



network services

2020

# Annual Report

บริษัท เจเอ็มที เน็ตเวิร์ค เซอร์วิส จำกัด (มหาชน)



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## Financial Highlights

Unit: Mil. Baht

	2018	2019	2020
Total Revenues from Core Business <sup>1/</sup>	1,884.0	2,524.6	3,190.8
Gross Profit	1,086.3	1,413.0	2,157.8
Net Profit	505.5	681.3	1,047.0
Total Assets	8,363.3	10,142.0	14,270.4
Total Liabilities	4,896.5	6,708.3	8,516.0
Total Shareholder's Equity	3,466.8	3,433.2	5,754.5

	2018	2019	2020
Net Profit Margin	27.0%	27.0%	32.8%
Return on Equity (ROE)	17.67%	20.07%	22.96%
Return on Assets (ROA)	9.77%	9.07%	9.91%
Debt to Equity Ratio (D/E) (times)	1.41	1.68	1.27
Earning Per Shares (Baht/Share) (EPS)	0.60 <sup>2/</sup>	0.77	1.15

1/Total Revenues from Core Business is Services income from debts collection and others, Revenues from collection of purchased accounts receivable and Interest income and related income.

2/The Company has been changed its par value of 1 baht to be 0.5 baht per share. The par change will not impact shareholding structure change of each shareholder.



## Message from the Board of Directors

Dear Shareholders

In the midst of the Coronavirus 19 outbreak in 2020, it marked the fourth consecutive year that the company performed well and achieved the highest record, debt collection with cash flow of 3,704 million baht, a 15% growth from the previous year which is a result of better debt collection efficiency. And the potential of the debt pile that the company has invested in the past. The company posted a net profit of 1,047 million baht, a 54% increase from 2019, which is the company's highest net profit since its inception.

It is well known that in the year 2020, the coronavirus outbreak created vulnerability to household debt affected by the employment condition shrink. And some businesses have to close down, leading to an increase in household debt. Such an increase in the amount of distressed debt provides an opportunity for asset management companies to bid for more distressed debt. In 2021, the company expects that the amount of distressed debt will be even more likely. The company has prepared sufficient budget to purchase such non-performing debt. And in 2021, the company remains confident that it will maintain its No.1 leadership in debt management business for Unsecure Loan.

On this occasion JMT would like to thank our shareholders, customers, business partners, management and all employees that contribute to JMT's continued growth in business. JMT would like to assure you that we will operate our business professionally. And continually develop organizational capabilities along with implementing the Corporate Social Responsibility policy to be a role model for society in order for society to have a better quality of life forever.



Mr. Adisak Sukumvitaya  
Chairman of the Board



Mr. Sutthirak Traichira-aporn  
Director and Chief Executive Officer



## Board of Directors

### Mr. Adisak Sukumvitaya



**Age** : 65 Years  
**Position** : Chairman of the Board  
**Educations** : 1978 Master of Economics Kasetsart University  
1980 Bachelor of Economics Kasetsart University  
**Certification** : 2008 Director Accreditation Program (DAP) of Thai Institute of Directors  
2014 Capital Market Academy (CMA 15)

#### Experience

2016 – Present	Chairman of the Board	Jaymart Mobile Co., Ltd
2017 – Present	Chairman of the Board	J Ventures Co., Ltd
2016 – Present	Chairman of the Board	Singer Thailand PCL.
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 Co., Ltd
2013 – Present	Chairman of the Board	Jaymart Insurance Broker Co., Ltd
1990 – Present	Director and Chief Executive Officer	JMART PCL.
2004 – Present	Chairman of Executive Board member	JMART PCL.
2012 – Present	Director	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** : 65 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	Jay art Mobile Co., Ltd
2017 – Present	Director	J Ventures Co., Ltd
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	Jaymart Insurance Broker Company Limited
2001 – Present	Chairman of the Board	J Fintech Co., Ltd
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 Co., Ltd

### 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** : 50 Years  
**Position** : Director, Executive Director  
**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
2015 – Present	Director	Singer Thailand PCL
2013 – Present	Director	J Asset Management Co., Ltd
2013 – Present	Director	Jaymart Insurance Broker Co., Ltd
2011–Present	Director	J Fintech Co., Ltd

### 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** : 65 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 – 2018	Head of Office of CEO, Ananda Development PCL.
2018 – Present	Director, 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** : 56 Years  
**Position** : 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.  
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 Atisaitrakul

**Age** : 55 Years

**Position** : Director (Independent Director)

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

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

### 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





## Mr. Sutthirak Trichira-aporn

**Age** : 43 Year

**Position** : Director

Executive Director

Chief Executive Officer

Director of Marketing and Sales

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



### Experience

2017–Present Chief Executive Officer / Executive Director

JMT Network Services PCL.

2016–Present Director of Marketing and Sales

JMT Network Services PCL.

2006–2012 Senior Manager, Marketing and Sales

JMT Network Services PCL.

2013–1016 Assistant Director of Marketing and Sales

JMT Network Services PCL.

2013– Present Director J Asset Management PCL.

2013– Present Director Jaymart Insurance Broker Co., Ltd

### 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: 187 Jaymart Bldg., 4 – 6<sup>th</sup> Fl., Ramkhamhaeng Rd., Rat Phatthana,  
Sapansoong, Bangkok 10240  
Telephone: 0-2308-9999  
Fax: 0-2308-9900  
Company Registered Number: 0107555000074  
Website: [www.jmtnetwork.co.th](http://www.jmtnetwork.co.th)  
Type of Business: Debt collection services and distressed debt management  
Registered Capital: 1,574,300,572 Baht  
Paid-up Capital: 976,091,341 Baht (Par Value 0.50)

### Subsidiary Companies

#### J Asset Management Company Limited

Head Office: 187 Jaymart Bldg., 4<sup>th</sup> Fl., Ramkhamhaeng Rd. Rat Phatthana,  
Sapansoong, Bangkok 10240  
Telephone: 0-2308-9999  
Fax: 0-2308-9840  
JMT Shareholding Proportion: 99.99%  
Company Registered Number: 0105556069459  
Type of Business: Non-Performing Debt Management Business  
Registered Capital: 300,000,000 Baht  
Paid-up Capital: 300,000,000 Baht

#### Jaymart Insurance Broker Company Limited

Head Office: 187 Jaymart Bldg., 5<sup>th</sup> Fl., Ramkhamhaeng Rd. Rat Phatthana,  
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](http://www.jayinsurancebroker.co.th)  
Type of Business: Insurance Brokerage  
Registered Capital: 15,000,000 Baht  
Paid-up Capital: 15,000,000 Baht



**JP Insurance Public Company Limited**

Head Office: 100/100 Vongvanich Complex B Building, 29th Floor, Rama 9 Road,  
Huai Khwang District, Bangkok 10310

JMT Shareholding Proportion: 55%

Company Registered Number: 0107556000060

Website: www.jpinsurance.co.th

Type of Business: Non-Life Insurance

Registered Capital: 572,000,000

Paid-up Capital: 572,000,000

**Companies considered as investments****J Fintech Company Limited**

Head Office: 189 Jaymart Bldg., 3-4th Fl., Ramkhamhaeng Rd. Rat Phatthana,  
Sapansoong, Bangkok 10240

JMT Shareholding Proportion: 9.84 %

Company Registered Number: 0105554042308

Website: www.jmoney.co.th

Type of Business: Personal loan

Registered Capital: 1,220,000,000 บาท

Paid-up Capital: 1,220,000,000 บาท

**Auditor****EY Office Limited**

193/136-137 Lake Ratchada Office Complex, 33rd Fl., Ratchadapisek Road, Klongtoey, Bangkok  
10110 Tel: 0-2264-0777 0-2661-9190 Fax: 0-2264-0789-90

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



**Legal Advisor**

Thep Co., Ltd

1193 EXIM Building, 11<sup>th</sup> Floor, Room 1107-1108, Phaholyothin Rd, Samsennai, Phayathai  
Bangkok 10400 Telephone: 0-2278-1683-84 Fax: 0-2271-2367,0-2271-2587

**Investor Relations**

Mr. Panya Chutisiriwong

Tel: 02 308 8196

Email: [panya@jaymart.co.th](mailto:panya@jaymart.co.th)



# 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 5<sup>th</sup>, 2013, the company established a subsidiary, JMT Insurance Broker Co., with the authorized capital of 2 million baht for continuing running the broker business in disaster type.
- On April 26<sup>th</sup>, 2013, the company established another subsidiary, J Asset Management Co., with the authorized capital of 25 million baht for pursuing the buying Non-Performing Load (NPL) which is already went through the legislative procedure from the financial institute
- 2014** JMT Insurance Broker Company Limited name changed J Insurance Broker Company Limited is a subsidiary of Company
- 2015** JMT PLUS Co., Ltd. (Subsidiary) received a license to conduct a personal loan business under supervision and retail loans for making a living under supervision. The J-Money personal loan service was launched during the 4th quarter of 2015.
- 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”
- 2017** Board of Director No.2/2017 passed a resolution to approve to set up a subsidiary in Cambodia, JMT (Cambodia) Co., Ltd to engage collection business. The company establishment was completed on 6 June 2017
- Board of Director No.6/2017 has resolved to approve to increase paid-up capital in subsidiary, J Asset Management by increase registered capital of 27.5 million shares at 10 Baht per share. The paid-up capital after complete capital increasing was 300 million Baht.
- 2018** Board of Director No.1/2018 approved to signed the Share Purchased Agreement and Shareholder Agreement of Phoenix Insurance (Thailand) PCL which subsequently changed the company name to JP Insurance PCL. The Company is a major shareholder with 55% of shareholding in the JP Insurance PCL.



Board of Director No. 3/2018 approved to change its par value from 1 baht to 0.5 baht. And the number of share change as according to its par value change to be 887,990,872 share and approve to issued warrant No.2 (JMT-W2) amount not exceed 221,997,781 unit. The Extra Ordinary Shareholder Meeting No.1/2018 approved as the board of directors proposed.

Board of Director No.5/2018 approved to dissolve the subsidiary JMT Cambodia Co., Ltd

**2019** The Extra Ordinary Shareholder Meeting No.1/2019 for issuance and offering the debentures with a revolving amount of 5,000 million baht. After the shareholder approved the Company will then possess the credit limit for debenture for 10,000 million baht.

Amendment the Objectives in the Article of Association of the Company by adding 1 objective

“Article 33 To conduct business of risk assessment, damage value assessment, asset appraisal, advisor, recommendation, services for surveyor, accident and casualty assessment of insurance policy, claim including act as an agent of aforementioned activities for personal, juristic person, insurance company, government and/or public enterprise.”

On 23 April 2019 the subsidiary of the Company has changed the Company name from J Insurance Broker Co., Ltd to Jaymart Insurance Broker Co., Ltd.

**2020** On February 5, 2020, Jay Mart Public Company Limited, “Parent Company”, sold 3.15% of JMT Network Services Public Company Limited’s total voting rights of the business to the Company BTS Group Holdings Public Company Limited or “BTS” The objective is to attract BTS as a business partner and expand the business in the future. After the disposal of the said shares as a result, the shareholding portion of Jay Mart Public Company Limited, “parent company”, was reduced to 52.63% of the total voting rights of the business. And reported the sale of securities (Form 246-2) to SEC and SET on February 7, 2020.

It was approved by the Extraordinary General Meeting of Shareholders No. 1/2020 on November 2, 2020 as follows:

- Approved the issuance of warrants to purchase ordinary shares of JMT Network Services Public Company Limited No. 3 for allocation to the existing shareholders in proportion (Right Offering) (“JMT-W3”) In the amount not exceeding



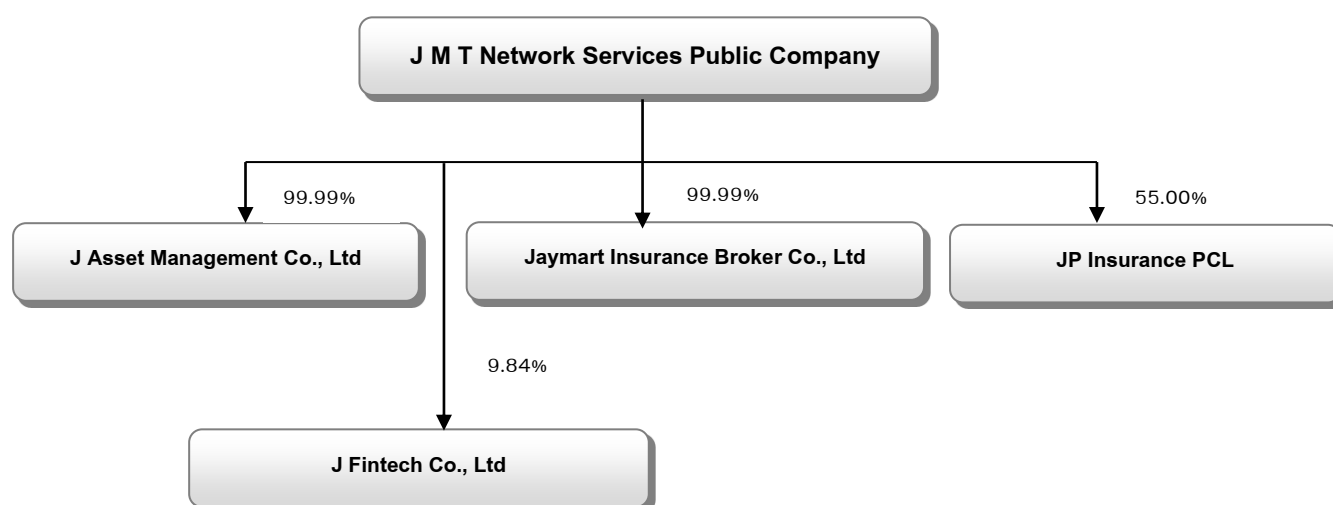
100,000,000 units allocated free of charge. The exercise price is 42 baht per share; the term of the warrant is 1 year and 6 months.

- Approved the issuance of warrants to purchase ordinary shares of JMT Network Services Public Company Limited to allocate to the directors, executives and employees of the Company and / or its subsidiaries No. 1 (JMT- ESOP W1) in amount not exceeding 3,200,000 units, term of warrant 3 years free of charge. Here are important details of the JMT-ESOP W1.
- Approved to increase the Company's registered capital of 232,155,991 baht from the original registered capital of 554,994,295 baht to 787,150,286 baht by issuing 464,311,982 newly issued ordinary shares at the par value of 0.50 baht per share and approve the amendment of the memorandum of association of the company No. 4.
- Resolution to approve the issuance and offering of debentures credit limit not exceeding 3,000 million baht.
- Approved the allocation of 464,311,982 newly issued ordinary shares of the Company with a par value of 0.50 baht per share to support (1) Issuance and Offering of JMT-W3 (2) Issuance and Offering for Sale of JMT-ESOP W1 (3) Use Convertible rights JMT-W2 is added according to the new exercise ratio and (4) Capital Increase with a general mandate.

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

### Company Group Structure

As at 31 December 2020, the company has a subsidiary company operating of 3 companies J Asset Management, Jaymart Insurance Broker Co., Ltd and JP Insurance Public Company Limited. For J Fintech Co., Ltd is considered as a long-term investment.





## **Business operation of the Company and its subsidiary**

Currently 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, 2020 the company has the amount of debt assigned to track from the employer in the amount of 32,682 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. 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 and its subsidiary operate 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 and its subsidiary 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 and its subsidiary 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, 2020, the company has distressed debt under management in the total book value of loans from debt purchase 9,834 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. This is the business with no risk of impairment of the goods. Due to 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.

### **Non-Life Insurance Business**

The subsidiary of the Company conducts non-life insurance business by transform and utilizing technology or Insures for the insurance business. In 2020, the revenues structure for motor insurance 64% and non-motor insurance 36% from total insurance premium of 394 million baht. The subsidiary of the company aim to diversify portfolio to the potential area which has lower claim ratio and Synergy with the group of 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 2018- 2020, comprises of revenues as follows

The Company's revenue structure	31 December 2018		31 December 2019		31 December 2020	
	MB.	%	MB.	%	MB.	%
<b>Core Business</b>						
Revenue from contracts with customers <sup>1/</sup>	288.7	15.4	363.7	14.3	362.1	11.3
Interest and dividend income <sup>2/</sup>	1,228.4	65.6	1,294.5	51.0	1,726.5	53.8
Profit on Loans on Acquisition of Accounts	269.6	14.4	655.7	25.9	902.9	28.2
Income from insurance <sup>3/</sup>	98.3	5.3	210.6	8.3	199.2	6.2
<b>Total revenue from core business ***</b>	<b>1,868.7</b>	<b>99.7</b>	<b>2,524.60</b>	<b>99.5</b>	<b>3,190.8</b>	<b>99.5</b>
Other income <sup>4/</sup>	6.4	0.3	11.8	0.5	16.0	0.5
<b>Total income</b>	<b>1,875.1</b>	<b>100.0</b>	<b>2,536.4</b>	<b>100.0</b>	<b>3,206.8</b>	<b>100.0</b>



## **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 The Company and its subsidiary aim to buy more Non-performing debt for management with the short-term goal to buy debt amount in full to manage, with investment budget around 30,000 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.

For 2020, The Company and its subsidiary acquired non-performing loan with an investment amount of 32,561 million baht from financial institution

### **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.

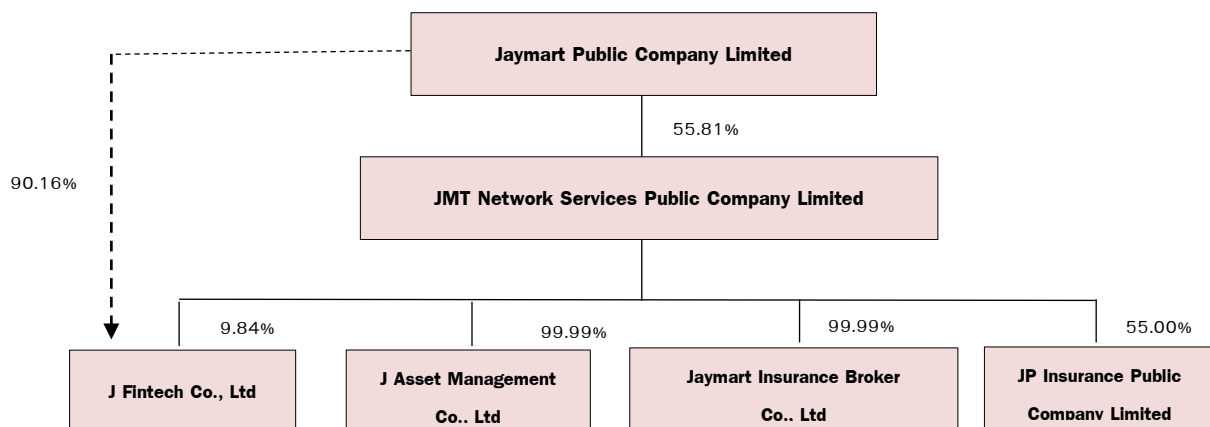
For entering into the insurance broker business, the company views this kind of business as the interesting one, and no risk in depreciation of the products and services.

### **Insurance Business**

The Company and subsidiary target to expand insurance business by utilizing technology in business such as development of direct sale for customer through Web Application.

### **1.5 Relationship with Major Shareholder**

The core business of the Company consist of 3 main business debt tracking business, debt management and insurance and insurance broker business which under the group of companies of Jaymart, the major shareholder, the group structure of Jaymart Group of Companies are as following as of 31 December 2020;





# 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 3 main types of business such as tracking and collection of debt service business, non-performing debt management and Insurance Broker Business. which have risk that are different according to the type of business as follows.

#### 1.1.1 Debt tracking and collection service business

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

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

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



collection service business and the bargaining power of the employer and making the company able to manage the existing staff more effectively.

#### **1.1.1.2 Risk of competition in the industry**

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

However, the company expects the risk from the competition to be not much. As the employer of the company mainly are commercial banks, financial institutions or large companies which focuses on the properties of the operators, service quality and risk of the image of the employer. The company has a policy in tracking and collection of debts by focusing on the service quality at the competitive prices. With personnel and information systems to store data effectively, while most operators are still small companies with less personnel or lack of debt tracking system to support the services provided to the major employers. The company has experiences in debt tracking and collection and the good relationship that the company has with an employer for more than 20 years, has won the outstanding performance from various employers and for many years in a row. Making the company confident that the company has the capability and able to compete with other operators in the industry.

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



#### **1.1.1.3 The risk of litigation arising from the debt tracking**

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

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

#### **1.1.1.4 The risk of the operation which may cause a bad image to the society**

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

Moreover, the company has strict policies in the tracking and collection of debt in a polite manner and respect to the debtor. The company has specified policy in the contacting for collection period from 8.30 am to 20.00 pm, Monday to Friday and other measures which is in accordance with the practice in debt collection, issued by the Bank of Thailand. In the past the company has won the trust in the high quality of debt tracking and collection from the employer group. The company has never received a complaint of improper debt collection of the company from employers.

#### **1.1.1.5 The risk of reliance on major customers**

The Company operates the business in providing debt tracking and collection service with the revenue from the tracking and collection of debt from the employer who is one of the financial institution for a high ratio of approximately 30 – 40 percent, compared to the revenue from the tracking and collection of debt each year, representing approximately 10 percent of total revenues. In the past the company has a good relationship with such employer, throughout. This is the employer who has been sending the work to the company since 1998 and the company has enter in to an employment agreement to provide debt tracking and collection service for this client, with the term of about 3 years, but there has always been a renewal of the agreement. However, because there are many operators in this business, it is likely that



the employer will not renew the contract with the company or turn to enter the agreement partially or all with other of the other patrons. This may affect the revenues of the company, and if the company is unable to find a replacement employer, it may have a negative impact on the company's business in the long run.

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

### **1.1.2 Non-profit debts management Business**

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

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

However, determining and setting of the purchase price of the Non-performing debt each time, the company has carefully planned and verifying the information of the debt in detailed from the information provided by the seller. Information such as debt collection analysis data, and other information in order to assess the duration and the proportion of money that is expected to be collected by the company, the cost of the operation throughout debt collection period and the rate of return that the company demands. Including the fact that the company has experiences in tracking and collection of debt for a period of up to 20 years, with analysis data of the debt collection history and monitoring of debt collection continuously and consistently. This is by setting up an executive meeting in order to monitor and evaluate the collection result on a weekly basis. Include the finding of a marketing solution or measures to support and motivate the debt collection.



#### **1.1.2.2 Risk of competition in the industry**

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

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

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

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

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

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



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

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

#### **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.

##### **Potential risks from Insurance Underwrite**

The insurance business is based on concept of risk sharing from insurer. If there a claim it will incur expenses for the policy. The company is aware by manage to lower risk by select the insurance policy which have lower claim rate such as for non-motoring insurance and re-insurance to re-insurer company.

##### **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, 2019 JMRT Public Company Limited (“JMART”), a major shareholder of the Company, hold 55.81 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. Sutthirak Traichira-apron, the Chief Executive Officer and Acting Executive Director of Marketing and Sales of the Company, is an experienced person in the business for a long time. He is well known and generally accepted in the tracking and collection and management of debt, which is the key feature in contacting with the customer and the business operation of the company. He is also the one who determine the frameworks and policies in the operation of the business as well.



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

## Shareholding Structure

31 December 2020, The Company has registered capital of 787,150,286 Bath. With paid-up capital 488,045,670.50 Bath. Divided into number of 976,091,341 shares. Par value is 0.5 Bath per share.

### Common shares

As at December, 2020 name of 10 major 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 (Par Value of 0.5)	%
1	Jaymart Public Company Limited*	512,553,728	52.51%
2	Thai NVDR	39,928,880	4.09%
3	Dr. Pongsak Thammathatari	36,186,200	3.71%
4	Mr. Paiboon Sereewiwattana	31,965,676	3.27%
5	Mr. Sompong Silinsomboon	20,000,000	2.05%
6	Miss Phitsinee Sereewiwattana	12,226,900	1.25%
7	Mr. Napat Punjakunathorn	10,597,000	1.09%
8	SCB Long Term Equity Dividend Fund	9,770,600	1.00%
9	SOUTH EAST ASIA UK (TYPE C)	9,753,300	1.00%
10	Mr. Somkuan Choowatanapakorn	8,260,000	0.85%
11	Other minor shareholders	284,849,057	29.18%
	<b>Total</b>	<b>976,091,341</b>	<b>100.00</b>

\*Jaymart Ultimate Shareholders detail are as following:

1	Mr. Adisak Sukumvitaya	146,288,704 shares	or 16.14%
2	Ms. Yuvadee Pong-Acha	106,031,582 shares	or 11.70%
3	Mr. Ekachai Sukumvitaya	85,481,173 shares	or 9.43%
4	Ms. Jutamas Sukumvitaya	71,945,409 shares	or 7.94%

### Dividend Policy

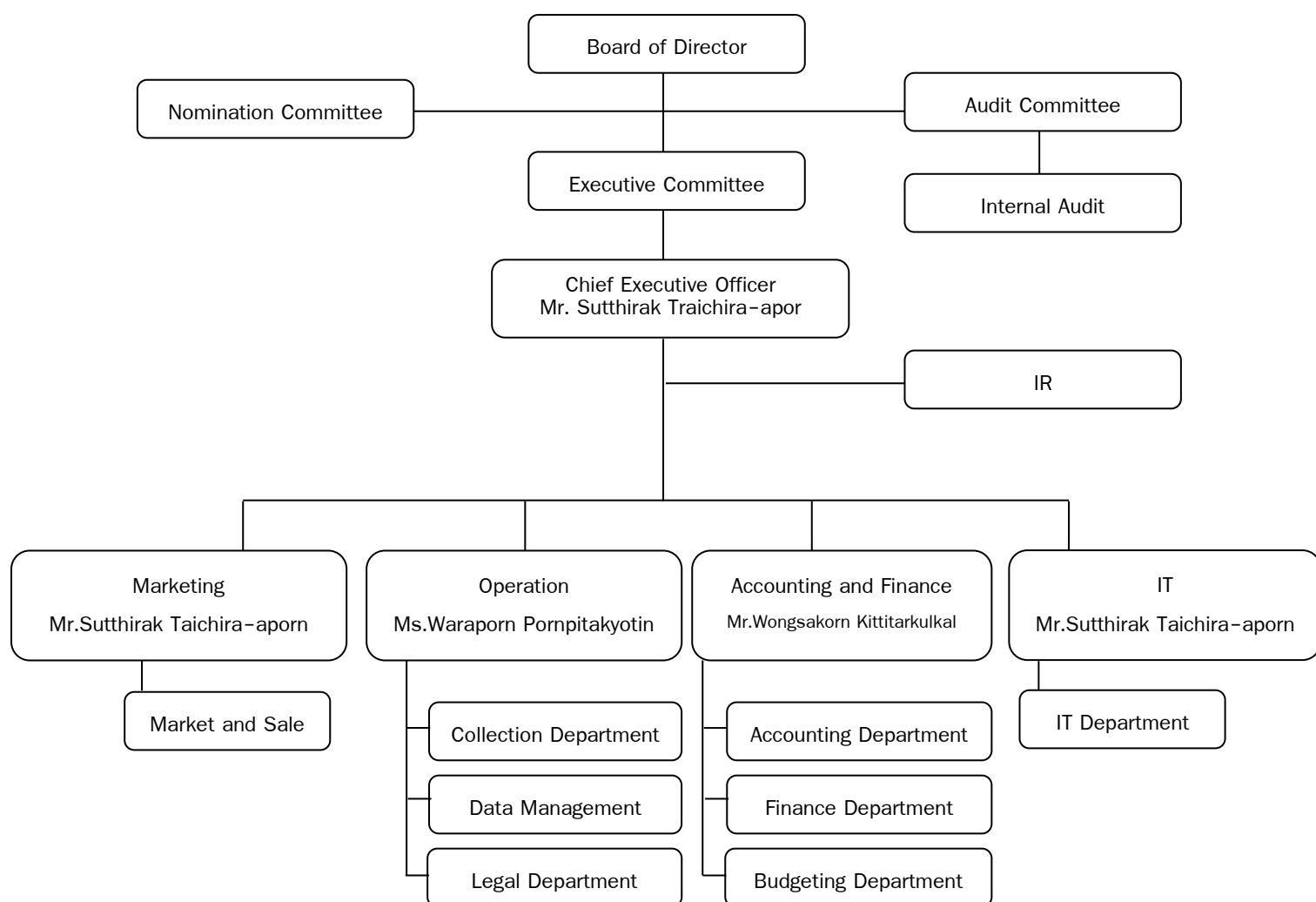
The Company's dividend policy is no less than 50 percent of Company's net income after tax and all reserved, however, the dividend payment may change subjected to Company's operation, investment plan, necessity, and appropriation



## Organization Structure

As at December 31, 2020 the Organization charts of the company as follows Board of Director and Committees comprises of 5 sets as follows

1. Board of Directors
2. Nomination and Remuneration Committee
3. Audit Committee
4. Executive Committee
5. Management Team





## Board of Directors

As at December 31, 2020 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/<br>Nomination and Remuneration Committee     |
| 3. | Mr. Piya       | Pong-Acha       | Director/ Executive Director/<br>Nomination and Remuneration Committee         |
| 4. | Mr. Sutthirak  | Trichira-aporn  | Director / Executive Director /<br>Chief Executive Officer                     |
| 5. | Mr. Remgchai   | Ingkapakorn     | Chairman of Audit Committee/Independent Director                               |
| 6. | Mr. Kanchit    | Kawachat        | Audit Committee/ Independent Director  |
| 7. | Mr. Somsak     | Atisaitrakul    | Audit Committee/ Independent Director<br>Nomination and Remuneration Committee |
|    | Mr. Wongsakorn | Kittitrakulkarn | Company Secretary  |

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 Mr. Sutthirak Trichira-aporn 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, 2020 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    | Harnwichit   | 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 earning or sale of company's product including to revealing company's information. In case of list relate on subject that conflict in benefit to be correct and complete and permission to present to committee and/or shareholder of company to be as law determine and ensuring maximum benefit for company

6. Making list of committee's activity and publish to yearly report of company which must have plenty information as law determine and been sign by director of committee the report must have these information

- Opinions of method and publish information in yearly report of company's financial
- Reason to believe that auditor suit for next term.
- Opinion about law enforcement in stock exchange and law relate on company's business
- Number of audit committee and participation of them
- Opinion from operate by charter
- Other report that shareholder should to know under responsibility of company's board

and/or to be

by law determined

7. Audit committee has responsibility to company's board as given by board including report about their activity. In these case the committee must report to company's board immediately

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

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

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

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

10. Operation as the board given such 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 2020 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. Chaianan   | 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 is 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 2020 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 is 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 o 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 do 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, Financial statement and Income Statement 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 2020 the Annual General Meeting of Shareholders 2020 on April 10, 2020 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	2019	2020
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. Mr. Sutthirak Trichira-aporn	Committee	60,000	60,000
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. Somsak Atisairakul	Audit Committee/Independent Director	60,000	120,000

Position	2019		2020	
	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
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 5 executives for the period ended December 31, 2019 and for the period ended December 31, 2020 was 7,831,667 Baht and 10,398,325 Baht which consists of salary, bonuses and other, such as commissions, compensation for the transportation expenses for social security, money fund, and other income. The Board of Directors is the Executive Director and Chief Executive Officer of the Company by definition, the SEC



# Good Corporate Governance Report

## Good 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. Panya Chutisiriwong 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 satisfies 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 equipment 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 2019 and 2020, the company arranges the Board of Direct committee meeting for 4 times and 8 time that there are the detail in the meeting as follow;

Name	Position	2019	2020
1. Mr. Adisak Sukumvittaya	Chairman of The Board	4/4	8/8
2. Ms. Yuvadee Pong-Acha	Director	4/4	8/8
3. Mr. Piya Pong-Acha	Director	4/4	8/8
4. Mr. Reangchai Ingkaphakorn	Audit Committee	4/4	8/8
5. Mr. Kanchit Kawachat	Audit Committee	4/4	8/8
6. Mr. Somsak Atisaitrakul <sup>2/</sup>	Audit Committee	4/4	8/8
7.Mr. Sutthirak Trichira-aporn	Audit Committee	4/4	8/8

From meeting attendance statistic show that the directors of company attend the board of meeting more than 75% of total number of meeting in 2020.

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.

#### **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 2019 and 2020 the Audit Committee meeting for 4 times and 4 times, the details of attendance of each director are as follows.

Name	Position	2019	2020
1 Mr. Reangchai Ingkaphakorn	Chairman of Audit Committee	4/4	4/4
2.Mr. Kanchit Kawachat	Audit Committee	4/4	4/4
3.Mr. Somsak Atisaitrakul	Audit Committee	4/4	4/4

#### **Nomination and Remuneration Committee**

Nomination and Remuneration Committee consider the written report for meeting and manage the system that can evaluate at the meeting at JMT Network Services Ltd. In 2019 and 2020, the



Nomination and Remuneration Committee arrange meeting for 2 times and 3 times, the details of attendance of each director are as follows.

Name	Position	2019	2020
1. Mr. Somsak Atisairakul	Chairman of the Nomination and Remuneration committee	2/2	3/3
2. Ms. Yuvadee Pong-Acha	Nomination and Remuneration committee	2/2	3/3
3. Mr. Piya Pong-Acha	Nomination and Remuneration committee	2/2	3/3

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

#### **Executive Committee**

The committees meeting arrange at least 4 times per year and they are able to call the meeting for important agenda. In 2019 and 2020, the Executive Committee meeting for 19 times and 13 times, the details of attendance of each director are as follows.

Name	Position	2019	2020
1. Ms. Yuvadee Pong-acha	Chairman of the Executive Director	19/19	13/13
2. Mr. Piya Pong-acha	Executive Director	19/19	13/13
3. Ms. Ladda Waroontharakul	Executive Director	19/19	13/13
4. Mr. Sutthirak Trichira-aporn	Executive Director	19/19	13/13
5. Mr. Wongsakorn Kittitrakulkarn	Executive Director	19/19	13/13
6. Ms. Waraporn Pornpitakyotin	Executive Director	19/19	13/13

#### **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 2018 on 18 April 2018 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.

**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

### **Number of Employee**

The number of employees of the company in 2018 is 2,008 people and the year 2019 is equal to 2,023 people. Continue to develop manpower plans in line with business operations Under the fluctuation of economic conditions By giving priority to resource allocation at the point of increasing value Or necessary for investment

## **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. 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.



## 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 initiated “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
8. Innovation and dissemination of innovations derived from operations that are responsible for society, environment and stakeholders

### CSR activities in 2020

The company realizes that in order to grow the business sustainably, it must be based on the care of all stakeholders of the company. And doing business of the company in the year 2020, the company has adopted the policy on clean energy; take care of the environment that became a part of the company's social activities which has various activities as follows;

#### **JMT Network Services Public Company Limited**

**Joining activities with children at Baan Samsop School, Mae Chaem District, Chiang Mai Province**

**To deliver donations, toys and school supplies**

**November 6, 2020**













## Related Transactions

During the years 2019 and 2020, The Company and its subsidiary 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

Unit: Million Baht

<b>Persons who may have conflicts</b>	<b>Subject</b>	<b>2019</b>	<b>2020</b>	<b>Price condition / necessity</b>
Jay Mart Plc.	Administrative expenses	63,864,306	45,960,800	It is a mutually agreed rate.
	Rental fee for office building service	25,097,668	25,155,547	It is a mutually agreed rate.
	Seminar room rental	158,878	156,831	It is a mutually agreed rate.
	Rental and service deposits (Outstanding balance as of the end of the period)	5,348,626	4,893,335	It is according to the market price.
	Advertising expenses - public relations	1,113,000	120,000	The seller determines.
	Insurance premium received (Buy insurance from JP Insurance)	938,244	890,060	In accordance with the insurance contract.
	Dividends paid	365,622,910	391,518,844	As announced to general investors.
Jay Mart Insurance Broker Co., Ltd.	Short-term loans (Outstanding balance at the end of the period)	12,500,000	12,000,000	
	Interest income	563,164	588,059	It is a mutually agreed rate.
	Other service income (Com. Fee from looking for insurance customers)	2,792,873	960,315	It is according to the market price.
Jaymart Mobile	Buy property (Mobile phone / camera)	2,728,000	81,505	The seller determines.
	Miscellaneous expenses (Service fee for sending documents, parcels, etc.)	1,021,693	1,798,881	The seller determines.
	Other service fees (court work and execution)	2,114,486	-	The seller determines.
	Other service income (Com. Fee from the sale of JMT Synergy project phones)	552,398	5,516,904	The seller determines.
	Insurance premium received (Buy insurance from JP Insurance)	2,768,748	6,401,113	In accordance with the insurance contract
	Rental fee for office building service	730,813	634,167	It is a mutually agreed rate.
J Fintech Co., Ltd.	Short-term loans (Outstanding balance at the end of the period)	282,000,000	295,000,000	
	Interest income	12,802,845	11,119,930	It is a mutually agreed rate.



Persons who may have conflicts	Subject	2019	2020	Price condition / necessity
	Buy Receivables – J Money Personal Loans	82,092,501	39,359,262	It is a mutually agreed price.
	Income from debt tracking and litigation	42,000,000	34,142,065	It is a mutually agreed price.
	Commission income from financing	566,592	1,506,688	It is a mutually agreed price.
	Rental income	540,000	370,000	It is a mutually agreed price.
	Insurance premium received (Buy insurance from JP Insurance)	522,946	229,708	In accordance with the insurance contract.
J Asset Management Co., Ltd.	Short-term loans (Outstanding balance at the end of the period)	5,120,000,000	4,150,000,000	
	Interest income	190,196,121	128,927,937	It is a mutually agreed rate.
	Management fee income	51,800,000	33,360,000	It is a mutually agreed rate.
JP Insurance Plc.	Insurance commission income	5,551,459	2,225,261	It is a mutually agreed rate.
	Other service income (OV / promotional fee)	994,554	274,042	It is a mutually agreed rate.
	Insurance premium received (buy insurance from JP Insurance)	2,897,157	2,344,423	In accordance with the insurance contract
JAS Asset Plc.	Rental fee for office building service	3,059,367	3,183,369	It is a mutually agreed rate.
	Purchasing Property (Newera Condominium Suites)	26,400,000	-	The seller determines
	Deposit for rental service fee (Outstanding balance at the end of the period)	784,189	770,040	The seller determines
	Real Estate Commission (NPA)	267,757	261,000	It is a mutually agreed rate.
	Insurance premium received (buy insurance from JP Insurance)	273,778	415,067	In accordance with the insurance contract
Bean and Brown Co., Ltd.	Hospitality fee / food and beverage	4,239,799	-	The seller determines
	White Coffee Franchise expenses	658,879	-	The seller determines
	Sales promotion (GP on sales)	50,052	-	The seller determines
	Cost of purchase of raw materials and coffee shop equipment.	2,323,483	-	The seller determines



<b>Persons who may have conflicts</b>	<b>Subject</b>	<b>2019</b>	<b>2020</b>	<b>Price condition / necessity</b>
J. Ventures Co., Ltd.	Cost of application system "Jaii Dee" (monthly)	645,000	600,000	It is a mutually agreed rate.
	Program during development Application "Jaii Dee" Version 2.0	1,200,000	-	It is a mutually agreed rate.
Singer Thailand PCL.	Income from tracking debt	9,172	9,301	Mutually agreed price
SG Capital Co., Ltd.	Income from debt tracking and litigation	4,716,303	18,587,315	Mutually agreed price
	Purchase Accounts Receivable - SG Capital Loans	67,170,521	119,158,409	Mutually agreed price
SG Co., Ltd. Service Plus	Air conditioner cleaning and air conditioning repair service fees	412,843	303,444	It is a mutually agreed rate.
	Office renovation work - branch (Fixed Asset)	67,361	1,492,490	It is a mutually agreed rate.



## 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, EY Office 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 2020 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)



## 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

The Audit Committee has performed work in accordance with the scope of responsibilities as assigned by the Board of Directors and as prescribed in the Audit Committee's Charter which is in compliance with those specified by The Stock Exchange of Thailand (SET): The Audit Committee's Qualification and Scope of Duties and Responsibilities B.E. 2551. The Audit Committee regularly reports the Committee's Minutes of Meeting to the Board of Directors. In 2020, a total of 3 Audit Committee's meetings were held with all members present in every meeting. The meetings were conducted to consider and proceed with the following matters:-

### 1. Review of financial reporting

The Audit Committee has reviewed the quarterly and annual financial statements for the year 2019 in collaboration with the auditor and the management. This is to give assurance that the Company's financial statements are in compliance with the Generally Accepted Accounting Principles according to the Accounting Act B.E. 2543 and the relevant notifications of the Securities and Exchange Commission and the Stock Exchange of Thailand, and that the disclosure of information is made in an adequate, complete, timely and reliable manner which is beneficial to and supports decisions made by shareholders and general investors as well as aligns with applicable laws and notifications. The Audit Committee has also supported and monitored the compliance with the International Financial Reporting Standards (IFRS) in accordance with the guidelines specified by the Federation of Accounting Professions and the Office of Securities and Exchange Commission. In addition, in 2020 the Audit Committee held one meeting with the auditor without the participation of the management to ensure that the auditor independently performed his/her duties.

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

The Audit Committee has reviewed the adequacy and appropriateness of the internal control system by considering the reports of the Independent Internal Auditor and the external auditor. The auditor has mutually agreed that no significant operational faults were identified in 2020. In addition, the Audit Committee has considered the result of the evaluation of the internal control system of the



Company and its subsidiary as well as the questions used in the evaluation form prepared according to the guidelines specified by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Securities and Exchange Commission and the Stock Exchange of Thailand. According to the evaluation result for 2020, the internal audit function is independent and the internal control system of the Company is adequate, appropriate and effective.

### 3. Supervision of internal audit operations

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

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

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

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

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

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

The Audit Committee has reviewed the operations of the auditor from EY Office Limited and opined that the auditor performed professional duties in an independent, impartial and timely manner, thoroughly understood the Company's business and has duly been granted approval from the Securities and Exchange Commission. It is therefore deemed appropriate that Mrs.Nongluck Poomnoi Auditor's License No. 4172, Ms.Runnapa Lertsuwankul Auditor's License No. 3516, Ms.Ratana Jala Auditor's License No. 3734, Ms.Pimjai Manitkajohnkit Auditor's License No. 4521, Ms.Rosaporn



Decharkom Auditor's License No. 5659, Ms.Sumana Punpongsanon Auditor's License No. 5872, Ms. Wanwilai Petsang Registration No.5315 of EY Office Limited should be nominated as the auditor of the Company for the year 2019 and that the matter should be proposed to the Company's Board of Directors for consideration and further submission to the Meeting of Shareholders for approval.

#### 7. Review of risk management

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

#### 8. Annual review and amendment of the Audit Committee Charter

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

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

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



(Mr. Rerngchai Ingkapakorn)  
Chairman of Audit Committee



## **Management Discussion and Analysis**

### **Company Performance Overview and Key Factors affecting operations**

#### **The Overall Thai Economy**

In the past 2020, the overall economic system in the country and abroad affected by the state of the coronavirus 2019 epidemic. For Thailand the Thai government announced a lock-down measure in the end of Q1 / 2020 which makes many businesses is interrupted by the policy. Especially the service sector travel which has been greatly affected due to international travel or domestic travel cannot be performed normally due to quarantine measures to reduce the epidemic. However, from the data from the Kasikorn Research Center estimated that the Thai economy will be a 6.1 percent contraction and will gradually recover in 2021 due to government measures that support the country's consumption situation.

#### **Industry Situation and the amount of Distressed Debt in the market**

It is well known that in the past 2020, such a situation makes the vulnerability of household debt affected by the employment condition shrink and some businesses had to shut down causing an increase in household debt. Based on data from the Kasikorn Research Center, it is expected that the economic contraction affected by the COVID situation, Thailand's household debt surplus will rise. As a result, the share of household debt in Thailand has increased. Reached the highest level in 18 years at 88 – 90 percent per GDP at the end of 2020. From the situation, there is an opportunity to increase the amount of distressed debt in the system which in the year 2020, Government and Bank of Thailand has issued various measures to mitigate the effects that occur. However, such a situation will ultimately have an impact on the amount of non-performing debt. As of the data of the Bank of Thailand at the end of Q3 / 2020, it was found that the amount of non-performing loans was increased to the level of 508,513 million baht or about 3% of the total estimated commercial bank loans.

The increase in the amount of distressed debt provides an opportunity for asset management companies that are ready in the investment system to become a mechanism to return credit troubled debtors to normal credit. To enter into the financial system once again, JMT Network Services Public Company Limited is one of the asset management companies that will help the ecosystem of the financial system in Thailand.



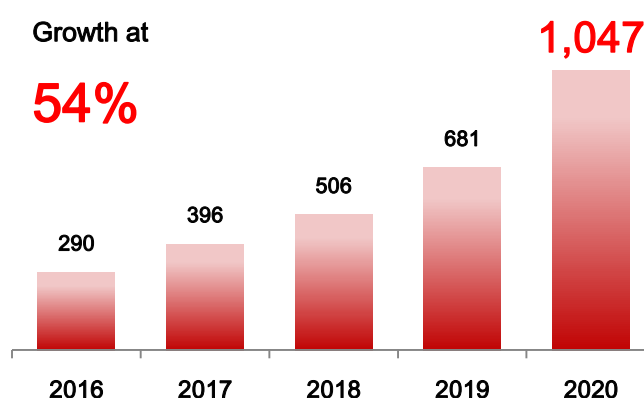
## Overview of the Results of Operations for 2020 and Operational Highlights

Although the state of the COVID-2019 epidemic will shrink the economy. But by adjusting the strategy of operation and management that looks at the risks in the economy this allows the company to have a significant performance growth. The company remains confident that it is the number 1 leader in the country in terms of performance in debt management business for unsecured non-performing debt (Unsecure Loan)

For the past year 2020, it is the year that the company has performed well and achieved the highest record for the fourth consecutive year. In terms of debt collection, the cash flow amount is 3,704 million baht, a 15% growth from the previous year. This is a result of better debt collection efficiency and the potential of the debt portfolio that the company has invested in the past. The company has a net profit of 1,040 million baht, a growth of 54 percent from 2019, which is the highest net profit of the company since its inception for the fourth year.

In terms of operations in 2020 for the non-performing debt management business The company can buy distressed debt equal to 32,561 million baht with investment budget 3,516 million baht. The company uses investments to buy both secured and unsecured distressed debt

### Net Profit 2016 – 2020 (MB.)



which the company considers selecting when buying non-performing debt. The company pays attention to the return on investment in non-performing debt. In order to generate returns for the shareholders and is the number 1 unsecured debt manager in the country.



### Summary of operating results in terms of income and profits

	2019		2020		Change	
	million baht	%	million baht	%	million baht	%
Revenue from contracts with customers	363.7	14.4%	362.1	11.4%	-1.60	-0.4%
Interest and dividend income	1,294.50	51.3%	1,726.5	54.1%	432.00	33.4%
Profit from loans on purchase of receivables	655.7	26.0%	902.9	28.3%	247.20	37.7%
Income from insurance	210.6	8.3%	199.2	6.2%	-11.40	-5.4%
<b>Total income</b>	<b>2,524.60</b>	<b>100.0%</b>	<b>3,190.8</b>	<b>100.0%</b>	<b>666.20</b>	<b>26.4%</b>
Cost of service	875.4	34.7%	870.3	27.3%	-5.10	-0.6%
<b>Gross profit</b>	<b>1,413.0</b>	<b>56.0%</b>	<b>2,157.8</b>	<b>67.6%</b>	<b>744.80</b>	<b>52.7%</b>
Other income	11.8	0.5%	16.1	0.5%	4.30	36.4%
Administrative expenses	394.1	15.6%	441.1	13.8%	47.00	11.9%
Operating profit	1045	41.4%	1,523.6	47.8%	478.60	45.8%
Financial cost	206.2	8.2%	313.9	9.8%	107.70	52.2%
<b>Net profit attributable to shareholders of the Company</b>	<b>681.4</b>	<b>27.0%</b>	<b>1,047.0</b>	<b>32.8%</b>	<b>365.60</b>	<b>53.7%</b>

### Income Analysis

Total revenue of the Company in the year 2020 was 3,190.8 million Baht, increasing by 26.4 percent. This is due to the change in income as follows.

1. Interest and dividend income and gain on loans from buying receivables in 2020 equal to 1,726.5 million baht. Increased from year 2019 equal to 432 million baht or equivalent to 33.4 percent. This was a result of the collection efficiency and the quality of the non-performing debt that the company had acquired in the past year. By interest income and dividends and gains on loans from purchases of receivables accounted for 82.4 percent of total income. It will be noted that the profit from loans from the purchase of receivables which is the income of the non-performing debt which has fully amortized the investment value increase. This is because the value of the debt pool has increased significantly during the years 2019 - 2020.
2. Income from contracts with customers (Revenue from debt collection business) in 2020 equal to 362.1 million baht, increasing from year 2019 by 1.6 million baht or 0.4 percent.



The income from debt collection service is 11.4 percent of total income. This level is similar to the previous year.

3. Income from underwriting in year 2020 is 199.2 million baht, slightly decreased. Due to the subsidiary of JP Insurance Plc. has control over insurance sales and manage a more quality assurance portfolio.

### **Cost analysis of services and gross profit**

In 2020, the company has service costs 870.3 million baht, decreasing from the previous year by 5.1 million baht or 0.6 percent which is the decrease in payroll expenses due to the implementation of collection technology.

As for the gross profit margin in the consolidated financial statements, it was found that in 2020 the company had gross profit equal to 2,157.8 million baht. In this regard, the Company was able to achieve a gross profit margin from the consolidated financial statements at a 67.63 percentage, an increase from the previous year. This reflects the efficiency in the operation management.

### **Administrative expenses**

In 2020, administrative expenses equal to 441.1 million baht, an increase of 47 million baht or 11.9 percent. Most of the administrative expenses that increase is the increased staff cost and provision of bad debts.

### **Financial cost**

The company had finance costs in the year 2020 equal to 313.9 million baht, an increase from the previous year by 107.7 million baht or an increase of 52.2 percent. Increased from the Company's debt in 2020, mainly debentures which borrowed to purchase distressed debt from financial institutions. And the interest expenses from lease agreement.

### **Net Profit**

The company has a net profit. According to the consolidated financial statements in 2020 equal to 1,047 million baht, an increase from year 2019 by 365.6 million baht or 53.7 percentage increases, this is the net profit margin equal to 32.81 percent. This net profit hit at a highest level.



## Statement of Financial Position Statement

	As of 31 Dec 2019		As of 31 Dec 2020		Change	
	millionbaht	%	million baht	%	Million baht	%
Cash and cash equivalents	316.7	3.1%	976.1	6.84%	659.4	208.2%
Reinsurance assets	207.6	2.1%	222.4	1.56%	14.8	7.1%
Loans from receivable purchases are expected to be paid within 1 year.	387.4	3.8%	338.9	2.37%	-48.5	-12.5%
Other current assets	83.8	0.8%	78.9	0.55%	-4.9	-5.9%
<b>Total current assets</b>	<b>1,924.8</b>	<b>19.0%</b>	<b>3,833.8</b>	<b>26.87%</b>	<b>1,909.0</b>	<b>99.2%</b>
Loans for purchase of receivables Expected to receive more than 1 year	7,533.2	74.3%	9,495.1	66.54%	1,961.9	26.0%
Other long-term investments	134.0	1.3%	0	0.00%	-134	-100.0%
Goodwill	273.8	2.7%	273.8	1.92%	0	0.0%
Other non-current assets	32.0	0.32%	8.8	0.06%	-23.2	-72.5%
<b>Total non-current assets</b>	<b>8,217.0</b>	<b>81.0%</b>	<b>10,436.6</b>	<b>73.1%</b>	<b>2,219.6</b>	<b>27.0%</b>
<b>Total assets</b>	<b>10,141.7</b>	<b>100.0%</b>	<b>14,270.4</b>	<b>100.0%</b>	<b>4,128.7</b>	<b>40.7%</b>
Current liabilities	3,654.8	54.5%	2,577.6	30.3%	-1,077.2	-29.5%
Debenture	2,762.2	41.2%	5,674.2	66.6%	2,912.0	105.4%
Non-current liabilities	3,053.6	45.5%	5,938.3	69.7%	2,884.7	94.5%
<b>Total liabilities</b>	<b>6,708.4</b>	<b>66.2%</b>	<b>8,515.9</b>	<b>59.7%</b>	<b>1,807.5</b>	<b>26.9%</b>
<b>Total shareholders' equity</b>	<b>3,433.3</b>	<b>33.9%</b>	<b>5,754.5</b>	<b>40.3%</b>	<b>2,321.2</b>	<b>67.6%</b>

### Assets

As of December 31, 2020, the company has total assets 14,270.4 million baht divided into current assets 3,833.8 million baht, representing 26.9 percent of total assets. The increase in current assets was cash and non-current assets 10,436.6 million baht, representing 73.1 percent of total assets. Compared with the year 2019, the Company's total assets increased 4,128.7 million baht or 40.71 percent. The increased assets are loans from receivable purchases are expected to be received over 1 year. This is the portion of non-performing debt that the company has acquired from financial institutions during the year 2020.

### Liabilities

As of December 31, 2020, the Company had total liabilities 8,515.9 million baht, an increase compared to the year 2019 1,807.5 million baht or 26.94 percent. The main changes in 2020 include increased credit from financial institutions and debentures. Debt to equity and interest-bearing debt to equity as at 31 December 2020 were 1.48 and 1.25 times, respectively.



## Cash Flow Analysis

In 2020, the Company had net decrease in cash and cash equivalents 650.2 Million Baht, which are divided into details of cash flows for each activity as follows:

	2019	2020
Cash flows from operating activities	(1,435.8)	(1,860.5)
Cash flows from investing activities	(73.2)	(147.4)
Cash flows from financing activities	1,134.5	2,658.2
Net increase (decrease) in cash and cash equivalents	(375.5)	650.2

Cash flows from operating activities in 2020, the company has net cash used in operating activities 1,860.5 million baht is used to buy debt to manage.

Cash flow from investing activities in 2020, the Company had cash used from investing activities equal to 147.4 million baht, most of which was cash paid for software and computer investment.

Cash flows from financing activities in 2020, the company has net cash it came from financing activities 2,658.2 million baht, which was mainly due to the cash flow received from the issuance of debentures.

## Factors and operational plans that will have an impact on future operations

The company continues to set targets for continuous earnings growth in 2021 by the following factors affecting the performance in the future.

External factors	Internal factors
<b>Positive</b> <ul style="list-style-type: none"> <li>Non-performing debt market conditions from financial institutions that have an increased chance of non-performing debt which is affected by the COVID 19 situation.</li> </ul>	<b>Positive</b> <ul style="list-style-type: none"> <li>Readiness for work systems, employees and more than 26 branches that are all over the country.</li> <li>More technologies are being used in the debt collection process.</li> <li>The distressed debt division, which has a portion of the debt that has fully amortized its investment value, will increase in 2021.</li> </ul>
<b>Negative</b> <ul style="list-style-type: none"> <li>Economic slowdown this may lead to a slowdown in cash flow in some industries.</li> </ul>	<ul style="list-style-type: none"> <li>Availability of funds to acquire non-performing debt by 2021, the company expects to receive the full amount of the convertible fund from the JMT-W2. As a result of the JMT-W2 remaining, the Company will receive approximately 2,200 million baht in cash flow by mid-year 2021. And have sufficient cash flow to purchase non-performing debt.</li> </ul>



### Auditing Fee

The Company and its subsidiaries paid audit fees to EY Office Company Limited, which is the auditing firm. The auditors for the year 2020, including persons or businesses related to the auditors and the audit firm that the auditors are affiliated with in the year 2019 and 2020 have a total amount of 5,166,000 baht and 6,140,000 baht.

Unit: Bath

Audit fee and review fee	2019	2020
JMT Network Services Public Company Limited	1,750,000	1,925,000
Subsidiary Company	3,196,000	4,215,000
Other expenses	Actual pay	Actual pay
<b>Total</b>	<b>5,166,000</b>	<b>6,140,000</b>



JMT Network Services Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2020



## **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 2020, 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 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

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

### **Emphasis of Matter**

I draw attention to Note 1.2 to the consolidated financial statements, the COVID-19 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the Group's business activities. This may impact the Group's operating results and cash flows in the future, which the impact cannot be reasonably estimated at this stage. My opinion is not modified in respect of this matter.



## **Key Audit Matters**

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

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

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

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

The Group's accounting policy on revenue recognition is discussed in Note 5.1 to the consolidated financial statements. Interest income from loans receivable from purchase of accounts receivable recognised for the year of 2020 amounted to Baht 1,703 million, accounting for 53% 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 based on the credit-adjusted effective interest rate which requires management to exercise judgement in determining the assumptions to be used for cashflow estimates and the expected life of debtor, as well as the development of the model for each group of debtors with similar characteristics. 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:

- Gaining an understanding of the basis that management used in recognition of interest income from loans receivable from purchase of account receivable, evaluating the appropriateness of the basis and gaining an understanding of the process by which cash inflows were estimated and the credit-adjusted effective interest rate.
- Assessing and testing the Group's IT systems and key internal controls relevant to the revenue cycle for interest income from loans receivable from purchase of accounts receivable and selecting representative samples to test the operation of the designed controls.



- Reviewing on a sampling basis whether the calculation of the cash inflow estimates and the expected life of debtor were consistent with the model, including testing on a sampling basis the accuracy of the data used in the model, as well as performing an evaluation of the appropriateness of other factors that affect the cashflow estimates, and testing on a sampling basis the calculation of the credit-adjusted effective interest rate to assess whether the recognition of interest income from loans receivable from purchase of accounts receivable is in compliance with the Group's policy.
- Performing analytical procedures on disaggregated data of interest income from loans receivable from purchase of accounts receivable by identifying the revenue recognition ratio, and comparing the actual cash inflows with the projected cash inflows to detect possible irregularities in revenue transactions throughout the period and testing, significant adjustments made through journal vouchers on a sampling basis.

#### **Allowance for expected credit loss of loans receivable from purchase of accounts receivable**

As discussed in Notes 14 to the consolidated financial statements, the Group has net loans receivable from purchase of account receivable and accrued interest receivables amounting to Baht 9,834 million (representing 69 percent of total assets) and allowance for expected credit losses amounting to Baht 287 million. The estimation of allowance for expected credit losses of loans receivable from purchase of accounts receivable requires the development of a model for complex data sets and assumptions in order to project expected credit losses to be incurred in future. Therefore, the management is required to exercise judgment in data analysis, determining the basis and setting a policy to be applied in calculating the allowance for expected credit losses, the methodology for determining the allowance, the estimation of credit losses expected to be incurred based on expected future net cash inflows from debtors. As the amount of loans receivable from purchase of accounts receivable is significant to the financial statements, I focused my audit on the adequacy and the appropriateness of the allowance for expected credit losses of loans receivable from purchases of accounts receivable.

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

- Gaining an understanding of the assumptions applied in the development of the model, the procedures for estimating and recording the allowance for expected credit losses, and assessing the basis and policy on setting up the allowance for expected credit losses, and the calculation method of allowance for expected credit losses.



- Assessing and testing on a sampling basis the internal controls relevant to the calculation, the approval and the recording of the allowance for expected credit losses.
- Reviewing the completeness of data used in the development of the model and the calculation of the allowance for expected credit losses and checking the correctness of the calculation of projected cash inflows which are used in calculating the allowance for expected credit losses, and the accounting records.
- Performing analytical procedures on assumptions that the Group applied against historical data, checking the consistency of the application of such assumptions and evaluated the method used by the Group to estimate the allowance for expected credit loss of loans receivable from purchase of accounts receivable.

## **Goodwill**

As at 31 December 2020, the Group had goodwill presented in the financial statements in the amount of Baht 274 million. I focused my audit on the impairment of goodwill because the impairment assessment on goodwill is a significant accounting estimate requiring management to exercise judgment in identifying the cash generating units, estimating the cash inflows that are expected to be generated in the future and setting an appropriate discount rate and long-term growth rate.

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

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



- Reviewing the disclosures made with respect to the impairment assessment for goodwill, as well as sensitivity of the impact of changes in key assumptions to the cash flow projections.

### **Insurance contract liabilities - loss reserves and outstanding claims**

As at 31 December 2020, the subsidiary had loss reserves and outstanding claims amounted to Baht 223 million (presented as a part of insurance contract liabilities), representing 3% of total liabilities. Loss reserves and outstanding claims include both claims incurred and reported and claims incurred but not reported, which were calculated by the subsidiary's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves so I addressed the adequacy of loss reserves and outstanding claims as a key audit matter.

I have performed audit procedures on the subsidiary's loss reserves and outstanding claims account as follows:

- Assessing and testing the internal controls relevant to claims, loss adjustments, estimation of loss reserves and outstanding claims, by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary.
- On a sampling basis, checked data used by the actuary in calculating loss reserves, performed random test on major claims file and performed analytical procedures on the frequency of claims and average loss per claim.
- Reviewing the actuarial report to assess whether it was consistent with the reserve recognised, and assessing the assumptions and methods used in the calculation of the reserves, randomly testing the data used and compared the assumptions to those used in the prior year.

### **Other information**

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

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



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

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

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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



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

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

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



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

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

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

Wanwilai Phetsang

Certified Public Accountant (Thailand) No. 5315

EY Office Limited

Bangkok: 25 February 2021



**JMT Network Services Public Company Limited and its subsidiaries**  
**Statement of comprehensive income**  
**For the year ended 31 December 2020**

(Unit: Baht)

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>Note</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Revenue from contracts with customers	7, 35	362,146,923	363,703,827	357,217,857	358,967,617
Interest income	7	1,725,749,704	1,293,128,063	922,703,316	806,506,523
Dividend income		758,325	1,414,705	-	-
Gains on loans receivable from purchase of accounts receivable		902,885,821	655,680,027	185,972,991	170,333,077
Insurance income	7, 36	199,214,144	210,634,325	-	-
<b>Total revenues</b>		<b>3,190,754,917</b>	<b>2,524,560,947</b>	<b>1,465,894,164</b>	<b>1,335,807,217</b>
Cost of services	7	(870,344,616)	(875,370,504)	(599,653,019)	(631,583,238)
Insurance expenses	7, 37	(162,600,458)	(236,156,585)	-	-
<b>Gross profit</b>		<b>2,157,809,843</b>	<b>1,413,033,858</b>	<b>866,241,145</b>	<b>704,223,979</b>
Gain on debt instrument measured at fair value through profit or loss		-	-	1,408,784	-
Gain on investment		-	14,382,546	-	-
Other income	7	16,076,732	11,796,741	61,039,526	39,575,640
<b>Profit before expenses</b>		<b>2,173,886,575</b>	<b>1,439,213,145</b>	<b>928,689,455</b>	<b>743,799,619</b>
Administrative expenses	7	(441,125,818)	(382,496,988)	(284,737,543)	(247,677,363)
Reversal of expected credit losses (expected credit losses)		(203,014,694)	-	4,892,746	-
Reversal of bad debts and doubtful account (bad debts and doubtful account)		(323,297)	(11,644,376)	-	8,938,213
Loss on other financial assets measured at fair value through profit or loss		(5,808,649)	-	-	-
<b>Total expenses</b>		<b>(650,272,458)</b>	<b>(394,141,364)</b>	<b>(279,844,797)</b>	<b>(238,739,150)</b>
<b>Operating profit</b>		<b>1,523,614,117</b>	<b>1,045,071,781</b>	<b>648,844,658</b>	<b>505,060,469</b>
Finance cost	39	(313,908,090)	(206,216,733)	(308,642,560)	(206,158,683)
<b>Operating profit - net of finance cost</b>		<b>1,209,706,027</b>	<b>838,855,048</b>	<b>340,202,098</b>	<b>298,901,786</b>
Share of profit from investments in subsidiaries	18.2	-	-	767,197,140	422,650,968
<b>Profit before income tax expenses</b>		<b>1,209,706,027</b>	<b>838,855,048</b>	<b>1,107,399,238</b>	<b>721,552,754</b>
Income tax expenses	40	(173,602,528)	(189,412,103)	(60,358,530)	(40,189,757)
<b>Profit for the year</b>		<b>1,036,103,499</b>	<b>649,442,945</b>	<b>1,047,040,708</b>	<b>681,362,997</b>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(12,505)	(1,079,276)	-	-
Losses on change in value of available-for-sale investment - net of income tax		-	(2,751,643)	-	-
Share of other comprehensive income from investment in subsidiaries	18.2	-	-	-	(2,592,682)
Other comprehensive income to be reclassified to profit or loss in subsequent periods		(12,505)	(3,830,919)	-	(2,592,682)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains (losses)		(1,672,329)	(869,225)	127,532	-
Losses on change in value of equity instruments designated at fair value through other comprehensive income - net of income tax		(10,068,481)	-	-	-
Share of other comprehensive income from investment in subsidiaries	18.2	-	-	(6,711,969)	(478,075)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		(11,740,810)	(869,225)	(6,584,437)	(478,075)
<b>Other comprehensive income for the year</b>		<b>(11,753,315)</b>	<b>(4,700,144)</b>	<b>(6,584,437)</b>	<b>(3,070,757)</b>
<b>Total comprehensive income for the year</b>		<b>1,024,350,184</b>	<b>644,742,801</b>	<b>1,040,456,271</b>	<b>678,292,240</b>

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



**JMT Network Services Public Company Limited and its subsidiaries**  
**Statement of comprehensive income (continued)**  
**For the year ended 31 December 2020**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Profit attributable to:</b>					
Equity holders of the Company		1,047,040,708	681,362,997	1,047,040,708	681,362,997
Non-controlling interests of the subsidiaries		(10,937,209)	(31,920,052)		
		<u>1,036,103,499</u>	<u>649,442,945</u>		
<b>Total comprehensive income attributable to:</b>					
Equity holders of the Company		1,040,456,271	678,292,240	1,040,456,271	678,292,240
Non-controlling interests of the subsidiaries	18.3	(16,106,087)	(33,549,439)		
		<u>1,024,350,184</u>	<u>644,742,801</u>		
<b>Earnings per share</b>	41				
Basic earnings per share					
Profit attributable to equity holders of the Company		<u>1.15</u>	<u>0.77</u>	<u>1.15</u>	<u>0.77</u>
Diluted earnings per share					
Profit attributable to equity holders of the Company		<u>1.09</u>	<u>0.77</u>	<u>1.09</u>	<u>0.77</u>

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



**JMT Network Services Public Company Limited and its subsidiaries**
**Cash flow statement**
**For the year ended 31 December 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>				
Profit before tax	1,209,706,027	838,855,048	1,107,399,238	721,552,754
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	110,042,617	62,930,039	88,933,282	55,278,655
Expected credit losses (reversal)	203,014,694	-	(4,892,746)	-
Bad debts and doubtful accounts (reversal)	323,297	11,644,376	-	(8,938,213)
Expenses from insurance contract liabilities (reversal)	(13,931,682)	5,899,321	-	-
Losses on impairment of properties foreclosed	14,077,300	3,088,417	-	-
Unearned insurance premium reserves (reversal)	(40,128,667)	29,075,201	-	-
Share of profit from investments in subsidiaries	-	-	(767,197,140)	(422,650,968)
Gains on sales of properties foreclosed	(30,355,021)	(10,474,043)	-	-
Losses on sales and written-off equipment and computer software	627,437	832,850	630,493	832,731
Losses on written-off withholding tax	672,412	885,957	-	-
Losses on revaluation of financial assets/investment	415,541	3,786,215	-	-
Long-term employee benefit expenses	917,199	1,486,182	194,422	592,193
Share-based payment transaction	4,091,674	-	2,349,060	-
Interest incomes	(1,725,749,704)	(1,293,128,063)	(922,703,316)	(806,506,523)
Dividend income	(758,325)	(1,414,705)	-	-
Interest expenses	313,908,090	206,216,733	308,642,560	206,158,683
Profit (loss) from operating activities before changes in operating assets and liabilities	46,872,889	(140,316,472)	(186,644,147)	(253,680,688)
Operating assets (increase) decrease				
Deposits at banks with restriction	(3,977,000)	(198,182)	-	-
Trade and other receivables	12,727,427	45,162,856	15,988,557	46,787,512
Accrued income	861,087	(6,280,162)	(168,300)	(4,292,130)
Premium receivables	11,283,235	1,103,115	-	-
Reinsurance assets	(10,964,783)	(14,314,863)	-	-
Reinsurance receivables	(15,169,751)	(11,308,030)	-	-
Properties foreclosed	(56,499,085)	(872,000)	-	-
Refundable value added tax	25,709,352	36,758,988	-	36,758,988
Other current financial assets/trading investments	(895,217,598)	20,327,160	(920,122,797)	-
Other current assets	(9,295,908)	23,541,114	4,542,739	18,377,296
Loans receivable from purchase of accounts receivable	(2,087,953,600)	(2,354,207,111)	(299,256,819)	169,009,027
Other non-current financial assets	(77,701)	-	(125,704)	-
Other non-current assets	(7,147,433)	(2,741,066)	(7,147,433)	(1,682,463)
Operating liabilities increase (decrease)				
Trade and other payables	34,621,701	(574,184)	22,011,183	(172,126,033)
Insurance contract liabilities	(11,875,576)	2,363,566	-	-
Amounts due to reinsurers	92,916,351	48,085,499	-	-
Other current liabilities	(6,587,929)	12,395,070	(6,775,017)	16,844,606
Paid for long-term employee benefit	(384,254)	(1,465,286)	-	-
Other non-current liabilities	1,186,652	4,072,066	131,933	2,579,069
Cash flows used in operating activities	(2,878,971,924)	(2,338,467,922)	(1,377,565,805)	(141,424,816)
Interest received	1,546,582,544	1,293,296,737	914,618,793	806,581,218
Interest paid	(308,145,706)	(195,661,833)	(302,998,974)	(195,603,783)
Corporate income tax paid	(219,995,659)	(195,012,942)	(54,286,378)	(42,879,908)
<b>Net cash flows from (used in) operating activities</b>	<b>(1,860,530,745)</b>	<b>(1,435,845,960)</b>	<b>(820,232,364)</b>	<b>426,672,711</b>

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 2020**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
<b>Cash flows from investing activities</b>				
Decrease (increase) in restricted banks deposits pledge as collateral	(1,388,047)	206,526	(1,378,427)	216,077
Decrease (increase) in short-term loans to related parties	13,000,000	35,000,000	(957,500,000)	(1,833,000,000)
Cash paid for investment in a subsidiary	-	-	-	(10,000,000)
Cash receipt from return capital of investment in subsidiary	-	-	-	10,552,500
Cash receipt from sales of equipment	201,672	2,860	197,317	2,841
Acquisition of equipment and computer software	(154,982,222)	(80,291,078)	(145,445,707)	(74,873,724)
Acquisition of other non-current financial assets	(5,000,000)	-	-	-
Increase in short-term investment	-	(17,224,627)	-	-
Increase in long-term investment	-	(12,308,245)	-	-
Cash receipt from dividend income	758,325	1,414,705	-	-
<b>Net cash flows used in investing activities</b>	<b>(147,410,272)</b>	<b>(73,199,859)</b>	<b>(1,104,126,817)</b>	<b>(1,907,102,306)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(600,000,000)	650,000,000	(600,000,000)	650,000,000
Increase (decrease) in short-term loans	(200,000,000)	200,000,000	(200,000,000)	200,000,000
Repayment of liabilities under finance lease agreements	-	(159,750)	-	-
Payment of principal portion of lease liabilities	(43,537,224)	-	(29,313,238)	-
Cash receipt from long-term loans	118,487,238	-	-	-
Repayment of long-term loans	(266,049,000)	(273,160,000)	(261,660,000)	(273,160,000)
Proceeds from the issuance of debentures	3,997,300,000	1,698,000,000	3,997,300,000	1,698,000,000
Repayment for debentures	(1,640,000,000)	(450,000,000)	(1,640,000,000)	(450,000,000)
Cash paid for transaction costs	(21,438,167)	(11,866,727)	(20,988,167)	(11,866,727)
Advance receipts of shares subscription	2,007,871,821	9,640,618	2,007,871,821	9,640,618
Treasury shares	-	13,596,506	-	-
Dividend paid	(694,385,476)	(701,512,606)	(694,385,476)	(701,512,606)
<b>Net cash flows from financing activities</b>	<b>2,658,249,192</b>	<b>1,134,538,041</b>	<b>2,558,824,940</b>	<b>1,121,101,285</b>
Differences on translation of financial statement	(12,505)	(1,079,276)	-	-
Expected credit loss of cash and cash equivalents	(82,263)	-	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>650,213,407</b>	<b>(375,587,054)</b>	<b>634,465,759</b>	<b>(359,328,310)</b>
Cash and cash equivalents at beginning of year	316,863,634	692,450,688	151,570,263	510,898,573
<b>Cash and cash equivalents at end of year (Note 8)</b>	<b>967,077,041</b>	<b>316,863,634</b>	<b>786,036,022</b>	<b>151,570,263</b>
	-	-	-	-

**Supplemental cash flows information:**

Non-cash items consist of

Purchase of non-performing accounts receivable from financial institutions by installments not affecting the cash flows	392,064,531	121,208,635	9,253,046	11,866,048
Purchase of equipment and computer software recorded as liabilities	1,471,461	-	1,471,461	-
Properties foreclosed transferred from receivables for debt settlement	-	14,257,795	-	-
Other receivables from auction	312,342,185	124,157,200	-	-
Written-off bad debts	16,368,426	12,985,483	15,317,123	-
Increase in lease liabilities	47,617,789	-	37,800,075	-
Amortised right-of-use assets recorded as cost of project	3,739,182	-	3,739,182	-

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 2020

(Unit: Baht)

	Consolidated financial statements														
	Equity attributable to owners of the Company														
	Other components of equity														
	Other comprehensive income														
	Exchange differences on translation of financial statements in foreign currency														
	Issued and fully paid-up share capital	Share premium	Advance receipt of share subscription	Capital reserve for share-based payment transaction	Treasury shares	Premium on treasury shares	Retained earnings		Fair value reserve	Deficit on change in value of available-for-sale investment	Total other components of shareholders' equity	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 2019	443,995,436	2,333,947,915	-	-	(13,146,212)	192,796	55,499,430	574,941,811	150,636	-	(19,573)	131,063	3,395,562,239	71,252,844	3,466,815,083
Profit for the year	-	-	-	-	-	-	-	681,362,997	-	-	-	-	681,362,997	(31,920,052)	649,442,945
Other comprehensive income for the year	-	-	-	-	-	-	-	(478,075)	(1,079,276)	-	(1,513,406)	(2,592,682)	(3,070,757)	(1,629,387)	(4,700,144)
Total comprehensive income for the year	-	-	-	-	-	-	-	680,884,922	(1,079,276)	-	(1,513,406)	(2,592,682)	678,292,240	(33,549,439)	644,742,801
Issuance of ordinary shares from exercise of warrant (Note 32)	-	-	9,640,618	-	-	-	-	-	-	-	-	-	9,640,618	-	9,640,618
Treasury shares (Note 33)	-	-	-	-	13,146,212	450,294	-	-	-	-	-	-	13,596,506	-	13,596,506
Dividend paid (Note 44)	-	-	-	-	-	-	-	(701,512,606)	-	-	-	-	(701,512,606)	-	(701,512,606)
Balance as at 31 December 2019	443,995,436	2,333,947,915	9,640,618	-	-	643,090	55,499,430	554,314,127	(928,640)	-	(1,532,979)	(2,461,619)	3,395,578,997	37,703,405	3,433,282,402
Balance as at 1 January 2020	443,995,436	2,333,947,915	9,640,618	-	-	643,090	55,499,430	554,314,127	(928,640)	-	(1,532,979)	(2,461,619)	3,395,578,997	37,703,405	3,433,282,402
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	-	-	-	(2,078,595)	-	(28,995,183)	1,532,979	(27,462,204)	(29,540,799)	8,873,596	(20,667,203)
Balance as at 1 January 2020 - as restated	443,995,436	2,333,947,915	9,640,618	-	-	643,090	55,499,430	552,235,532	(928,640)	(28,995,183)	-	(29,923,823)	3,366,038,198	46,577,001	3,412,615,199
Profit for the year	-	-	-	-	-	-	-	1,047,040,708	-	-	-	-	1,047,040,708	(10,937,209)	1,036,103,499
Other comprehensive income for the year	-	-	-	-	-	-	-	(1,034,267)	(12,505)	(5,537,665)	-	(5,550,170)	(6,584,437)	(5,168,878)	(11,753,315)
Total comprehensive income for the year	-	-	-	-	-	-	-	1,046,006,441	(12,505)	(5,537,665)	-	(5,550,170)	1,040,456,271	(16,106,087)	1,024,350,184
Share-based payment transaction (Note 32)	-	-	-	4,091,674	-	-	-	-	-	-	-	-	4,091,674	-	4,091,674
Issuance of ordinary shares from exercise of warrant (Note 32)	44,050,235	1,596,545,258	367,276,328	-	-	-	-	-	-	-	-	-	2,007,871,821	-	2,007,871,821
Dividend paid (Note 44)	-	-	-	-	-	-	-	(694,385,476)	-	-	-	-	(694,385,476)	-	(694,385,476)
Appropriate retained earnings to statutory reserve	-	-	-	-	-	-	23,215,599	(23,215,599)	-	-	-	-	-	-	-
Balance as at 31 December 2020	488,045,671	3,930,493,173	376,916,946	4,091,674	-	643,090	78,715,029	880,640,898	(941,145)	(34,532,848)	-	(35,473,993)	5,724,072,488	30,470,914	5,754,543,402

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 (continued)**

**For the year ended 31 December 2020**

(Unit: Baht)

	Separate financial statements											
									Other components of equity			
									Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Advance receipt of share subscription	Capital reserve for share-based payment transaction	Treasury shares	Premium on treasury shares	Retained earnings		Share of other comprehensive income from investment in subsidiaries	Fair value reserve		
							Appropriated	Unappropriated				
<b>Balance as at 1 January 2019</b>	443,995,436	2,333,947,915	-	-	(13,146,212)	192,796	55,499,430	574,941,811	131,063	-	131,063	3,395,562,239
Profit for the year	-	-	-	-	-	-	-	681,362,997	-	-	-	681,362,997
Other comprehensive income for the year	-	-	-	-	-	-	-	(478,075)	(2,592,682)	-	(2,592,682)	(3,070,757)
Total comprehensive income for the year	-	-	-	-	-	-	-	680,884,922	(2,592,682)	-	(2,592,682)	678,292,240
Issuance of ordinary shares from exercise of warrant (Note 32)	-	-	9,640,618	-	-	-	-	-	-	-	-	9,640,618
Treasury shares (Note 33)	-	-	-	-	13,146,212	450,294	-	-	-	-	-	13,596,506
Dividend paid (Note 44)	-	-	-	-	-	-	-	(701,512,606)	-	-	-	(701,512,606)
<b>Balance as at 31 December 2019</b>	<u>443,995,436</u>	<u>2,333,947,915</u>	<u>9,640,618</u>	<u>-</u>	<u>-</u>	<u>643,090</u>	<u>55,499,430</u>	<u>554,314,127</u>	<u>(2,461,619)</u>	<u>-</u>	<u>(2,461,619)</u>	<u>3,395,578,997</u>
<b>Balance as at 1 January 2020</b>	443,995,436	2,333,947,915	9,640,618	-	-	643,090	55,499,430	554,314,127	(2,461,619)	-	(2,461,619)	3,395,578,997
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	-	-	-	(2,078,595)	12,924,102	(40,386,306)	(27,462,204)	(29,540,799)
<b>Balance as at 1 January 2020 - as restated</b>	<u>443,995,436</u>	<u>2,333,947,915</u>	<u>9,640,618</u>	<u>-</u>	<u>-</u>	<u>643,090</u>	<u>55,499,430</u>	<u>552,235,532</u>	<u>10,462,483</u>	<u>(40,386,306)</u>	<u>(29,923,823)</u>	<u>3,366,038,198</u>
Profit for the period	-	-	-	-	-	-	-	1,047,040,708	-	-	-	1,047,040,708
Other comprehensive income for the year	-	-	-	-	-	-	-	(1,034,267)	(5,550,170)	-	(5,550,170)	(6,584,437)
Total comprehensive income for the year	-	-	-	-	-	-	-	1,046,006,441	(5,550,170)	-	(5,550,170)	1,040,456,271
Share-based payment transaction (Note 32)	-	-	-	4,091,674	-	-	-	-	-	-	-	4,091,674
Issuance of ordinary shares from exercise of warrant (Note 32)	44,050,235	1,596,545,258	367,276,328	-	-	-	-	-	-	-	-	2,007,871,821
Dividend paid (Note 44)	-	-	-	-	-	-	-	(694,385,476)	-	-	-	(694,385,476)
Appropriate retained earnings to statutory reserve	-	-	-	-	-	-	23,215,599	(23,215,599)	-	-	-	-
<b>Balance as at 31 December 2020</b>	<u>488,045,671</u>	<u>3,930,493,173</u>	<u>376,916,946</u>	<u>4,091,674</u>	<u>-</u>	<u>643,090</u>	<u>78,715,029</u>	<u>880,640,898</u>	<u>4,912,313</u>	<u>(40,386,306)</u>	<u>(35,473,993)</u>	<u>5,724,072,488</u>

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 2020**

#### **1. General information**

##### **1.1 General information of the Company**

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 for debts management and collection. The registered office of the Company is at 187, Jaymart Building, 4 - 6th floor, Ramkhamhaeng Road, Rat Phatthana Sub - District, Saphan Sung District, Bangkok.

##### **1.2 Coronavirus disease 2019 Pandemic**

The Coronavirus disease 2019 pandemic is adversely impacting most businesses and industries. This situation may bring uncertainties and have an impact on the Group’s business activities in term of the ability of the receivables to make payment. This may impact the Group’s operating results and cash flows in the future. The Group’s management has continuously monitored ongoing developments and assessed the financial impact, and has used estimates and judgement in respect of various issues as the situation has evolved.

#### **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, 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”) (collectively as “the Group”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020 (Percent)	2019 (Percent)
JAYMART INSURANCE BROKER CO., LTD.	Insurance broker	Thailand	99.99	99.99
J Asset Management Company Limited	Asset management	Thailand	99.99	99.99
JMT (CAMBODIA) CO., LTD.*	Debts collection services	Cambodia	100.00	100.00
JP Insurance Public Company Limited	Non-life insurance	Thailand	55.00	55.00

\* Being liquidation process.

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary company is translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

- 2.3 The separate financial statements present investments in subsidiaries under the equity method.



### **3. New financial reporting standards**

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

During the year, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The new standard involves changes to key principles, which are summarised below:

#### **Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. They also include stipulations regarding the presentation and disclosure of financial instruments.



## **Accounting Guidance related to financial instruments and disclosures applicable to insurance business**

Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2019) Insurance contracts, which allows insurers who meet certain criteria stipulated in TFRS 4 to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which are applicable for the financial reporting period beginning on or after 1 January 2020, and to adopt the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead.

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

The adoption of these standards has the impact on the Group's financial statements to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group measures investments in equity instruments of non-listed companies at fair value and classifies the investments as financial assets designated at fair value, through other comprehensive income.
- Classification and measurement of investments in available-for-sale equity securities - The Group has decided to classify these investments as financial assets designated at fair value through profit or loss.
- Recognition of expected credit losses - The Group recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred.

The Group recognised the cumulative effects of the adoption of these financial reporting standards as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.



## **TFRS 16 Leases**

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

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

The Group recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

## **Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy**

The Federation of Accounting Professions announced Accounting Guidance on Temporary relief measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy". Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand's measures and electing to apply this Accounting Treatment Guidance have to apply all temporary relief measures in this guidance.



On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes.

The Group has not applied the above relief measure

### **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance Temporary Relief Measures for Accounting Alternatives in Response to the impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impacts of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the period from the first quarter to the third quarter of 2020, the Group elected to apply the temporary relief measures on accounting alternatives relating to measurement of expected credit losses using a simplified approach, fair value measurement of non-listed equity securities, impairment of assets and reversal of deferred tax assets.

In the fourth quarter of 2020, the Group has assessed the financial impacts of the uncertainties of the COVID-19 Pandemic on the valuation of assets. As a result, in preparing the financial statements for the year ended 31 December 2020, the Group has decided to discontinue application of all temporary relief measures on accounting alternatives with no significant impact on the Group's financial statements.



**b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

**4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3 to the financial statements, during the current year, the Group has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position at the beginning of 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	The effect of			1 January 2020
	31 December 2019	Financial reporting standards related to financial instruments	TFRS 16	
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	316,864	(43)	-	316,821
Accrued income	36,711	(2)	-	36,709
Short-term investments	228,831	(228,831)	-	-
Other current financial assets	-	263,113	-	263,113
Other current assets	83,833	(15,781)	-	68,052
<b>Non-current assets</b>				
Other non-current financial assets	-	130,385	-	130,385
Long-term investments	133,926	(133,926)	-	-
Equipment	136,324	-	(464)	135,860
Right-of-use assets	-	-	154,924	154,924
Leasehold rights	48,563	-	(48,563)	-
Other non-current assets	32,005	(30,402)	-	1,603



(Unit: Thousand Baht)

Consolidated financial statements				
	The effect of			
	Financial reporting standards related to financial instruments			
	31 December 2019		TFRS 16	1 January 2020
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	92,703	-	(2,188)	90,515
Current portion of liabilities under finance lease agreement	169	-	(169)	-
Current portion of lease liabilities	-	-	15,930	15,930
<b>Non-current liabilities</b>				
Liabilities under finance lease agreement - net of current portion	257	-	(257)	-
Lease liabilities - net of current portion	-	-	92,581	92,581
Deferred tax liabilities	-	5,180	-	5,180
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	554,314	(2,079)	-	552,235
Other components of shareholders' equity	(2,462)	(27,462)	-	(29,924)
Non - controlling interests of the subsidiaries	37,703	8,874	-	46,577

(Unit: Thousand Baht)

Separate financial statements				
	The effect of			
	Financial reporting standards related to financial instruments			
	31 December 2019		TFRS 16	1 January 2020
<b>Statement of financial position</b>				
<b>Assets</b>				
<b>Current assets</b>				
Other current assets	19,786	(26)	-	19,760
Other current financial assets	-	26	-	26
<b>Non-current assets</b>				
Other non-current financial assets	-	72,639	-	72,639
Investments in subsidiaries	1,789,222	10,845	-	1,800,067
Long-term investments	104,346	(104,346)	-	-
Right-of-use assets	-	-	126,632	126,632
Leasehold rights	48,563	-	(48,563)	-
Non-current assets	10,282	(8,679)	-	1,603
<b>Liabilities and shareholders' equity</b>				
<b>Current liabilities</b>				
Trade and other payables	57,365	-	(2,188)	55,177
Current portion of lease liabilities	-	-	12,391	12,391
<b>Non-current liabilities</b>				
Lease liabilities - net of current portion	-	-	67,866	67,866
<b>Shareholders' equity</b>				
Retained earnings - unappropriated	554,314	(2,079)	-	552,235
Other components of shareholders' equity	(2,462)	(27,462)	-	(29,924)



## 4.1 Financial instruments

Details of the impact on retained earnings and other components of shareholders' equity as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	Consolidated financial statements		Separate financial statements	
	Retained earnings	Other components of shareholders' equity	Retained earnings	Other components of shareholders' equity
Fair value measurement of investments in non-listed equity securities	-	(26,141)	-	(40,386)
Classification of available-for-sale investments as financial assets measured at fair value through profit or loss	(1,528)	1,528	-	-
Recognition of an expected credit losses on financial assets measured at amortised cost and measured at fair value through profit or loss	(551)	-	-	-
Recognition of share of profit from investments in subsidiaries	-	-	(2,079)	-
Recognition of share of other comprehensive income from investments in subsidiaries	-	-	-	12,924
Less: Relevant income tax	-	(2,849)	-	-
Impacts of the adoption of financial reporting standards related to financial instruments	(2,079)	(27,462)	(2,079)	(27,462)

As at 1 January 2020, classifications and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

	Consolidated financial statements				
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value		Amortised cost	Total
		Fair value through profit or loss	Fair value through other comprehensive income		
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	316,864	-	-	316,821	316,821
Deposits at banks with restrictions	2,280	-	-	2,280	2,280
Other current financial assets	244,612	33,205	-	229,908	263,113
Trade and other receivables	161,038	-	-	161,038	161,038
Accrued income	36,711	-	-	36,709	36,709
Short-term loans to related parties	295,000	-	-	295,000	295,000
Bank deposits - pledge as collateral	2,549	-	-	2,549	2,549
Loans receivable from purchase of accounts receivable	7,920,584	-	-	7,920,584	7,920,584
Other non-current financial assets	164,328	-	89,982	40,403	130,385
<b>Total financial assets</b>	<b>9,143,966</b>	<b>33,205</b>	<b>89,982</b>	<b>9,005,292</b>	<b>9,128,479</b>



(Unit: Thousand Baht)

		Separate financial statements			
	The former carrying amount	Classification and measurement in accordance with TFRS 9			
		Fair value			
		Fair value through profit or loss	through other comprehensive income	Amortised cost	Total
<b>Financial assets as at 1 January 2020</b>					
Cash and cash equivalents	151,570	-	-	151,570	151,570
Trade and other receivables	34,841	-	-	34,841	34,841
Accrued income	32,231	-	-	32,231	32,231
Short-term loans to related parties	4,457,000	-	-	4,457,000	4,457,000
Other current financial assets	26	-	-	26	26
Bank deposits - pledge as collateral	1,476	-	-	1,476	1,476
Loans receivable from purchase of accounts receivable	2,496,833	-	-	2,496,833	2,496,833
Other non-current financial assets	113,025	-	63,960	8,679	72,639
<b>Total financial assets</b>	<b>7,287,002</b>	<b>-</b>	<b>63,960</b>	<b>7,182,656</b>	<b>7,246,616</b>

As at 1 January 2020, the Group has not designated any financial liabilities at fair value through profit or loss.

## 4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as of 1 January 2020. For leases that previously classified as finance leases, the Group recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.



	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Operating lease commitments as at 31 December 2019	152,412	122,372
Less: Short-term leases and leases of low-value assets	(1,065)	(1,065)
Add: Option to extend lease term	396	-
Less: Contracts reassessed as service agreements	(172)	(59)
Less: Deferred interest expenses	(43,486)	(40,991)
Increase in lease liabilities due to the initial adoption of TFRS 16	108,085	80,257
Liabilities under finance lease agreements as at 31 December 2019	426	-
Lease liabilities as at 1 January 2020	108,511	80,257
Weighted average incremental borrowing rate (percent per annum)	3.47 - 21.20	3.47 - 4.14
Comprise of:		
Current lease liabilities	15,930	12,391
Non-current lease liabilities	92,581	67,866
	108,511	80,257

## 5. Significant accounting policies

### 5.1 Revenue recognition

#### a) Services income from debts collection and others

Services income from debts collection and others are recognised as income at a point in time upon completion of the service based on the agreed rate.

#### b) Interest income consisted of the following:

*Interest income from loans receivable from purchase of accounts receivable*

#### Accounting policies adopted since 1 January 2020

Interest income from loans receivable from purchase of accounts receivable are recognised on an accrual basis by calculating amortised cost of loans receivable from purchase of accounts receivable net of allowance for expected credit loss using credit-adjusted effective interest rate.



The credit-adjusted effective interest rate is calculated by discounting the estimated future cash in/outflows through the expected life of the financial asset to the amortised cost of loans receivable from purchase of accounts receivables that are a purchased or originated credit impaired financial asset. The estimated future cash in/outflows is calculated by using a model developed based on statistical quantitative information of historical data of net cash inflows, by considering types of account receivables, agreement terms, repayment terms for account receivables with collateral, the period of collection and expected credit losses. There is a presumption that the estimated future cash in/outflows and the expected life of a financial instrument can be estimated reliably.

In cases where the cost of transferred purchased non-performing receivables is fully amortised but the Group still has the right to demand the debtor make payment under the contract, the Group will record such payment in the entire amount as gains on loans receivable from purchase of accounts receivable.

#### Accounting policies adopted before 1 January 2020

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

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

#### *Interest income*

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the allowance for expected credit loss).



c) *Gain on loans receivable from purchase of accounts receivable*

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

d) *Insurance premium income*

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

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

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

e) *Fee and commission income*

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

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

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) *Dividends*

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

h) *Net gains (losses) from financial instruments measured at fair value through profit or loss*

Net gains (losses) from financial instruments measured at fair value through profit or loss consist of gains (losses) from changes in the fair value of financial assets measured at fair value through profit or loss, gains (losses) from sales of financial assets measured at fair value through profit or loss. The Group recognises them as income or an expense on the transaction date.



## 5.2 Expenses recognition

### a) *Premium ceded to reinsurers*

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

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

### b) *Claim and loss adjustment expenses*

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

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

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

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

### c) *Commission and brokerage expenses*

Commission and brokerage expenses are expended when incurred.

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

### d) *Other underwriting expenses*

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



e) *Finance cost*

Accounting policies adopted since 1 January 2020

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Accounting policies adopted before 1 January 2020

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

f) *Fees and service expenses*

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

### **5.3 Classification of insurance contracts**

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

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

### **5.4 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.



## **5.5 Trade and other receivables, accrued income, claim receivables and allowance for expected credit losses / allowance for doubtful debts**

### Accounting policies adopted since 1 January 2020

The Group measures trade and other trade receivables, accrued income and claim receivables, that do not contain a significant financing component at the transaction price, as disclosed in accounting policy of revenue recognition and applies a simplified approach in calculating the expected credit losses ("ECLs"). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs of trade and other trade receivables, accrued income and claim receivables, at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

### Accounting policies adopted before 1 January 2020

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.

## **5.6 Premium receivables and allowance for doubtful accounts**

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

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

## **5.7 Reinsurance assets**

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

When indicator of impairment incurred, the subsidiary records allowance for doubtful accounts for estimated loss that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

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







## **5.8 Receivables from reinsurance contracts and amount due to reinsurers**

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

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

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

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

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

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

## **5.9 Investments in subsidiaries**

Investments in subsidiaries are accounted for in the separate financial statements using the equity method.

## **5.10 Loans receivable from purchase of accounts receivable and accrued interest**

### *Accounting policies adopted since 1 January 2020*

The loans receivable from purchase of accounts receivable represent non-performing receivables which the Group purchased from financial institutions and credit service companies by bidding for debts management and collection. Under the purchase contracts of non - performing receivables, the Group takes all the risks in the collection without recourse. The loans receivable from purchase of accounts receivable are recognised as purchased or originated credit-impaired financial assets. The Group initially recognise purchased or originated credit-impaired financial assets at cost, which comprise purchased amount (fair value as at transaction date equals or approximates to purchased price) add direct expense of loans receivable from purchase of accounts receivable, and present at amortised cost plus accrued interest income, net of allowance for expected credit losses.



#### Accounting policies adopted before 1 January 2020

The loan receivable from purchase of accounts receivable are presented at purchase cost less allowance for impairment (if any). The Group recognises loss on impairment of loan receivable from purchase of accounts receivable when the present values of estimated cash flows from repayment of debtor or selling collaterals are lower than carrying value.

#### **5.11 Allowance for expected credit losses of loans receivable from purchase of accounts receivable**

The loans receivable from purchase of accounts receivable are purchased or originated credit-impaired financial assets. The Group recognises allowance for expected credit loss from loans receivable from purchase of accounts receivable as the cumulative changes in lifetime expected credit losses since initial recognition.

At each reporting date, the Group estimates the amount of an expected credit losses of loans receivable from purchase of accounts receivable by calculating the difference between the carrying amount of loans receivable from purchase of accounts receivable and the present value of estimated future cash flows. The Group estimates the amount of an expected credit losses by discounting the unbiased forecast cash flows based on reasonable and supportable information that is relevant and available without undue cost or effort.

The Group uses judgement in estimating the amount and period of expected net cash inflows in calculating allowance for expected credit losses and credit-adjusted effective interest rate since initial recognition of loans receivable from purchase of accounts receivable for recognition of interest income. In estimating cash flows, the Group considers loss experience and adjust on the basis of current observable data. In addition, the Group uses reasonable and supportable forecasts of future economic conditions including experiences judgement to estimate the amount of an expected impairment loss. The Group uses judgement in assessing financial situation of debtor, net collateral value and future information and uses forward-looking information and model to calculate allowance for expected credit losses.

The Group recognises the amount of the change in lifetime expected credit losses as gain or loss from expected credit losses in profit or loss. The Group recognises favourable changes in lifetime expected credit losses as a reversal of expected credit losses, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.



## 5.12 Modification of contractual cashflow/Debt restructuring

Since 1 January 2020 when the contractual cash flows of a financial asset are renegotiated or restructured, or existing financial asset is replaced by new financial asset, the Group assesses whether the financial asset should be derecognised and recalculates the gross carrying amount of the financial asset as following:-

- If the modification does not result in the derecognition of the financial asset, the Group recalculates gross carrying amount of the financial asset by calculating the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate and recognises loss from a modification in profit or loss, which presented as partial of expected credit losses.
- If the modification results in the derecognition of the financial asset. The fair value of the new financial asset is the latest cash flow of existing financial asset at the date of derecognition. The difference between the carrying amounts and fair value of the new financial asset is recognised in profit or loss, which presented as partial of expected credit losses.

The Group always treats loans from purchase of accounts receivable which are renegotiated or restructured, as purchased or originated credit-impaired financial assets.

## 5.13 Financial instruments

### Accounting policies adopted since 1 January 2020

The Group initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs.

### **Classification and measurement of financial assets**

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

### ***Financial assets at amortised cost***

The Group measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

***Financial assets at FVOCI (debt instruments)***

The Group measures financial assets at FVOCI if the financial asset is held to collect contractual cash flows and selling and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

***Financial assets designated at FVOCI (equity instruments)***

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

***Financial assets at FVTPL***

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on listed equity investments are recognised as other income in profit or loss.



## **Classification and measurement of financial liabilities**

At initial recognition the Group's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Group takes into account any discounts or premiums on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

## **Derecognition of financial instruments**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## **Impairment of financial assets**

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also



consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Accounting policies adopted before 1 January 2020**

#### **Investments**

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

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association and the fair value of unit trust is determined from its net asset value.

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

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



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



#### 5.14 Accrued income from auction sale

Accrued income from auction sale is the result of legal action taken against debtors, where the court has ordered the Legal Execution Department to conduct an auction sale open for bidder. These are divided into two situations, as follows:

a) The successful bidder is an external party

In cases where collateral is auctioned and the successful bidder is an external party, the item is recorded as accrued income from auction sale on the date the buyer makes full payment to the Legal Execution Department, provided that the collateral is under first mortgage only. The Group records the estimated operating expense to be collected by the Legal Execution Department at the rate of 6% of the auction price, presenting it as a deduction from accrued income from auction sale.

b) The successful bidder is the Group, as an external party

In cases where the Group is the buyer of the collateral and has already made full payment to the Legal Execution Department, the item is recognised as accrued income from auction sale at the auction price.

#### 5.15 Property foreclosed

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

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

#### 5.16 Building and equipment/Depreciation

Building and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation building and equipment is calculated by reference to their cost, on the straight-line basis over the following estimated useful lives:

		<u>Useful lives</u>
Building	-	20 years
Office equipment	-	3 - 5 years
Office furniture	-	5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on assets under construction.



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.

### **5.17 Intangible assets**

Intangible assets are initially recognised at cost. Following the initial recognition, the intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

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

Intangible assets with finite useful lives is computer software which has useful lives of 5 years.

No amortisation is provided on computer software in progress.

### **5.18 Goodwill**

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

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

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



## 5.19 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### **The Group as a lessee**

#### Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Group recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### **Right-of-use assets**

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	30 years
Buildings	1 - 6 years
Equipment	3 - 4 years
Computer software	3 years

If ownership of the leased asset is transferred to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.



### ***Lease liabilities***

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

### ***Short-term leases and leases of low-value assets***

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

### ***Accounting policies adopted before 1 January 2020***

Leases of 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 land, buildings 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.



## 5.20 Insurance contract liabilities

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

### a) *Loss reserve and outstanding claims*

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

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

### b) *Premium reserves*

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

#### (1) Unearned premium reserve

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

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

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

#### (2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the future claims and related expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are



expected be incurred during the remaining period of coverage, based on historical claims data.

As at the end of reporting period, the subsidiary compares the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is presented in the financial statements.

However, the increase or decrease in unearned premium reserves from prior year is to be recognised in profit or loss.

## **5.21 Related persons and parties transactions**

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

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

## **5.22 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company' 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.

## **5.23 Impairment of non-financial assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the equipment, right-of-use asset and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired.

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 reflects the amount that the Group could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

## **5.24 Employee benefits**

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

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

### ***Post-employment benefits***

#### *Defined contribution plans*

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

#### *Defined benefit plans*

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

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

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

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



## **5.25 Provisions**

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

## **5.26 Income tax**

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

### **Current tax**

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

### **Deferred tax**

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

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

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

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

## **5.27 Share-based payment**

The Group recognised share-based payment transactions when services from employees are rendered, based on the fair value of the share options on the grant date. The expenses are recorded over the vesting period, in accordance with the conditions regarding length of service rendered by employees stipulated in the share-based payment plan, together with a corresponding increase in "Capital reserve for share-based payment transactions" in shareholders' equity.



The Group used generally accepted model to estimating fair value for share-based payment transactions which requires management to exercise judgement, and to apply assumptions, including as to current price of the underlying shares, life of the share options, share price volatility, risk-free interest rate for the life of the option and dividend yield etc.



## 5.28 Fair value measurement

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

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

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

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

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

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

## 6. 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:

### **Allowance for expected credit losses**

The management is required to use judgement in estimating the allowance for expected credit losses of financial assets. The allowance for expected credit losses is calculated based on models, informations, assumption, developed model, and assessments related to the increase in credit risk. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.



### **Credit-adjusted effective interest rate**

The management is required to use judgement in estimating the credit-adjusted effective interest rate. The Group recognised interest income from loans receivable from purchase of accounts receivable using rate of return, which is calculated based on the basis of the estimated future cash inflows over the expected life of loans receivable from purchase of accounts receivable that have similar characteristics and can be estimated reliably. The estimate involves a large number of variables, therefore, actual results could differ from those estimates.

### **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, 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.

### **Allowance for impairment of properties foreclosed**

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

### **Building and equipment and depreciation**

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

### **Goodwill and intangible assets**

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



## **Leases**

### ***Determining the lease term with extension and termination options - The Group as a lessee***

In determining the lease term, the management is required to exercise judgement in assessing whether the Group is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Group to exercise either the extension or termination option.

### ***Estimating the incremental borrowing rate - The Group as a lessee***

The Group cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **Deferred tax assets**

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

## **Loss reserves and outstanding claim**

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



## Unexpired risk reserve

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

## Litigation

The subsidiary has contingent liabilities as a result of litigation. The subsidiary's management has used judgement to assess the results of the litigation and believes that the loss incurred will not exceed the recorded amounts as at the end of the reporting period.

## 7. Related party transactions

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

Companies	Relationship
Jay Mart Public Company Limited	Parent company
JAYMART INSURANCE BROKER CO., LTD.	Subsidiary company
J Asset Management Company Limited	Subsidiary company
JMT (CAMBODIA) CO., LTD.*	Subsidiary company
JP Insurance Public Company Limited	Subsidiary company
J Fintech Co., Ltd.	Related company (common shareholders and directors)
JAS Asset Public Company Limited	Related company (common shareholders and directors)
Jaymart Mobile Co., Ltd.	Related company (common shareholders and directors)
T.A.S. Assets Company Limited	Related company (common shareholders and directors)
Singer Thailand Public Company Limited	Related company (common shareholders and directors)
J Ventures Co., Ltd.	Related company (common shareholders and directors)
SG Capital Co., Ltd.	Related company (common shareholders and directors)
SG Service Plus Co., Ltd.	Related company (common shareholders and directors)
SG Broker Co., Ltd.	Related company (common shareholders and directors)
Beans and Brown Co., Ltd.	Related company (common shareholders and directors)

\* Being liquidation process

During the years, the Group had significant business transactions with related persons or 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 persons or parties.



(Unit: Thousand Baht)

	Consolidated		Separate		Transfer Pricing Policy
	financial statements		financial statements		
	2020	2019	2020	2019	
<b><u>Transactions with parent company</u></b>					
Administrative expenses	64	46	64	46	Mutually agreed rate
Office rental and services expenses	5	25	4	19	Mutually agreed rate
Cash paid for office rental and service	20	-	15	-	Mutually agreed rate
Insurance income	1	1	-	-	According to term of underwriting agreements
Advertising expenses	1	-	-	-	As agreed by supplier
Dividend paid	366	392	366	392	As declared with normal investor
<b><u>Transactions with subsidiaries</u></b>					
(Eliminated from the consolidated financial statements)					
Management income	-	-	52	33	Mutually agreed rate
Other services income	-	-	3	1	Mutually agreed price
Interest income	-	-	191	130	Mutually agreed rate
Insurance premium expenses	-	-	3	2	According to term of underwriting agreements
<b><u>Transactions with related parties</u></b>					
Services income from debts collection	46	51	46	51	Mutually agreed price
Litigations income	-	2	-	2	Mutually agreed price
Commission income from loans agents	1	2	1	2	Mutually agreed price
Other services income	1	6	1	6	Mutually agreed price
Insurance income	5	8	-	-	According to term of underwriting agreements
Interest income	13	11	13	11	Mutually agreed rate
Office rental and services expenses	1	4	-	2	Mutually agreed price
Cash paid for office rental and service	3	-	2	-	Mutually agreed price
Purchase of loans receivable	149	174	149	174	Mutually agreed price
Sales promotion expenses	1	-	-	-	Mutually agreed rate
Miscellaneous expenses	6	2	3	2	As agreed by suppliers
System work expenses	1	1	1	1	Mutually agreed price
Commission expenses	-	1	-	-	Mutually agreed price
Other service expense	2	-	2	-	Mutually agreed price
Purchase of assets	33	3	32	3	As agreed by suppliers



Insurance income	1	1	-	-	According to term of underwriting agreements
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As at 31 December 2020 and 2019, the balances of the accounts between the Group and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<u>Trade and other receivables - related parties (Note 9)</u>				
Parent company	76	228	66	15
Subsidiary	-	-	331	-
Related parties	797	4,395	350	2,928
Total trade and other receivables - related parties	873	4,623	747	2,943
<u>Accrued income - related parties (Note 10)</u>				
Subsidiary	-	-	505	186
Related parties	9,659	10,370	9,659	10,370
Total accrued income - related parties	9,659	10,370	10,164	10,556
<u>Premium receivables - related parties (Note 11)</u>				
Related parties	750	-	-	-
Total premium receivables - related parties	750	-	-	-
<u>Other current assets - related parties (Note 17)</u>				
Subsidiary	-	-	1,193	1,265
Related party	500	-	500	-
Total other current assets - related party	500	-	1,693	1,265
<u>Deposits - related parties (Shown under other non-current financial assets / other non-current assets)</u>				
Parent company	5,349	4,893	4,065	3,664
Related party	991	1,377	470	855
Total deposit - related parties	6,340	6,270	4,535	4,519
<u>Trade and other payables - related parties (Note 24)</u>				
Parent company	1,522	577	1,461	523
Subsidiaries	-	-	412	637
Related parties	6,656	845	3,785	531
Total trade and other payables - related parties	8,178	1,422	5,658	1,691
<u>Accounts payable - purchase of accounts receivable - related parties</u>				
Related parties	9,253	-	-	-
Total accounts payable - purchase of account receivable - related parties	9,253	-	-	-
<u>Insurance contract liabilities - related parties (Note 25)</u>				
Related parties	-	943	-	-
Total insurance contract liabilities - related parties	-	943	-	-
<u>Lease liabilities - related parties (shown under leases)</u>				
Parent company	20,007	-	15,007	-
Related parties	1,015	-	760	-
Total lease liabilities - related parties	21,022	-	15,767	-



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Debentures - related persons</u> (Note 29)				
Director	-	15,000	-	15,000
Total debentures - related persons	-	15,000	-	15,000

### Short-term loans to related parties

As at 31 December 2020 and 2019, the balance of loans between the Company and those related companies and the movement in loans are as follows:

(Unit: Thousand Baht)					
Consolidated financial statements					
Short-term loans to	Related by	Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
		2019	during the year	during the year	2020
J Fintech Co., Ltd.	Related party	295,000	118,000	(131,000)	282,000
		295,000	118,000	(131,000)	282,000
(Unit: Thousand Baht)					
Separate financial statements					
Short-term loans to	Related by	Balance as at			Balance as at
		31 December	Increase	Decrease	31 December
		2019	during the year	during the year	2020
J Asset Management Company Limited	Subsidiary	4,150,000	2,357,000	(1,387,000)	5,120,000
JAYMART INSURANCE BROKER CO., LTD.	Subsidiary	12,000	1,500	(1,000)	12,500
J Fintech Co., Ltd.	Related party	295,000	118,000	(131,000)	282,000
		4,457,000	2,476,500	(1,519,000)	5,414,500

Short-term loans to related parties carried interest between 4.49% and 4.50% per annum and to be due within one year (2019: 4.49% and 4.57% per annum).

### Directors and managements' benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses payable to their directors and managements as below.

(Unit: Thousand Baht)			
Consolidated		Separate	
financial statements		financial statements	
2020	2019	2020	2019



Short-term benefits	15,368	19,354	11,038	8,472
Post-employment benefits	521	834	374	506
Share-based payment (Note 32.3)	494	-	334	-
Total	<u>16,383</u>	<u>20,188</u>	<u>11,746</u>	<u>8,978</u>



## 8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash on hand	85	125	15	10
Current deposits	235,358	248,307	142,899	120,616
Savings deposits	631,622	68,420	543,122	30,944
Fixed deposits	100,012	12	100,000	-
Total	967,077	316,864	786,036	151,570

As at 31 December 2020, bank deposits carried interests between 0.05% and 1.50% per annum (2019: between 0.10% and 2.00% per annum).

## 9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	689	2,857	575	1,319
Past due				
Up to 3 months	24	1,347	21	1,348
More than 6 months	5	-	-	-
Total trade receivables - related parties	718	4,204	596	2,667
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	24,221	29,418	11,808	20,360
Past due				
Up to 3 months	2,317	1,074	2,041	918
3 - 6 months	296	125	268	49
More than 6 months	98	418	83	65
Total	26,932	31,035	14,200	21,392
Less: Allowance for expected credit losses /				
Allowance for doubtful debts	-	(383)	-	-
Total trade receivables - unrelated parties - net	26,932	30,652	14,200	21,392
Total trade receivables	27,650	34,856	14,796	24,059



	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<u>Other receivable</u>				
Other receivables - related parties	155	419	151	276
Other receivables - unrelated parties	14,079	19,716	3,906	10,506
Other receivables from auction	209,010	106,047	-	-
Total other receivables	223,244	126,182	4,057	10,782
Total trade and other receivables - net	250,894	161,038	18,853	34,841

Set out below is the movement in the allowance for expected credit losses of trade and other receivables.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
As at 1 January 2020	383	
Provision for expected credit losses	380	
Amount written off	(763)	
As at 31 December 2020	-	

## 10. Accrued income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accrued services income				
- Related parties	9,659	10,370	10,164	10,556
- Unrelated parties	24,989	25,139	21,968	21,408
Accrued interest income				
- Unrelated parties	1,218	1,202	-	267
Total accrued income	35,866	36,711	32,132	32,231



## 11. Premium receivables

As at 31 December 2020 and 2019, the balances of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
<u>Premium receivables - related parties</u>		
Past due		
31 - 60 days	750	-
Total premium receivables - related parties	750	-
<u>Premium receivables - unrelated parties</u>		
Not yet due	19,613	27,745
Past due		
Up to 30 days	1,688	1,797
31 - 60 days	1,008	652
61 - 90 days	390	2,499
More than 90 days	17,992	20,032
Total	40,691	52,725
Less: Allowance for doubtful debts	(14,061)	(13,738)
Total premium receivables - unrelated parties - net	26,630	38,987
Total premium receivables - net	27,380	38,987

## 12. Reinsurance assets

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
<b>Insurance reserves refundable from reinsurers</b>		
Loss reserves	132,814	105,353
Unearned premium reserve (UPR)	89,551	102,279
Total reinsurance assets	222,365	207,632



### 13. Reinsurance receivables

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Amounts due from reinsurers	53,080	37,911
Total reinsurance receivables	53,080	37,911

As at 31 December 2020 and 2019, the balance of reinsurance receivables are classified by aging as follow:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Not yet due	29,195	30,353
Overdue not longer than 12 months	23,846	7,558
Overdue longer than 12 months	39	-
Total reinsurance receivables	53,080	37,911

### 14. Loans receivable from purchase of accounts receivable

As at 31 December 2020 and 2019, loans receivable from purchase of accounts receivable classified by group of debtors are as follows:

	Consolidated financial statements			
	2020		2019	
	Number of	Amount	Number of	Amount
	contracts	(Thousand Baht)	contracts	(Thousand Baht)
	(Contract)		(Contract)	
Hire purchase receivables	1,517,708	3,273,566	1,337,216	2,881,312
Personal loan receivables	2,599,260	3,613,141	2,350,190	1,747,253
Personal loan receivables - collaterals	2,316	3,074,345	2,137	3,399,250
Total	4,119,284	9,961,052	3,689,543	8,027,815
Add: Accrued Interest		160,055		-
Less: Allowance for expected credit losses		(287,183)		-
Allowance for doubtful accounts		-		(107,231)
Net		9,833,924		7,920,584
Less: Current portion of loans receivable from				
purchase of accounts receivable		(338,858)		(387,371)
Loans receivable from purchase of				
accounts receivable - net of				
current portion		9,495,066		7,533,213



	Separate financial statements			
	2020		2019	
	Number of		Number of	
	contracts	Amount	contracts	Amount
	(Contract)	(Thousand Baht)	(Contract)	(Thousand Baht)
Hire purchase receivables	1,326,435	1,673,617	1,177,293	1,636,011
Personal loan receivables	2,191,499	1,194,470	2,059,359	935,433
Total	<u>3,517,934</u>	<u>2,868,087</u>	<u>3,236,652</u>	<u>2,571,444</u>
Add: Accrued Interest		8,352		-
Less: Allowance for expected credit losses		(70,979)		-
Allowance for doubtful accounts		-		(74,611)
Net		2,805,460		2,496,833
Less: Current portion of loans receivable from				
purchase of accounts receivable		(154,699)		(269,408)
Loans receivable from purchase of				
accounts receivable - net of				
current portion		<u>2,650,761</u>		<u>2,227,425</u>

The movements on loans receivable from purchase of accounts receivable during the year 2020 are as follows:

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2020	7,920,584	2,496,833
Add: Accrued interest as at 31 December 2020	160,055	8,352
Purchase during the year	3,515,528	642,485
Reversal of allowance for expected credit losses	75,050	11,029
Less: Portion decrease from cash collection		
during the year	(1,198,635)	(345,487)
Portion decrease from settlement by transferred assets during the year	(382,762)	-
Set up allowance for doubtful accounts	(255,002)	(7,397)
Reassignment	(894)	(355)
Balance as at 31 December 2020	<u>9,833,924</u>	<u>2,805,460</u>



During the year 2020, the Company purchased accounts receivable from related parties with the contract amount of Baht 850 million (2019: Baht 1,042 million).

During the year 2020, the subsidiary's personal loan receivables - collaterals entered into loan agreements with the related party to close accounts under 46 agreements with the net book value amounting to Baht 58 million, the subsidiary recognised gains on loans receivable from purchase of accounts receivable amounting to Baht 25 million (2019: Nil).

As at 31 December 2020, the Group expects to collect cash from the loans receivable from purchase of accounts receivable of Baht 1,995 million within one year (the Company only: Baht 830 million) (2019: Baht 1,386 million (the Company only: Baht 840 million)).

As at 31 December 2020, the average age of loans receivable from purchase of accounts receivable, aging from the purchasing date is between 1 and 9 years. (2019: 1 and 8 years).

As at 31 December 2020, the subsidiary's personal loan receivables - collaterals had land and building and condominium held as collateral totaling to Baht 3,063 million (2019: Baht 3,792 million). The collateral value is based on the latest appraised value before taking into account the accrued debt obligation and the mortgage value.

#### **14.1 Debt restructuring**

During the year 2020, the subsidiary entered into debt restructuring agreements with accounts receivable for personal loans - collaterals, whereby a condition regarding payment has been modified, with net book value before and after the restructuring of Baht 245 million. The subsidiary did not recognised gain or loss from the debt restructuring.



## 15. Other financial assets / Investments

### 15.1 Other financial assets as at 31 December 2020

		(Unit: Thousand Baht)	
		Consolidated financial statements	
		2020	2019
<b>Financial assets measured at fair value through profit or loss</b>			
Listed equity investments		3,550	-
Unit trust		75	-
Mutual fund		920,459	-
<b>Total financial assets measured at fair value through profit or loss</b>		<b>924,084</b>	<b>-</b>
<b>Equity instruments designated at fair value through OCI</b>			
Non-listed equity securities		77,396	-
<b>Total equity instruments designated at fair value through OCI</b>		<b>77,396</b>	<b>-</b>
<b>Total financial assets measured at fair value</b>		<b>1,001,480</b>	<b>-</b>
<b>Debt instruments measured at amortised cost</b>			
Deposits and certificate of deposit at financial institutions			
which amount maturing over 3 months		217,440	-
Government and state enterprise securities		15,000	-
Other receivables from auction		103,332	-
Deposits		25,225	-
Claim receivables		13,195	-
Guarantee		3,133	-
Total		377,325	-
Less: Allowance for expected credit losses		(12,655)	-
<b>Total debt instruments measured at amortised cost</b>		<b>364,670</b>	<b>-</b>
<b>Total other financial assets - net</b>		<b>1,366,150</b>	<b>-</b>
<b>Other current financial assets</b>		<b>1,163,062</b>	<b>-</b>
<b>Other non-current financial assets</b>		<b>203,088</b>	<b>-</b>



(Unit: Thousand Baht)		
Separate financial statements		
	2020	2019
<b>Financial assets measured at fair value through profit or loss</b>		
Mutual fund	920,459	-
<b>Total financial assets measured at fair value through profit or loss</b>	920,459	-
<b>Equity instruments designated at fair value through OCI</b>		
Non-listed equity securities	63,960	-
<b>Total equity instruments designated at fair value through OCI</b>	63,960	-
<b>Total financial assets measured at fair value</b>	984,419	-
<b>Debt instruments measured at amortised cost</b>		
Deposit	7,451	-
Guarantee	1,354	-
<b>Total debt instruments measured at amortised cost</b>	8,805	-
<b>Total other financial assets - net</b>	993,224	-
<b>Other current financial assets</b>	920,459	-
<b>Other non-current financial assets</b>	72,765	-

## 15.2 Investments as at 31 December 2019

(Unit: Thousand Baht)		
Consolidated financial statements		
	2019	
	Cost/ Amortised cost	Fair value
<b><u>Short-term investments</u></b>		
<b>Trading securities</b>		
Equity securities	20,162	13,748
Total	20,162	13,748
Less: Unrealised loss	(6,414)	-
<b>Total trading securities</b>	13,748	13,748
<b>Held-to-maturity investments</b>		
Deposits and certificate of deposit at financial institutions which amount maturing over 3 months	205,083	
Private enterprise debt securities	10,000	
<b>Total held-to-maturity investments</b>	215,083	
<b>Total short-term investments</b>	228,831	



	(Unit: Thousand Baht)	
	Consolidated financial statements	
	2019	
	Cost/ Amortised cost	Fair value
<b><u>Long-term investments</u></b>		
<b>Available-for-sale-securities</b>		
Unit trusts	63	74
Equity securities	22,173	19,383
Total	22,236	19,457
Less: Unrealised loss	(2,779)	-
<b>Total available-for-sale-securities</b>	<b>19,457</b>	<b>19,457</b>
<b>Held-to-maturity investments</b>		
Government and state enterprise securities	10,000	
<b>Total held-to-maturity investments</b>	<b>10,000</b>	
<b>Other investments</b>		
Equity securities	104,469	
<b>Total other investments</b>	<b>104,469</b>	
<b>Total long-term investments</b>	<b>133,926</b>	
<b>Total investments - net</b>	<b>362,757</b>	

	(Unit: Thousand Baht)	
	Separated financial statements	
	2019	
	Cost / Amortised Cost	
<b><u>Long-term investment</u></b>		
<b>Other investment</b>		
Equity securities		104,346
<b>Total long-term investment</b>		<b>104,346</b>



As at 31 December 2020 and 2019, the subsidiary had pledged the following assets as collateral with the Registrar of the Office of Insurance Commission and allotted them to insurance reserve in accordance with the Non-life Insurance Act.

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Assets pledged	14,399	14,208
Assets reserved as non-life insurance policy	62,955	61,927
	<u>77,354</u>	<u>76,135</u>

## 16. Properties foreclosed

Details of properties foreclosed are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Cost	418,672	99,067
Less: Allowance for impairment	(17,166)	(3,088)
Properties foreclosed - net	<u>401,506</u>	<u>95,979</u>

(Unit: Thousand Baht)

	Consolidated financial statements
Balance as at 1 January 2020	95,979
Add: Increase from settlement by transferred assets and auction - net	378,190
Less: Disposal	(58,585)
Allowance for impairment	(14,078)
Balance as at 31 December 2020	<u>401,506</u>

Properties foreclosed are immovable assets which the subsidiary received for debt settlements from loans receivable from purchase of accounts receivable - personal loan receivable with collateral and immovable assets received by purchasing collaterals at auction. The subsidiary is in the process of selling these assets.



## 17. Other current assets

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Advance to staffs	10,032	8,314	188	5,344
Prepaid expenses	13,482	6,292	14,042	7,240
Undue input vat	17,631	8,372	903	6,983
Value added tax refund	33,384	42,564	-	-
Withholding tax	2,792	2,224	-	-
Claim receivables	-	3,018	-	-
Others	1,544	13,049	1,034	219
Total other current assets	78,865	83,833	16,167	19,786

## 18. Investments in subsidiaries

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

Company's name	Paid-up capital		Shareholding percentage		Cost		Carrying amounts based on equity method	
	2020	2019	2020	2019	2020	2019	2020	2019
	(Thousand Baht)	(Thousand Baht)	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
JAYMART INSURANCE								
BROKER CO., LTD.	15,000	15,000	99.99	99.99	15,000	15,000	2,227	1,655
J Asset Management								
Company Limited	300,000	300,000	99.99	99.99	300,000	300,000	2,245,578	1,464,198
JMT (CAMBODIA)								
CO., LTD.*	14,062	14,062	100.00	100.00	14,062	14,062	3,459	3,498
JP Insurance Public								
Company Limited	572,000	572,000	55.00	55.00	392,304	392,304	311,031	319,871
Total					721,366	721,366	2,562,295	1,789,222

\* Being liquidation process

As described in Note 32.3 to the financial statements, the Company has issued and allocated warrant to purchase newly issued ordinary shares of the Company to employees of subsidiaries free of charge. As at 31 December 2020, the Company recognised such transaction as additional in investment in subsidiaries amounting to Baht 1.74 million.



## 18.2) Share of comprehensive income

During the year, the Company recognised its share of comprehensive income from investments in subsidiaries in separate financial statements as follows:

(Unit: Thousand Baht)

Subsidiaries	For the year ended 31 December			
	Separate financial statements			
	Share of gains (losses) from investments in subsidiaries		Share of other comprehensive income from investments in subsidiaries	
	2020	2019	2020	2019
JAYMART INSURANCE BROKER CO., LTD.	464	(1,664)	6	-
J Asset Management Company Limited	780,127	464,318	(388)	-
JMT (CAMBODIA) CO., LTD.	(27)	(539)	(12)	(1,080)
JP Insurance Public Company Limited	(13,367)	(39,464)	(6,318)	(1,991)
Total	767,197	422,651	(6,712)	(3,071)

## 18.3) Details of investment in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Loss allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
JP Insurance Public Company Limited	45	45	30,471	37,703	(16,106)	(33,549)	-	-

## 18.4) Summarised financial information that based on amounts before inter-company elimination about subsidiary that have material non-controlling

Summarised information about financial position

(Unit: Thousand Baht)

	JP Insurance Public Company Limited	
	2020	2019
Current assets	646,229	625,145
Non-current assets	50,921	39,072
Current liabilities	612,216	577,747
Non-current liabilities	17,223	2,685



## Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	JP Insurance Public Company Limited	
	For the year ended 31 December	
	2020	2019
Revenue	207,340	219,253
Loss	(24,305)	(70,933)
Other comprehensive income	(11,486)	(3,621)
Total comprehensive income	(35,792)	(74,554)

## Summarised information about cash flow

	(Unit: Thousand Baht)	
	JP Insurance Public Company Limited	
	For the year ended 31 December	
	2020	2019
Cash flow from operating activities	13,796	(12,377)
Cash flow from investing activities	(1,615)	(1,369)
Cash flow from financing activities	(9,270)	(218)
Net increase (decrease) in cash and cash equivalents	2,911	(13,964)

### **JMT (CAMBODIA) CO., LTD.**

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

As at 31 December 2020, JMT (CAMBODIA) CO., Ltd. registered the dissolution with Ministry of Commerce of Cambodia and is in the process of liquidation.



## 19. Building and equipment

Movement of the building and equipment for the years ended 31 December 2020 and 2019 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Building	Office equipment	Office furniture	Motor vehicles	Assets under construction	Total
<b>Cost:</b>						
1 January 2019	-	181,824	47,817	23,482	17,281	270,404
Additions	-	44,738	3,880	3,973	14,678	67,269
Transfer in	-	-	-	-	1,721	1,721
Disposals/write off	-	(7,428)	(1,713)	(5,464)	-	(14,605)
31 December 2019	-	219,134	49,984	21,991	33,680	324,789
Adjustment due to TFRS 16 initial adoption	-	(661)	-	-	-	(661)
1 January 2020	-	218,473	49,984	21,991	33,680	324,128
Additions	26,640	26,736	6,417	16,325	5,797	81,915
Transfer in	-	110	-	-	-	110
Disposals/write off	-	(8,393)	(2,426)	-	-	(10,819)
31 December 2020	26,640	236,926	53,975	38,316	39,477	395,334
<b>Accumulated depreciation:</b>						
1 January 2019	-	106,673	30,519	10,751	-	147,943
Depreciation for the year	-	43,416	6,689	3,936	-	54,041
Accumulated depreciation on disposals and write off	-	(7,369)	(935)	(5,215)	-	(13,519)
31 December 2019	-	142,720	36,273	9,472	-	188,465
Adjustment due to TFRS 16 initial adoption	-	(197)	-	-	-	(197)
1 January 2020	-	142,523	36,273	9,472	-	188,268
Depreciation for the year	51	39,180	5,257	5,707	-	50,195
Transfer in	-	67	-	-	-	67
Accumulated depreciation on disposals and write off	-	(8,163)	(1,827)	-	-	(9,990)
31 December 2020	51	173,607	39,703	15,179	-	228,540
<b>Net book value</b>						
31 December 2019	-	76,414	13,711	12,519	33,680	136,324
31 December 2020	26,589	63,319	14,272	23,137	39,477	166,794
<b>Depreciation for the year</b>						
2019 (Baht 4 million included in cost of services, and the balance in administrative expenses)						54,041
2020 (Baht 4 million included in cost of services, and the balance in administrative expenses)						50,195



(Unit: Thousand Baht)

	Separate financial statements					Total
	Building	Office equipment	Office furniture	Motor vehicles	Assets under construction	
<b>Cost:</b>						
1 January 2019	-	152,249	25,367	12,908	17,281	207,805
Additions	-	43,793	3,871	415	14,678	62,757
Transfer in	-	-	-	-	1,721	1,721
Write off	-	(930)	(1,685)	-	-	(2,615)
31 December 2019	-	195,112	27,553	13,323	33,680	269,668
Additions	26,640	25,524	6,417	8,105	5,797	72,483
Disposals/Write off	-	(7,859)	(2,426)	-	-	(10,285)
31 December 2020	26,640	212,777	31,544	21,428	39,477	331,866
<b>Accumulated depreciation:</b>						
1 January 2019	-	86,666	10,258	4,760	-	101,684
Depreciation for the year	-	38,933	5,165	2,515	-	46,613
Accumulated depreciation on write off	-	(871)	(908)	-	-	(1,779)
31 December 2019	-	124,728	14,515	7,275	-	146,518
Depreciation for the year	51	36,553	5,023	3,213	-	44,840
Accumulated depreciation on disposal and write off	-	(7,630)	(1,827)	-	-	(9,457)
31 December 2020	51	153,651	17,711	10,488	-	181,901
<b>Net book value:</b>						
31 December 2019	-	70,384	13,038	6,048	33,680	123,150
31 December 2020	26,589	59,126	13,833	10,940	39,477	149,965
<b>Depreciation for the year</b>						
2019 (Baht 4 million included in cost of services, and the balance in administrative expenses)						46,613
2020 (Baht 4 million included in cost of services, and the balance in administrative expenses)						44,840

As at 31 December 2020, the Group 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 130 million (2019: Baht 111 million) (The Company only: Baht 94 million (2019: Baht 79 million)).

During the year 2020, the Company purchased the condominium units from a related company amounting to Baht 27 million (2019: Nil).



## 20. Computer software

The net book value of computer software as at 31 December 2020 and 2019 is presented below.

	(Unit: Thousand Baht)					
	Consolidated financial statements			Separate financial statements		
	Computer software	Computer software in progress	Total	Computer software	Computer software in progress	Total
As at 31 December 2020:						
Cost	138,152	16,797	154,949	130,888	1,242	132,130
Less: Accumulated amortisation	(50,074)	-	(50,074)	(48,837)	-	(48,837)
Less: Allowance for diminution in value	-	(15,555)	(15,555)	-	-	-
Net book value	<u>88,078</u>	<u>1,242</u>	<u>89,320</u>	<u>82,051</u>	<u>1,242</u>	<u>83,293</u>
As at 31 December 2019:						
Cost	62,439	15,555	77,994	55,280	-	55,280
Less: Accumulated amortisation	(35,463)	-	(35,463)	(34,901)	-	(34,901)
Less: Allowance for diminution in value	-	(15,555)	(15,555)	-	-	-
Net book value	<u>26,976</u>	<u>-</u>	<u>26,976</u>	<u>20,379</u>	<u>-</u>	<u>20,379</u>

A reconciliation of the net book value of computer software for the years 2020 and 2019 is presented below.

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Net book value at beginning of year	26,976	24,330	20,379	18,545
Acquisitions of computer software	78,279	11,542	78,175	10,500
Amortisation	(15,935)	(8,889)	(15,261)	(8,666)
Write off	-	(7)	-	-
Net book value at end of year	<u>89,320</u>	<u>26,976</u>	<u>83,293</u>	<u>20,379</u>



## 21. Leases

### The Group as a lessee

The Group has lease contracts used in its operations. Leases generally have lease terms between 1 - 30 years.

#### a) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements				
	Land	Buildings	Equipment	Computer software	Total
1 January 2020	103,130	37,857	464	13,473	154,924
Additions (decrease)	-	47,618	(43)	-	47,575
Depreciation for the year	(3,663)	(39,594)	(127)	(4,269)	(47,653)
31 December 2020	99,467	45,881	294	9,204	154,846

(Unit: Thousand Baht)

	Separate financial statements				
	Land	Buildings	Equipment	Computer software	Total
1 January 2020	103,130	23,502	-	-	126,632
Additions	-	37,800	-	-	37,800
Depreciation for the year	(3,663)	(28,909)	-	-	(32,572)
31 December 2020	99,467	32,393	-	-	131,860

#### b) Lease liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Lease payments	152,407	-	127,313	-
Less: Deferred interest expenses	(39,814)	-	(38,568)	-
Total	112,593	-	88,745	-
Less: Portion due within one year	(40,102)	-	(26,224)	-
Lease liabilities - net of current portion	72,491	-	62,521	-

A maturity analysis of lease payments is disclosed in Note 49.1 to the financial statements under the liquidity risk.



**c) Expenses relating to leases that are recognised in profit or loss**

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated	Separate
	financial statements	financial statements
Depreciation expense of right-of-use assets	43,913	28,833
Interest expense on lease liabilities	3,258	1,589
Expense relating to short-term leases	699	699
Expense relating to leases of low-value assets	954	834

During the current year, the Company recognised depreciation expense of right-of-use assets as cost of building in process amounting to Baht 3.74 million.

**d) Others**

The Group had total cash outflows for leases for the year ended 31 December 2020 of Baht 51.5 million (The Company only: Baht 34.5 million), including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Group had non-cash additions to right-of-use assets and lease liabilities of 47.6 million (The Company only: Baht 37.8 million).

**22. Goodwill**

The Company allocated goodwill arising from business combination to the cash generating unit (CGU) for annual impairment testing. The CGU is JP Insurance Public Company Limited.

The Company determined the recoverable amount of CGU based on value in use, made using cash flow projections covering a five-year period extracted from financial budget approved by management. Key assumptions used in value in use calculation are long-term growth rate at the rate of 2 percent per annum and discount rate at the rate of 12 percent per annum.

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

The management of the Company believes that changes in the key assumption used to determine the value in use of the CGU would not result in impairment.

The management of the Company believes that there is no impairment of goodwill.



## 23. Short-term loans from financial institutions and short-term loans

(Unit: Thousand Baht)

	Interest rate		Consolidated and Separate financial statements	
	2020	2019	2020	2019
	(% p.a.)	(% p.a.)		
<u>Short-term loans from financial institutions</u>				
Promissory notes	3.40	3.00 - 3.40	50,000	647,850
Total short-term loans from financial institutions			50,000	647,850
<u>Short-term loans</u>				
Bills of exchange	-	4.00	-	200,000
Less: Prepaid interest			-	(2,918)
Total short-term loans			-	197,082

## 24. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Trade payables - unrelated parties	10,256	9,549	4,315	4,470
Accrued interest expenses - unrelated parties	19,988	30,208	19,988	30,208
Other payables - related parties	4,223	767	4,423	1,403
Other payables - unrelated parties	11,293	9,001	6,890	4,146
Accrued expenses - related parties	3,955	655	1,235	288
Accrued expenses - unrelated parties	66,673	42,523	31,588	16,850
Total trade and other payables	116,388	92,703	68,439	57,365



## 25. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated financial statements					
	2020			2019		
	Insurance contract liabilities	Liabilities on reinsurance	Net	Insurance contract liabilities	Liabilities on reinsurance	Net
<b>Loss reserves</b>						
- Claim incurred and reported	120,596	(68,937)	51,659	119,741	(57,973)	61,768
- Claim incurred but not reported	102,664	(63,877)	38,787	112,830	(47,380)	65,450
<b>Total loss reserves</b>	223,260	(132,814)	90,446	232,571	(105,353)	127,218
<b>Premium reserves</b>						
- Unearned premium reserves (UPR)	136,140	(89,551)	46,589	188,997	(102,279)	86,718
<b>Total premium reserves</b>	136,140	(89,551)	46,589	188,997	(102,279)	86,718
<b>Total</b>	359,400	(222,365)	137,035	421,568	(207,632)	213,936

### 25.1 Loss reserves and outstanding claims

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2020	2019
Balance at beginning of the year	232,571	211,435
Claim incurred during the year	225,458	244,143
Change in loss reserved of claimed incurred in prior years	1,635	6,574
Changes in assumptions in calculating loss reserves	(10,166)	(3,626)
Claim expense paid during the year	(226,238)	(225,955)
Balance at end of the year	223,260	232,571

As at 31 December 2020 and 2019, the subsidiary does not have loss reserves and outstanding claims under reinsurance contracts.



## 25.2 Assumptions

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

### 1) Assumptions of historical claim expenses

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

### 2) Assumptions of related expenses

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

## 25.3 Unearned premium reserves

	(Unit: Thousand Baht)	
	Consolidated financial statements	
	For the years ended 31 December	
	2020	2019
Balance at beginning of year	188,997	100,322
Premium written for the year	344,511	381,138
Premium earned during the year	(397,368)	(292,463)
Balance at end of year	136,140	188,997



## 26. Amounts due to reinsurers

(Unit: Thousand Baht)

	Consolidated financial statements	
	2020	2019
Reinsurance premium payables	116,005	23,214
Amounts withheld on reinsurance	96,099	95,973
Total amounts due to reinsurers	212,104	119,187

## 27. Other current liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Cash received from customer - unrelated parties	13,555	24,778	5,706	18,361
Premium received in advance - unrelated parties	2,286	681	-	-
Others	22,710	19,680	15,508	9,628
Total other current liabilities	38,551	45,139	21,214	27,989

## 28. Long-term loans

(Unit: Thousand Baht)

Loans	Interest rate	Repayment	Consolidated financial statements	
	per year		2020	2019
	(%)			
1	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 3 April 2017 to 3 April 2022	27,280	45,520
2	MLR minus 2.35%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 10 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 18 July 2017 to 18 July 2020	-	34,500
3	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 14 December 2017 to 14 December 2022	133,300	199,980
4	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 29 March 2018 to 29 March 2023	55,520	77,760



(Unit: Thousand Baht)

Loans	Interest rate per year (%)	Repayment	Consolidated financial statements	
			2020	2019
5	MLR minus 2.20%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 10 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 31 May 2018 to 31 May 2021	60,000	180,000
6	MLR minus 1.53%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 27 installments in every month with the first installment being made on the last working day of the 10th month. The first drawdown period is from 23 March 2020 to 28 February 2023	114,098	-
Total			390,198	537,760
Less: Deferred financial fee			(667)	(663)
Long-term loans - net			389,531	537,097
Less: Current portion			(229,588)	(271,453)
Long-term loans - net of current portion			159,943	265,644

(Unit: Thousand Baht)

Loans	Interest rate per year (%)	Repayment	Separate financial statements	
			2020	2019
1	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 3 April 2017 to 3 April 2022	27,280	45,520
2	MLR minus 2.35%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 10 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 18 July 2017 to 18 July 2020	-	34,500
3	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 14 December 2017 to 14 December 2022	133,300	199,980
4	MLR minus 2.35%	Interest payments are made in 60 installments on a monthly basis and principle repayments are made in 18 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 29 March 2018 to 29 March 2023	55,520	77,760
5	MLR minus 2.20%	Interest payments are made in 36 installments on a monthly basis and principle repayments are made in 10 installments in every 3 months with the first installment being made on the last working day of the 9th month. The first drawdown period is from 31 May 2018 to 31 May 2021	60,000	180,000
Total			276,100	537,760
Less: Deferred financial fee			(336)	(663)
Long-term loans - net			275,764	537,097
Less: Current portion			(177,073)	(271,453)
Long-term loans - net of current portion			98,691	265,644



Movement of the long-term loans account during the years ended 31 December 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Beginning of the year	537,760	810,920
Add: Addition borrowings	118,487	-
Less: Repayment loans	(266,049)	(273,160)
Ending of the year	390,198	537,760

	(Unit: Thousand Baht)	
	Separate financial statements	
	2020	2019
Beginning of the year	537,760	810,920
Less: Repayment loans	(261,660)	(273,160)
Ending of the year	276,100	537,760

Under the loan agreements, the Group is committed to comply with financial covenants conditions including maintaining debt to equity ratio and debt service coverage ratio at the rate prescribed in the agreements.

As at 31 December 2020, the Company has bank overdrafts, long-term credit facilities and other credit facilities which has not yet been drawn down amounted to Baht 609 million (2019: 509 million).

As at 31 December 2020, the subsidiary has long-term credit facilities which has not yet been drawn down amounted Baht 182 million and guaranteed by the Company. The purpose of the long-term credit facility is to purchase secured non-performing loans.

## 29. 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 and/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.



At the Extraordinary Shareholders' Meeting No. 1/2017 of the Company on 6 November 2017, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 5,000 million or the equivalent in any other currency. The term of debentures will be determined in each time by depending on prevailing market conditions at the time of issuing and offering or under the terms and conditions of the debentures issued at such time, by way of public offering and/or private placement and/or institutional investors in Thailand and/or offshore. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program, and/or revolving nature.

At the Extraordinary Shareholders' Meeting No. 1/2019 of the Company on 20 December 2019, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 5,000 million or the equivalent in any other currency. The term of debentures will be determined in each time by depending on prevailing market conditions at the time of issuing and offering or under the terms and conditions of the debentures issued at such time, by way of public offering and/or private placement and/or institutional investors in Thailand and/or offshore. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program, and/or revolving nature.

At the Extraordinary Shareholders' Meeting No. 1/2020 of the Company on 2 November 2020, the shareholders approved to issue and offer the debentures for amount not exceeding Baht 3,000 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 and/or offshore. The debenture issued pursuant to this plan will be offered in all or in part, and/or as a program, and/or revolving nature.

Balances of debentures as at 31 December 2020 and 2019 are as follows:

						(Unit: Thousand Baht)	
						Consolidated and Separate	
						financial statements	
Debentures	Terms	Date of issuance	Maturity date	Interest rate	Number of debentures	2020	2019
				(% p.a.)	(Thousand units)		
1	3 years	20 July 2017	20 July 2020	4.20	400	-	400,000
2	3 years	12 October 2017	12 October 2020	4.20	440	-	440,000
3	3 years	22 December 2017	22 December 2020	4.00	800	-	800,000
4	3 years	4 October 2018	4 October 2021	4.30	1,075	1,074,700	1,074,700
5	3 years	6 June 2019	6 June 2022	4.50	1,498	1,498,000	1,498,000
6	3 years	10 July 2019	10 July 2022	4.50	200	200,000	200,000
7	3 years	5 March 2020	5 March 2023	4.00	2,000	2,000,000	-
8	3 years	2 September 2020	2 September 2023	4.00	149	148,500	-
9	3 years 6 months	2 September 2020	2 March 2024	4.40	1,849	1,848,800	-
Total debentures - face value						6,770,000	4,412,700
Less: Deferred financial fee						(22,529)	(12,010)
Total debentures						6,747,471	4,400,690
Less: Current portion						(1,073,284)	(1,638,490)
Debentures - net of current portion						5,674,187	2,762,200



The above debentures are unsecured, unsubordinated, name registered debentures which have terms of payment of interest every 3 months throughout the terms of debentures. Such debentures contain certain covenants and restrictions regarding the maintenance of debt to equity ratio and restriction on dividend payment.

The Company used proceeds from issuance of debentures for settlement of the outstanding liability and/or using as working capital and business expansion.

Movements in debentures account for the years ended 31 December 2020 and 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated and Separate	
	financial statements	
	2020	2019
Beginning of the year	4,412,700	3,164,700
Add: Issuance of debentures during the year	3,997,300	1,698,000
Less: Repayment for debentures	(1,640,000)	(450,000)
Ending of the year	6,770,000	4,412,700

### 30. Provision for long-term employee benefits

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Provision for long-term employee benefits</b>				
<b>at beginning of year</b>	4,461	3,570	1,881	1,288
Included in profit or loss:				
Current service cost	819	954	134	130
Interest cost	98	102	60	55
Past service cost	-	431	-	408
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(580)	235	(412)	-
Financial assumptions changes	267	190	144	-
Experience adjustments	2,048	444	109	-
Transfer employee	-	-	(441)	-
Benefits paid during the year	(384)	(1,465)	-	-
<b>Provision for long-term employee benefits at end of year</b>	<b>6,729</b>	<b>4,461</b>	<b>1,475</b>	<b>1,881</b>



As at 31 December 2019, the Group expects to pay Baht 0.2 million of long-term employee benefits during the next year (2020: Nil).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 11 - 24 years (the Company only: 16 years) (2019: 11 - 23 years (the Company only: 16 years)).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Discount rate	1.49 - 2.37	1.71 - 3.29	1.96	3.01
Salary increase rate	4.00 - 8.42	4.00 - 8.91	8.42	8.91
Turnover rate	0 - 78	0 - 73	0 - 78	0 - 73

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below:

	(Unit: Thousand Baht)			
	2020			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(505)	569	(98)	107
Salary increase rate	535	(485)	98	(91)
Turnover rate	(795)	967	(124)	137

	(Unit: Thousand Baht)			
	2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase	Decrease	Increase	Decrease
	0.5%	0.5%	0.5%	0.5%
Discount rate	(353)	404	(95)	102
Salary increase rate	402	(359)	112	(105)
Turnover rate	(584)	742	(142)	155



## 31. Share capital

- 31.1 On 30 December 2019, the warrant holders exercised 507,400 warrants to purchase 517,704 ordinary shares at an exercise price of Baht 18.62187 per share, totaling Baht 9,640,618. In December 2019, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 3 January 2020 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 15 January 2020.
- 31.2 On 30 June 2020, the warrant holders exercised 2,940,368 warrants to purchase 3,000,084 ordinary shares at an exercise price of Baht 18.62187 per share, totalling Baht 55,867,174. In June 2020, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 2 July 2020 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 8 July 2020.
- 31.3 On 30 September 2020, the warrant holders exercised 82,899,013 warrants to purchase 84,582,681 ordinary shares at an exercise price of Baht 18.62187 per share, totalling Baht 1,575,087,690. In September 2020, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 2 October 2020 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 7 October 2020.
- 31.4 On 2 November 2020, The Extraordinary General Meeting of Shareholders No.1/2020 resolved the following matters:
- Approved the increase of Baht 232,155,991 in the registered share capital of the Company from the registered share capital of Baht 554,994,295 to Baht 787,150,286 by issuing 464,311,982 new ordinary shares at par value of Baht 0.50 and approved the amendment to Clause 4 of the Memorandum of Association of the Company to be consistent with the increase in the registered share capital.
  - Approved the allotment of newly issued ordinary shares at the amount of 464,311,982 shares with a par value of Baht 0.50 per share as follows:
    - 1) Allocation of not exceeding 100,000,000 ordinary shares at a par value of Baht 0.50 per share in order to reserve for the exercise of Warrant No.3 to purchase ordinary shares of the Company (JMT-W3) which had been allotted to the existing shareholders of the Company in proportion to their shareholding.



- 2) Allocation of not exceeding 3,200,000 ordinary shares at a par value of Baht 0.50 per share in order to reserve for the exercise of Warrant No.1 to purchase ordinary shares allotted to directors, executives, and employees of the Company and/or its subsidiaries (JMT-ESOP W1).
- 3) Allocation of not exceeding 4,508,518 ordinary shares at a par value of Baht 0.50 per share in order to reserve for the exercise of Warrant No.2 to purchase ordinary shares of the Company (JMT-W2) based on the new allocation ratio of JMT-W2 which has been previously adjusted.
- 4) Allocation of not exceeding 356,603,464 ordinary shares at a par value of Baht 0.50 per share to be reserved for the General Mandate as follows:
  - (a) Allocation of not exceeding 267,452,598 ordinary shares to be offered to existing shareholders in proportion to their shareholding.
  - (b) Allocation of not exceeding 89,150,866 ordinary shares to be offered to in private placement.

31.5 On 30 December 2020, the warrant holders exercised 19,802,817 warrants to purchase 20,205,002 ordinary shares at an exercise price of Baht 18.62187 per share, totalling Baht 376,254,921. In December 2020, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 6 January 2021 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 13 January 2021.

31.6 On 30 December 2020, the warrant to purchase newly issued ordinary shares of the Company offering to directors, executives, and employees of the Company and/or its subsidiaries holder exercised 22,750 warrants to purchase 22,750 ordinary shares at an exercise price of Baht 29.10 per share, totalling Baht 662,025. In December 2020, the Company received full payment for the shares. The Company registered the increase in its share capital with the Ministry of Commerce on 6 January 2021 and the additional shares of the Company were traded in the Stock Exchange of Thailand from 13 January 2021.



## Reconciliation of share capital

	Consolidated and Separate financial statements			
	2020		2019	
	Number of share	Amount	Number of share	Amount
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)
<u>Register capital</u>				
At beginning of year	1,109,989	554,994	1,109,989	554,994
Increase in capital	464,312	232,156	-	-
At end of year	<u>1,574,301</u>	<u>787,150</u>	<u>1,109,989</u>	<u>554,994</u>
<u>Issued and paid-up share capital</u>				
At beginning of year	887,991	443,995	887,991	443,995
Increase in capital from exercising of the rights of the warrant	88,100	44,051	-	-
At end of year	<u>976,091</u>	<u>488,046</u>	<u>887,991</u>	<u>443,995</u>

## **32. Warrant**

### **32.1 Warrant No.2**

The Company has issued and allocated warrant no.2 ("JMT-W2") with free of charge by specified holders and transferable to existing shareholders totalling 221,997,718 units. 1 unit of warrant is exercisable to purchase 1 common share at Baht 19 each within 3 years starting from 29 August 2018 to 27 August 2021. Its first exercise is on 28 December 2018 and able to exercise on the last working day of each quarter.

On 19 April 2019, the Company adjusted the exercise price and exercise ratio of the warrants to purchase the newly issued ordinary shares, such that 1 warrant can be exercised to purchase 1.02031 shares at a price of Baht 18.62187 per share. The effective date of this adjustment is 22 April 2019.

As at 31 December 2020: 115,847,872 units of warrants no. 2 are still outstanding unexercised (2019: 221,490,070 units).



### Reconciliation of number of JMT-W2 warrants

(Unit: Units)

	Consolidated and Separate financial statements	
	2020	2019
Number of warrants at the beginning of year	221,490,070	221,997,470
Exercised during the year (Note 31)	(105,642,198)	(507,400)
Number of warrants at the end of year	115,847,872	221,490,070

### **32.2 Warrant No.3**

The Company has issued and allocated warrant no.3 (“JMT-W3”) with free of charge by specified holders and transferable to existing shareholders totalling 99,995,294 units. 1 unit of warrant is exercisable to purchase 1 common share at Baht 42 each within 1 year 6 months starting from 17 November 2020 to 16 May 2022. Its first exercise is on 31 March 2021 and able to exercise on the last working day of each quarter.

As at 31 December 2020: 99,995,294 units of warrants no. 3 remained unexercised (2019: Nil).

### Reconciliations of number of JMT-W3 warrants

(Unit: Units)

	Consolidated and Separate financial statements	
	2020	2019
Number of warrants at the beginning of year	-	-
Issued warrants during the year	100,000,000	-
Unallocated warrants	(4,706)	-
Number of warrants at the end of year	99,995,294	-



### **32.3 Warrant to purchase newly issued ordinary shares of the Company offering to directors, executives, and employees of the Company and/or its subsidiaries No.1**

On 14 December 2020, the Company has issued and allocated warrant to purchase newly issued ordinary shares of the Company offering to directors, executives, and employees of the Company and/or its subsidiaries No.1 (“JMT-ESOP W1”). The details are as follows:

Type:	Registered and non-transferable warrant unless in the case as stipulated in terms and conditions of warrant.
No. of securities offered:	3,200,000 units
No. of shares reserved for exercise:	3,200,000 shares
Term:	3 years from the issuance date of warrants
Offering date:	14 December 2020
Expiry date:	13 December 2023
Offering price:	0 Baht per unit
Exercise price:	29.10 Baht per share
Exercise ratio:	1 ordinary share per 1 warrant unless the exercise ratio is adjusted under a rights adjustment.
Offering Method	The Warrant shall be allocated to directors, executives, and employees of the Company and/or its subsidiaries without going through the broker. In this regard, the Board of Directors or the Executive Committee or the person(s) entrusted by the Board of Directors and/or the Executive Committee shall be empowered to determine the list of the executives and employees who are entitled to receive the warrants, units of warrants allocated to each individual person in accordance with allocation method which have been approved from the shareholders' meeting.



Exercise period and Exercise portion      The warrant holders may exercise their rights immediately from the Warrant's issuance date, each Warrant holder can exercise their right not exceeding 10.00 percent of total units of warrants allotted to such person. Upon one year from the Warrant's issuance date, each Warrant holder can exercise their right not exceeding one-third (1/3) of total units of warrants allotted to such person. Upon two years from the Warrant's issuance date, each Warrant holder can exercise their right not exceeding two-third (2/3) of total units of warrants allotted to such person. Upon three years from the Warrant's issuance date, each Warrant holder can exercise their right in the whole amount.

The weighted average fair value of each share option granted is approximately Baht 7.1865. This was calculated using the Bionomial Lattice model. The model inputs were Underlying Stock Price of Baht 34.50 per share, Dividend yield of 3.41%, Risk free rate of 0.67% and Stock volatility of 41.02%.

As at 31 December 2020 and 2019, the Group has capital reserve for share-based payment as follow:

		(Unit: Thousand Baht)	
		Consolidated and separate financial statements	
		2020	2019
Capital reserve for share-based payment			
transactions of the Company		4,092	-
		<u>4,092</u>	<u>-</u>

During the current year, the Group recorded expenses of the JMT-ESOP W1 amounting to Baht 4 million (2019: Nil) (the Company only: Baht 2 million (2019: Nil)) as personnel expenses.

As at 31 December 2020, 133,500 units of warrant to purchase newly issued ordinary shares of the Company offering to directors, executives, and employees of the Company and/or its subsidiaries No.1 remained unallocated (2019: Nil).



### Reconciliation of number of JMT-ESOP W1 warrants

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	2020	2019
Number of warrants at the beginning of year	-	-
Issued warrants during the year	3,200,000	-
Unallocated warrants	(133,500)	-
Exercised during the year (Note 31)	(22,750)	-
Number of warrants at the end of year	3,043,750	-

### **33. Treasury shares**

As at 31 December 2018, the subsidiary has investment in ordinary shares in the Company with 1,164,400 ordinary shares amounting to Baht 13,146,212. The transaction will be considered as treasury shares. The Company therefore prepared financial statements as if the purchase of ordinary shares of the parent company by a subsidiary company is a share bought back by a parent company which stated the investment in ordinary shares of the parent company held by the subsidiary company as treasury shares in the shareholders' equity with the price that the subsidiary paid for the ordinary shares. The difference between the resale price and weighted cost for a treasury shares is recognised as "premium on treasury shares - ordinary shares" in shareholders' equity.

During the years 2020 and 2019, the movement of treasury shares is as follows:

	Number of ordinary shares (shares)	
	2020	2019
Balance as at the beginning of year	-	1,164,400
Add: Purchase during the year	-	150,000
Less: Issue during the year	-	(1,314,400)
Balance as at the end of year	-	-

### **34. Statutory reserve**

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



## 35. Revenue from contracts with customers

### 35.1 Disaggregated revenue information

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Type of service</b>				
Services income from debt collection and other service income	347,803	342,086	347,819	342,165
Commission income	14,344	21,618	9,399	16,803
Total revenue from contract with customers	362,147	363,704	357,218	358,968
<b>Timing of revenue recognition</b>				
Revenue recognised at a point in time	362,147	363,704	357,218	358,968
Total revenue from contract with customers	362,147	363,704	357,218	358,968

Set out below is a the reconciliation of the revenue from contracts with customers with the amounts disclosed in Note 42 to the financial statements relating to the segment information:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
External customers	3,190,755	2,524,561	1,465,894	1,335,807
Inter-segment	204,225	135,976	-	-
	3,394,980	2,660,537	1,465,894	1,335,807
Adjustments and eliminations	(204,225)	(135,976)	-	-
Interest income and dividend income	(1,726,508)	(1,294,543)	(922,703)	(806,506)
Gains on loans receivable from purchase of accounts receivable	(902,886)	(655,680)	(185,973)	(170,333)
Insurance income	(199,214)	(210,634)	-	-
Total revenue from contracts with customers	362,147	363,704	357,218	358,968



### 36. Insurance income

Insurance income for the years ended 31 December 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Gross premium written	344,511	381,138
Less: Premium ceded to reinsurers	(213,127)	(198,300)
Net insurance premium income	131,384	182,838
Add(less): Unearned premium reserve decreased (increased) from previous year	40,128	(29,075)
Net insurance premium income to reinsurers	171,512	153,763
Fee and commission income	27,702	56,871
Total	199,214	210,634

### 37. Insurance expenses

Insurance expenses for the years ended 31 December 2020 and 2019 consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Gross claim and loss adjustment expenses	210,423	241,009
Less: Claims recovery from reinsurers	(146,239)	(133,983)
Commissions and brokerages expenses	43,108	55,867
Other underwriting expenses	55,308	73,264
Total	162,600	236,157



### 38. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Salaries, wages and other employee benefit	689,059	699,959	417,907	439,586
Legal fee	172,266	161,737	134,549	127,863
Administrative expense	66,885	47,726	64,185	45,994
Depreciation and amortisation	110,043	62,930	88,933	55,279
Utilities expenses	46,795	53,326	43,647	49,748
Rental expense	4,394	49,673	2,812	32,938
Postage expenses	38,086	35,696	29,704	28,982
Transportation expenses	26,136	21,017	19,966	17,765
Office expenses	22,088	21,778	15,599	15,340
Printing expenses	19,641	18,196	15,042	14,519
Debt collection expense	16,775	15,890	3,991	12,784
Photocopy expenses	8,807	11,090	7,551	9,494
Audit, professional fee and SEC fee	23,751	18,193	11,615	8,078
Repair and maintenance expense	20,174	14,331	16,111	9,919
Allowance for impairment of properties foreclosed	14,078	3,088	-	-
Allowance for expected credit losses (reversal)	203,015	-	(4,893)	-
Bad debts and allowance for doubtful accounts (reversal)	323	11,644	-	(8,938)



### 39. Finance cost

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest expenses on loans	25,442	34,484	21,846	34,484
Interest expenses on debentures	285,208	171,675	285,208	171,675
Interest expenses on lease liabilities	3,258	58	1,589	-
Total	313,908	206,217	308,643	206,159

### 40. Income tax

Income tax expenses for the years ended 31 December 2020 and 2019 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Current income tax:</b>				
Current income tax charge	184,973	193,506	54,197	37,836
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(11,370)	(4,094)	6,162	2,354
<b>Income tax expense reported in profit or loss</b>	<b>173,603</b>	<b>189,412</b>	<b>60,359</b>	<b>40,190</b>

The amounts of income tax related to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Deferred tax on gain on change in value of available-for-sale investment	-	7	-	-
Deferred tax on loss from the change in value of financial assets measured at FVOCL	(2,517)	-	-	-
Deferred tax on actuarial gains and losses	(64)	-	31	-
	<b>(2,581)</b>	<b>7</b>	<b>31</b>	<b>-</b>



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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Accounting profit before tax	1,209,706	838,855	1,107,399	721,553
Applicable tax rate	20%	20%	20%	20%
Accounting profit before tax multiplied by income tax rate	241,941	167,771	221,480	144,311
Temporary differences and unused tax losses which deferred tax assets (liabilities) have not been recognised	6,142	12,979	(150,439)	(84,530)
Devaluation on deferred tax assets	342	148	-	-
Effects of:				
Non-deductible expenses	4,353	2,746	2,224	1,298
Additional expense deductions allowed	(215,649)	(140,360)	(79,359)	(116,383)
Additional revenues	136,474	146,128	66,453	95,494
Total	(74,822)	8,514	(10,682)	(19,591)
Income tax expense reported in profit or loss	173,603	189,412	60,359	40,190

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

	(Unit: Thousand Baht)			
	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Deferred tax assets</b>				
Allowance for expected credit losses	57,437	-	14,196	-
Allowance for doubtful accounts debts	-	23,976	-	17,375
Provision for long-term employee benefits	429	407	295	376
Unused tax losses	3,080	3,421	-	-
Allowance for diminution of properties foreclosed	3,433	618	-	-
Difference from value adjustment of properties foreclosed	12,333	3,605	-	-
Lease	799	-	776	-
Total	77,511	32,027	15,267	17,751



(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
<b>Deferred tax liabilities</b>				
Costs of issuing debentures	(4,506)	(2,467)	(4,506)	(2,467)
Unrealised fair value gain on financial asset	(2,663)	-	-	-
Interest income of loans receivable from purchase of accounts receivable	(32,011)	-	(1,670)	-
<b>Total</b>	<b>(39,180)</b>	<b>(2,467)</b>	<b>(6,176)</b>	<b>(2,467)</b>
 Deferred tax assets	 40,994	 29,560	 9,091	 15,284
Deferred tax liabilities	(2,663)	-	-	-
<b>Net</b>	<b>38,331</b>	<b>29,560</b>	<b>9,091</b>	<b>15,284</b>

As at 31 December 2020 the subsidiaries have deductible temporary differences and unused tax losses totaling Baht 354.9 million (2019: Baht 381.6 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 274.6 million will expire by the year of 2025.

As at 31 December 2020, the Company has temporary difference associated with investments in subsidiaries for which deferred tax liability has not been recognised Baht 1,945.6 million (2019: Baht 1,164.2 million).

#### 41. Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year netting of treasury shares held by the Group.

Diluted earnings per share is calculated by dividing the profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, netting of treasury shares held by the Group 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 on the date the potential ordinary shares were issued.



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

Consolidated and Separate financial statements					
For the year ended 31 December					
Profit for the year		Weighted average number of ordinary shares		Earnings per share	
2020	2019	2020	2019	2020	2019
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	1,047,041	681,363	911,574*	887,856**	1.15 0.77
<b>Effect of dilutive potential ordinary shares</b>					
JMT-W2	-	-	45,183	-	
JMT-ESOP W1	-	-	446	-	
<b>Diluted earnings per share</b>					
Profit attributable to ordinary shareholders assuming the conversion of warrants to ordinary shares	1,047,041	681,363	957,223	887,856	1.09 0.77

\* Included ordinary shares from advance receipts from share subscription.

\*\* Less treasury shares and included ordinary shares from advance receipts from share subscription.

There is no potential dilution in earnings per share arose from warrant because the average share price for the year ended 31 December 2019 was lower than the exercise price of the warrant (JMT-W2). The Company therefore has not computed the diluted earnings per share from such warrant.

There is no potential dilution in earnings per share arose from warrant because the average share price from 17 November 2020 (the issuance date) to 31 December 2020 and for the year ended 31 December 2020 was lower than the exercise price of the warrant (JMT-W3). The Company therefore has not computed the diluted earnings per share from such warrant.

## 42. Segment information

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

For management purposes, the Group is organised into business units based on its products and services and have 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.
- Insurance segment is to provide non-life insurance.

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 (loss) information regarding the Group's operating segments for the years ended 31 December 2020 and 2019, respectively

(Unit: Million Baht)

For the year ended 31 December 2020							
	Debt collection business	Non- performing accounts receivable management business	Insurance business	Other	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers							
Revenue from contracts with customers	348	-	-	14	362	-	362
Interest income and dividend income	-	1,703	-	23	1,726	-	1,726
Gains on loans receivable from purchase of accounts receivable	-	903	-	-	903	-	903
Insurance income	-	-	199	-	199	-	199
Inter-segment revenue	-	-	4	200	204	(204)	-
<b>Gross profit (loss)</b>	<b>98</b>	<b>1,996</b>	<b>34</b>	<b>222</b>	<b>2,350</b>	<b>(192)</b>	<b>2,158</b>
<b>Unallocated income and expenses:</b>							
Loss on debt instruments classified and measured at fair value through profit or loss							(6)
Other income							16
Finance cost							(314)
Depreciation and amortisation							(97)
Administrative expenses							(344)
Expected credit losses / Bad debts and doubtful accounts							(203)
Income tax expenses							(174)
<b>Profit for the year</b>							<b>1,036</b>



For the year ended 31 December 2019

	Debt collection business	Non- performing accounts receivable management business	Insurance business	Other	Total reportable segments	Adjustments and eliminations	Consolidated financial statements
Revenue from external customers							
Revenue from contracts with customers	341	-	-	22	363	-	363
Interest income and dividend income	-	1,271	6	18	1,295	-	1,295
Gains on loans receivable from purchase of accounts receivable	-	656	-	-	656	-	656
Insurance income	-	-	211	-	211	-	211
Inter-segment revenue	1	-	3	132	136	(136)	-
<b>Gross profit (loss)</b>	<b>113</b>	<b>1,292</b>	<b>(19)</b>	<b>157</b>	<b>1,543</b>	<b>(130)</b>	<b>1,413</b>
<b>Unallocated income and expenses:</b>							
Gain on investment							14
Other income							12
Interest expenses							(206)
Depreciation and amortisation							(58)
Administrative expenses							(325)
Bad debts and doubtful accounts							(12)
Income tax expenses							(189)
<b>Profit for the year</b>							<b>649</b>

### Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	Consolidated	
	financial statements	
	2020	2019
Revenue from external customers		
Thailand	3,190,693	2,524,432
Cambodia	62	129
Total	3,190,755	2,524,561

### Major customers

For the years 2020 and 2019, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.



#### 43. Provident fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The Group is to pay monthly contribution to the fund at the rate of 3 percent of basic salary and employees are to pay monthly contribute to the fund at the rate of 3 percent - 15 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 2020 amounting to approximately Baht 3 million (2019: Baht 3 million) were recognised as expenses.

#### 44. Dividends

Dividends declared in 2020 and 2019 consist of the following:

Dividends	Approved by	Total dividends	Qualified common shares	Dividend per share
		(Thousand Baht)	(Thousand shares)	(Baht)
Interim dividends for the year 2019	Board of Directors' Meeting on 26 February 2020	293,207	888,509	0.33
Interim dividends for the year 2020	Board of Directors' Meeting on 13 August 2020	401,178	891,509	0.45
Total dividends for 2020		694,385		
Dividends from the operating results for the year 2018	Annual General Meeting of the shareholders on 17 April 2019	479,515	887,991	0.54
Interim dividends for the year 2019	Board of Directors' meeting on 9 August 2019	221,998	887,991	0.25
Total dividends for 2019		701,513		

#### 45. Contribution to the General Insurance Fund

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the years ended 31 December	
	2020	2019
Accumulated contribution at the beginning of the year	5,354	4,384
Contribution during the year	871	970
Accumulated contribution at the end of the year	6,225	5,354



## 46. Commitments and contingent liabilities

### 46.1 Capital commitments

As at 31 December 2020, the Group had capital commitments related to construction management and design and computer software installation contract amounting to Baht 28 million (the Company only: Baht 28 million) (2019: Baht 16 million (the Company only: Baht 16 million)).

### 46.2 Guarantees

As at 31 December 2020, the Group has outstanding bank guarantees of approximately Baht 4.73 million and USD 0.1 million (the Company only: Baht 4.12 million) (2019: Baht 4.39 million and USD 0.1 million (the Company only: Baht 3.86 million)) issued by banks on behalf of the Group in respect of certain performance bonds as required in the normal course of business.

### 46.3 Litigation

As at 31 December 2020, the subsidiary has been sued for damages totaling Baht 17.0 million as an insurer (2019: Baht 21.9 million). The outcomes of these cases have not been finalised. However, the subsidiary recorded a provision for possible losses amounting to Baht 7.1 million in the financial statements (2019: Baht 4.1 million). The subsidiary's management believes that such provision is adequate.

## 47. Fair value hierarchy

As at 31 December 2020 and 2019, the Group had the assets and liabilities that were measured at fair value or which fair value are disclosed using different levels of inputs as follows:

(Unit: Million Baht)				
Consolidated financial statements				
2020				
Level 1	Level 2	Level 3	Total	
<b>Assets measured at fair value</b>				
Financial assets measured at fair value through profit or loss				
Equity securities	4	-	-	4
Debt investments	-	921	-	921
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	77	77
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	6,807	-	6,807



(Unit: Million Baht)

Consolidated financial statements				
2019				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Investments in trading securities				
Equity securities	14	-	-	14
Investments in available-for-sale securities				
Equity securities	19	-	-	19
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	4,460	-	4,460

(Unit: Million Baht)

Separate financial statements				
2020				
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Financial assets measured at fair value through profit or loss				
Debt investment	-	920	-	920
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	64	64
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	6,807	-	6,807

(Unit: Million Baht)

Separate financial statements				
2019				
	Level 1	Level 2	Level 3	Total
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	4,460	-	4,460



## **48. Risks of non-life insurance company**

### **48.1 Underwriting risk**

The subsidiary has rigorously implemented its underwriting policy to ensure profitable underwriting, underwriting processes undertaken in accordance with the guideline, and effective cost management. In addition, the subsidiary also carries out the following risk assessment procedures to be prepared for the risk.

1. To mitigate risk with respect to incidents that are very likely to occur and of high severity, the subsidiary may reject underwriting of insurance, or apply the highest premium rate, or add limitations, loss deduction, or exceptions for high risk coverage.
2. To reduce risk with respect to incidents that are very likely to occur but of low severity, the subsidiary may accept underwriting of insurance, provided that conditions, limitations, or exceptions for high risk coverage are added, or that a procedure to be carried out by the insured to reduce the probability of losses in the future is specified.
3. To distribute risk with respect to incidents that are not likely to occur and of low severity, the subsidiary underwrites insurance for such incidents in a high proportion of total insurance underwriting, and cedes the insurance according to reinsurance contracts or governing laws and regulations.

In the case where the subsidiary's ability to take risks is limited, the subsidiary is to transfer the risks to established reinsurers that have reinsurance capacity and expertise in the areas of treaty reinsurance, facultative reinsurance, and whole account excess of loss reinsurance treaty.

The subsidiary also puts in place the following policies.

- Establishment of a basis for determination of sum insured, coverage and conditions for underwriting corresponding to level of risk.
- Arrangement for reinsurance required in the case where the subsidiary does not have the capacity to provide full coverage of the sum insured in accordance with the OIC's requirement which specifies that the subsidiary is not to take more the risks worth more than 10% of its available capital.
- Selection of an established reinsurer with credit rating of A or above and not lower than credit rating B, according to the ratings issued by S&P or A.M. Best.
- Assignment of persons responsible for procedures with respect to review of insurance underwriting for accuracy and completeness, and authorised person for each level of sum insured approval.



Insurance contract liabilities can be classified by insurance type as follows:

(Unit: Million Baht)

	2020			2019		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	1.62	(1.21)	0.41	1.00	(0.74)	0.26
Marine and transportation	3.08	(0.25)	2.83	1.72	(1.36)	0.36
Motor	96.73	(60.20)	36.53	161.87	(81.87)	80.00
Personal accident	14.26	(12.94)	1.32	9.44	(7.91)	1.53
Miscellaneous	20.45	(14.95)	5.50	14.97	(10.40)	4.57
Total	136.14	(89.55)	46.59	189.00	(102.28)	86.72

(Unit: Million Baht)

	2020			2019		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	0.44	(0.39)	0.05	0.03	(0.01)	0.02
Marine and transportation	0.85	(0.05)	0.80	0.53	(0.41)	0.12
Motor	175.90	(95.45)	80.45	203.99	(88.37)	115.62
Personal accident	11.97	(10.17)	1.80	2.99	(1.97)	1.02
Miscellaneous	34.10	(26.75)	7.35	25.03	(14.59)	10.44
Total	223.26	(132.81)	90.45	232.57	(105.35)	127.22

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation, which will have impacts on claim liabilities before and after reinsurance. The risk may occur because the frequency and severity of damage, or loss adjustment expenses are not as expected.



As at 31 December 2020 and 2019, the impacts on the best estimates of claims when there are changes to key assumptions are as follows:

(Unit: Million Baht)

2020					
Assumption change	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in	
	gross claim	net claim	profit before tax	equity	
	liabilities	liabilities			
Ultimate loss ratio	+5%	5.3	1.8	(1.8)	(1.8)
Ultimate loss ratio	-5%	(5.3)	(1.8)	1.8	1.8
ULAE ratio	+1%	1.5	1.5	(1.5)	(1.5)
ULAE ratio	-1%	(1.5)	(1.5)	1.5	1.5

(Unit: Million Baht)

2019					
Assumption change	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in	Increase (decrease) in	
	gross claim	net claim	profit before tax	equity	
	liabilities	liabilities			
Ultimate loss ratio	+5%	4.5	2.2	(2.2)	(2.2)
Ultimate loss ratio	-5%	(4.5)	(2.2)	2.2	2.2
ULAE ratio	+1%	1.6	1.6	(1.6)	(1.6)
ULAE ratio	-1%	(1.6)	(1.6)	1.6	1.6

## 49. Financial instruments

### 49.1 Financial risk management

The Group's financial instruments principally comprise cash and cash equivalents, deposits at bank with restrictions, trade and other receivable, accrued income, other financial assets, short-term loans to related parties, bank deposits-pledge as collateral, loans receivable from purchase of accounts receivable, short-term loans from financial institutions, trade and other payables, account payable - purchase of accounts receivable, 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 Group is exposed to credit risk primarily with respect to cash and cash equivalents, deposits at banks with restrictions, trade and other receivables, accrued income, other financial assets, short-term loans to related parties, bank deposits - pledge as collateral and loans receivable from purchase of accounts receivable. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of cash and cash equivalents, deposits at banks with restrictions, trade and other receivables, accrued income, other financial assets, short-term loans to related parties, bank deposits - pledge as collateral and loans receivable from purchase of accounts receivable as stated in the statement of financial position.

### **Maximum exposure to credit risk**

The table below shows the maximum exposure to credit risk for financial instruments. The maximum exposure is shown gross, before taking into account collateral arrangements and any actions taken to improve.

As at 31 December 2020 and 2019, the exposure to credit risk are as follow:

	Consolidated		(Unit: Million Baht)	
	financial statements		Separate	
	2020	2019	2020	2019
Cash and cash equivalents	967	317	786	152
Deposits at banks with restrictions	6	2	-	-
Trade and other receivables	251	161	19	35
Accrued income	36	37	32	32
Short-term loans to related parties	282	295	5,415	4,457
Bank deposits - pledge as collateral	4	3	3	1
Loans receivable from purchase of accounts receivable	10,121	8,028	2,876	2,571
Other financial assets	377	-	9	-
Total maximum exposure to credit risk	12,044	8,843	9,140	7,248



## Credit quality analysis

Credit risk refers to the risk that a customer or a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted policies to mitigate this risk, whereby there is monitoring and control of debtors to prevent default or monitoring of compliance with the terms of agreements and in the event of default or failure to comply with the conditions in the agreement urgent efforts are made to negotiate a timely solution. If the Group is unable to negotiate with the debtor, legal proceedings are to be followed in order to enforce conditions on the debtors and enforce collateral.

The table below shows the credit quality of financial assets. The amounts presented in the table are the gross carrying amounts (before allowance for impairment)

Explanations of 12-months expected credit loss, lifetime expected credit loss, credit impaired, lifetime expected credit loss-simplified approach and purchased or originated credit-impairment are provided in Note 5 to the financial statements.

(Unit: Million Baht)

Consolidated financial statement						
31 December 2020						
	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets with simplified approach to determine expected credit loss (Lifetime ECL - simplified approach)	Purchased or originated credit-impaired financial asset	Total
<b>Cash and cash equivalent</b>						
Investment grade	967	-	-	-	-	967
Total	967	-	-	-	-	967
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	967	-	-	-	-	967
<b>Deposit at banks with restrictions</b>						
Investment grade	6	-	-	-	-	6
Total	6	-	-	-	-	6
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	6	-	-	-	-	6
<b>Trade and other receivables</b>						
Trade and other receivables	-	-	-	251	-	251
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	-	-	-	251	-	251
<b>Accrued income</b>						
Accrued income	-	-	-	36	-	36
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	-	-	-	36	-	36
<b>Short-term loans to related parties</b>						
Short-term loans to related parties	-	-	-	282	-	282
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	-	-	-	282	-	282



(Unit: Million Baht)

## Consolidated financial statement

31 December 2020

	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets with simplified approach to determine expected credit loss (Lifetime ECL - simplified approach)	Purchased or originated credit-impaired financial asset	Total
<b>Bank deposits - pledge as collateral</b>						
Investment grade	4	-	-	-	-	4
Total	4	-	-	-	-	4
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	4	-	-	-	-	4
<b>Loans receivable from purchase of accounts receivable</b>						
Purchased or originated credit-impaired	-	-	-	-	10,121	10,121
Total	-	-	-	-	10,121	10,121
Less: Allowance for expected credit losses	-	-	-	-	(287)	(287)
Net book value	-	-	-	-	9,834	9,834
<b>Other financial assets</b>						
Debt instruments measured at amortised cost						
Investment grade	232	-	-	-	-	232
Other	145	-	-	-	-	145
Total	377	-	-	-	-	377
Less: Allowance for expected credit losses	(13)	-	-	-	-	(13)
Net book value	364	-	-	-	-	364

(Unit: Million Baht)

## Separate financial statement

31 December 2020

	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets with simplified approach to determine expected credit loss (Lifetime ECL - simplified approach)	Purchased or originated credit-impaired financial asset	Total
<b>Cash and cash equivalent</b>						
Investment grade	786	-	-	-	-	786
Total	786	-	-	-	-	786
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	786	-	-	-	-	786
<b>Trade and other receivables</b>						
Trade and other receivables	-	-	-	19	-	19
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	-	-	-	19	-	19



## Separate financial statement

31 December 2020

	Financial assets with no significant increase in credit risk (12-month ECL)	Financial assets with significant increases in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets with simplified approach to determine expected credit loss (Lifetime ECL - simplified approach)	Purchased or originated credit-impaired financial asset	Total
<b>Accrued income</b>						
Accrued income	-	-	-	32	-	32
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	-	-	-	32	-	32
<b>Short-term loans to related parties</b>						
Short-term loans to related parties	-	-	-	5,415	-	5,415
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	-	-	-	5,415	-	5,415
<b>Bank deposits-pledge as collecteral</b>						
Investment grade	3	-	-	-	-	3
Total	3	-	-	-	-	3
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	3	-	-	-	-	3
<b>Loans receivable from purchase of accounts receivable</b>						
Purchased or originated credit-impaired	-	-	-	-	2,876	2,876
Total	-	-	-	-	2,876	2,876
Less: Allowance for expected credit losses	-	-	-	-	(71)	(71)
Net book value	-	-	-	-	2,805	2,805
<b>Other financial assets</b>						
Debt instruments measured at amortised cost						
Other	9	-	-	-	-	9
Total	9	-	-	-	-	9
Less: Allowance for expected credit losses	-	-	-	-	-	-
Net book value	9	-	-	-	-	9



For the year ended 31 December 2020, movement of allowance for expected credit losses/allowance for doubtful accounts are summarised as below:

(Unit: Million Baht)

Consolidate financial statements							
31 December 2020							
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Purchased or originated credit-impaired financial assets	Allowance for doubtful accounts	Total
<b>Loans receivable from purchase of accounts receivable</b>							
Beginning balance	-	-	-	-	-	107	107
Changes due to the adoption of new accounting standards	-	-	-	-	107	(107)	-
	-	-	-	-	107	-	107
Changes due to remeasurement of loss allowance	-	-	-	-	204	-	204
Derecognition financial assets	-	-	-	-	(24)	-	(24)
Ending balance	-	-	-	-	287	-	287
<b>Other financial assets</b>							
Beginning balance	-	-	-	-	-	-	-
Changes due to the adoption of new accounting standards	-	-	17	13	-	-	30
	-	-	17	13	-	-	30
Changes due to remeasurement of loss allowance	-	-	(1)	-	-	-	(1)
Bad debt written-off	-	-	(16)	-	-	-	(16)
Ending balance	-	-	-	13	-	-	13
<b>Other current assets</b>							
Beginning balance	-	-	-	-	-	29	29
Changes due to the adoption of new accounting standards	-	-	-	-	-	(29)	(29)
	-	-	-	-	-	-	-
Changes due to remeasurement of loss allowance	-	-	-	-	-	-	-
Ending balance	-	-	-	-	-	-	-



(Unit: Million Baht)

Separate financial statements						
31 December 2020						
	Financial assets where there has not been a significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated expected credit losses (Lifetime ECL - simplified approach)	Purchased or originated credit-impaired financial assets	Allowance for doubtful accounts
						Total
<b>Loans receivable from purchase of accounts receivable</b>						
Beginning balance	-	-	-	-	-	75
Changes due to the adoption of new accounting standards	-	-	-	-	75	(75)
	-	-	-	-	75	-
Changes due to remeasurement of loss allowance	-	-	-	-	(4)	-
Ending balance	-	-	-	-	71	-
<b>Other financial assets</b>						
Beginning balance	-	-	-	-	-	-
Changes due to the adoption of new accounting standards	-	-	17	-	-	-
	-	-	17	-	-	-
Changes due to remeasurement of loss allowance	-	-	(1)	-	-	-
Bad debt written-off	-	-	(16)	-	-	-
Ending balance	-	-	-	-	-	-
<b>Other current assets</b>						
Beginning balance	-	-	-	-	-	17
Changes due to the adoption of new accounting standards	-	-	-	-	-	(17)
	-	-	-	-	-	-
Changes due to remeasurement of loss allowance	-	-	-	-	-	-
Ending balance	-	-	-	-	-	-

### Collateral and any operations to increase creditability

The Group has held collateral and any operations to increase creditability of exposure to credit risk. The details of the collateral held by the Group for each type of financial assets are as follows:

(Unit: Million Baht)

	Exposure to risk with collateral		Type of collateral
	2020	2019	
Loans purchased of receivables - personal loan receivables - collaterals	3,224	3,399	Land and building and condominium



## Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, deposits at bank with restrictions, short-term investment, short-term loans to related parties, loans receivable from purchase of accounts receivable, restricted bank deposits with interest income, long-term investments, other financial assets, short-term loans, long-term loans and debentures. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

Consolidated financial statements							
31 December 2020							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalent	128	-	-	608	231	967	0.05 - 1.50
Deposits at banks with restrictions	-	-	-	3	3	6	0.80 - 1.25
Trade and other receivables	-	-	-	-	251	251	-
Accrued income	-	-	-	-	36	36	-
Short-term loans to related parties	282	-	-	-	-	282	4.49 - 4.50
Bank deposits - pledge as collateral	2	-	-	1	1	4	0.20
Loans receivable from purchase of accounts receivable	339	1,598	8,024	-	-	9,961	Note 14
Other financial assets	222	10	-	-	1,134	1,366	0.05 - 0.95
<b>Insurance assets</b>							
Premium receivables	-	-	-	-	41	41	-
Reinsurance assets	-	-	-	-	222	222	-
Reinsurance receivables	-	-	-	-	53	53	-
	973	1,608	8,024	612	1,972	13,189	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	50	-	-	-	-	50	3.00 - 3.40
Trade and other payables	-	-	-	-	116	116	-
Account payable - purchase of accounts receivable	-	-	-	-	392	392	-
Lease liabilities	40	21	52	-	-	113	3.47 - 21.20
Long-term loans	-	-	-	390	-	390	2.90 - 4.05
Debentures	1,075	5,695	-	-	-	6,770	4.00 - 4.50
<b>Insurance contract liabilities</b>							
Insurance contract liabilities	-	-	-	-	359	359	-
Amount due to reinsurers	-	-	-	-	212	212	-
	1,165	5,716	52	390	1,079	8,402	



(Unit: Million Baht)

Consolidated financial statements							
31 December 2019							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalent	37	-	-	86	194	317	0.10 - 2.00
Deposits at banks with restrictions	-	-	-	-	2	2	0.38
Trade and other receivables	-	-	-	-	161	161	-
Accrued income	-	-	-	-	37	37	-
Short-term investment	215	-	-	-	14	229	0.65 - 2.45
Short-term loans to related parties	295	-	-	-	-	295	4.49 - 4.57
Bank deposits - pledge as collateral	2	-	-	1	-	3	0.38 - 1.10
Loans receivable from purchase of accounts receivable	-	707	-	7,321	-	8,028	Note 14
Long-term investment	-	10	-	-	124	134	0.40
<b>Insurance assets</b>							
Premium receivables	-	-	-	-	53	53	-
Reinsurance assets	-	-	-	-	208	208	-
Reinsurance receivable	-	-	-	-	38	38	-
	549	717	-	7,408	833	9,505	
<b>Financial liabilities</b>							
Short-term loans from financial institutions	648	-	-	-	-	648	3.00 - 3.40
Trade and other payables	-	-	-	-	93	93	-
Account payable - purchase of accounts receivable	-	-	-	-	121	121	-
Short-term loans	200	-	-	-	-	200	4.00
Long-term loans	-	-	-	537	-	537	3.65 - 4.05
Debentures	1,640	2,773	-	-	-	4,413	3.92 - 4.69
<b>Insurance contract liabilities</b>							
Insurance contract liabilities	-	-	-	-	422	422	-
Amount due to reinsurers	-	-	-	-	119	119	-
	2,488	2,773	-	537	755	6,553	

(Unit: Million Baht)

Separate financial statements							
31 December 2020							
	Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
	Within 1 year	1-5 years	Over 5 years				
<b>Financial assets</b>							
Cash and cash equivalent	100	-	-	606	80	786	0.05 - 0.85
Trade and other receivables	-	-	-	-	19	19	-
Accrued income	-	-	-	-	32	32	-
Short-term loans to related parties	5,415	-	-	-	-	5,415	4.49 - 4.50
Bank deposits - pledge as collateral	1	-	-	1	1	3	0.20
Loans receivable from purchase of accounts receivable	155	839	1,874	-	-	2,868	Note 14
Other financial assets	-	-	-	-	993	993	-
	5,671	839	1,874	607	1,125	10,116	



(Unit: Million Baht)

## Separate financial statements

31 December 2020

Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years				

**Financial liabilities**

Short-term loans from financial

institutions 50 - - - - 50 3.00 - 3.40

Trade and other payables

- - - - 69 69 -

Account payable - purchase of

accounts receivable - - - - 9 9 -

Lease liabilities

26 11 52 - - 89 3.47 - 4.14

Long-term loans

- - - 276 - 276 2.90 - 4.05

Debentures

1,075 5,695 - - - 6,770 4.00 - 4.50

1,151	5,706	52	276	78	7,263	
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(Unit: Million Baht)

## Separate financial statements

31 December 2019

Fixed interest rates			Floating interest rate	Non - interest bearing	Total	Effective interest rate (% per annum)
Within 1 year	1-5 years	Over 5 years				

**Financial assets**

Cash and cash equivalent

- - - 84 68 152 0.22 - 1.60

Trade and other receivables

- - - - 35 35 -

Accrued income

- - - - 32 32 -

Short-term loans to related parties

4,457 - - - - 4,457 4.49 - 4.57

Bank deposits - pledge as collateral

- - - 1 - 1 0.38 - 0.90

Loans receivable from purchase of

accounts receivable - - - 2,571 - 2,571 Note 14

Long-term loans

- - - - 104 104 -

4,457	-	-	2,656	239	7,352	
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**Financial liabilities**

Short-term loans from financial

institutions 648 - - - - 648 3.00 - 3.40

Trade and other payables

- - - - 57 57 -

Account payable - purchase of

accounts receivable - - - - 12 12 -

Short-term loans

200 - - - - 200 4.00

Long-term loans

- - - 537 - 537 3.65 - 4.05

Debentures

1,640 2,773 - - - 4,413 3.92 - 4.69

2,488	2,773	-	537	69	5,867	
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### ***Interest rate sensitivity***

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in interest rates on that portion of floating rate loans to loans from affected as at 31 December 2020, with all other variables held constant.

Currency	Increase/decrease	Effect on profit before tax
	(%)	(Thousand Baht)
Baht	+0.5	(1,951)
	-0.5	1,951

### ***Liquidity risk***

The Group monitors the risk of a shortage of liquidity through the use of short-term loans from financial institutions, trade and other payables, accounts payable - purchase of accounts receivable, lease liabilities, long-term loans and debentures. Approximately 26% of the Group's debt will mature in less than one year at 31 December 2020 (the Company only: 22%) based on the carrying value of borrowings reflected in the financial statements. The Group has assessed the concentration of risk with respect to refinancing its debt and concluded that the Group has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile of the Group's financial liabilities as at 31 December 2020 based on contractual undiscounted cash flows:

	(Unit: Million Baht)				
	Consolidated financial statements				
	2020				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	50	-	-	50
Trade and other payables	-	116	-	-	116
Account payable - purchase of accounts receivable	-	392	-	-	392
Lease liabilities	-	44	29	79	152
Long-term loans	-	239	163	-	402
Debentures	-	1,372	6,010	-	7,382
<b>Total financial liabilities</b>	-	2,213	6,202	79	8,494



(Unit: Million Baht)

	Separate financial statements				
	2020				
	On demand	Less than 1 year	1-5 years	Over 5 years	Total
<b>Financial liabilities</b>					
Short-term loans from financial institutions	-	50	-	-	50
Trade and other payables	-	69	-	-	69
Account payable - purchase of accounts receivable	-	9	-	-	9
Lease liabilities	-	29	19	79	127
Long-term loans	-	183	100	-	283
Debentures	-	1,372	6,010	-	7,382
<b>Total financial liabilities</b>	-	1,712	6,129	79	7,920

## 49.2 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or carrying interest rates close to the market 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 2020 and 2019 are presented below.

(Unit: Million Baht)

	Consolidated and Separate financial statements			
	2020		2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial liabilities</b>				
Debentures	6,747	6,807	4,401	4,460

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

- For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, deposits at banks with restrictions, trade and other receivables, accrued income, short-term loans to related parties, bank deposits - pledge as collateral, short-term loans from financial institutions, trade and other payables, account payable - purchase of accounts receivable, and short-term loans, their carrying amounts in the statement of financial position approximate their fair value.



- b) For debt securities, their fair value is generally derived from quoted market prices or determined based on yield rates quoted by the Thai Bond Market Association or by other relevant bodies.
- c) For equity securities, their fair value is generally derived from quoted market prices or based on generally accepted pricing models when no market price is available.
- d) For unit trusts, their fair value is determined from their net asset value per unit as announced by asset management companies.
- e) Loan receivable from purchase of accounts receivable, their fair value is estimated by discounting expected future cash inflow by the effective interest rate, net of allowance for doubtful accounts or expected credit losses.
- f) For fixed rate debentures, their fair value is estimated by discounting expected future cash outflow by the current market interest rate of the bonds with similar terms and conditions.
- g) For long-term loans with floating interest rate, 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.

## **50. Capital management**

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2020, the Group's debt-to-equity ratio was 1.48:1 (2019: 1.95:1) and the Company's debt-to-equity ratio was 1.27:1 (2019: 1.74:1).

## **51. Events after the reporting period**

- 51.1 On 25 February 2021, the Company's Board of Directors passed a resolution to propose to the Annual General Meeting of Shareholders for approval the payment of a dividend in respect of the operating results in 2020 at Baht 0.86 per share. The Company have paid an interim dividend at Baht 0.45 per share, therefore remaining dividend to be paid of Baht 0.41 per share. The dividend will be paid on 5 May 2021.
- 51.2 During January and February 2021, the subsidiary signed agreements to purchase accounts receivable from financial institutions, which the balance per original loan agreement is approximately Baht 407 million.







## 52. Reclassification

The Group has reclassified certain accounts as follows:

(Unit: Thousand Baht)				
For the year ended 31 December 2019				
	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Administrative expenses	(382,496,988)	(394,141,364)	(247,677,363)	(238,739,150)
Reversal of bad debts and doubtful account				
(bad debts and doubtful account)	(11,644,376)	-	8,938,213	-

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

## 53. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.



# Annual Report 2020

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