's liquidity ratio declined due to there was a current portion of debenture schedule to pay within 1 year increased.

Sources of Fund

Main sources of funds of the company include short-term loans from financial institutions. As of 31st December 2016, The company does not have Short-term loans from financial institution by repay all Short-term loans from financial institution 442.5 million baht. The Short-term loans in form of bill of exchange increase 132.5 million baht from 2015. Long-term loans amount was 101.3 million baht, decrease by 314.5 million baht and debentures amount was 1,158.3 million baht.

Forward Looking

The Company strive to creating sustain business performance. In 2017, the Company has a target to acquire additional 30,000 million Baht for Non-performing Debt. Moreover, the Company has been studying to invest in potential business and examine possibilities to set up debt collection services company in CLMV region to expand more opportunities in collection business.

Auditing Fee

The Company and its subsidiaries' 2016 Auditing Fee paid to the auditors, personnel or business concerning the auditors or the office of the auditors from E Y Office Company Limited in the previous year 2016 amounted for 2,470,000 Baht and year 2015 amounted for 2,190,000 Baht.

	(Unit: baht)	
Audit Fee	2015	2016
1. Audit Fee	1,110,000	1,240,000
For JMT Network Services PCL		
2. Audit Fee		
JMT Network Services PCL and subsidiaries	2,190,000	2,470,000

Corporate Social Responsibility

The Company has a policy to operate business with good corporate governance. We are well aware that the corporate social responsibility is important in doing business. The Company has initiate “Pun Rak Pun Num Jai Project” and Returning of Natural to the Society in 2013. By giving of study material, set of athletes, music instrument for children in school in rural area. The Company will pursue this project further in the futures. And to continue CSR program more intense and effective, the Company has stipulate the CSR guideline to be a practice guide for the Company.

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

CSR Activity in 2016

The company engage CSR program with Jaymart Group. And in the year of 2016 the company emphases on the take care of people in our organization. Due to last year was a very tough year for our employee to achieve a remarkably performance. To give back our employee morale, last year the Company has award the employee for the best performance which gain a lot of attention from employee

Employee Award 2016



CSR with Jaymart Group of Companies



Independent Auditor's Report

To the Shareholders of JMT Network Services Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of JMT Network Services Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2016, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of JMT Network Services Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JMT Network Services Public Company Limited and its subsidiaries and of JMT Network Services Public Company Limited as at 31 December 2016, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

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

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

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

Revenue recognition from collection of purchased accounts receivables

The group's accounting policy on revenue recognition is discussed in Note 4.1 to the financial statements. The revenues from collection of purchased accounts receivables recognised for the year of 2016 amounted to Baht 739 million, accounting for 69% of total revenue. I focused on the revenue recognition because such revenues were derived from a diverse range of retail customers, and revenue recognition was made based on the effective interest rate method which relies on the estimation of the age of debt collected. There is therefore a risk with respect to the amount of revenue recognition.

I have performed audit procedures on the Group's revenue recognition as follows:

- Assessing and testing the Group's IT systems and key internal controls relevant to the revenue cycle for the collection of purchased accounts receivables by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select and test the cash flow projections and the calculation of effective interest rate (EIR) to assess whether the recognition of revenue from collection of purchased accounts receivables is in compliance with the Group's policy.

- On a sampling basis, examined supporting documents for actual cash receipt transactions occurring during each period and the effective interest rate (EIR) table used in the calculation of recognised revenue to verify the actual amount of cash received which was applied in the calculation to adjust the effective interest rate (EIR) accordingly.
- Performing analytical procedures on disaggregated data of revenue from collection of purchased accounts receivables by identifying the revenue recognition ratio, and comparing the actual cash inflows and with the projected cash inflows to detect possible irregularities in revenue transactions throughout the period.

Allowance for loan losses

As discussed in Notes 4.4 and 4.5 to the financial statements, the estimation of allowance for loan losses relies on various assumptions. Therefore, the management is required to exercise judgment in determining the basis and policy to be used in calculating the allowance for loans losses, the methodology for determining the allowance, the estimation of losses expected to be incurred when debtors are unable to repay principal and interest, and the timing of such recognition. As the amount of loan is significant to the financial statements, I focused my audit on the adequacy of the allowance for loan losses.

I have performed audit procedures on the allowance for loan losses as follows:

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

Other Matter

The Consolidated financial statements of JMT Network Services Public Company Limited and its subsidiaries (the Group) and the separate financial statements of JMT Network Services Public Company Limited for the year ended 31 December 2015 were audited by another auditor who, under his report dated 19 February 2016, expressed an unqualified opinion on those financial statements.

Other information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Sophon Permsirivallop.

Sophon Permsirivallop
Certified Public Accountant (Thailand) No. 3182

EY Office Limited
Bangkok: 20 February 2017

JMT Network Services Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
	<u>Note</u>	<u>31 December 2016</u>	<u>31 December 2015</u>	<u>1 January 2015</u>	<u>31 December 2016</u>	<u>31 December 2015</u>	<u>1 January 2015</u>
Assets							
Current assets							
Cash and cash equivalents	7	111,043,903	44,187,564	27,891,594	70,026,724	16,347,260	19,897,731
Trade and other receivables	6, 8	23,502,635	18,481,497	14,222,646	18,682,293	12,720,781	8,969,419
Accrued income	6, 9	21,837,247	19,622,642	11,305,893	21,025,905	11,185,933	10,769,600
Current portion of hire purchase receivables	11	1,823,191	9,413,866	13,992,155	1,823,191	3,291,411	5,577,823
Current portion of loans to customers	12	16,935,423	314,368,198	19,140,201	16,935,423	35,920,290	19,140,201
Short-term loans to related parties	6	219,500,000	-	-	1,226,000,000	1,188,500,000	499,500,000
Refundable value added tax		62,468,340	62,468,340	34,736,824	36,758,988	36,758,988	18,844,653
Other current assets	10	32,729,103	19,395,129	23,302,343	21,930,340	16,446,211	15,456,405
Total current assets		489,839,842	487,937,236	144,591,656	1,413,182,864	1,321,170,874	598,155,832
Non-current assets							
Restricted deposits with banks		1,915,935	2,058,720	2,160,782	880,982	1,035,860	1,160,782
Hire purchase receivables - net of current portion	11	213,650	13,931,307	32,772,043	213,650	2,907,918	9,372,534
Loans to customers - net of current portion	12	7,796,898	303,411,707	3,721,091	7,796,898	46,105,347	3,721,091
Loans receivable from purchase of accounts receivable	13	3,448,173,982	2,829,553,750	1,979,291,229	2,351,629,589	2,088,939,512	1,467,986,636
Investments in subsidiaries	14	-	-	-	29,999,930	126,283,218	63,847,118
Other long-term investment		104,346,295	-	-	104,346,295	-	-
Equipment	15	53,189,789	52,181,367	37,115,273	47,461,937	42,076,860	36,159,135
Computer software	16	21,387,053	21,256,415	12,593,854	21,348,726	13,786,450	12,533,398
Deferred tax asset	26	30,123,669	23,913,964	4,662,370	28,312,421	22,102,523	4,570,101
Other non-current assets	6	6,976,102	6,723,600	3,892,860	5,797,647	4,544,048	3,458,609
Total non-current assets		3,674,123,373	3,253,030,830	2,076,209,502	2,597,788,075	2,347,781,736	1,602,809,404
Total assets		4,163,963,215	3,740,968,066	2,220,801,158	4,010,970,939	3,668,952,610	2,200,965,236

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

JMT Network Services Public Company Limited and its subsidiaries
Statement of financial position (continued)
As at 31 December 2016

(Unit: Baht)

		Consolidated financial statements			Separate financial statements		
		As at	As at	As at	As at	As at	As at
	Note	31 December 2016	31 December 2015	1 January 2015	31 December 2016	31 December 2015	1 January 2015
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	17	-	442,500,000	443,500,000	-	442,500,000	443,500,000
Trade and other payables	6, 18	320,694,849	73,617,228	176,344,875	318,164,493	48,786,101	175,184,923
Current portion of long-term loans	20	101,280,000	314,502,400	426,630,000	101,280,000	314,502,400	426,630,000
Current portion of debentures	21	609,398,136	-	-	609,398,136	-	-
Short-term loans	17	592,524,140	460,000,000	465,000,000	592,524,140	460,000,000	465,000,000
Short-term loan from subsidiary		-	-	-	-	-	3,000,000
Income tax payable		23,232,355	24,296,627	17,663,868	10,663,925	7,752,886	1,468,772
Other current liabilities	6, 19	18,807,608	35,842,420	3,544,014	9,786,963	4,238,076	2,070,465
Total current liabilities		1,665,937,088	1,350,758,675	1,532,682,757	1,641,817,657	1,277,779,463	1,516,854,160
Non-current liabilities							
Long-term loans - net of current portion	20	-	101,280,000	-	-	101,280,000	-
Debentures - net of current portion	21	548,898,965	610,000,000	-	548,898,965	610,000,000	-
Provision for long-term employee benefits	22	5,491,452	5,139,819	2,850,885	5,201,833	4,508,204	2,713,755
Other non-current liabilities		7,797,179	5,162,740	3,539,399	7,179,677	4,833,745	3,427,899
Total non-current liabilities		562,187,596	721,582,559	6,390,284	561,280,475	720,621,949	6,141,654
Total liabilities		2,228,124,684	2,072,341,234	1,539,073,041	2,203,098,132	1,998,401,412	1,522,995,814
Shareholders' equity							
Share capital	23						
Registered							
444,000,000 ordinary shares of Baht 1 each							
(1 January 2015: 300,000,000 ordinary shares							
of Baht 1 each)		444,000,000	444,000,000	300,000,000	444,000,000	444,000,000	300,000,000
Issued and fully paid up							
369,999,930 ordinary shares of Baht 1 each							
(1 January 2015: 300,000,000 ordinary shares							
of Baht 1 each)		369,999,930	369,999,930	300,000,000	369,999,930	369,999,930	300,000,000
Share premium		1,093,231,165	1,093,231,165	212,449,464	1,093,231,165	1,093,231,165	212,449,464
Advance receipt of share subscription	23.2	36,004,536	-	-	36,004,536	-	-
Retained earnings							
Appropriated-statutory reserve		44,400,000	44,400,000	30,000,000	44,400,000	44,400,000	30,000,000
Unappropriated		392,202,830	160,995,637	139,278,553	264,237,176	162,920,103	135,519,958
Equity attributable to owners of the Company		1,935,838,461	1,668,626,732	681,728,017	1,807,872,807	1,670,551,198	677,969,422
Non-controlling interests of the subsidiaries		70	100	100	-	-	-
Total shareholders' equity		1,935,838,531	1,668,626,832	681,728,117	1,807,872,807	1,670,551,198	677,969,422
Total liabilities and shareholders' equity		4,163,963,215	3,740,968,066	2,220,801,158	4,010,970,939	3,668,952,610	2,200,965,236

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

JMT Network Services Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2016

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2016	2015	2016	2015
Profit or loss:					
Revenues					
Services income from debts collection and others	6	135,238,786	99,031,713	145,303,374	98,553,824
Revenues from collection of purchased accounts receivable		738,916,198	570,721,013	501,809,862	485,086,908
Interest income and related income	6	189,592,485	49,388,855	13,965,528	10,140,597
Total revenues		1,063,747,469	719,141,581	661,078,764	593,781,329
Cost of services	6	(377,869,363)	(315,634,002)	(316,408,517)	(285,855,778)
Gross profit		685,878,106	403,507,579	344,670,247	307,925,551
Other income	6	8,570,502	1,187,079	78,739,609	28,579,338
Gain from change in portion of investment in subsidiary to other long-term investment	14	143,916,494	-	-	-
Profit before expenses		838,365,102	404,694,658	423,409,856	336,504,889
Administrative expenses	6	(416,867,961)	(231,303,800)	(157,520,988)	(180,183,503)
Reversal of (loss from) impairment on investment		-	-	5,063,007	(7,563,900)
Total expenses		(416,867,961)	(231,303,800)	(152,457,981)	(187,747,403)
Operating profit		421,497,141	173,390,858	270,951,875	148,757,486
Finance cost		(84,554,666)	(53,757,246)	(84,554,666)	(54,186,171)
Profit before income tax expenses		336,942,475	119,633,612	186,397,209	94,571,315
Tax income (income tax expenses)	26	(46,535,323)	(24,989,316)	(25,880,147)	5,286,317
Profit for the year		290,407,152	94,644,296	160,517,062	99,857,632
Other comprehensive income:					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</i>					
Actuarial loss	22	-	(1,809,714)	-	(1,387,899)
Less: Income tax effect		-	282,502	-	330,412
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		-	(1,527,212)	-	(1,057,487)
Other comprehensive income for the year		-	(1,527,212)	-	(1,057,487)
Total comprehensive income for the year		290,407,152	93,117,084	160,517,062	98,800,145
Profit attributable to:					
Equity holders of the Company		290,407,182	94,644,296	160,517,062	99,857,632
Non-controlling interests of the subsidiaries		(30)	-	-	-
		290,407,152	94,644,296		
Total comprehensive income attributable to:					
Equity holders of the Company		290,407,182	93,117,084	160,517,062	98,800,145
Non-controlling interests of the subsidiaries		(30)	-	-	-
		290,407,152	93,117,084		
Earnings per share					
27					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.78	0.27	0.43	0.29

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

JMT Network Services Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2016

(Unit: Baht)

Consolidated financial statements								
Equity attributable to owners of the Company								
	Issued and fully paid-up share capital	Premium on ordinary shares	Advance receipt of share subscription	Retained earnings		Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholder's equity
				Appropriated	Unappropriated			
Balance as at 1 January 2015	300,000,000	212,449,464	-	30,000,000	139,278,553	681,728,017	100	681,728,117
Profit for the year	-	-	-	-	94,644,296	94,644,296	-	94,644,296
Other comprehensive income for the year	-	-	-	-	(1,527,212)	(1,527,212)	-	(1,527,212)
Total comprehensive income for the year	-	-	-	-	93,117,084	93,117,084	-	93,117,084
Increase share capital (Note 23)	69,999,930	880,781,701	-	-	-	950,781,631	-	950,781,631
Transferred to retained earnings	-	-	-	14,400,000	(14,400,000)	-	-	-
Dividend paid (Note 30)	-	-	-	-	(57,000,000)	(57,000,000)	-	(57,000,000)
Balance as at 31 December 2015	<u>369,999,930</u>	<u>1,093,231,165</u>	<u>-</u>	<u>44,400,000</u>	<u>160,995,637</u>	<u>1,668,626,732</u>	<u>100</u>	<u>1,668,626,832</u>
Balance as at 1 January 2016	369,999,930	1,093,231,165	-	44,400,000	160,995,637	1,668,626,732	100	1,668,626,832
Profit for the year	-	-	-	-	290,407,182	290,407,182	(30)	290,407,152
Total comprehensive income for the year	-	-	-	-	290,407,182	290,407,182	(30)	290,407,152
Advance receipt of share subscription (Note 23.2)	-	-	36,004,536	-	-	36,004,536	-	36,004,536
Dividend paid (Note 30)	-	-	-	-	(59,199,989)	(59,199,989)	-	(59,199,989)
Balance as at 31 December 2016	<u>369,999,930</u>	<u>1,093,231,165</u>	<u>36,004,536</u>	<u>44,400,000</u>	<u>392,202,830</u>	<u>1,935,838,461</u>	<u>70</u>	<u>1,935,838,531</u>

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

บริษัท เจ เอ็ม ที เน็ทเวอร์ค เซอร์วิสส์ จำกัด (มหาชน) และบริษัทย่อย
 งบแสดงการเปลี่ยนแปลงส่วนของผู้ถือหุ้น (ต่อ)
 สำหรับปีสิ้นสุดวันที่ 31 ธันวาคม 2559

(หน่วย: บาท)

	งบการเงินเฉพาะกิจการ					รวม ส่วนของ ผู้ถือหุ้น
	ทุนเรือนหุ้น ที่ออกและชำระแล้ว	ส่วนเกินมูลค่า หุ้นสามัญ	เงินรับล่วงหน้า ค่าหุ้น	กำไรสะสม		
				จัดสรรแล้ว	ยังไม่ได้จัดสรร	
ยอดคงเหลือ ณ วันที่ 1 มกราคม 2558	300,000,000	212,449,464	-	30,000,000	135,519,958	677,969,422
กำไรสำหรับปี	-	-	-	-	99,857,632	99,857,632
กำไรขาดทุนเบ็ดเสร็จอื่นสำหรับปี	-	-	-	-	(1,057,487)	(1,057,487)
กำไรขาดทุนเบ็ดเสร็จรวมสำหรับปี	-	-	-	-	98,800,145	98,800,145
ออกหุ้นสามัญเพิ่มทุน (หมายเหตุ 23)	69,999,930	880,781,701	-	-	-	950,781,631
โอนไปกำไรสะสม	-	-	-	14,400,000	(14,400,000)	-
เงินปันผลจ่าย (หมายเหตุ 30)	-	-	-	-	(57,000,000)	(57,000,000)
ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2558	369,999,930	1,093,231,165	-	44,400,000	162,920,103	1,670,551,198
ยอดคงเหลือ ณ วันที่ 1 มกราคม 2559	369,999,930	1,093,231,165	-	44,400,000	162,920,103	1,670,551,198
กำไรสำหรับปี	-	-	-	-	160,517,062	160,517,062
กำไรขาดทุนเบ็ดเสร็จรวมสำหรับปี	-	-	-	-	160,517,062	160,517,062
เงินรับล่วงหน้าค่าหุ้นจากการใช้สิทธิ						
ตามใบสำคัญแสดงสิทธิ (หมายเหตุ 23.2)	-	-	36,004,536	-	-	36,004,536
เงินปันผลจ่าย (หมายเหตุ 30)	-	-	-	-	(59,199,989)	(59,199,989)
ยอดคงเหลือ ณ วันที่ 31 ธันวาคม 2559	369,999,930	1,093,231,165	36,004,536	44,400,000	264,237,176	1,807,872,807

หมายเหตุประกอบงบการเงินเป็นส่วนหนึ่งของงบการเงินนี้

JMT Network Services Public Company Limited and its subsidiaries
Cash flow statement
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from operating activities				
Profit before tax	336,942,475	119,633,612	186,397,209	94,571,315
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	28,015,997	20,988,736	23,196,003	19,581,989
Allowance for doubtful accounts	135,616,318	110,377,679	31,643,988	89,589,958
Bad debts	64,099,294	-	97,905	-
Loss from impairment on investment in subsidiary	-	-	-	7,563,900
Reversal of loss from impairment on other long-term investment	-	-	(5,063,007)	-
Gain on change in portion of investment in subsidiary to other long-term investment	(143,916,494)	-	-	-
Loss on sales and written-off of equipment and computer software	54,942	19,166	134,348	33,243
Long-term employee benefit expenses	1,349,283	479,220	693,629	406,550
Interest incomes	(101,585,527)	(18,557,222)	(90,864,201)	(37,865,711)
Interest expenses	84,554,666	53,621,141	84,554,666	54,058,390
Profit from operating activities before changes in operating assets and liabilities	405,130,954	286,562,332	230,790,540	227,939,634
Operating assets (increase) decrease				
Trade and other receivables	(12,163,286)	(4,258,850)	(6,059,417)	(3,751,362)
Accrued income	(2,422,266)	(7,816,334)	(8,634,587)	703,461
Refundable value added tax	-	(27,731,516)	-	(17,914,335)
Other current assets	(29,553,391)	5,065,927	(11,596,169)	(888,214)
Hire purchase receivables	8,387,596	14,117,592	3,574,175	5,924,407
Loans to customers and accrued interest receivables	(1,457,306,943)	(610,106,594)	26,773,014	(68,532,625)
Loans receivable from purchase of accounts receivable	(327,593,794)	(908,478,660)	28,317,554	(670,675,807)
Other non-current assets	(5,614,720)	(2,830,763)	(1,253,600)	(1,085,440)
Operating liabilities increase (decrease)				
Trade and other payables	(18,358,474)	(144,803,157)	(30,293,333)	(161,740,847)
Other current liabilities	7,749,266	38,543,313	5,548,887	4,297,418
Other non-current liabilities	2,975,439	1,623,346	2,345,932	1,471,886
Cash flows from (used in) operating activities	(1,428,769,619)	(1,360,113,364)	239,512,996	(684,251,824)
Cash received from interest	78,215,476	16,813,445	89,658,816	36,745,918
Cash paid for interest expenses	(79,601,235)	(49,715,525)	(79,601,235)	(50,152,774)
Cash paid for corporate income tax	(55,032,096)	(38,382,730)	(29,179,005)	(5,697,598)
Net cash flows from (used in) operating activities	(1,485,187,474)	(1,431,398,174)	220,391,572	(703,356,278)

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

JMT Network Services Public Company Limited and its subsidiaries
Cash flow statement (continued)
For the year ended 31 December 2016

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	142,785	102,063	154,878	124,922
Decrease (increase) in short-term loans to related parties	870,000,000	-	(37,500,000)	(689,000,000)
Cash paid for investment in subsidiaries	-	-	(3,000,000)	(70,000,000)
Proceeds from sales of equipment	803,738	383,402	616,822	196,486
Acquisition of equipment and computer software	(111,084,950)	(39,725,352)	(30,440,055)	(25,449,632)
Net cash increased from change in portion of investment in subsidiary to other long-term investment (Note 14)	888,725,993	-	-	-
Net cash flows from (used in) investing activities	<u>1,648,587,566</u>	<u>(39,239,887)</u>	<u>(70,168,355)</u>	<u>(784,128,224)</u>
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	(442,500,000)	(1,000,000)	(442,500,000)	(1,000,000)
Increase (decrease) in short-term loans	135,000,000	(5,000,000)	135,000,000	(5,000,000)
Decrease in short-term loan from subsidiary	-	-	-	(3,000,000)
Cash received for long-term loans	-	211,000,000	-	211,000,000
Cash paid for long-term loans	(314,502,400)	(221,847,600)	(314,502,400)	(221,847,600)
Proceeds from the issuance of debentures	550,000,000	610,000,000	550,000,000	610,000,000
Cash paid for transaction costs of issuing debentures	(1,345,900)	-	(1,345,900)	-
Advance receipt of share subscription	36,004,536	-	36,004,536	-
Proceeds from the issuance of shares	-	950,781,631	-	950,781,631
Dividend paid	(59,199,989)	(57,000,000)	(59,199,989)	(57,000,000)
Net cash flows from (used in) financing activities	<u>(96,543,753)</u>	<u>1,486,934,031</u>	<u>(96,543,753)</u>	<u>1,483,934,031</u>
Net increase (decrease) in cash and cash equivalents	<u>66,856,339</u>	<u>16,295,970</u>	<u>53,679,464</u>	<u>(3,550,471)</u>
Cash and cash equivalents at beginning of year	<u>44,187,564</u>	<u>27,891,594</u>	<u>16,347,260</u>	<u>19,897,731</u>
Cash and cash equivalents at end of year	<u>111,043,903</u>	<u>44,187,564</u>	<u>70,026,724</u>	<u>16,347,260</u>
	-	-	-	-
Supplemental cash flows information:				
Non-cash items consist of				
Purchase of non-performing account receivables from financial institutions by installments not affecting the cash flows	291,345,458	27,366,003	291,345,458	27,366,003
Purchase of equipment and computer software recorded as liabilities	6,823,917	5,394,607	6,454,472	1,532,863

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

JMT Network Services Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2016

1. General information

JMT Network Services Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Jay Mart Public Company Limited, which was incorporated in Thailand, is the parent company. The Company is 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 registered office of the Company is at 325/7, Jaymart Building, 4 - 6th floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2016</u> Percent	<u>2015</u> Percent
J Fintech Co., Ltd. (formerly known as “JMT Plus Company Limited”)	Leasing and consumer lendings	Thailand	9.84	99.99
Jay Insurance Broker Company Limited	Insurance broker	Thailand	99.99	99.99
J Asset Management Company Limited	Asset management	Thailand	99.99	99.99

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
 - c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
 - d) During the year 2016, the Company had changed structure of subsidiary by waived its right to subscription ordinary shares of J Fintech Co., Ltd. as discussed in Note 14.
 - e) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
 - f) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries under the cost method.

3. New financial reporting standards

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

During the year, the Company and subsidiaries have adopted the revised (revised 2015) and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

(b) Financial reporting standard that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The management of the Company and its subsidiaries believe that the revised and new financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements when they are initially applied. However, one standard involves changes to key principles, which are summarised below.

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries in separate financial statements under the equity method, as described in TAS 28 (revised 2016) Investments in Associates and Joint Ventures. However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

At present, the management of the Company and its subsidiaries are evaluating the impact of this standard to the financial statements in the year when it is adopted.

4. Significant accounting policies

4.1 Revenue recognition

a) Services income from debts collection and others

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

b) Revenues from collection of purchased accounts receivable

Revenues from collection of purchased accounts receivable recognised when revenues from loan receivable from purchase of accounts receivable by using the effective interest method (expected return on debts collection) calculated from outstanding loan receivable from purchase of accounts receivable. If actual cash flows from collection exceed calculated revenues, the remaining cash collection will be amortised from the value of loan receivable from purchase of accounts receivable for each period. If loan receivable from purchase of accounts receivable are fully amortised, the Company and subsidiary will recognise such cash collection as revenues and recognised loss on impairment immediately when there is an indication of significant decrease in estimated cash flows.

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

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

d) Interest income from hire - purchase

Hire - purchase interest income recognised as income over the period of the agreement, using effective rate method, with income recognised when the installments fall due irrespective of when actual collection is made. The Company and subsidiary ceased recognising 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.

e) Interest income from loan

Interest income from loan is recognised as income on an accrual basis, based on the effective interest method over the installment period. The Company and subsidiary ceased recognising 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.

f) Insurance brokerage income

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

g) Interest income

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

4.2 Expenses recognition

a) Interest expenses

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

b) Fees and service expenses

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

4.3 Cash and cash equivalents

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

4.4 Trade accounts receivable, hire purchase receivables, loans to customers and allowance for doubtful accounts

a) Trade accounts receivable

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

b) Hire purchase receivables

Hire - purchase receivables are presented amount net of unearned interest income and allowance for doubtful accounts. The Company 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 will consider the repayment ability of each debtor for overdue amounts.

The Company 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 consider account receivables to be un-collectable, they will write them off from the accounts.

c) 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.

d) Loans to customers

Loan to customers would initially be recognised at an amount equal to the net investment.

The Company 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

4.5 Loan receivable from purchase of accounts receivable

The loan receivable from purchase of 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 loan receivable from purchase of accounts receivable are presented at purchase cost less amortised costs and allowance for impairment (if any). The Company and subsidiary recognised loss on impairment of loan receivable from purchase of accounts receivable when it anticipates discounted cash flows to the present values of receivables are lower than carrying value.

4.6 Investments

- a) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- b) Investments in subsidiaries are accounted for in the separate financial statements using the cost method.

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

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

4.7 Equipment/Depreciation

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 equipment by the straight - line method over their estimated useful lives of the assets based on the segregation of components of assets, if each part is significant with different useful lives. Estimate useful lives of the assets are as follows:

Office equipment	-	3 - 5 years
Office furniture	-	5 years
Vehicles	-	5 years

Depreciation is included in determining income.

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

4.8 Computer software

Computer software are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

A summary of the computer software with finite useful lives is 5 years.

4.9 Related party transactions

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

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

4.10 Long-term leases

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

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

4.11 Foreign currencies

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

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

Gains and losses on exchange are included in determining income.

4.12 Deferred financial fees

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

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

4.13 Impairment of assets

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

An impairment loss is recognised in profit or loss.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

The Company, subsidiaries and its 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 trust fund and the Company and subsidiaries' contributions are recognised as expenses when incurred.

Defined benefit plans

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.15 Provisions

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

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

4.17 Fair value measurement

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

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

5. Significant accounting judgements and estimates

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

Leases

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

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

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

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

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

Fair value of financial instruments

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

Impairment of investments

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

Equipment/Depreciation

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

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

Computer software

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

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

The Company and subsidiary estimate future cash collection from loan receivable from purchase of accounts receivable based on quality, type, aging of receivables and historical information of debt collection. The Company and subsidiary assess the periods of collection of loan receivable from purchase of accounts receivable for 5 - 10 years.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

6. Related party transactions

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

Companies	Relationship
Jay Mart Public Company Limited	Parent company
Jay Insurance Broker Company Limited	Subsidiary company

Companies	Relationship
J Asset Management Company Limited	Subsidiary company
J Fintech Co., Ltd. (formerly known as “JMT Plus Company Limited”)	Related company (related by way of common shareholders and/or directors) (A subsidiary until 26 October 2016)
JAS Asset Public Company Limited	Related company (related by way of common shareholders and/or directors)
J Capital Co., Ltd. (formerly known as “Jay Mart Holding Company Limited”)	Related company (related by way of common shareholders and/or directors)
Jaymart Mobile Co., Ltd.	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)

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

	Consolidated		Separate		(Unit: Thousand Baht)
	financial statements		financial statements		Transfer Pricing Policy
	2016	2015	2016	2015	
<u>Transactions with parent company</u>					
Interest income and related income	28,417	24,394	-	-	Mutually agreed rate
Administrative expenses	1,864	1,415	1,864	1,415	Mutually agreed rate
Office rental and services expenses	23,864	20,251	16,973	15,257	Market price
Entertainment expenses	86	388	86	388	Mutually agreed rate
Advertising expenses	-	128	-	8	As agreed by supplier
Miscellaneous expenses	635	219	373	80	As agreed by supplier
Seminar expenses	248	113	248	113	Mutually agreed rate
Sale promotions expenses	6,474	790	-	70	Mutually agreed rate
Purchase of assets	258	262	237	237	As agreed by supplies
Dividend paid	33,080	42,750	33,080	42,750	As declared with normal investor
Interest expense	2	-	2	-	Mutually agreed rate
<u>Transactions with subsidiaries</u>					
(Eliminated from the consolidated financial statements)					
Services income from debts collection	-	-	15,816	1,773	Market price
Interest income	-	-	73,457	27,421	Mutually agreed rate
Debts collection expenses	-	-	591	220	Market price
Interest expense	-	-	-	437	Mutually agreed rate
Purchase of accounts receivable	-	-	3,159	-	Mutually agreed price

(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	
<u>Transactions with related parties</u>					
Services income from debts collection	17,188	-	17,155	-	Market price
Office rental and services expenses	1,060	283	462	261	Market price
Sales promotion expenses	676	-	-	-	Mutually agreed rate
Purchase of account receivable	7,264	-	7,264	-	Mutually agreed price
Services income from debts collection	4,447	-	33	-	Market price
Interest income	3,783	-	3,783	-	Mutually agreed rate
Sale promotions income	17	-	-	-	Mutually agreed price
Interest expense	3,793	-	-	-	Mutually agreed rate
Other services income	510	-	-	-	Mutually agreed price

As at 31 December 2016 and 2015, the balances of the accounts between the Company and those related companies are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<u>Trade and other receivables - related parties (Note 8)</u>				
Parent	420	4,471	394	150
Subsidiaries	-	-	-	1,098
Related parties	6,824	-	6,529	-
Total trade and other receivables - related parties	7,244	4,471	6,923	1,248
<u>Accrued income - related parties (Note 9)</u>				
Parent	-	6,792	-	-
Subsidiary	-	-	-	586
Related parties	9,071	-	8,834	-
Total accrued income - related parties	9,071	6,792	8,834	586
<u>Rental deposits - related parties (Shown under other non-current assets)</u>				
Parent	2,992	4,377	2,992	2,914
Related party	171	340	126	172
Total rental deposit - related parties	3,163	4,717	3,118	3,086
<u>Short-term loans to related parties</u>				
Subsidiaries	-	-	1,006,500	1,188,500
Related party	219,500	-	219,500	-
Total short-term loan to related parties	219,500	-	1,226,000	1,188,500
<u>Trade and other payables - related parties (Note 18)</u>				
Parent	309	13,738	249	205
Subsidiary	-	-	-	49
Related party	90	22	44	22
Total Trade and other payables - related parties	399	13,760	293	276

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2016	2015	2016	2015
<u>Other current liabilities - related parties (Note 19)</u>				
Parent	-	15,991	-	-
Related party	5	-	5	-
Total other current liabilities - related parties	5	15,991	5	-

Short-term loans to related parties

As at 31 December 2016 and 2015, the balance of loans between the Company and its subsidiaries and the movement are as follows:

		(Unit: Thousand Baht)			
		Consolidated financial statements			
Short-term loans to	Relationship	Balance as at	Increase	Decrease	Balance as at
		1 January 2016	during the year*	during the year	31 December 2016
J Fintech Co., Ltd.	Related party	-	1,089,500	(870,000)	219,500
		-	1,089,500	(870,000)	219,500

*Increased from change in portion of investment in subsidiary to other long-term investment

		(Unit: Thousand Baht)			
		Separate financial statements			
Short-term loans to	Relationship	Balance as at	Increase	Decrease	Balance as at
		1 January 2016	during the year	during the year	31 December 2016
J Asset Management Company Limited	Subsidiary	734,000	483,000	(215,500)	1,001,500
Jay Insurance Broker Company Limited	Subsidiary	3,000	4,000	(2,000)	5,000
J Fintech Co., Ltd.	Related party	451,500	1,493,000	(1,725,000)	219,500
		1,188,500	1,980,000	(1,942,500)	1,226,000

Short-term loans to related parties carry interest at 3.41% to 4.85% per annum and to be due at call (31 December 2015: 4.12% per annum).

Directors and managements' benefits

During the year ended 31 December 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and managements as below.

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Short-term benefits	15,466	13,843	9,916	8,681
Post-employment benefits	1,440	156	1,067	156
Total	<u>16,906</u>	<u>13,999</u>	<u>10,983</u>	<u>8,837</u>

7. Cash and cash equivalents

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cash on hand	23	28	10	10
Current deposits	65,990	43,385	25,352	16,007
Savings deposits	45,031	775	44,665	330
Total	<u>111,044</u>	<u>44,188</u>	<u>70,027</u>	<u>16,347</u>

As at 31 December 2016, bank deposits in saving accounts carried interests between 0.370% to 0.375% per annum (31 December 2015: between 0.370% to 0.375% per annum).

8. Trade and other receivables

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	3,233	-	3,233	9
Past due				
Up to 3 months	3,296	-	3,296	1,089
Total trade receivables - related parties	<u>6,529</u>	<u>-</u>	<u>6,529</u>	<u>1,098</u>

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	15,737	11,449	11,494	9,586
Past due				
Up to 3 months	341	2,419	215	1,745
3 - 6 months	104	142	10	142
6 - 12 months	77	-	40	-
Total trade receivables				
- unrelated parties	16,259	14,010	11,759	11,473
Total trade receivables	22,788	14,010	18,288	12,571
Other receivables - related parties	715	4,471	394	150
Total other receivables	715	4,471	394	150
Total trade and other receivables - net	23,503	18,481	18,682	12,721

9. Accrued income

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accrued services income - related parties	9,071	6,792	8,834	586
Accrued services income - unrelated parties	10,228	10,059	9,654	9,267
Accrued interest income	2,538	2,772	2,538	1,333
Total	21,837	19,623	21,026	11,186

10. Other current assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Advance to staffs	17,325	4,587	14,527	3,699
Prepaid expenses	2,085	7,845	1,951	7,765
Undue input vat	589	577	576	226
Value added tax refund	6,441	-	-	-
Withholding tax	244	1,102	-	-
Others	6,045	5,284	4,876	4,756
Total	<u>32,729</u>	<u>19,395</u>	<u>21,930</u>	<u>16,446</u>

11. Hire purchase receivables

11.1 As at 31 December 2016 and 2015, the Company and its subsidiaries had receivables under car hire purchases financing services totalling Baht 17.38 million and Baht 58.92 million, respectively. The terms of the agreements are generally between 3 to 6 years and bears interest at the fixed interest rate as stipulated in the agreement. Hire purchase receivables are stated at outstanding balances net of unearned financial income as follows:

(Unit: Thousand Baht)

	Consolidated financial statements							
	Portion due within one year		Portion due over one year but not over five years		Portion due over five years		Total	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Hire purchase and installment receivables	20,166	32,094	952	39,540	-	1	21,118	71,635
Less: Unearned hire purchase and installment income, net	(3,724)	(7,832)	(15)	(4,881)	-	(1)	(3,739)	(12,714)
Total	16,442	24,262	937	34,659	-	-	17,379	58,921
Less: Allowance for doubtful accounts	(14,619)	(14,848)	(723)	(20,728)	-	-	(15,342)	(35,576)
Net	<u>1,823</u>	<u>9,414</u>	<u>214</u>	<u>13,931</u>	<u>-</u>	<u>-</u>	<u>2,037</u>	<u>23,345</u>

(Unit: Thousand Baht)

Separate financial statements								
	Portion due within one year		Portion due over one year but not over five years		Portion due over five years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Hire purchase and installment								
receivables	20,166	11,766	952	13,402	-	-	21,118	25,168
Less: Unearned hire								
purchase and installment								
income, net	(3,724)	(2,704)	(15)	(1,512)	-	-	(3,739)	(4,216)
Total	16,442	9,062	937	11,890	-	-	17,379	20,952
Less: Allowance for doubtful								
accounts	(14,619)	(5,771)	(723)	(8,982)	-	-	(15,342)	(14,753)
Net	1,823	3,291	214	2,908	-	-	2,037	6,199

11.2 As at 31 December 2016 and 2015, the future minimum lease payments receivable under hire purchase agreements together with the present value of the net minimum lease payments receivable are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements						
31 December 2016						
Aging	Number of agreements	Net receivable of unearned financial income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts	Net
Not yet due	17	1,302	-	1	-	1,302
Overdue for 1 period	2	43	-	1	-	43
Overdue for 2 - 3 periods	3	363	-	2	-	363
Overdue for 4 - 6 periods	2	121	-	20	-	121
Overdue for 7 - 12 periods	5	357	356	50	178	179
Overdue more than 12 periods	85	15,193	15,164	100	15,164	29
Total	114	17,379	15,520		15,342	2,037

(Unit: Thousand Baht)

Consolidated financial statements						
31 December 2015						
Aging	Number of agreements	Net receivable of unearned financial income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts	Net
Not yet due	62	9,129	626	1	6	9,123
Overdue for 1 period	13	2,090	244	1	2	2,088
Overdue for 2 - 3 periods	36	6,909	836	2	17	6,892
Overdue for 4 - 6 periods	16	2,658	462	20	93	2,565
Overdue for 7 - 12 periods	25	5,228	5,208	50	2,604	2,624
Overdue more than 12 periods	154	32,907	32,854	100	32,854	53
Total	306	58,921	40,230		35,576	23,345

(Unit: Thousand Baht)

Separate financial statements						
2015						
Aging	Number of agreements	Net receivable of unearned financial income	Receivable used for computation of allowance for doubtful accounts	% of allowance for doubtful accounts	Allowance for doubtful accounts	Net
Not yet due	29	3,229	6	1	-	3,229
Overdue for 1 period	3	515	-	1	-	515
Overdue for 2 - 3 periods	13	1,543	-	2	-	1,543
Overdue for 4 - 6 periods	5	393	-	20	-	393
Overdue for 7 - 12 periods	6	973	969	50	484	489
Overdue more than 12 periods	75	14,299	14,269	100	14,269	30
Total	131	20,952	15,244		14,753	6,199

The Company and its subsidiaries provide allowances for doubtful accounts in accordance with the guidance of the Thai Hire Purchase Association, whereby the allowances for doubtful accounts are based on receivable aging report which is calculated from under hire purchase receivable agreements deducted by unearned financial income and collaterals (if any). The collaterals are calculated from the cash value as at agreement date, at the rate of 15% - 75% by considering the probability of collection from debtors and selling of collaterals. However, the above basis of allowance policy does not comply with the accounting guideline for the consumer finance business promulgated by of the Federation of Accounting Profession (FAP) with the approval of the Office of the Securities and Exchange Commission. The Company and its subsidiaries have a policy to set up allowances 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 its subsidiaries have set up allowances for doubtful accounts adequately. As at 31 December 2016 the recorded allowance for doubtful accounts are less than the amount computed under FAP guideline of Baht 0.30 million (31 December 2015: Baht 5.42 million (the Company only: Baht 1.05 million)).

- 11.3 As at 31 December 2016, the Company and its subsidiary had hire purchase receivables (net of unearned hire purchase interest income) amounting to approximately Baht 15.67 million, for which revenue recognition has been ceased (2015: Baht 40.79 million (the Company only: Baht 15.66 million)).

12. Loans to customers

12.1 As at 31 December 2016 and 2015, the Company and its subsidiaries had loans to customers of Baht 64.62 million and Baht 632.97 million, respectively. The terms of the agreements are generally between 1 - 10 years and bears interest at the fixed interest rate as stipulated in the agreement. Loans to customers are as follows:

(Unit: Thousand Baht)

Consolidated financial statements								
	Portion due within one year		Portion due over one year but not over five years		Portion due over five years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Loans to customers	64,121	405,256	16,849	341,454	-	644	80,970	747,354
Less: Unearned interest income	(14,307)	(77,272)	(2,042)	(36,929)	-	(185)	(16,349)	(114,386)
Total	49,814	327,984	14,807	304,525	-	459	64,621	632,698
Less: Allowance for doubtful accounts	(32,879)	(13,616)	(7,010)	(1,572)	-	-	(39,889)	(15,188)
Net	16,935	314,368	7,797	302,953	-	459	24,732	617,780

(Unit: Thousand Baht)

Separate financial statements								
	Portion due within one year		Portion due over one year but not over five years		Portion due over five years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Loans to customers	64,121	61,658	16,849	57,587	-	-	80,970	119,245
Less: Unearned interest income	(14,307)	(17,942)	(2,042)	(9,910)	-	-	(16,349)	(27,852)
Total	49,814	43,716	14,807	47,677	-	-	64,621	91,393
Less: Allowance for doubtful accounts	(32,879)	(7,796)	(7,010)	(1,572)	-	-	(39,889)	(9,368)
Net	16,935	35,920	7,797	46,105	-	-	24,732	82,025

12.2 As at 31 December 2016 and 2015, the balances of loans to customers (net of unearned interest income) and allowance for doubtful accounts aged on the basis of due dates, are summarised below.

(Unit: Thousand Baht)

Consolidated financial statements							
Aging	Loans to customers		Percentage of allowance for doubtful account	Allowance for doubtful accounts		Accounts receivable of loans to customers - net	
	2016	2015		2016	2015	2016	2015
Not yet due	19,063	517,575	1	191	5,176	18,872	512,399
Overdue							
1 period	1,538	53,712	1	15	537	1,523	53,175
2 - 3 periods	4,426	53,272	2	89	1,066	4,337	52,206
4 - 6 periods	5,995	4,351	100	5,995	4,351	-	-
7 - 12 periods	17,740	3,803	100	17,740	3,803	-	-
More than 12 periods	15,859	255	100	15,859	255	-	-
Total	64,621	632,968		39,889	15,188	24,732	617,780

(Unit: Thousand Baht)

Separate financial statements							
Aging	Loans to customers		Percentage of allowance for doubtful account	Allowance for doubtful accounts		Accounts receivable of loans to customers - net	
	2016	2015		2016	2015	2016	2015
Not yet due	19,063	62,677	1	191	627	18,872	62,050
Overdue							
1 period	1,538	7,433	1	15	74	1,523	7,359
2 - 3 periods	4,426	12,874	2	89	258	4,337	12,616
4 - 6 periods	5,995	4,351	100	5,995	4,351	-	-
7 - 12 periods	17,740	3,803	100	17,740	3,803	-	-
More than 12 periods	15,859	255	100	15,859	255	-	-
Total	64,621	91,393		39,889	9,368	24,732	82,025

13. Loans receivable from purchase of accounts receivable

As at 31 December 2016 and 2015, loans receivable portfolio classified by group of debtors are as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
	2016		2015	
	Number of contracts	Amount	Number of contracts	Amount
Hire purchase receivables	847,837	1,646,533	805,012	1,612,103
Personal loan receivables	2,204,046	1,904,093	1,725,748	1,319,584
Total	3,051,883	3,550,626	2,530,760	2,931,687
Less: Allowance for doubtful accounts		(102,452)		(102,133)
Net		3,448,174		2,829,554

(Unit: Thousand Baht)

Separate financial statements				
	2016		2015	
	Number of contracts	Amount	Number of contracts	Amount
Hire purchase receivables	771,060	1,142,409	736,255	1,159,387
Personal loan receivables	1,964,097	1,302,737	1,606,013	1,022,731
Total	2,735,157	2,445,146	2,342,268	2,182,118
Less: Allowance for doubtful accounts		(93,516)		(93,178)
Net		2,351,630		2,088,940

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

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	2,829,554	2,088,940
Add: Purchase during the year	905,656	407,688
Less: Portion decrease from cash collection during the year	(284,682)	(143,237)
Increase of allowance for doubtful accounts	(319)	(338)
Reassignment	(2,035)	(1,423)
Balance as at 31 December 2016	3,448,174	2,351,630

As at 31 December 2016, the Company and its subsidiaries expect to collect cash from debtors from the loans receivable of Baht 1,080 million within one year (the Company only: Baht 684 million).

During the year, the Company purchased account receivables from a related party at the amount of Baht 141 million.

14. Investments in subsidiaries

(Unit: Thousand Baht)										
Company's name	Nature of business	Country of incorporation	Separate financial statements							
			Shareholding		Cost		Allowance for impairment of		Carrying amount based	
			percentage				investment		on cost method-net	
			2016	2015	2016	2015	2016	2015	2016	2015
			(%)	(%)						
J Fintech Co., Ltd.	Leasing and factoring business	Thailand	-	99.99	-	120,000	-	(20,717)	-	99,283
Jay Insurance Broker Company Limited	Insurance broker	Thailand	99.99	99.99	5,000	2,000	-	-	5,000	2,000
J Asset Management Company Limited	Asset management	Thailand	99.99	99.99	25,000	25,000	-	-	25,000	25,000
Total					30,000	147,000	-	(20,717)	30,000	126,283

The Company did not receive dividend from its subsidiaries for the year ended 31 December 2016 and 2015.

On 11 August 2015, the Board of Directors meeting of the Company passed 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.

Jay Insurance Broker Company Limited

On 21 July 2016, the Extraordinary Shareholders' Meeting No. 1/2016 of Jay Insurance Broker Company Limited (the subsidiary) passed a resolution to increase its registered share capital from Baht 2 million (0.2 million ordinary shares of Baht 10 each) to Baht 3 million (0.3 million ordinary shares of Baht 10 each) through the issuance of 0.1 million new ordinary shares, par value of Baht 10 each, to the Company at the par value of Baht 10 each. Jay Insurance Broker Company Limited called and received all of the newly issued shares from the Company, for Baht 1 million, and registered the increase in its registered share capital with the Ministry of Commerce on 29 July 2016.

On 1 September 2016, the Extraordinary Shareholders' Meeting No. 2/2016 of Jay Insurance Broker Company Limited (the subsidiary) passed a resolution to increase its registered share capital from Baht 3 million (0.3 million ordinary shares of Baht 10 each) to Baht 5 million (0.5 million ordinary shares of Baht 10 each) through the issuance of 0.2 million new ordinary shares, par value of Baht 10 each, to the Company at the par value of Baht 10 each. Jay Insurance Broker Company Limited called and received all of the newly issued shares from the Company, for Baht 2 million, and registered the increase in its registered share capital with the Ministry of Commerce on 5 September 2016.

J Fintech Co., Ltd.

On 14 October 2016, the Company's Extraordinary Shareholders' Meeting No. 1/2016 resolved to approve J Fintech Co., Ltd. (J Fintech), a subsidiary of the Company, to increase the registered capital in the amount of Baht 1,100 million, dividing into 110 million ordinary shares at the par value of Baht 10 per share. J Fintech' registered capital will change from Baht 120 million to the new registered capital of Baht 1,220 million, dividing into 122 million ordinary shares at the par value of Baht 10 per share, and to waive its right to subscription to new ordinary shares of the subsidiary and appoint Jay Mart Public Company Limited (Jay Mart), a major shareholder of the Company to exercise the right to subscription such share thereto on behalf of the Company. As a result, the Company's shareholding percentage in that Company has changed from 99.99% to 9.84%, resulting in gain incurred from waive its right to subscription to new ordinary shares of subsidiary of Baht 143.92 million presented in the consolidated income statement for the year ended 31 December 2016.

The valuation of the assets and liabilities of such company as at the date of change in portion of investment in subsidiary was as follows:

	(Unit: Baht)
Cash and cash equivalents	211,274,007
Trade and other receivables	7,805,385
Accrued income	27,067,769
Hire purchase receivables	7,975,821
Loans to customers	1,856,198,301
Other current assets	15,541,768
Equipment	8,942,899
Computer software	78,952,231
Other non-current assets	1,150,652
Trade and other payables	(38,856,275)
Short-term loans from related party	(1,089,500,000)
Other current liabilities	(24,784,078)
Provision for long-term employee benefits	(997,650)
Other non-current liabilities	(341,000)
Net assets	<u>1,060,429,830</u>
Cash received for subsidiary's share subscription from the Company's major shareholder as the date of waive right to new share subscription	1,100,000,000
Less: Cash and cash equivalents of subsidiary	<u>(211,274,007)</u>
Net cash increased	<u>888,725,993</u>

15. Equipment

Movement of the equipment during the year ended 31 December 2016 and 2015 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	Office equipment	Office furniture	Motor vehicles	Total
Cost:				
1 January 2015	56,705	4,169	8,482	69,356
Additions	23,397	7,238	1,336	31,971
Disposals	(3,960)	(116)	(1,147)	(5,223)
Transfers	(213)	213	-	-
31 December 2015	75,929	11,504	8,671	96,104
Additions	24,194	5,257	2,888	32,339
Disposals	(205)	(1,046)	(3,493)	(4,744)
Changed from investment in subsidiary to investment in other long-term	(8,725)	(2,965)	-	(11,690)
31 December 2016	91,193	12,750	8,066	112,009
Accumulated depreciation:				
1 January 2015	26,300	651	5,291	32,242
Depreciation for the year	13,751	1,412	1,339	16,502
Depreciation on disposals	(3,808)	(55)	(958)	(4,821)
31 December 2015	36,243	2,008	5,672	43,923
Depreciation for the year	17,650	2,547	1,362	21,559
Depreciation on disposals	(174)	(350)	(3,391)	(3,915)
Changed from investment in subsidiary to investment in other long-term	(2,138)	(610)	-	(2,748)
31 December 2016	51,581	3,595	3,643	58,819
Net book value:				
31 December 2015	39,686	9,496	2,999	52,181
31 December 2016	39,612	9,155	4,423	53,190
Depreciation for the year				
2015 (Baht 2 million included in cost of services, and the balance in administrative expenses)				16,502
2016 (Baht 3 million included in cost of services, and the balance in administrative expenses)				21,559

(Unit: Thousand Baht)

	Separate financial statements			
	Office equipment	Office furniture	Motor vehicles	Total
Cost:				
1 January 2015	56,441	3,963	7,363	67,737
Additions	15,399	4,679	1,336	21,414
Disposals	(3,960)	(116)	(587)	(4,663)
Transfers	(213)	213	-	-
31 December 2015	67,637	8,739	8,112	84,488
Additions	17,036	4,373	2,888	24,297
Disposals	(99)	(1,046)	(2,934)	(4,079)
31 December 2016	84,574	12,066	8,066	104,706
Accumulated depreciation:				
1 January 2015	26,204	646	4,728	31,578
Depreciation for the year	12,954	1,192	1,121	15,267
Depreciation on disposals	(3,809)	(55)	(570)	(4,434)
31 December 2015	35,349	1,783	5,279	42,411
Depreciation for the year	14,922	1,966	1,298	18,186
Depreciation on disposals	(69)	(350)	(2,934)	(3,353)
31 December 2016	50,202	3,399	3,643	57,244
Net book value:				
31 December 2015	32,288	6,956	2,833	42,077
31 December 2016	34,372	8,667	4,423	47,462
Depreciation for the year				
2015 (Baht 2 million included in cost of services, and the balance in administrative expenses)				15,267
2016 (Baht 3 million included in cost of services, and the balance in administrative expenses)				18,186

As at 31 December 2016, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 22 million (2015: Baht 13 million) (The Company only: Baht 22 million, 2015: Baht 13 million).

16. Computer software

The net book value of computer software as at 31 December 2016 and 2015 is presented below.

			(Unit: Thousand Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Cost	40,218	35,259	40,146	27,600
Less: Accumulated amortisation	(18,831)	(14,003)	(18,797)	(13,814)
Net book value	<u>21,387</u>	<u>21,256</u>	<u>21,349</u>	<u>13,786</u>

A reconciliation of the net book value of computer software for the years 2016 and 2015 is presented below.

			(Unit: Thousand Baht)	
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Net book value at beginning of year	21,256	12,593	13,786	12,533
Acquisitions during the year - at cost	85,570	13,149	12,597	5,568
Amortisation for the year	(6,457)	(4,486)	(5,010)	(4,315)
Disposal	(30)	-	(24)	-
Changed from investment in subsidiary to other long-term investment	(78,952)	-	-	-
Net book value at end of year	<u>21,387</u>	<u>21,256</u>	<u>21,349</u>	<u>13,786</u>

17. Short-term loans from financial institutions/Short-term loans

		(Unit: Thousand Baht)	
		Consolidated and Separate	
		financial statements	
		2016	2015
		(% p.a.)	(% p.a.)
<u>Short-term loans from financial institutions</u>			
Promissory notes	-	2.85 - 4.20	-
			442,500
			-
			442,500
<u>Short-term loans</u>			
Bills of exchange	2.20 - 2.65	3.20 - 3.30	595,000
Less: Prepaid interest			(2,476)
			-
Net			592,524
			460,000

As at 31 December 2016, the Company had the unused overdraft lines from banks and other credit facilities Baht 457 million (31 December 2015: Baht 15 million)

18. Trade and other payables

		(Unit: Thousand Baht)	
		Consolidated	Separate
		financial statements	financial statements
		2016	2015
Trade payables - related parties	30	13,128	15
Trade payables - unrelated parties	292,386	33,023	292,334
Accrued interest expenses - unrelated parties	6,296	4,424	6,296
Other payables - unrelated parties	10,967	7,163	10,234
Accrued expenses - related parties	340	632	278
Accrued expenses - unrelated parties	10,676	15,247	9,007
Total trade and other payables	320,695	73,617	318,164
			48,786

19. Other current liabilities

		(Unit: Thousand Baht)	
		Consolidated financial	Separate financial
		statements	statements
		2016	2015
Deposits - related parties	5	-	5
Deposits - unrelated parties	12,903	14,130	4,333
Unearned revenue - related parties	-	15,991	-
Unearned revenue - unrelated parties	303	2,687	303
Others	5,597	3,034	5,146
Total	18,808	35,842	9,787
			4,238

20. Long-term loans

			(Unit: Thousand Baht)	
			Consolidated and separate	
			financial statements	
No.	Interest rate per year (%)	Repayment	2016	2015
1	3.40	Repay of principal and interest every 3 months for 7 installments. The first and second installment repayments are 20% of total withdrawal amount, the third to seventh installment repayments are 12% of total withdrawal amount and repay within 24 months starting after first withdrawal.	-	204,782
2	THBFIX plus 1.35%	Repay of principal and interest every 3 months for 7 installments. The first and second installment repayments are 20% of total withdrawal amount, the third to seventh installment repayments are 12% of total withdrawal amount and repay within 24 months starting after first withdrawal.	101,280	211,000
Total			101,280	415,782
Less: Current portion			(101,280)	(314,502)
Long-term loans - net of current portion			-	101,280

Movement of the long-term loans account during year ended 31 December 2016 are summarised below.

		(Unit: Thousand Baht)
		Consolidated and separate
		financial statements
Balance as at 1 January 2016		415,782
Less: Repayment loans		(314,502)
Balance as at 31 December 2016		101,280

Under the loan agreements, the Company is committed to comply with financial covenants conditions, including maintaining debt to equity ratio and debt service coverage ratio.

21. Debentures

At the Annual General Shareholders meeting of the Company 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 Office of Securities and Exchange Commission. Those debentures could be issued in one or several tranches as agreement.

Balances of debentures as at 31 December 2016 and 2015 are as follows:

						(Unit: Thousand Baht)	
						Consolidated and separate	
						financial statements	
<u>Debentures</u>	<u>Terms</u>	<u>Date of issuance</u>	<u>Due date</u>	<u>Interest rate</u>	<u>Number of debentures</u>	<u>2016</u>	<u>2015</u>
				(% p.a.)	(Thousand units)		
1	2 years	23 July 2015	24 July 2017	4.40	400	400,000	400,000
2	2 years	11 September 2015	11 September 2017	4.35	100	100,000	100,000
3	2 years	22 October 2015	5 November 2017	4.30	110	110,000	110,000
4	3 years	17 June 2016	17 June 2019	4.00	300	300,000	-
5	2 years	26 July 2016	30 July 2018	3.40	100	100,000	-
6	3 years	29 July 2016	29 July 2019	3.85	150	150,000	-
Total debentures - par value						1,160,000	610,000
Less: Unamortised portion of deferred transaction costs						(1,703)	-
Long-term loans - net of current portion						1,158,297	610,000
Less: Current portion						(609,398)	-
Total debentures - net						548,899	610,000

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

The Company used proceeds from issuance of debentures for working capital.

Movements in debentures account during year ended 31 December 2016 are summarised below.

		(Unit: Thousand Baht)
		Consolidated and separate
		financial statements
Balance as at 1 January 2016		610,000
Add: Issuance of debentures during the year		550,000
Balance as at 31 December 2016		1,160,000

Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio and restriction on dividend payment.

22. Provision for long-term employee benefits

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

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Provision for long-term employee benefits				
at beginning of year	5,140	2,851	4,508	2,713
Included in profit or loss:				
Current service cost	1,145	343	532	279
Interest cost	204	136	162	128
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	-	(4,563)	-	(4,244)
Financial assumptions changes	-	2,655	-	2,450
Experience adjustments	-	3,718	-	3,182
Changed from investment in subsidiary to investment in other long-term	(998)	-	-	-
Provision for long-term employee benefits at end of year	5,491	5,140	5,202	4,508

Line items in profit or loss under which long-term employee benefit expenses are recognised are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Selling and administrative expenses	1,349	479	694	407
Total expenses recognised in profit or loss	<u>1,349</u>	<u>479</u>	<u>694</u>	<u>407</u>

The Company and its subsidiaries expect to pay Baht 0.23 million of long-term employee benefits during the next year (Separate financial statements: Baht 0.23 million).

As at 31 December 2015, the Company and its subsidiaries had not expectation to pay long-term employee benefits during the next year.

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 16 - 24 years (Separate financial statements: 16 years) (2015: 16-24 years, separate financial statements: 16 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Discount rate	3.21 - 3.81	3.21 - 3.81	3.21	3.21
Salary increase rate	9.94%	9.94	9.94	9.94
Turnover rate	0 - 40	0 - 40	0 - 40	0 - 40

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 are summarised below:

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
Discount rate	(218)	233	(206)	219
Salary increase rate	216	(203)	221	(209)
Turnover rate	(164)	174	(154)	163

23. Share capital

23.1 On 9 April 2015, the Annual General Meeting of the Company's shareholders passed the following significant resolutions:

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 the 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.

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 5 shares to 1 unit of warrant.

23.2 On 30 December 2016, the warrant holders exercised 2,000,252 warrants to purchase ordinary shares at an exercise price of Baht 18.00 per share, totaling Baht 36,004,536. In December 2016, the Company received full payment for the shares. As a result, the Company registered the increase in its share capital with the Ministry of Commerce on 5 January 2017 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 9 January 2017.

Reconciliation of number

	Consolidated and Separate financial statements			
	2016	2016	2015	2015
	Number of share	(Baht)	Number of share	(Baht)
<u>Registered share capital</u>				
At beginning of year	444,000,000	444,000,000	300,000,000	300,00,000
Increase from approval of the General Meeting of the Company's shareholders on 9 April 2015	-	-	144,000,000	144,000,000
At end of year	<u>444,000,000</u>	<u>444,000,000</u>	<u>444,000,000</u>	<u>444,000,000</u>
<u>Issued and paid-up share capital</u>				
At beginning of year	369,999,930	369,999,930	300,000,000	300,000,000
Increase from increasing share capital	-	-	69,999,930	69,999,930
At end of year	<u>369,999,930</u>	<u>369,999,930</u>	<u>369,999,930</u>	<u>369,999,930</u>

24. Warrant

The Company has issued and allocated warrant no.1 ("JMT-W1") with free of charge by specified holders and transferable to existing shareholders totalling 73,999,545 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. Its first exercise is on 30 September 2015 and able to exercise on the last working day of each quarter.

Reconciliation of number of JMT-W1 warrants

	(Unit: Units)
	Consolidated and Separate financial statements
	31 December 2016
Number of warrants at the issued date	73,999,545
Unsubscribed	-
Exercised during the year (Note 23)	(2,000,252)
Number of warrants at the end of year	71,999,293

25. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit : Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	2016	2015
Salaries, wages and other employee benefit	306,595	222,666
Debt collection expenses	19,646	56,300
Legal fee	57,054	38,075
Bad debt and doubtful accounts	135,616	110,378
Rental expense	23,972	19,721
Depreciation and amortization	28,016	20,992
Utilities expenses	22,376	17,190
Postage expenses	33,426	14,898
Transportation expenses	9,381	7,162
Loss (gain) on impairment of investment	-	-
Sale promotions expenses	30,000	1,604
Printing expenses	17,829	8,952
Bad debt	64,099	-
Photocopy expenses	6,785	3,988
Professional fee	7,236	4,687

26. Income tax

Income tax expenses (tax income) for the year ended 31 December 2016 and 2015 are made up as follows:

	(Unit: Thousand Baht)			
	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current income tax:				
Current income tax charge	52,745	43,958	32,090	11,982
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(6,210)</u>	<u>(18,969)</u>	<u>(6,210)</u>	<u>(17,268)</u>
Income tax expense (tax income) reported in the statements of comprehensive income	<u>46,535</u>	<u>24,989</u>	<u>25,880</u>	<u>(5,286)</u>

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Accounting profit before tax	<u>336,942</u>	<u>119,634</u>	<u>186,397</u>	<u>94,571</u>
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	67,388	23,927	37,279	18,914
Temporary differences and unused tax losses which deferred tax assets have not been recognised	(697)	2,409	(1,013)	2,177
Effects of:				
Non-deductible expenses	560	496	560	496
Additional expense deductions allowed	(66,417)	(65,265)	(31,629)	(63,361)
Additional revenues	(45,701)	63,422	20,683	36,488
Total	<u>(20,156)</u>	<u>(1,347)</u>	<u>(10,386)</u>	<u>26,377</u>
Income tax expense (tax income) reported in the statement of comprehensive income	<u>46,535</u>	<u>24,989</u>	<u>25,880</u>	<u>(5,286)</u>

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

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Deferred tax assets				
Allowance for doubtful accounts for hire purchase receivables	1,036	918	1,036	918
Allowance for doubtful accounts for loans receivable from purchase of accounts receivable	20,490	20,427	18,703	18,636
Allowance for doubtful accounts for loans to employee	133	94	133	94
Allowance for doubtful accounts for loans to customers	7,753	1,874	7,753	1,874
Provision for long-term employee benefits	1,065	922	1,040	902
Total	<u>30,477</u>	<u>24,234</u>	<u>28,665</u>	<u>22,424</u>
Deferred tax liabilities				
Costs of issuing debentures	<u>(353)</u>	<u>(321)</u>	<u>(353)</u>	<u>(321)</u>
Total	<u>(353)</u>	<u>(321)</u>	<u>(353)</u>	<u>(321)</u>
Deferred tax assets - net	<u>30,124</u>	<u>23,913</u>	<u>28,312</u>	<u>22,103</u>

As at 31 December 2016, the subsidiary has deductible temporary differences and unused tax losses totaling Baht 4.2 million (2015: Baht 6.9 million), on which deferred tax assets have not been recognised as the Company believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The unused tax losses amounting to Baht 4.1 million will expire by the year of 2020.

27. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing the profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, as discussed in the above paragraph, plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the year or on the date the potential ordinary shares were issued.

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

Consolidated financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders					
of the parent					
<u>290,407</u>	<u>94,644</u>	<u>370,016*</u>	<u>341,808</u>	0.78	0.27

* Included ordinary shares from cash receipts from share subscription

Separate financial statements					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
Basic earnings per share					
Profit attributable to equity holders					
of the parent					
<u>160,517</u>	<u>99,858</u>	<u>370,016*</u>	<u>341,808</u>	0.43	0.29

* Included ordinary shares from cash receipts from share subscription

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

28. Segment information

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

For management purposes, the Company and its subsidiaries are organised into business units based on its products and services and have three reportable segments as follows:

- Debt tracking and collection service is a service provider in trading the distressed debt in which the creditor is unable to pursue or not wishes to pursue by himself.

- Managing distressed debt resulting from the fact that financial institutions including some of the leasing companies distribute such distressed debt out from the account.
- Segment of car loan service and personal loan service is to provide auto leasing service by focusing loans for used cars and second hand cars and to provide personal loan services.
- No operating segments have been aggregated to form the above reportable operating segments.
- The chief operating decision maker monitors the operating results of the business units separately for the purpose of making decisions about resource allocation and assessing performance. Segment performance is measured based on operating profit or loss and total assets and on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.
- The basis of accounting for any transactions between reportable segments is consistent with that for third party transactions.
- The following tables present revenue and profit information regarding the Company's and its subsidiaries' operating segments for the year ended 31 December 2016 and 2015, respectively

(Unit: Million Baht)

For the year ended 31 December 2016							
	Debt collection business	Non-Performing accounts receivable management business	Personal loan and hire purchase business	Other	Total reportable segments	Adjustments and eliminations	Total
Revenue from external customers	131	739	190	4	1,064	-	1,064
Inter-segment revenue	16	-	-	2	18	(18)	-
Gross profit (loss)	51	472	164	(1)	686	-	686
Unallocated income and expenses:							
Other income							9
Gain from change in portion of investment in subsidiary to other long-term investment							144
Finance cost							(85)
Depreciation and amortisation							(28)
Administrative expenses							(389)
Income tax expenses							(47)
Profit for the year							290

(Unit: Million Baht)

For the year ended 31 December 2015							
	Debt collection business	Non-Performing accounts receivable management business	Personal loan and hire purchase business	Other	Total reportable segments	Adjustments and eliminations	Total
Revenue from external customers	97	571	49	2	719	-	719
Inter-segment revenue	2	-	-	-	2	(2)	-
Gross profit	54	329	21	-	404	-	404
Unallocated income and expenses:							
Other income							1
Finance cost							(54)
Depreciation and amortisation							(21)
Administrative expenses							(210)
Income tax expenses							(25)
Profit for the year							95

Geographic information

The Company and its subsidiaries operate in Thailand only. As a result, all the revenues and assets as reflected in these financial statements pertain exclusively to this geographical reportable segment.

Major customers

For the year 2016 and 2015, the Company and its subsidiaries have no major customer with revenue of 10 percent or more of an entity's revenues.

29. Provident fund

The Company, subsidiaries and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by TISCO Asset Management Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 0.90 million (2015: Baht 0.89 million) were recognised as expenses.

30. Dividends

Dividends	Approved by	Total dividends	Qualified common share	Dividend per share
		(Thousand Baht)	(Thousand shares)	(Baht)
Dividends from the operating results for the year 2015	Annual General Meeting of the shareholders on 7 April 2016	59,200	370,000	0.16
Total dividends for 2016		<u>59,200</u>		
Dividends from the operating results for the year 2014	Annual General Meeting of the shareholders on 9 April 2015	57,000	300,000	0.19
Total dividends for 2015		<u>57,000</u>		

31. Commitments and contingent liabilities

As at 31 December 2016 and 2015, the Company and its subsidiaries have the following commitments:

31.1 Operating lease commitments

The Company and its subsidiaries had commitments under operating lease and service agreements relating to the rental of space for office building with related parties, vehicles and others. The terms of agreement are between 1 to 4 years.

As at 31 December 2016, future minimum lease payments required under these non-cancellable operating leases contracts and service agreements were as follows.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Payable:				
In up to 1 year	22	18	17	14
In over 1 year and up to 4 years	20	23	18	17

31.2 Guarantees

As at 31 December 2016, the Company and its subsidiaries have outstanding bank guarantees of approximately Baht 3.51 million (the Company only: Baht 3.11 million) (31 December 2015: Baht 3.01 million (the Company only: Baht 3.00 million)) issued by banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

32. Fair value hierarchy

As at 31 December 2016 and 2015, the Company and its subsidiaries had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2016			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	1,162	-	1,162

(Unit: Million Baht)

	Consolidated and separate Financial Statements			
	As at 31 December 2015			
	Level 1	Level 2	Level 3	Total
Liabilities for which fair value are disclosed				
Debentures	-	612	-	612

33. Financial instruments

33.1 Financial risk management

The Company and its subsidiaries' financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivable, short-term loans to related parties, loans receivable from purchase of accounts receivable, restricted deposits with bank, hire purchase receivables, loans to customers, short-term loans from financial institutions, trade and other payables, short-term loans, long-term loans and debentures. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company and its subsidiaries are exposed to credit risk primarily with respect to trade and other receivables, short-term loans to related parties, hire purchase receivables and loans to customers, loans receivable from purchase of accounts receivable. The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Company does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of trade and other receivables, short-term loans to related parties, hire purchase receivables and loans to customers as stated in the statement of financial position.

Interest rate risk

The Company and its subsidiaries' exposure to interest rate risk relates primarily to its cash at banks, short-term loans to related parties, restricted deposits with bank, hire purchase receivables, loans to customers, loans receivable from purchase of accounts receivable, short-term loans from financial institutions, short-term loans, long-term loans and debentures. Most of the Company and its subsidiaries' financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2016 and 2015, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Million Baht)

Consolidated financial statements							
As at 31 December 2016							
Fixed interest rates							
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	45	66	111	0.37 - 0.38
Trade and other receivables	-	-	-	-	24	24	-
Short-term loans to related parties	220	-	-	-	-	220	3.42 - 3.58
Deposits at bank with restrictions	2	-	-	-	-	2	0.00 - 2.00
Hire purchase receivables	2	-	-	-	-	2	4.00 - 14.00
Loans to customers	17	8	-	-	-	25	17.28 - 19.44
Loans receivable from purchase of accounts receivable	-	-	-	3,448	-	3,448	Note 13
	241	8	-	3,493	90	3,832	

(Million Baht)

Consolidated financial statements						
As at 31 December 2016						
Fixed interest rates						Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	
Financial liabilities						
Trade and other payables	-	-	-	-	321	321 -
Short-term loans	593	-	-	-	-	593 2.20 - 2.65
Long-term loans	-	-	-	101	-	101 2.57 - 2.92
Debentures	-	1,158	-	-	-	1,158 3.61 - 4.60
	593	1,158	-	101	321	2,173

(Million Baht)

Consolidated financial statements						
As at 31 December 2015						
Fixed interest rates						Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	
Financial Assets						
Cash and cash equivalent	-	-	-	-	44	44 0.37 - 0.38
Trade and other receivables	-	-	-	-	18	18 -
Deposits at bank with restrictions	2	-	-	-	-	2 0.00 - 2.00
Hire purchase receivables	9	14	-	-	-	23 4.00 - 14.00
Loans to customers	314	303	-	-	-	617 17.28 - 27.86
Loans receivable from purchase of accounts receivable	-	-	-	2,830	-	2,830 Note 13
	325	317	-	2,830	62	3,534

Financial liabilities

Short-term loans from financial institutions	443	-	-	-	-	443 2.85 - 4.20
Trade and other payables	-	-	-	-	74	74 -
Short-term loans	460	-	-	-	-	460 3.20 - 3.30
Long-term loans	315	101	-	-	-	416 2.78 - 3.40
Debentures	-	610	-	-	-	610 4.30 - 4.40
	1,218	711	-	-	74	2,003

(Million Baht)

Separate financial statements							
As at 31 December 2016							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	45	25	70	0.37 - 0.38
Trade and other receivables	-	-	-	-	19	19	-
Short-term loans to related parties	1,226	-	-	-	-	1,226	3.41 - 4.85
Deposits at bank with restrictions	1	-	-	-	-	1	0.00 - 2.00
Hire purchase receivables	2	-	-	-	-	2	4.00 - 14.00
Loans to customers	17	8	-	-	-	25	17.28 - 19.44
Loans receivable from purchase of accounts receivable	-	-	-	2,325	-	2,352	Note 13
	1,246	8	-	2,397	44	3,695	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	318	318	-
Short-term loans	593	-	-	-	-	593	2.20 - 2.65
Long-term loans	-	-	-	101	-	101	2.57 - 2.92
Debentures	-	1,158	-	-	-	1,158	3.61 - 4.60
	593	1,158	-	101	318	2,170	

(Million Baht)

Separate financial statements							
As at 31 December 2015							
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	-	16	16	0.37 - 0.38
Trade and other receivables	-	-	-	-	13	13	-
Short-term loans to related parties	1,189	-	-	-	-	1,189	4.12
Deposits at bank with restrictions	1	-	-	-	-	1	0.00 - 2.00
Hire purchase receivables	3	3	-	-	-	6	4.00 - 14.00
Loans to customers	36	46	-	-	-	82	17.28 - 19.44
Loans receivable from purchase of accounts receivable	-	-	-	2,089	-	2,089	Note 13
	1,229	49	-	2,089	29	3,396	

(Million Baht)

	Separate financial statements						
	As at 31 December 2015						
	Fixed interest rates						
	Within 1 year	1-5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)
<u>Financial liabilities</u>							
Short-term loans from financial institutions	443	-	-	-	-	443	2.85 - 4.20
Trade and other payables	-	-	-	-	49	49	-
Short-term loans	460	-	-	-	-	460	3.20 - 3.30
Long-term loans	315	101	-	-	-	416	2.78 - 3.40
Debentures	-	610	-	-	-	610	4.30 - 4.40
	1,218	711	-	-	49	1,978	

33.2 Fair values of financial instruments

Since the majority of the Company and its subsidiaries' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. The carrying value and fair value of long-term financial liabilities as at 31 December 2016 and 2015 are presented below.

(Unit: Million Baht)

	Consolidated and separate financial statements			
	As at 31 December 2016		As at 31 December 2015	
	Carrying		Carrying	
	amount	Fair value	amount	Fair value
Financial liabilities				
Debentures		1,158	610	612

The methods and assumptions used by the Company and its subsidiaries in estimating the fair value of financial instruments are as follows:

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, trade and other receivables, restricted deposits with banks, short-term loans from financial institutions, trade and other payables and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.
- For hire purchase receivables and loans to customers, fair value stated net of unearned interest income and allowance for doubtful accounts.

- c) For fixed rate debentures, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the bonds with similar terms and conditions.
- d) For long-term loans, their carrying amounts in the statement of financial position approximates their fair value.

During the current year, there were no transfers within the fair value hierarchy.

34. Capital management

The primary objective of the Company and its subsidiaries' capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2016, the Group's debt-to-equity ratio was 1.15:1 (2015: 1.24:1) and the Company's was 1.22:1 (2015: 1.20:1).

35. Events after the reporting period

On 20 February 2017, a Board of Directors Meeting of the Company passed the following resolutions:

- Approved to propose Annual General Meeting of the Company to pay dividend for the year 2016 at Baht 0.66 per share amounting to Baht 246,846,105.
- Invested in a new 100% subsidiary, with registered share capital of KHR 3,379,148,000 (equivalent to Baht 30.6 million) to engage in providing debts collection services and call center. This subsidiary is in the process of establishment.

36. Reclassification

The Company and its subsidiaries have reclassified certain accounts as follows:

(Unit: Thousand Baht)

	As at 31 December 2015				As at 1 December 2015			
	Consolidated financial		Separate financial		Consolidated financial		Separate financial	
	statements		statements		statements		statements	
	As reclassified	As previously reported	As reclassified	As previously reported	As reclassified	As brought forward	As reclassified	As brought forward
Other current assets	19,395	18,294	16,446	16,446	23,302	23,257	15,456	15,456
Trade and other payables	73,617	66,455	48,786	45,923	176,345	175,427	175,185	174,451
Income tax payable	24,297	23,195	7,753	7,753	17,664	17,619	1,469	1,469
Other current liabilities	35,842	48,168	4,238	11,935	3,544	8,001	2,070	6,232
Other non-current liabilities	5,163	-	4,834	-	3,539	-	3,428	-

(Unit: Thousand Baht)

	For the year ended 31 December 2015			
	Consolidated financial statements		Separate financial statements	
	As previously		As previously	
	As reclassified	reported	As reclassified	reported
Administrative expenses	231,304	231,304	180,183	187,747
Loss from impairment				
on investment in subsidiary	-	-	7,564	-

The reclassifications had no effect to previously reported profit or shareholders' equity.

37. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 20 February 2017.

THE POWER OF **SYNERGY**

CHAPTER II

ANNUALREPORT 2016

JMT NETWORK SERVICES PLC.

บริษัท เจเอ็มที เน็ตเวิร์ค เซอร์วิส จำกัด (มหาชน)

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