

THE POWER OF
SYNERGY
CHAPTER II

ANNUALREPORT 2016

JAS ASSET PUBLIC COMPANY LIMITED

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Financial information

Unit: Million Baht

	2014	2015	2016
Performance and Financial Status			
Total income	425.7	539.2	553.0
Gross profit	123.8	116.8	98.2
Net profit	54.7	58.1	5.6
Total assets	871.1	1,449.5	2,264.9
Total liabilities	482.9	703.8	1,539.4
Shareholders' equity	388.2	745.7	725.5
Key Financial Ratio			
Return on equity (ROE)	14.1%	7.8%	0.8%
Return on assets (ROA)	6.3%	4.0%	0.2%
Debt/Equity ratio (D/E)	1.24	0.94	2.11
Earnings per share (Baht per share) (EPS)	0.39	0.22	0.02

Board of Directors' Message

Dear Shareholders,

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

Even though the economy in 2016 is not recovering to a great extent, we generated the total revenues of 553 million baht, which increased 2.5% from 2015, and the net income is equal to 5.6 million baht. Last year, we expanded our businesses by opening 8 more branches of IT Junction and the Jas Urban Srinakarin, a new fashionable supermarket, on huge 4.35 acres of land. The Jas Urban project was highly successful since all retail spaces were rented out by business partners, merchants, and small vendors. Moreover, the Jas Urban Srinakarin has the Totem Kingdom, which is the biggest indoor amusement park in Srinakarin area. We also set up the Urban Foodville, the food court, which is expected to be a unique and distinguished place for expanding our leadership in retail.

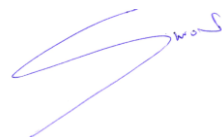
Our company will keep doing the business primarily concerning with maximizing shareholder value. Our policy will include generating revenue from retail spaces, intensive cost-cutting strategy in all business units, in order to gain good return on investment in 2017.

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



(Mr. Sukon Kanjanahattakit)

President



(Mr. Suphot Wanna)

Chief Executive Officer

Information about the Board of Directors and Executives

Mr. Sukont Kanjanahattakit

Age: 69 years old

Position: President

Educational background:

Bachelor's Degree in Accounting – Virginia Polytechnic and State University, USA

Master's Degree in Accounting – Virginia Polytechnic and State University, USA



Training on Director's Roles:

2007	Director Certification Program (DCP)	Thai Institute of Directors
2010	Audit Committee Program (ACP)	Thai Institute of Directors

Experience:

2015 - Present	President	JAS Asset Pcl
2013 - Present	University Council Committee	Western University
2012 - Present	President	Srisawad Power 1979 Pcl
2011 - Present	Ethics Committee	Federation of Accounting Professions
2009 - Present	Vice President	CIMB Thai Bank Pcl
	Audit Committee and Independent Committee	
Present	President of the Audit Committee	World Corporation Pcl

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Mr. Adisak Sukumvitaya

Age: 61 years old

Position: Director

Educational background:

Bachelor of Economics	Kasetsart University
Master of Economics	Kasetsart University

Training on Director's Roles:

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors
2556	Senior Executive Management Program	Capital Market Academy (CMA) 15 th

Experience:

1990 - Present	Director/Chief Executive Officer	Jaymart Pcl
2016 - Present	Chairman of the Board	Jaymart Mobile Co., Ltd
2016 - Present	Chairman of the Board	Singer Thailand Pcl
2016 - Present	Chairman of the Board	SG Capital Co., Ltd
2012 - Present	President	JMT Network Services Pcl
1994 - 2012	Director	JMT Network Services Pcl
2012 - 2015	President	JAS Asset Pcl
2015 - Present	Director	JAS Asset Pcl



2013 – Present	Director	J&P (Thailand) Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd.
2013 – Present	Director	J Insurance Broker Co., Ltd.
2013 – Present	Director	Jaymart Holding Co., Ltd.

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Miss Yuvadee Pong-acha

Age: 61 years old

Position: Director and Chairman of the Executive Director
Nomination and Remuneration Committee

Educational background:

Bachelor's degree	Political Sciences, Thammasat University
MBA	Bridgeport University, USA

Training on Director's Roles:

2008	Director Accreditation Program (69/2008)	Thai Institute of Directors
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Experience:

1990 – Present	Director	Jaymart Pcl
2004 – Present	Executive Director and Vice President	Jaymart Pcl
2016 - Present	Director	Jaymart Mobile Co., Ltd
2007 – Present	Director	JMT Network Services Pcl
2007 – 2011	Managing Director	JMT Network Services Pcl
2011 – Present	President	J Fintech Co., Ltd.
2012 – Present	Director	JAS Asset Pcl
2013 – Present	Director	J&P (Thailand) Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd
2013 – Present	Director	J Insurance Broker Co., Ltd.
2013 – Present	Director	Jaymart Holding Co., Ltd.
1981 – 1990	Deputy Director of Money Market Department	TISCO Securities Pcl
2002 – Present	Director	T.A.S. Asset Co., Ltd.



Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Mr. Suphot Wanna

Age: 42 years old

Position : Director and Executive Director
and Chief Executive Officer

Educational background:

Bachelor's degree in Financial Economics	Ramkhamhaeng University
Master's degree in Management	Sripatum University

Training on Director's Roles:



2005 Director Certification Program Thai Institute of Directors

Experience:

2015 – Present	Executive Director and Chief Executive Officer	JAS Asset Pcl
2014 – Present	Director	JAS Asset Pcl
2011 – 2015	Executive Director and Company's Secretary and Accounting and Finance Director	JMT Network Services Pcl
2013 – Present	Director	JMT Insurance Broker Co., Ltd.
2013 – Present	Director	J Asset Management Co., Ltd.
2006 – 2012	Financial Controller	Jaymart Pcl

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Mrs. Nonglak Laksanapokin

Age: 57 years old

Position: Director and Nomination and Remuneration committee

Educational background:

Bachelor of Science	Prince of Songkla University
Master of Science	Prince of Songkla University

Training on Director's Roles:

2004	Director Accreditation Program (2008)	Thai Institute of Dire
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Experience:

2012 – 2015	Director and Executive Director and Chief Executive Officer	JAS Asset Pcl
2015 – Present	Director and Nomination and Remuneration Committee	JAS Asset Pcl
2000 - 2012	Executive Director	Jaymart Pcl

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years



Mr. Ekachai Sukumvitaya

Age: 28 years old

Position: Executive Director and Company's Secretary and Chief Financial Officer

Educational background:

BBA	Finance and Entrepreneurship Babson College, MA, USA
MBA	Strategic Marketing Imperial College, London, UK

Training on Director's Roles:

Director Accreditation Program	Thai Institute of Directors
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Experience:

2014 – Present	Executive Director and Company's Secretary and Chief Financial Officer	JAS Asset Pcl
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Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Mr. Premon Pinskul

Age: 59 years old

Position : Independent Committee and President of Audit Committee

Educational background:

Master of Business Administration	University of Detroit, USA
Master of Art (Economics)	University of Detroit, USA
Bachelor of Accounting	Thammasat University



Training on Director's Roles:

2009	Director Certification Program (DCP)	Thai Institute of Directors
2010	Audit Committee Program (ACP)	Thai Institute of Directors
2010	Monitoring fraud Management (MFM) 2/2010	Thai Institute of Directors
2010	Monitoring of the Quality of Financial Reporting (MFR) 10/2010	Thai Institute of Directors
2010	Monitoring the Internal Audit Function (MIA) 7/2010	Thai Institute of Directors
2010	Monitoring the System of Internal Control & Risk Management (MIR) 8/2010	Thai Institute of Directors

Experience:

2013 – Present	Independent Committee JAS Asset Pcl and President of Audit Committee	
2015 – Present	Independent Committee and President	After You Pcl
2015 – Present	Chief Financial Officer	Impact Electrons Siam Company Limited
2015 – Present	Director	Impact Solar Company Limited

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Ms. Pannee Choedrum-phai

Age: 61 years old

Position: Independent Committee and Audit Committee
and Chairman of the Nomination and Remuneration committee

Educational background:

Bachelor's degree	Faculty of Commerce and Accountancy, Marketing Department Chulalongkorn University
MBA	Northrop University, USA



Training on Director's Roles:

2007	Director Certification Program (DCP) (84/2007)	Thai Institute of Directors
2006	Director Accreditation Program (DAP) (59/2006)	Thai Institute of Directors

Experience:

2013 – Present	Independent Committee and Audit Committee
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	and Chairman of the Nomination and Remuneration Committee	JAS Asset Pcl
2010 – 2016	Assistant Managing Director	Islamic Bank of Thailand
2006 – 2010	Managing Director	Thai Samut Asset Company Limited

Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

Mr. Anucha Viriyachai

Age: 62 years old

Position: Independent Committee and Audit Committee

Educational background:

Bachelor of Economics	Thammasat University
MBA	Ohio University, USA

Training on Director's Roles:

2008	Director Accreditation Program (DAP)	Thai Institute of Directors
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Experience:

2013 – Present	Director and Audit Committee	JAS Asset Pcl
2004 – 2015	Director and Chief Executive Officer	Marketing Drive Worldwide (Thailand) Co., Ltd.
2000 – 2015	Managing Director	Prakit Holding Pcl
2000 – 2015	Director and Chief Executive Officer	Prakit Advertising Co., Ltd.



Forbidden Qualifications

1. No record of criminal offences of property corruption
2. No record of transactions which may cause conflicts of interest with the Company in the past years

General Information about the Company

JAS Asset Public Company Limited

Location of the Headquarters: 325/7 8th floor, Jaymart Building, Ramkhamhaeng Rd., Saphansoong Sub-district,
Saphansoong District, Bangkok 10240

Tel: 0-2308-9000

Fax: 0-2308-8088

Company registration number: 0107557000136

Website: www.jasasset.co.th

Business type: Retail rental space and Retail management business

Registered capital: 370,390,000 Baht

Paid-up registered capital: 370,390,000 Baht consisting of 370,390,000 ordinary shares
Par Value 1 Baht

Auditor

Company	:	EY Office Company Limited Mr. Sophon Permsirivallop Auditor's License No. 3182 Ms. Runnapa Lertsuwankul Auditor's License No. 3516 Ms. Pimjai Manitkajohnkit Auditor's License No. 4521 Ms. Rosaporn Decharkom Auditor's License No. 5659 Ms. Sumana Punpongsanon Auditor's License No. 5872
Headquarters	:	33 rd Floor, Lake Rajada Office Complex 193/136-137 Rajadapisek Road, Klongtoey, Bangkok 1011
Telephone	:	0-2264-0777, 0-2264-9090
Fax	:	0-2264-0789-90

Legal Advisor

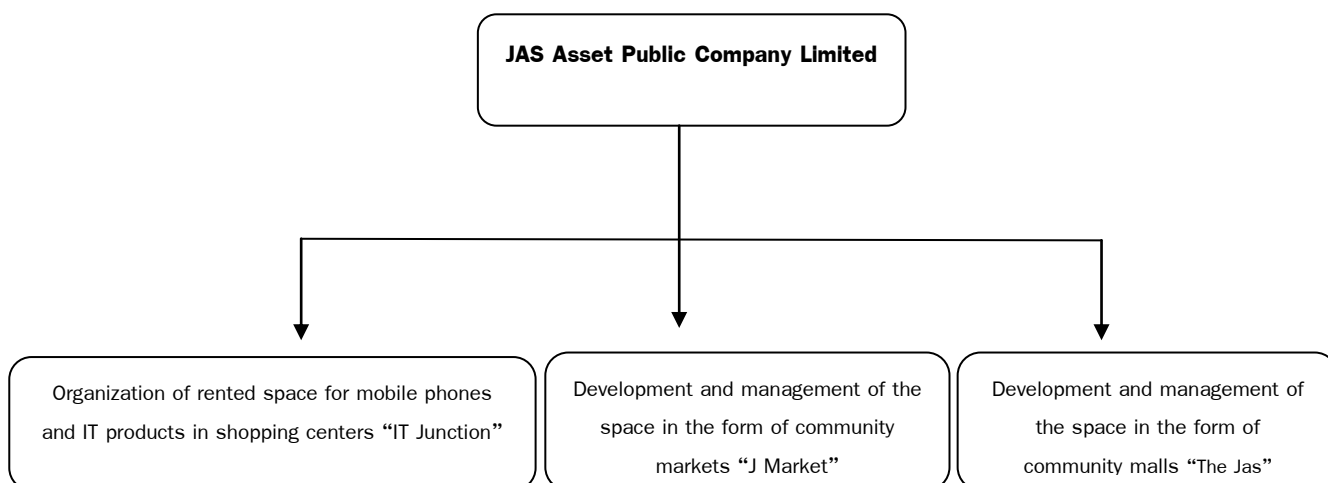
Company	:	CMT Consulting Company Limited
Head Office Address	:	75 Soi Pueung-Mee 11 Bangchak Sub District Phrakhanong District Bangkok 10260
Telephone	:	08-1836-7236
Fax	:	-

Business Characteristics

1. Business Characteristics

JAS Asset Public Company Limited ("Company") was established on 4 January 2012 with 1,000,000 Baht paid-up registered capital. The objective of the Company is to run the business of organizing the rented space in shopping centers with an emphasis on the mobile phone and IT product zones. The Company has started its business since 2000 as one of the divisions of Jaymart Public Company Limited ("Jaymart"). At that time, Jaymart had been expanding its business of rented space organization in shopping centers. The business had been kicked off Big C Supermarket, Nakhonpathom by organizing "IT Junction" zones for mobile phones and IT products which were allocated to retail sellers. The rented space organization business has been expanded contagiously until it became a major business of the Company. In 2012 and 2015, the Company expanded its business to the development and management of the rented space in the form of community markets and community malls, respectively.

Currently, the Company's real estate business can be divided into 3 groups, which are 1) Organization of rented space for mobile phones and IT products in shopping centers for retail sellers under the name of "IT Junction", 2) Development and management of the space in the form of community markets under the name of "J Market" and 3) Development and management of the space in the form of community malls under the name of "The Jas" and "The Jas Urban".



2. Company's business

1. "Junction" Organization of rented space for mobile phones and IT products in shopping centers for retail sellers under the name of "IT Junction"

The Company is the organizer of rented space for mobile phones and IT products in shopping centers or in other potential space such as Big C or Central Shopping Mall for subleasing to retail sellers. First, the Company rents part of the space from the shopping centers or big department stores who own the space. Then, the rented space will be modified and decorated before subleasing to retail sellers. The Company will provide maintenance and management of such rented space throughout the lease term. The objective of the business is to arrange the rented space to be the center of mobile phones and IT products under the name "IT Junction".

On 31 December 2016, the Company has 52 branches of IT Junction rented space projects. The total rented space is 13,870 square meters which covers the areas in Bangkok metropolitan, the nearby cities and other big provinces in Thailand.

2. Development and management of the space in the form of community markets under the name of “J Market”

In 2012, the Company planned to expand its business to real estate development and management of the space around the community markets including local markets and food markets. The Company manages to rent the land and/or the building from the original owners. Then, the rented facilities are decorated and allotted before subleasing to retail sellers under the name “J Market”. Amornpan Market is the first community market developed under this project. It is situated at the other side of Kasetsart University. The market is managed under the name “J Market @ Amornpan Kaset”. In 2014, there were 2 additional projects in Keha Thani 4 Village, Prat Pattana Road and on Baan Saima Road. In 2015, J Market Lad Plakhao (J. Night Market) was established on Lad Plakhao Road.

In summary, as of 31 December 2016, the Company has managed 4 community markets under the name J Market, which include (1) J Market @ Amornpan Kaset, (2) J Market Rat Pattana, (3) J Market Saima, and (4) J. Night Market.

3. Development and management of the space in the form of community malls under the name of “The Jas”

In 2014, the Company started the development and management of the space in the form of community mall. The first project is “The Jas Wanghin” located on Ladprao-Wanghin Road, Ladprao District, Bangkok, which covers the area of 5 rai, 2 ngarn, 20 square wah (8,880 square meters). The total rented space is 5,750 square meters, which has been available since November 2014. After that, the Company has developed another 2 projects, which are The Jas Ramintra, located on Lad Plakhao Road, Baangkhen District, Bangkok, having the total area of 9 rai (14,400 square meters) with the rented space of 12,000 square meters available since September 2015.

In 2016, the Company developed the new community mall project, namely The JAS Urban Srinakarin, which located on Srinakarin Road. The project has total area 11 rai with rented space of 19,850 square meters and available since November 2016



3. Company's Vision and Goals

Vision

- To be the leader of rental spaces management in shopping malls as well as real estate developer for the better lives in the neighborhood.

Mission

- To become the largest rental space management operator in shopping malls.
- Develop property projects that serve community demands
- Commit to good corporate governance in business corporation. Take good care of the employee, business partner and the society.

Goals

The Company aims to become a leader in organizing the rented space in shopping centers in part of mobile phones and IT product zone under the name "IT Junction" by focusing on the rented space in potential shopping centers in Bangkok and other provinces around the country. In addition, the Company has expanded 2 more business lines, which are community markets under the name "J Market" and community malls under the name "The Jas".

Currently, the Company has the total rented space of over 53,000 square meters and aims to expand the businesses, including rental space management in shopping malls and property development (IT Junction, J.Market and The JAS) to more than 100 branches within 5 years (by 2019). The plan is as follows:

1. Expanding the business of organization of rented space in shopping centers in part of mobile phones and IT products to cover all of the existing branches of the shopping centers and all of their future expanded branches. The expansion will be made in consideration of the location and potential of each branch as well as the return of investment in each project before the investment decision is made.
2. Investing more on community markets and community malls in consideration of the location and potential of the land as well as the return of the investment

4. Important Changes and milestones

Year	Milestone
2000	<ul style="list-style-type: none"> ▪ Jaymart started the business of organization of rented space in shopping centers in part of mobile phones and IT products by renting part of the space from Big C Super Center Nakhonpathom for renovating and subleasing the space to retail seller under the name "IT Junction". Jaymart has been expanding this business continuously. In 2009, Jaymart owned 26 branches of IT Junction nationwide, and on 31 December 2011 (before the establishment of the Company), Jaymart had 28 branches of IT Junction around the country.

Year	Milestone
2012	<ul style="list-style-type: none"> In January 2012, Jaymart established JAS Asset Co., Ltd. with the registered capital of 1 million Baht consisting of 1 million ordinary shares of which par value was 10 Baht per share, with an aim to run the real estate development business. In the same year, Jaymart reorganized its business structure by transferring all of the business respecting real estate to JAS Asset, and in October 2012, JAS Asset increased its registered capital from 1 million Baht to 50 million Baht (Par value 10 Baht). In September 2012, the Company started the first community market at Amornpan Market located at the other side of Kasetsart University under the name “J Market @ Amornpan Kaset”.
2013	<ul style="list-style-type: none"> The Company established more 30 branches of IT Junction in 2013, making a total of 42 branches nationwide in 2013.
2014	<ul style="list-style-type: none"> In April 2014, the Company registered as a Public Company Limited and changed its name to JAS Asset Public Company Limited. The Board of Directors’ Meeting No. 2/2014 agreed on changing the par value from 10 Baht per share to 1 Baht per share and adding 320.39 million Baht to its existing registered capital of 50 million Baht, making a total of 370.39 million Baht of the registered capital. In May 2014, the Company started the second community market in Keha Thani 4 Village, Rat Pattana Road, Sapansoong District under the name J Market Rat Pattana”. In November 2014, the Company launched the “Jas Wanghin” Project, which is the first development and management of the community mall space project of the Company. Further, in the same month, the Company started the third community market on Baan Saima Road under the name “J Market Saima”.
2015	<ul style="list-style-type: none"> In September 2015, the Company launched the second community mall which is “The Jas Ramintra”, and in the same month, the “J Night” Market was open on Lad Plakhao Road.
2016	<ul style="list-style-type: none"> The company had gotten an resolution from AGM No.1/2016 to launch The Jas Urban Srinakarin In November 2016, the company run project “The Jas Urban Srinakarin” , the third Community Mall, which was the biggest Community Mall that had been opened and got the good feedback from customer and shops.

5. Shareholding Structure

As on 31 December 2016, the Company does not have any subsidiary.

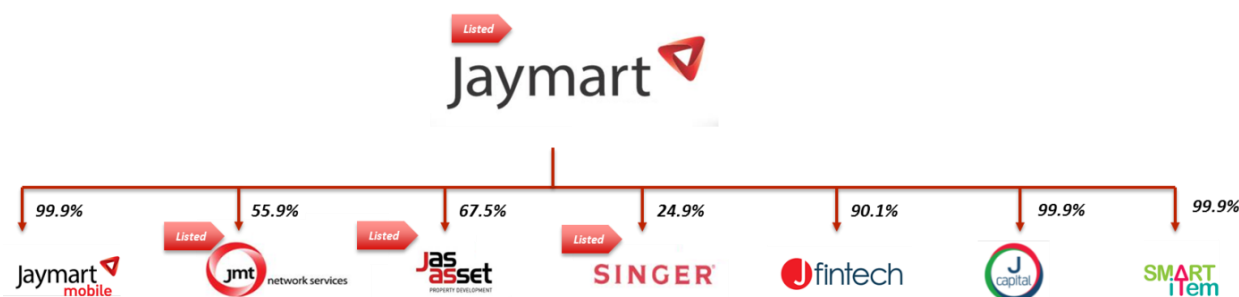
6. Relationship between the Business Groups of the Majority Shareholders

The Company is a subsidiary of Jaymart Group, which is comprised of Jaymart Public Company Limited, JMT Network Services Pubic Company Limited (“JMT”), Jaymart Holding Co., Ltd. (“J Holding”), and the Company. Jaymart holds the majority of the shares (67.5%) of the paid-up capital after the public offering.

Regarding the business, the Company manages the organization of the rented space in shopping centers in part of mobile phones and IT products. The major income is obtained from space rental. However, Jaymart’s business focuses on mobile phones, accessories and IT products distributed through Jaymart shops. JMT provides the debt

collection services, distressed debt management and auto loan. J Holding focuses on overseas investment to support Jaymart's business. Therefore, the companies in Jaymart Group have no relationship with or competition against the Company. Nevertheless, the Company and Jaymart have an important related party transaction which is the Company's space rented by Jaymart for expanding Jaymart's branches. This transaction is deemed a normal business transaction, and the Company's rent is similar to the market rate. Jaymart Group's shareholding structure can be summarized as follows:

The Structure of The Jaymart Group as at 31 December 2016



Risk Factors

The Company's business is comprised of the organization of rented space in shopping centers in part of mobile phones and IT product zone (IT Junction), development and management of rented space in the form of community mall (The Jas) and development and management of community markets (J Market). The risk factors and preventive measures are as follows:

1.1 Business operation risks

Organization of rented space in shopping centers in part of mobile phones and IT product zone (IT Junction)

1.1.1 Risk of dependence on Big C Super Center Plc

As the 49 branches out of 52 branches of IT Junction are located in Big C owned by Big C Super Center Plc ("Big C"), there is a risk of dependence on the rental of space from Big C. In other words, if Big C terminates the lease agreement, refuses to renew the lease or take over the rented space management, the Company's business will be significantly affected. Further, if Big C decreases or changes the plan on its branch extension, the Company's plan on branch extension will also be delayed, which can be a major negative impact on the Company's business operation.

However, the Company and Big C have had a good relationship and have been business partners for over 10 years. The Company has never been terminated the contract by Big C. In addition, the Company has more experience in effective management of the rented space for mobile phones and IT products than Big C does, which can be seen from the success in the Company's management of Big C's rented space for years and Big C's notifications of the acceptance of the renewal of IT Junction for another 2 terms, 3 years for each. It can be concluded that Big C is currently a good business partner and does not have a plan to manage the rented space for mobile phones and IT products by itself.

1.1.2 Risk of business competition

The Company is at risk of being competed by new rivals, especially those who run the rented space for mobile phones and IT products as it is the business which does not require a lot of money to invest and the business structure is not too complicated. The competitors can be the shopping centers themselves such as Big C or the owners of the space in other projects. The Company will have to face tough competition which may cause problems to its financial status and business performances.

However, the Company is still positive about the aforementioned risk. It should not affect the Company severely due to the Company's capital and areas in hands. More importantly, the Company is confident of success because of its experience in space management, healthy relationship with the space lessor and the sublessees and the relationship with the producers and operators of mobile phones who take part in organizing sales promotional activities. With over 10 years of experience as a rented space organizer in shopping centers, the Company is sure to have had good relationships with all of the related parties including the owner, the sublessees and the mobile phone operators.

1.1.3 Risk of refusal of the request for lease agreement renewal

As the Company manages the rented space by renting part of the space in shopping centers for subleasing to retail seller, most of the lease agreements are short-term contracts for up to 3-year term. If the space owner refuses to renew the contract with the Company, the Company's financial status and business performance may be affected.

To reduce such risk, the Company has negotiated with Big C, who is the biggest space owner, and received the notification from Big C to accept the request for renewal of the lease agreement for another 2 terms, 3 years for each, after the termination of the present agreement. This allows the Company to be able to manage the existing space for another 6 years at the latest. The success in space development and management and the strong partnership with the space owner for over 10 years also help save the Company from such risk. In addition, the Company has expanded its business lines to the development and management the community market (J Market) and community mall (The Jas), which is another way to reduce the risk.

1.1.4 Risk of recruiting the sublessees for the allotted space

The majority of the IT Junction's customers are sublessees. If any project shows a low rate of space rental, the overall attractiveness of the projects will be lessened, which may endanger the performance of the project and the Company. For this reason, the Company is at risk of recruiting the sublessees for all of the allotted space in the project.

However, the Company is certain that such risk would not affect much as it can recruit sublessees from variety of channels including making announcements on the Company's websites or sending information to the old sublessees, especially the retail sellers most of whom are small juristic persons or individuals who have the retail shops selling mobile phones and/or accessories. Most of the existing sublessees have rented the space for over 2 years in a row, and over 70% of them sell Mobil phones or IT products which are still popular among consumers. Therefore, the number of retail sellers who need to rent the space has been continuously increasing.

1.2 Development and management of rented space in the form of community mall (The Jas) and community market (J Market)

1.2.1 Risk of the project development and return of The Jas and J Market which might not meet the target

As the investment in development and management of the rented space in the form of community mall (The Jas) requires a lot of money, it takes a long time to reach the payback period. If the return of the project does not meet the estimated target as a result of either tough competition or economic factors, it may cause the number of the sublessees or the space rental rate to reduce and affect the Company's performance and financial status. The Company has acknowledged such risk and set up the policy to study and evaluate the feasibility of the project which includes the potential of the location, the number of population, the target customers, consumer spending behavior, and nearby competitors. The results of the study were used to prepare the marketing and business plan for each project. In addition, each lease agreement that the Company made with the owner is effective for over 3 years, so the continuity of the space rental can be ensured.

As for the J Market which has already been launched, the Company is still at risk of being unable to recruit enough sublessees for all of the allotted space or a lot of sublessees may move out, which will affect the return of the project. Nevertheless, the Company has studied the feasibility of the J Market Lad Plakhao before the project as launched. At the end of July 2015, 100% of the allotted space has been reserved. J Market Rat Pattana and Market Saima are the projects on which the Company has spent less than 5 million Baht; therefore, there should not be any significant effect on the Company's performance if it is not successful.

1.2.2 Risk of fluctuation of construction material prices and project development costs

In doing the real estate development business, in addition to the land which is the major cost, construction prices are also considered one of the important costs of the project. The construction prices normally fluctuate following the oil prices and other economic factors. All of these are external factors which are beyond the control of the real estate developers.

To minimize such risk, the Company has issued the measures to control and minimize the risk incurred by the fluctuation of construction prices. In employing project contractors, the Company has clearly specified the type and specifications of the materials so that the contractors could estimate the construction prices of the entire project. For this reason, in case of the future fluctuation of the construction prices, the contractors shall be liable for management of such additional costs.

1.3 Risk of management

1.3.1 Risk incurred by the majority shareholder who holds over 50% of the total shares

As of 31 December 2016, Jaymart holds 67.50% of all of the paid-up capitals, which allows Jaymart to control the resolutions of the shareholders' meeting on committee nomination or other resolutions which must rely on the majority votes of the shareholders, except for the case that is abide by the law or articles of association which states that the resolutions shall be approved by three-fourth of the quorum. For this reason, the other shareholders may have to gather the votes to be able to balance the power and inspect the cases proposed by the majority shareholder.

The Company realizes the importance of the balance of power, so the scope of power and responsibilities of each committee has been clearly and transparently prescribed. The issues which may relate to the directors, the majority shareholder, the management, and other parties who may have the conflict of interests will be listed to indicate that those related people shall not have the rights to vote on the approval of such issues. The Audit Committee

who is independent from the board of directors has been set up for transparency and to ensure the shareholders that the operations can be verified and the power can be balanced as the representatives of the minority shareholders. In addition, the committee will help screen the topics to be proposed to the shareholders' meeting.

Shareholding Structure

Company's ordinary Shares

As on 31 December 2016, the registered capital of the Company is equivalent to 370,390,000 Baht which has been fully paid up. The list of shareholders and the proportion of shareholding in accordance with the paid-up registered capital as shown in the Shareholder Registration can be summarized as follows:

No.	Shareholder	Ordinary share	Percentage
1	Jaymart Public Company Limited	249,999,970	67.50%
2	Mr. Preecha Lertpraiwan	4,905,200	1.3%
3	Mr. Phusit Jittila-ongwong	4,000,000	1.1%
4	Mr. Wipong Rattanasiriwilai	4,000,000	1.1%
5	Miss Yuvadee Pong-acha	3,578,917	1.0%
6	Mr. Adisak Sukumvitaya	3,240,957	0.9%
7	Mr. Witchusak Suksomlert	3,133,000	0.8%
8	Mr. Surapol Tangkaprasert	3,110,000	0.8%
9	Mr. Chaoyong Leeparikon	3,000,000	0.8%
10	Mr. Narong Wangcharoenwong	2,395,700	0.6%
11	Other Shareholders	89,026,256	24.1%
Total paid-up capital		370,390,000	100%

Note: Information as on the date of the registration closure on 31 December 2016. The total number of shareholders is 2,728.

Dividend Policy

The company has settle the dividend policy, which stated that dividend payment to the company and subsidiary of the company , should not less than 50% of net profit after tax and has to make the legal reserve by consideration of consolidation financial statement as priority . Although, the board of director can has an authority to un- follow the dividend policy or change this policy in sometime upon the condition that any change will occur the maximum benefit to the shareholder of the company and subsidiary of the company etc using as the capital reserve for loan payment , using as capital for business expansion or market environment change that may impact to cash flow of the company and subsidiary of the company

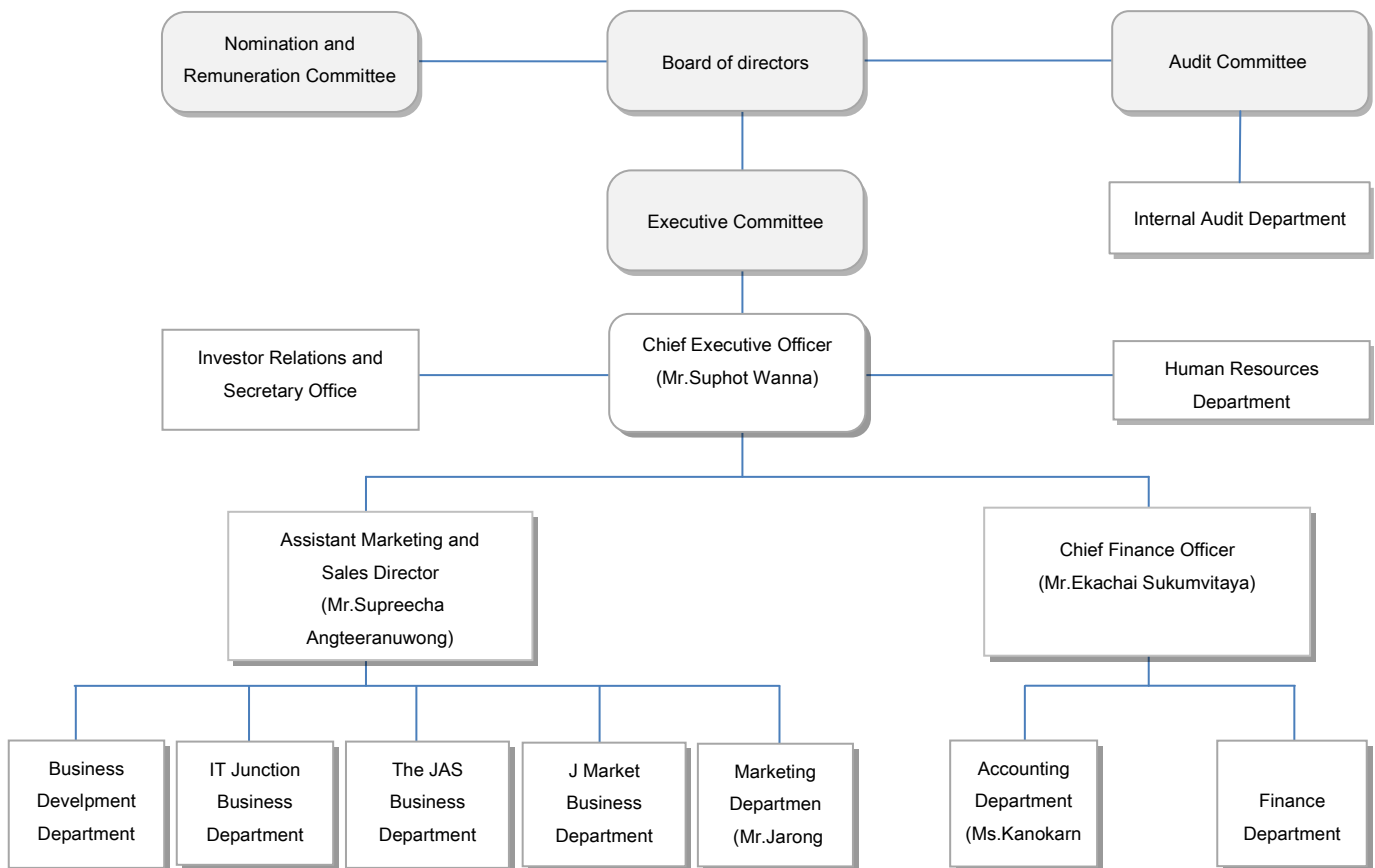
	2014	2015	2016
Profit on Operation (MB.)	41.5	35.4	13.9
No.of Shares	250,000,000	370,390,000	370,390,000
Dividend per share (Baht/Share)	0.09	0.07	No Dividend payment
Dividend ratio (%)	54	73	-

Organization Structure

As on 31 December 2016, the administrative structure of JAS Asset Public Company Limited consists of the board of directors and 4 sub-committees as follows:

1. The Board of Directors
2. Nomination and Remuneration Committee
3. Audit Committee
4. Executive Committee

Figure 1 Organization structure of JAS Asset Public Company Limited



Board of Directors

As on 31 December 2016, the Board of Directors is composed of the following 8 directors:

1. Mr. Sukon	Kanjanahattakit	Chairman of the Board
2. Mr. Adisak	Sukumvitaya	Director
3. Ms. Yuvadee	Pong-acha	Director
4. Mrs. Nonglak	Laksanapokin	Director
5. Mr. Suphot	Wanna	Director
6. Mr. Premon	Pinskul	Chairman of Audit Committee/Independent Director
7. Mr. Anucha	Viriyachai	Audit Director/Independent Director
8. Ms. Pannee	Choedrum-phai	Audit Director/Independent Director

Mr. Ekachai Sukumvitaya is the Company Secretary.

Power, Roles and Responsibilities of the Board of Directors

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of the board of directors as follows:

1. The Board of Directors is authorized to manage and operate the Company's business in compliance with the law, the objectives and the articles of association of the Company as well as the resolutions of the Shareholders' meetings on the basis of honesty, transparency and awareness of the Company's benefits.
2. The Board of Directors is authorized to appoint some of the directors and/or executives of the Company to be the management team to perform one or more duties as assigned by the Board of Directors as well as appointing the President of the Board of Directors and other subcommittees such as the Nomination and Remuneration Committee. Also, the Board of Directors may nominate and authorize other person to act on their behalf and under their supervision. The Board of Directors is empowered to cancel, revoke, correct, or change the aforementioned power as appropriate.
3. The Board of Directors is authorized to set the goals, guidelines, policies, plans, and budgets of the Company together with supervising the operations of the Administrative Department or any other person who is authorized to act in accordance with such policies or plans set by the Board of Directors.
4. The Board of Directors is authorized to review, examine and approve the policies, directions, strategies, and business plans for the Company's investments in the megaprojects proposed by the Administrative Department.
5. The Board of Directors is authorized to follow up the outcomes of the operations to ensure that the plans have been implemented and the budgets have been managed appropriately.
6. The Board of Directors is authorized to consider approving the investment on business expansion and joint investment in collaboration with other entrepreneurs or investment in other businesses.
7. The Board of Directors is authorized to develop strategic planning to control and supervise the operations of the subsidiaries and/or affiliated companies.
8. The Board of Directors is authorized to make the Risk Management policy for the organization and ensure that there are measures for the implementation and control of the Risk Management plans to minimize the possible effects on the Company's business.
9. The Board of Directors is authorized to consider and approve other business concerning the Company or the benefits of the Company unless such transaction shall be done upon the approval of the

Shareholders' meeting. However, in the case that the transactions involve the director, the person authorized by the director or the person who may have the conflict of interest (in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand) with the Company and/or its subsidiaries and/or its related businesses, such director shall forfeit their rights to approve such transaction.

a) The transactions which must be approved by the Shareholders' meeting

b) The transactions which involve the directors who are stakeholders and indicated by the law or SET's regulations to be approved by the Shareholders' meeting such as the related party transactions, the acquisition or distribution of the Company's important assets in accordance with the SET.

The following transactions must be approved by the majority of the quorum of the Board of Directors' meeting and at least three-fourth of the votes of the Shareholders' meeting:

- Sale or transfer of the entire business or important part of the business of the Company
- Purchase or acceptance of the transfer of other companies or private companies' business to the Company
- Making, amendment or cancellation of the agreements respecting the lease of all or part of the Company's important business, authorization of other person to manage the Company's business or merger with other party with an aim to share profits or losses
- Amendment or the memorandum of association or the articles of association
- Addition of capital, reduction of capital and issuance of corporate bonds
- Merger or dissolution of the Company

Any other transactions which are prescribed in the law on securities and/or regulations of the Stock Exchange of Thailand to be approved by the Board of Directors' meeting and the Shareholders' meeting with the aforementioned proportion of votes

However, in the case that the transactions involve the director, the person authorized by the director or the person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related businesses, such director shall forfeit their rights to approve such transaction.

Audit Committee

As on 31 December 2016, the Audit Committee is comprised of the following 3 directors:

- | | | |
|---------------|---------------|----------------------------------|
| 1. Mr. Premon | Pinskul | President of the Audit Committee |
| 2. Mr. Anucha | Viriyachai | Audit Director |
| 3. Ms. Pannee | Choedrum-phai | Audit Director |

Ms. Kanokarn Samapudhi is the Secretary to the Audit Committee.

Power, Roles and Responsibilities of the Audit Committee

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of the Audit Committee as follows:

1. The Audit Committee is authorized to verify the financial statements of the Company to ensure accuracy and transparency. The verification shall be conducted in collaboration with the external auditor and the executives who are responsible for making the quarterly and annually financial reports by considering the financial statements and related financial reports on the basis of accounting principles and practices. The accounting standards, existence of the business, significant changes in accounting policies and the rationales of the management for making the accounting policies shall be taken into consideration when

auditing. Then, the reports shall be proposed to the Board of Directors and disseminated to the shareholders and the investors.

2. The Audit Committee is authorized to set up the guidelines and verification to ensure the Company has appropriate and effective Internal Control and Internal Audit. The verification shall be conducted along with the external auditor and the internal auditor. The Audit Committee also verifies the annual Audit Plan of the Company and evaluates the result of the audit together with the external and internal auditors to identify the problems or limitations incurred by the audit of financial statements. In addition, the Audit Committee plans the control of electronic information processing and information confidentiality to prevent corruption or misuse of the computers by the employees or the outsiders. The Audit Committee also considers the independency of the Internal Control Division, approves the appointment, transfer or dismissal of the chief of the Internal Control Division or other divisions which are responsible for the Internal Control.
3. The Audit Committee is authorized to verify the operations of the Company to ensure the compliance with the law on securities and the Stock Exchange of Thailand, the regulations of the Stock Exchange of Thailand, or any other regulations concerning the Company's business. In addition, the Audit Committee has the roles and responsibilities in accordance with the provisions and regulations of Securities and Exchange Commission and the Stock Exchange of Thailand.
4. The Audit Committee is authorized to nominate and propose the appointment of an independent person to perform as the Company's auditor as well as considering the remuneration of the auditor by considering the reliability, the sufficiency of resources, the audit workload responsible by such auditing firm, and the experience of the person assigned to audit the Company's financial reports. Moreover, the Audit Committee shall attend the meeting with the auditor without the presence of the management at least once a year.
5. The Audit Committee is authorized to consider the related party transactions and/or the acquisition or distribution of the assets of the Company or of its subsidiaries, consider the disclosure of the Company's information in the case that the related party transactions or the transactions which may cause the conflict of interest are involved, to ensure accuracy. Also, the Audit Committee shall considers approving such transactions to propose them to the Board of Directors' meeting and/or the Shareholders' meeting to ensure that the related and regulations are observed and such transactions are valid and beneficial for the Company.
6. The Audit Committee is authorized to make the reports on the activities performed by the Audit Committee by showing them in the Company's annual reports. Such reports must contain complete information as specified by the law and signed by the President of the Audit Committee. The reports must at least contain the following information:
 - Opinions about the process of making and disclosing the financial information of the Company to ensure accuracy, transparency and reliability
 - Opinions about appropriateness of the Company's internal control system
 - Reasons to believe that the Company's auditor is eligible for being appointed for another term
 - Opinions about the compliance of the law on securities and the Stock Exchange of Thailand, provisions of the Stock Exchange of Thailand or other related law concerning the Company's business
 - Opinions on the transactions which may cause the conflict of interest
 - The number of the Audit Committee's meeting and attendance of each member of the Audit Committee
 - Opinions or overall comments which the Audit Committee receives as a result of the performance in accordance with the Charter.

- Other reports which are considered important for the investors under the scope of the roles and responsibilities assigned by the Board of Directors and/or in compliance with the law
- 7. The Audit Committee reports to the Board of Directors in accordance with the roles and responsibilities assigned by the Board of Directors. The transactions which must be reported by the Audit Committee include:
 - The transactions which cause or may cause the conflict of interest
 - doubts or assumptions about corruptions, suspicious actions, or significant loopholes in the internal control system
 - doubts about the violation of law or regulations of Securities and Exchange Commission and/or the Stock Exchange of Thailand
 - other reports which are considered important for the Board of Directors

The Audit Committee shall report the issues which may significantly affect the financial status and performance of the Company. After discussing with the Board of Directors and the decision is made that the corrective actions are needed, if it is found that such corrective actions have not been taken without appropriate reason, any of the members of the Audit Committee may report such issue to Securities and Exchange Commission and/or the Stock Exchange of Thailand as the case may be.

- 8. The Audit Committee is authorized to request for independent opinions from other professional consultant when necessary at the Company's expense.
- 9. The Audit Committee is authorized to call for the information from any of the departments of the Company for use in consideration of any issue.
- 10. The Audit Committee is authorized to take an action on other transaction as assigned by the Board of Directors and/or upon approval of the Audit Committee such as the review of the Financial Management and Risk Management policies, the verification of the compliance with business ethics of the executives and, together with the executives, the review of important reports of the Company which shall be presented to the public as specified by the law such as the executive reports and analysis.

However, the aforementioned power assigned to the Audit Committee excludes the power authorizing the Audit Committee or the person authorized by the Audit Committee to vote against the transactions in which such Audit Committee member or the authorized person or other person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related Company in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand.

Nomination and Remuneration Committee

As on 31 December 2016, the Nomination and Remuneration Committee is comprised of the following 3 directors:

- | | | |
|-----------------|---------------|--------------------------------------------------------|
| 1. Ms. Pannee | Choedrum-phai | President of the Nomination and Remuneration Committee |
| 2. Ms. Yuvadee | Pong-acha | Nomination and Remuneration Director |
| 3. Mrs. Nonglak | Laksanapokin | Nomination and Remuneration Director |

Ms. Nichapat Khammas is the Secretary to the Nomination and Remuneration Committee.

Power, Roles and Responsibilities of the Nomination and Remuneration Committee

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of Nomination and Remuneration Committee as follows:

- 1. The Nomination and Remuneration Committee is authorized to specify the regulations and policies on the nomination of directors, executive directors and subcommittees as appropriate.

2. The Nomination and Remuneration Committee is authorized to policies and criteria of nomination and remuneration in the form of both money and non-money for the directors, executive directors and Chief Executive Director in concordance with the performance of the Company and the other companies which are in the same business. The proposal shall be presented to the Board of Directors and/or the Shareholders' meeting for further approval.
3. The Nomination and Remuneration Committee is authorized to nominate and indicate the remuneration of the Company's executives at the director positions and above as well as indicating the criteria and policy on nomination of such executives.
4. The Nomination and Remuneration Committee is authorized to consider the annual adjustment of the salary of the employees and executives, bonuses and other rewards.
5. The Nomination and Remuneration Committee shall perform other tasks as assigned by the Board of Directors.
6. The Nomination and Remuneration Committee shall propose the issues in 1-4 to the Board of Directors' meeting and/or the Shareholders' meeting for further approval.

However, the aforementioned power assigned to the Nomination and Remuneration Committee excludes the power authorizing the Nomination and Remuneration Committee or the person authorized by the Nomination and Remuneration Committee to vote against the transactions in which such the Nomination and Remuneration Committee member or the authorized person or other person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related Company in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Nomination and Remuneration Committee shall propose such transaction to the Board of Directors and/or the Shareholders' meeting for further consideration.

Executive Committee

As on 31 December 2016, the Executive Committee is comprised of the following 4 directors:

- | | | |
|------------------|-----------------|--------------------------------------|
| 1. Ms. Yuvadee | Pong-acha | President of the Executive Committee |
| 2. Mr. Suphot | Wanna | Executive Director |
| 3. Mr. Ekachai | Sukumvitaya | Executive Director |
| 4. Mr. Supreecha | Angteeranu Wong | Executive Director |

Power, Roles and Responsibilities of the Executive Committee

The Board of Directors' Meeting No. 2/2014 held on 20 February 2014 has specified the power, roles and responsibilities of Executive Committee as follows:

1. The Executive Committee is authorized to supervise the operations of the Company's business to ensure that it follows the objectives, articles of association, business policies, revisions, regulations, orders, and resolutions of the Board of Directors and/or the Shareholders' meeting.
2. The Executive Committee is authorized to make and propose the business policies, directions, goals, plans, and strategies of the Company. Also, the Executive Committee shall indicate the Company's financial plan, annual budgets, human resources management plan, investment, business expansion, public relations, and IT investment to propose to the Board of Directors for further consideration and implementation.

3. The Executive Committee is authorized to approve and authorize the approval of disbursement for purchase of the assets, services and other transactions for the Company's benefits. Such approval shall be done for general commercial transactions with the limit of up to 350 million Baht or equivalent. The Executive Committee shall cancel, revoke, amend, or change the authorized person or authorization when appropriate.
4. The Executive Committee is authorized to approve the application for loans, investment in any instruments certified or guaranteed by Ministry of Finance or commercial banks, application for credits from financial institutions, or application for bank guarantees for the benefits of the Company's business within the normal business conditions including acting as a guarantor or make a payment for normal business transaction of which limit is not over 350 million Baht per transaction or equivalent.
5. The Executive Committee shall accept the policies from the Board of Directors to make the directions for indicating the Company's mission for the executive department and administrative department.
6. The Executive Committee shall control, examine and follow up the result of the operations of the executive department and administrative department, suggest the solutions to problems to the executives and administrative department to implement in accordance with the strategies, plans and policies specified by the Board of Directors.
7. The Executive Committee shall issue the orders, regulations, notifications, and memorandum for implementation within the Company to ensure the compliance with the policies, the Company's benefits and the organizational disciplines.
8. The Executive Committee shall screen and propose the balance sheets and revenue account for the Board of Directors' consideration and approval before proposing to the shareholders for further approval.
9. The Executive Committee shall make reports on the Company's performance, financial statements, investment statements, significant problems, and risk management to propose to the Board of Directors for acknowledgement and/or approval.
10. The Executive Committee shall provide suggestions and consultations to the Board of Directors for decision on the Company's business.
11. The Executive Committee shall act on behalf of the Board of Directors under the assigned power including the making of Authorization Chart of the executives and administrative department to ensure effective management and verification system.
12. The Executive Committee shall perform other tasks as assigned by the Board of Directors.

However, the aforementioned authorization or approval of the transactions excludes the authorization or approval of the transactions which empower the Executive Committee or the person authorized by the Executive Committee to approve the transactions in which such Executive Committee member or the authorized person or other person who may have the conflict of interest with the Company and/or its subsidiaries and/or its related Company in accordance with the notification of Securities and Exchange Commission and/or the Stock Exchange of Thailand. The Nomination and Remuneration Committee shall propose such transaction to the Board of Directors and/or the Shareholders' meeting for further consideration of approving such transactions under the provisions, notifications or related law, except for the approval of the transactions following the normal business or commercial conditions in accordance with the notifications of Securities and Exchange Commission and/or the Stock Exchange of Thailand.

The consideration of approval of the transactions following the aforementioned limits must be made in accordance with the related notifications of Securities and Exchange Commission and/or the Stock Exchange of Thailand which are still in effect while such consideration or approval of the transactions is made.

Remuneration for the Board of Directors and the Executive Directors

The Company has specified the remuneration for the Board of Directors and the Executive Directors clearly and transparently in concordant with the roles and responsibilities respecting the Company's operations. The appropriateness of such remuneration shall be considered on the basis of the Company's benefits.

A) Remuneration for the directors

The General Meeting of Shareholders No.1/2016 on 7 April 2016 approved the remuneration for the directors and Audit Directors in the form of meeting allowance which shall be paid the directors who are present in the meeting only.

Position	Meeting Allowance (Baht/meeting) 2015	Meeting Allowance (Baht/meeting) 2016
President of the Board of Directors	30,000	30,000
Board of Directors	20,000	20,000
President of the Audit Committee	30,000	30,000
Audit Committee	20,000	20,000

However, the Company does not provide the meeting allowance for the meeting of the Executive Committee, Audit Committee and Nomination and Remuneration Committee.

In 2015 and 2016, the meeting allowance has been paid as follows:

Name	Position	2015	2016
1. Mr. Sukon Kanjanahattakit	President of the Board of Directors /Independent Director	90,000	150,000
2. Mr. Adisak Sukumvitaya	Director	120,000	120,000
3. Ms. Yuvadee Pong-acha	Director	100,000	120,000
4. Mr. Suphot Wanna	Director	100,000	120,000
5. Mrs. Nonglak Laksanapokin	Director	120,000	120,000
6. Mr. Premon Pinskul	President of the Audit Committee/ Independent Director	210,000	180,000
8. Ms. Pannee Choedrum-phai	Audit Director/ Independent Director	140,000	120,000
9. Mr. Anucha Viriyachai	Audit Director/ Independent Director	140,000	120,000
Total		1,020,000	1,050,000

B) Total remuneration for the Executive managements

Total remuneration for the Executive managements for the period ended on 31 December 2015 and 2016.

The Company has paid the remuneration in the form of monthly salary, bonus and other remuneration to the 9 executive management of the Company. The details of such payment are as follows:

Type of Remuneration (Million Baht)	2015	2016
Monthly salary	8.51	8.22
Bonus	-	0.46
Other remunerations*	1.42	1.89
Total	9.93	10.56

*Other remuneration includes commission fee, position fee, vehicle allowance, provident fund, and social security fund.

Report on the compliance with Corporate Governance

To ensure the compliance with Corporate Governance, the Code of Best Practice has been specified as the regulations which the directors must observe. The policies on Corporate Governance have been indicated for transparency of operations at all levels including operational employees, executive management as well as directors as the Corporate Governance is the basic principle to improve the effectiveness and efficiency of the Company's business operations and the shareholders' benefits in the long run. The Company complies with the following 15 principles of Corporate Governance in accordance with the SET's guidelines.

Corporate Governance Policies

The Company realizes and respects the effective management and administrative system with an emphasis on transparency and accountability which will create the confidence among all of the related parties and foster the business growth under the ethical and legal business operations. Therefore, the Company has specified the policies on Corporate Governance to upgrade the existing operations to up to higher standards. The policies shall be implemented by the employees of every level with an aim to create the culture of Corporate Governance. The Company has applied the principles of Good Corporate Governance 2006 specified by the Stock Exchange of Thailand ("SET") which covers the principles of 5 categories as follows:

Category 1 The Rights of the Shareholder

The Company realizes the importance of the rights of the shareholders which may not restricted by the law, does not infringe or lessen the rights of the shareholders and encourage the shareholders to exercise their basic rights including buying, selling or transferring the shares, taking part in the Company's profit share, receiving appropriate information about the Company, attending the Shareholders' meeting to vote for nominating or discharging directors, nominating the auditor, and vote for the issues affecting the Company such as the dividend payment, making or amendment of the memorandum of association or articles of association, the reduction or addition of capital, and the approval of special transactions.

In addition to the aforementioned basic rights, the Company has also specified the guidelines for other operations to promote and facilitate the shareholders in exercising their rights as follows:

1. The shareholders shall be provided with the information about the date, time, venue, agenda, and related information respecting the issues to be decided upon at least 7 days prior to the meeting date as specified by the law. Furthermore, the shareholders shall be notified of the rules of the meeting and the votes. Such information is also available on the Company's website prior to sending the documents to allow the shareholders to study the information before receiving it in the paper format.
2. The Company shall not do anything which may restrict the shareholders' opportunity to study the Company's information.

3. The Company shall facilitate the shareholder in exercising their rights to attend the meeting and cast their votes and not do anything which may restrict the opportunity of the shareholders to attend the Shareholders' meeting. For example, the meeting should not be organized in complicated or costly manner.
4. The Company shall manage time appropriately and encourage the shareholders to express their opinions and raise the questions concerning the Company. In addition, the shareholders can submit their questions to the Company before the meeting date.
5. The Company shall encourage all of the directors to attend the Shareholders' meeting to answer the shareholders' questions.
6. The Company shall make the minutes of the meeting which provide accurate and complete information. Such minutes of the meeting shall be kept appropriately for the shareholders to examine whenever needed.

Category 2 The Equitable Treatment of Shareholders

The Company provides the shareholders with the equitable treatment as follows:

1. The Board of Directors shall allow the minority shareholders to propose the addition of the agendas prior to the date of the Shareholders' meeting.
2. The Board of Directors shall specify clear criteria in advance for the consideration of whether the agendas proposed by the minority shareholders are appropriate for addition.
3. The President of the meeting shall not add the agendas which are not notified in advance unless necessary, especially the agenda which require the shareholders to examine thoroughly before making a decision.
4. The Company shall specify the methods for the minority shareholders to nominate the persons who will be elected to be directors. The minority shareholders may nominate such persons to the Nomination Committee prior to the date of the Shareholders' meeting along with the information about the qualifications and consent of the nominated persons.
5. The Shareholders may exercise their rights to authorize other person to attend the meeting and cast the vote on their behalf. Further, the Board of Directors shall propose at least one Independent Director as an optional proxy for the shareholders.
6. The Company shall provide the shareholders an opportunity to exercise their rights to nominate individual director.
7. The Company shall use the ballots for vote in case of significant agendas such as the related party transactions, transactions concerning the acquisition or distribution of the assets for transparency and accountability.
8. The Company shall inform the directors and the executive managements to understand their roles and responsibilities for submitting reports of the assets possessed by them, their spouse and their minor child as well as the changes of the possession thereof to Securities and Exchange Commission in accordance with Section 59 of Securities and Exchange Act B.E. 2535 within 3 working days.
9. The Company shall specify the guidelines for keeping and preventing the insider trading of information in writing. Such guidelines shall be notified to all employees of the Company in order for them to comply strictly. The persons who are involved in the confidential information are not permitted to trade the Company's assets within the period of one month before the dissemination of the quarterly and annual financial reports and within 48 hours after the significant IT information is disclosed.

Category 3 The Roles of the Stakeholders

The Company realizes the importance of taking care of all groups of the stakeholders. These include the internal stakeholders as the shareholder, the executive management and the employees and the external stakeholders as the customers, creditors, partners, competitors, public section, society, and community. The Company realizes that the support and the feedback from all groups of the stakeholders shall be beneficial for the Company's operations and business development. For this reason, the Company will comply with the related law and regulations to ensure the rights of the stakeholders and will avoid actions which may infringe the rights of the stakeholders. Following are the guidelines for ensuring the rights of the stakeholders:

- | | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholders : | Treat the shareholders equally, maintain the benefits of the shareholders and avoid actions which may infringe the rights of the shareholders as well as ensuring satisfactions of the shareholders with consideration of sustainable growth of the Company to enhance the value and provide appropriate returns to the shareholders while observing the principles of Corporate Governance |
| Employees: | Treat the employees equally and fairly in terms of the opportunities, remunerations, welfares, and competency development. All of the employees are considered valuable resources and are the important factors to foster the Company's success. Therefore, the Company determines to develop itself to be the organization of learning, preserving the culture and work environment with an emphasis on team working and the employees' professional development. Also, the importance is put on the employees' quality of life, work safety and work environment. The comments and suggestions of all levels of the employees are always welcome. |
| Customers: | Emphasize on the customer satisfaction and trust, care and take responsibility for the customers. The highest goal is to ensure that the customers receive the best quality and safe products/services at reasonable prices. The standards of products/services must be improved continuously while maintaining a good and long-term relationship with the customers. The customer information must not be used for the benefits of the Company or other related parties. |
| Partners and creditors: | Emphasize the equality, fairness and honesty in doing business. The mutual benefits between the Company, the partners and creditors are considered by strictly complying with the law and rules. The code of conduct is observed by not claiming for illegal benefits from the partners. All of the conditions will be followed and the creditors will be treated fairly. Any debts will be paid off in due time. Collaterals will be taken care of and the terms and conditions stated in the agreements will be respected in accordance with the principles of the Corporate Governance. If it is likely that the provisions stated in the agreements cannot be followed for any reason, the partners and the creditors will be notified in advance in order to find appropriate solutions to such problems together. |
| Competitors: | The competitors will be treated in accordance with the international principles and laws on commercial competition. The rules of fair competitions will be observed. In other words, we observe the fair competition rules by not preventing other companies to take part in the competition, not destroy the reputation of the competitors by slandering them or attacking them with false statements or unfair actions. |

Community, society and environment:	The Company conducts the business with responsibilities for community, society and environment in terms of safety, life quality and environment preservation. We promote the efficient consumption of energy, realize the life quality of the community and society and consider the effects of business on environment when operating or making decisions.
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Category 4 Information Disclosure and Transparency

After listed in the Stock Exchange of Thailand, the Board of Directors is aware of the importance of disclosing the Company's information in accurate, complete, timely, and transparent manner. This includes the dissemination of the financial reports, general information in accordance with the regulations of the Securities and Exchange Commission and the Stock Exchange of Thailand and other information which may affect the prices of the Company's stock and the decision of the investors and the stakeholders. The Company discloses the information to the shareholders, the investors and the public through various channels including the Company's website which is regularly updated and the SET's information channels.

The Company has not yet established a specific division to take care of investor relations. However, Mr. Ekkachai Sukhumwittaya, Director of Accounting and Finance Department, has been assigned to communicate with the institutional investors, the shareholders, the analysts, and the related public sector.

The Board of Directors is responsible for the financial statements and financial information of the Company which are stated in the annual report. Such financial statements are made on the basis of the certified accounting standards in Thailand whereby the most appropriate accounting policy is chosen to be used and followed strictly and regularly. Appropriate information is disclosed in the financial statements. The Audit Committee verifies the disclosure of information, the report quality, the internal control, and appropriateness of the information disclosure before reporting to the Board of Directors.

Category 5 The responsibilities of the Board of Directors

1) The structure of the Board of Directors

The Board of Directors is responsible for specifying the policies and the overall operations of the organization as well as examining and assessing the Company's operations to ensure that the indicated plans have been implemented. The Board of Directors is comprised of 8 directors whose term is 3 years. Four directors are holding the executive positions in the Company while another four directors are not. Four directors are independent directors in accordance with the regulations of the Securities and Exchange Commission, which states that a company limited shall have the number of independent directors equivalent to at least two-third of the total number of the Company's directors. The Board of Directors consists of the authorities from various industries including accounting and financial businesses which are related to and support the Company's business.

According to the Company's articles of association, it was indicated that, in the annual general meeting, the directors must resign from the positions of one-third ratio in the case that the number of directors cannot be equally separated into three groups. Some of the directors shall resign to make the total number of the directors equivalent to one-third ration as much as possible. The directors who shall resign in the first and the second years after the Company has been listed has been selected by drawing. For the following years, the directors who have been in the office for the longest period shall resign. However, the directors who resign at the end of the term shall be re-nominated.

The roles and responsibilities of the Board of Directors and the executive management have been separated clearly. The Board of Directors are responsible for specifying the policies and supervising the operations of the executive management at the policy level while the executive management manage the operations of the Company to ensure that the policies are implemented. The President of the Company does not take the role of the President of the Board of Directors. Their roles and responsibilities are separated clearly to balance their management power, so neither has the absolute power over the Company. The President of the Executive Committee is responsible for managing the daily tasks of the Company under the policies assigned by the Board of Directors. The scope of the power, roles and responsibilities of the Executive Committee and the President has been indicated clearly.

The Board of Directors has appointed 3 subcommittees to help supervise the Company's business and operations, which are the Executive Committee, the Audit Committee and the Nomination and Remuneration Committee.

(1) The Executive Committee is comprised of 4 members who are executive management. The Executive Committee supports the Administrative Department in managing daily tasks under the policies assigned by the Board of Directors.

(2) The Audit Committee consists of 3 members all of whom are independent directors. The Audit Committee monitors the efficiency of the audit, manage risks and internally control financial and accounting tasks as well as the financial reports as specified by SET.

(3) The Nomination and Remuneration Committee consists of 3 members. One of them is the President who is the independent director and the other 2 are executive managements. The Nomination and Remuneration Committee is responsible for considering the policies and criteria for nomination and remuneration both in the form of money and non-money in concordance with the Company's performance and the common rate applied by other companies in the same business.

However, the Board of Directors has appointed the Secretary of the Company whose roles and responsibilities are in compliance with the Securities and Exchange Act B.E. 2535.

2) The roles and responsibilities of the Board of Directors

The Board of Directors is responsible for considering and approving the importance issues respecting the Company's operations including vision, mission, strategies, goals, work plans, and budgets as well as supervising the operations of the Administrative Department to ensure that the indicated policies and work plans are implemented effectively and efficiently.

■ Corporate Governance Policy

The Company has specified the policy on Corporate Governance in writing which was approved by the Board of Directors' Meeting No. 2/2014 (on 20 February 2014). The Company arranges the verification of policy and follows it strictly. The policy is communicated to all of the employees for clear understanding and implementation.

■ Code of Conduct

The Board of Directors encourages the executive management and employees to understand the Code of Conduct standards implemented by the Company, so the written Code of Conduct has been made and approved by the Board of Directors' Meeting on 20 February 2014. It has also been announced and notified to all of the employees for acknowledgement and practice.

■ Conflict of Interest

The Board of Directors has specified the policy on the conflict of interest based on the principle that any decision made in relation to the business activities shall provide the highest benefits to the Company. Any action which

may cause the conflict of interest must be avoided. The directors, management and employees should review and disclose the transactions which cause the conflict of interest to the Company so that the Company acknowledges the relationship or connection of related parties in such transactions. In consideration of making transactions, the persons related to such transaction are not permitted to take part in the consideration and forfeit their rights to vote for approval of such transactions. The transactions shall also be made in consideration of appropriateness of the prices and conditions as if the transactions are made with the outsiders.

The Nomination and Remuneration Committee shall propose the related party transactions and the transaction causing the conflict of interest to the Board of Directors. Such transactions shall be considered carefully on the basis of the principles of the SET. Also, the transactions shall be presented in the annual report and the annual transaction report (Form 56-1).

The directors and the management of the Company including their spouses and minor children, when changing the possession of the Company's stock, must notify the Company of such change. Also, the change in stock possession shall be notified to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act B.E. 2553 within 3 days from the date of purchasing, selling, transferring, or receiving the transfer of such stock. The directors, management or the divisions knowing the internal information of the Company are not permitted to disclose such information to the outsiders or unrelated person or trade the Company's stock within the period of 1 month before the financial statements are disseminated to the public and at least 48 hours after such information is disseminated to prevent the misapplication of such information.

■ Internal Control System

The Board of Directors realizes the importance of the internal monitor and control both at executive and operational levels to ensure effectiveness. The internal control is an important mechanism in helping the Administrative Department reduce the business risks and enhance the business efficiency. Such system aims to allocate the resources appropriately, achieve the indicated goals, prevent the Company's asset from leaking, losing or being misapplied, ensure reliability of the financial reports, help the employees to follow the related law and regulation strictly and accurately as well as protecting the investment of the shareholders. The Company has, therefore, indicated the responsibilities and power of the operators and the management of each task clearly in writing. The use of Company's assets is controlled to ensure the highest benefits of the Company. The duties of the operators, the supervisors and the evaluators re separated to balance and cross-examine each other properly.

The Board of Directors has assigned the Audit Committee to verify the appropriateness and efficiency of the internal control system set up by the Administrative Department as well as making and reviewing the internal control system in terms of operations, financial reports, and compliance with the rules, regulations, policies, and risk management. In addition, the importance is put on the early warning and irregular transactions. For this reason, the Company has hired PNL Internal Audit Co., Ltd. to be the Internal Auditor to examine the internal control system of the Company to ensure that it is appropriate. Such Internal Auditor is independent and be able to monitor and balance the power. The Internal Auditor reports the result of the audit directly to the Audit Committee. The Company follows up the results regularly by evaluating the appropriateness of the internal control system at least once a year to make sure that the indicated system can be applied effectively.

■ Risk Management

The Board of Directors realizes the importance of risk management and, consequently, has specified the policy on risk management for the overall organization, assessed the risks and managed the risks of the organization in order to control the risks to be at an acceptable level. If any risk which may obstruct the achievement of the indicated plans is found, the Company must provide the measures to manage it together with promoting and encouraging all of the employees to create the culture of risk awareness. They should understand the cause of the risk and find the solution to it which include the adjustment of work stages and the effective use of resources as well as using tools to prevent to reduce the possible risks with an aim to prevent or reduce the possible losses. The aforementioned systematic operations shall result in the benefits and new opportunities for the Company and increase the value of the Company.

3) The Board of Directors' Meeting

The Board of Directors' Meeting date shall be indicated in advance each year. The Board of Directors shall receive the invitation to the meeting along with the agendas at least 7 days in advance except for some emergency cases. The meeting shall be recorded, approved and kept as reference. The meeting minutes can be examined in the meeting. The President of the Board of Directors and the President of the Executive Committee shall work together on indicating the agendas and considering the topics to be included in the agendas. All of the directors are provided with opportunities to propose the topics to be considered added to the agendas. Prior to each meeting, the Company shall send the agendas to the directors for study and consideration in appropriate time.

The meeting shall be conducted in the way that facilitates the proposal and discussion of the topics to be considered in the meeting. The President of the Company chairs the meeting and allows the directors to express their opinions freely. Sometimes, the top management may attend the meeting to provide useful information and accept the policy for effective implementation. The majority votes are regarded as the way to vote on the considered issues. One director has one vote. The directors who are the stakeholders shall not attend and not exercise their rights to vote on the questioned issues. If there are equal votes, the President of meeting shall vote to finalize the result. Each director has the right to examine the meeting documents and other related documents. If the Independent Directors or the Audit Directors have any questions, other directors and the management shall answer such questions as fast as possible.

If the directors disagree with the resolution of the meeting, they shall ask the Company Secretary to record the objection in the meeting minutes or submit the letter indicating the objection to the President of the Company. In each meeting, the Company Secretary shall attend the meeting to make the meeting minutes and submit it to the President of the Company for signing for approval. The meeting minute shall be presented as the first agenda of the following meeting for consideration and approval. Also, the Company Secretary shall keep the information and the documents related to the meetings for convenient reference. Normally, all of the Board of Directors member shall attend every meeting unless emergency which shall be notified prior to the meeting. In addition, the Board of Directors members who are not the Company's executive management are allowed to have their own meetings when necessary to discuss problems or questioned issues without the presence of the executive management. The result of the meeting shall be notified to the Managing Director.

The Board of Directors' Meeting shall be held at least 4 times a year and shall be called immediately in case of important agendas. The meeting shall be recorded in writing and kept systematically for examination if needed.

The Audit Committee's Meeting shall be held at least 4 times a year and the meeting minute shall be made and kept systematically in writing for examination.

4) Remuneration

The policy on remuneration of the directors and executive management has been made in writing in which the clear criteria and process are stated and updated to convince and maintain the quality employees and promote the growth of the Company. The appropriateness of the roles, the scope of the responsibilities and the performance of the Company and other companies in the same or similar business shall be considered as the basis of remuneration indication. The remuneration is paid in the form of the meeting allowance, monthly salary and bonus. The remuneration of the directors shall be proposed to the Shareholders' Meeting for approval. The remuneration to be paid to the directors and management shall be presented in the annual report.

5) Development of the Directors and the Management

The Board of the Directors promotes and facilitates the training to the directors who are related to the Corporate Governance system of the Company such as the Audit Committee to regularly improve the operations. In case of the change of the directors and the appointment of the new directors, the useful documents and information about the roles and responsibilities of the new directors shall be provided as well as the orientation to the Company's business nature and practices.

11. The Directors' Meeting

It is stated in the Company's articles of association that the invitation to the meeting along with the supporting documents shall be sent to the directors for consideration at least 7 days prior to the date of the meeting. To comply with the minimum period specified by the law in 2013-2014, each meeting has been recorded in writing and the meeting minutes approved by the directors have been kept and ready for examination by the directors and the related persons. The details of the attendance of each director are as follows:

The Board of Directors

The Board of Directors' Meetings have been recorded in writing and kept systematically for examination. In 2015 and 2016, there have been 6 meetings and 6 meetings of the Board of Directors, respectively. The details of the attendance of each director are as follows:

	Name	Position	2015	2016
1	Mr. Sukont Kanjanahattakit ^{1/}	Chairman of the Board of Directors	3/4	5/6
2	Mr. Adisak Sukumvitaya	Director	5/6	6/6
3	Ms. Yuvadee Pong-acha	Director	5/6	6/6
4	Mrs. Nonglak Laksanapokin	Director	6/6	6/6
5	Mr. Suphot Wanna	Director	5/6	6/6
5	Mr. Premon Pinskiul	Director / Independent Auditor / AC	6/6	6/6
6	Mr. Anucha Viriyachai	Director / Independent Auditor / AC	6/6	6/6
8	Ms. Pannee Choedrum-phai	Director / Independent Auditor / AC	6/6	6/6

Note: 1/ Mr. Sukon Kanjanahattakit was nominated by the Meeting no. 2/2015 on 18 March 2015.

The Audit Committee

The Audit Committee's Meetings are held at least 4 times a year. Each meeting shall be recorded in writing and kept systematically for examination. In 2015 and 2016, there have been 4 meetings of the Audit Committee. The details of the attendance of each director are as follows:

	Name	Position	2015	2016
1	Mr. Premon Pinskul	Chairman of the Audit Committee	4/4	4/4
2	Mr. Anucha Viriyachai	Audit Director	4/4	4/4
3	Ms. Pannee Choedrum-phai	Audit Director	4/4	4/4

The Executive Committee

The Executive Committee's Meetings are held at least 4 times a year. Each meeting shall be recorded in writing and kept systematically for examination. In 2015 and 2016, there have been the meetings of the Executive Committee. The details of the attendance of each director are as follows:

	Name	Position	2015	2016
1	Ms. Yuvadee Pong-acha	Chairman of the Executive Committee	4/4	4/4
2	Mr. Suphot Wanna	Executive Director	4/4	4/4
3	Mr. Ekachai Sukumvitaya	Executive Director	4/4	4/4
4	Mr. Supreecha Angkarauwong	Executive Director	4/4	4/4

The Nomination and Remuneration Committee

The Nomination and Remuneration Committee's, each meetings shall be recorded in writing and kept systematically for examination. In 2015 and 2016, there have been the meetings of the Nomination and Remuneration Committee. The details of the attendance of each director are as follows:

	Name	Position	2015	2016
1	Ms. Pannee Choedrum-phai	President of Nomination and Remuneration Committee	1/1	3/3
2	Ms. Yuvadee Pong-acha	Nomination and Remuneration Director	-	3/3
3	Mrs. Nonglak Laksanapokin	Nomination and Remuneration Director	1/1	3/3

12. The Audit Committee

The Audit Committee has been appointed to help monitor the operations of the Company. It is comprised of 3 independent directors. One of them is an expert in accounting and finance having the power and responsibilities as stated in the Power, Roles and Responsibilities of the Audit Committee. In addition, the subcommittees have also been appointed to help monitoring each aspect of the Company's operations.

13. Internal Control and Audit System

The Company has clearly indicated the roles, responsibilities and power of the operators and the management in writing. The use of the Company's assets has been controlled to ensure the highest benefits of the company. The duties of the operators, the supervisors and the evaluators have been separated for power balance and cross-examination.

The Company has established a specific division which is responsible for internal control of which duties are to examine, plan, follow up, and coordinate the tasks to ensure that the major operations of the Company have been conducted effectively in accordance with the plans. The Internal Control Division is independent, so the examination and power balance can be done efficiently. The examination result shall be reported directly to the Audit Committee.

In 2013, the Company outsourced the internal auditor from P&L Internal Audit Co., Ltd. who has worked under the supervision and plan of the Audit Committee. The internal auditor is responsible for examining the internal control and reporting the result along with the suggestions to the Audit Committee directly for consideration. The internal control of the Company and the subsidiaries shall be examined on quarterly basis.

14. The Directors' Report

The Board of Directors is responsible for the overall financial statements of the Company and the subsidiaries as well as the financial information presented in the annual report by establishing the effective internal control system for ensuring that the financial information is recorded accurately, completely and appropriately for maintaining the assets. The weaknesses shall be identified to prevent corruption and significant irregular transactions. The Board of Directors' Meeting No. 2/2014 on 20 February 2014 appointed the Audit Committee whose responsibility is to ensure the quality of the financial reports and the internal control system.

15. Relationship with the Investors

After being listed in the Stock Exchange of Thailand, the Company has appointed a person responsible for investor relations to take care of the disclosure of information in accurate, complete, transparent, and accessible manner. The information includes the financial information and general information as well as the information which may affect the prices of the Company's stock. The Company's information shall be disseminated to the investors and the public through various channels.

However, the Company is in the process of making the manual of the Corporate Governance for the aforementioned practices which shall be proposed to the directors for verification before presenting to the Board of Directors for approval. Then, the manual shall be implemented by the directors, the management and the employees of all levels of the Company and the subsidiaries.

Policy on and Method of Managing the Use of the Company's Internal Information of the Management

The Company has issued the policy on the use of the Company's internal information, especially the information about the Company's financial status before it is disclosed to the public. The number of the persons who know the information shall be limited and the management shall be made acknowledge of their roles and responsibilities to report the stock in their possession as well as in their spouses and minor children's possession. They shall realize the penalties prescribed in the Securities and Exchange Act B.E. 2535 and the amendments thereof ("Securities and Exchange Act"). Further, the management shall report the change of stock possession to the Securities and Exchange Commission in accordance with Section 59 of the Securities and Exchange Act. Also, the management who is notified of the Company's internal information shall not perform any action which may violate Section 241 of the Securities and Exchange Act.

Related Party Transactions

From January – December 2015 and 2016, there have been the related party transactions in accordance with the reasonable rules and consideration process. Also, the prices or conditions of such transactions have been fair and beneficial to the Company and the shareholders as if they were the transactions made with the other parties to prevent the occurrence of the conflict of interest. The transactions have been conducted in accordance with the provisions of the Stock Exchange of Thailand. The details are as follows:

Jaymart Public Company Limited

Type of Transaction	Transaction Value (Million Baht)		Price Condition/Necessity
	2016	2015	
Rent and Service Incomes	16.74	17.00	Market prices/Space rental in IT Junction, The JAS Wanghin and The JAS Ramintra
Sale promotion incomes	2.72	3.02	Market prices/Collection of costs of sale promotion in ITJ and The JAS Wanghin
Other income	0.02	0.67	Adjustment of the security deposit of the space rent to be other incomes due to the termination of some rented space
Asset acquisition	0.04	0.04	Market prices/major assets include office equipment e.g. tables, chairs, mobile phones, etc.
Space rent - headquarters	0.29	0.65	Rate equivalent to market prices/Space rent for the headquarters in Jaymart Building
Other expense	0.23	0.24	Market prices/telephone bill, office consumables, electricity bill, ITJ retail shop inspection expenses, etc.
Sale promotion expenses	0.58	0.25	Market prices/purchase of mobile phones for doing sale promotion
Administrative expenses	2.65	1.78	The Company hires JMART to manage human resources and IT systems.
Debt collection expenses	0.17	0.28	Debt collection – Legal service fee paid to the legal division of JMART
Trade and Other receivables	0.78	1.10	Space rent – service receivables
Space security deposit payables	4.84	4.05	Space security deposit

JMT Network Services Public Company Limited

Type of Transaction	Transaction Value (Million Baht)		Price Condition/Necessity
	2016	2015	
Rent and Service Incomes	0.45	0.26	Market prices/Space rental and services in The JAS Ramintra
Trade and other receivable	0.03	-	Space rent – service receivables
Space security deposit	0.13	0.17	Space security deposit for The JAS Ramintra

J Fintech Company Limited

Type of Transaction	Transaction Value (Million Baht)		Price Condition/Necessity
	2016	2015	
Rent and Service Incomes	0.36	0.02	Market prices/Space rental and services in The JAS Ramintra
Trade and other receivable	0.02	-	Space rent – service receivables
Space security deposit	0.12	0.17	Space security deposit for The JAS Ramintra

J Insurance Broker Company Limited

Type of Transaction	Transaction Value (Million Baht)		Price Condition/Necessity
	2016	2015	
Rent and Service Incomes	0.20	-	Market prices/Space rental and services in The JAS Ramintra
Trade and other receivable	0.001	-	Space rent – service receivables
Space security deposit	0.05	-	Space security deposit for The JAS Ramintra

Singer (Thailand) Public Company Limited

Type of Transaction	Transaction Value (Million Baht)		Price Condition/Necessity
	2016	2015	
Rent and Service Incomes	0.02	-	Market prices/Space rental and services in The JAS Ramintra

SG Service Plus Company Limited

Type of Transaction	Transaction Value (Million Baht)		Price Condition/Necessity
	2016	2015	
Rent and Service Incomes	0.06	-	Market prices/Space rental and services in The JAS Ramintra
Trade and other receivable	0.01	-	Space rent – service receivables

Financial Statements

Report on the Board of Directors' Responsibilities versus the Financial Report


The financial statements of JAS Asset Public Company Limited shall be made under the policy of the Board of Directors which indicates the compliance with generally accepted accounting standards. The appropriate accounting policy shall be chosen for regular application. The estimation shall be made carefully and thoroughly. Important information shall be disclosed appropriately in the footnotes to financial statements for transparency and benefits of the shareholders and the investors.

The Board of Directors shall establish the risk management system and maintain appropriate and effective internal control system to ensure accuracy and completeness of the accounting information and the Company's assets to prevent corruption and significant irregular transactions.

For this reason, the Audit Committee has been appointed to verify the accounting policy, the quality of the financial reports, the internal control system, and the risk management system and consider the disclosure of related party transactions. The opinions of the Audit Committee on such issues shall be presented in the Audit Committee's report which is included in the annual report.


The financial statements of the Company and the consolidated financial statements of the Company and its subsidiaries shall be audited by the Company's auditor that is Grant Thornton Co., Ltd. the Board of Directors supports the information and documents for the auditor to be able to examine and express opinions in accordance with the audit standards. The auditor's opinions are presented in the annual report.

The Board of Directors suggests that the overall internal control system of the Company is at satisfactory level and can assure that the financial statements of JAS Asset Public Company Limited and the consolidated financial statements of JAS Asset Public Company Limited and its subsidiaries ended 31 December 2016 are reliable by complying with the generally accepted accounting standards and related law and regulations.



(Mr. Sukon Kanjanahatakit)

President of the Board of Directors



(Mr. Suphot Wanna)

Chief Executive Officer

Reports of the Audit Committee

The Audit Committee of JAS Asset Public Company Limited is comprised of the following 3 independent directors:

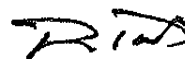
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|---------------|---------------|---------------------------------|
| 1. Mr. Premon | Pinskul | Chairman of the Audit Committee |
| 2. Mr. Anucha | Viriyachai | Audit Director |
| 3. Ms. Pannee | Choedrum-phai | Audit Director |

Ms. Kanokarn Samapudhi is the Secretary of the Audit Committee.

In 2015, the Audit Committee called for 4 meetings which have been conducted in compliance with the rules and regulations to nominate the auditor and propose the remuneration of the Company's auditor.

The Audit Committee has assigned P&L Internal Audit Co, Ltd. to be the internal auditor of the Company. Such audit covers the important operational system of the Company including human resources management. The result of the internal audit could ensure that the operations of the Company and its subsidiaries have been internally controlled in appropriate manner and in concordant with the highly competitive nature of the business. It was also found that the directors as well as the management of the Company have been working ethically and determined to effectively achieve the Company's goals. The Audit Committee never stops improving the internal control system of the Company and hope to make it better in the future.

Although there have been many factors affecting the Company's business, we still believe that such factors can be dealt with for the continuous growth of our Company in the future.



(Mr. Premon Pinsakul)

Chairman of the Audit Committee

Management and Discussion and Analysis

The Company's performance for the yearly end in 2016 showed a net profit of 5.6 million baht, lower than 2015 by 52.6 million baht or a declined 90.4%. This represent net profit margin of 1.0%. The major reasons for the Company's net profit decreasing were an increasing of cost of rental and services, loss from fair value adjustment on investment property, increasing of selling cost and administrative cost and financial cost in 2016. Thus, the details of the Company's performance are explained as follows:

	2015		2016		Change	
	MN.Baht	%	MN.Baht	%	MN.Baht	%
Rental and Service Income	506.0	100.0%	545.2	100.0%	39.2	7.7%
Cost of Rental and Services	389.1	76.9%	447.0	82.0%	57.8	14.9%
Gross Profit	116.9	23.1%	98.2	18.0%	-18.7	-16.0%
Loss from fair value adjustment on investment property	8.2	1.6%	-9.1	-1.7%	-17.2	-209.7%
Allowance (reversal of allowance) for impairment of assets	14.6	2.9%	0.8	0.1%	-13.8	-94.5%
Other Income	10.4	2.1%	16.0	2.9%	5.6	54.8%
Profit before Expenses	150.1	29.7%	105.9	19.4%	-44.1	-29.4%
Services Expenses	34.3	6.8%	43.5	8.0%	9.2	26.7%
Administrative Expenses	26.3	5.2%	39.0	7.1%	12.7	48.2%
EBIT	89.5	17.7%	23.4	4.3%	-65.9	-73.7%
Finance Cost	16.8	3.3%	25.2	4.6%	8.4	50.0%
Net Profit	58.2	11.5%	5.6	1.6%	-52.6	-90.4%

Rental and Service Income and Other Income

Rental and service income for 2016 was 545.2 million baht higher than 2015 of 39.2 million baht or 7.7%. This is because the Company was able to open branches according to business plan for IT Junction. IT Junction number of branches at the end of 2016 was 52 branches which increase from 47 branches at the end of 2015. In the year of 2016 the Company discontinued 2 branches for IT Junction business unit. Moreover, to increase more revenues base in future the Company was able to inaugurate new neighborhood shopping mall "The Jas Urban Srinakarin" in the late of 2016

The Company's other income in 2016 was 16.1 million baht which increase from 2015 of 5.7 million baht. The major composition of other incomes was late payment fee income.

Cost of Rental and Service Income and Gross Profit

The Company incurred rental and service costs for 2016 equal to 447.0 million baht more than 2015 at 14.9%. This was due to an increasing of rental cost, utilities expenses and services cost for new neighborhood shopping mall, depreciation and leasehold right amortization expenses.

The Company's gross profit for 2016 equal to 98.2 million baht that was 18.7 million baht or 16% lowers than 2015. Main reasons for the decreasing of gross profit were an increasing of rental cost, utilities cost, depreciation and leasehold right amortization due to the new shopping mall open.

Service and Administrative Expenses

The Company had service and administrative expenses for 2016 totally equal to 82.5 million baht, which was 21.9 million baht or 36.1% higher than 2015. Most of increasing expenses were employee remuneration increased as a result of new business expansion, advertising expenses and sell promotion expenses and maintenances expenses.

Loss from fair value adjustment on investment property

The Company incurred loss from fair value adjustment on investment property in 2016 which results loss 9.0 million baht. The investment property value in financial statement was based on fair value from Income Approach which was appraised by Independent Appraiser. The Appraisal value is based on history occupancy rate, rental rate and operation plan of the Company.

Financial Cost

The Company financial cost in 2016 was 25.2 million baht, which was higher than 2015 of 8.4 million baht or 50%. Financial cost increased due to the Company incurred more debt to finance new projects which derived from the Company's business plan.

Summary of Financial Statement of Position

	2015		2016		Change	
	MN.Baht	%	MN.Baht	%	MN.Baht	%
Assets						
Cash and cash equivalents	8.1	0.6%	70.1	3.1%	62.0	765.4%
Current investments	200.4	13.8%	0.0	0.0	-200.4	-100.0%
Trade and other receivables	18.0	1.2%	33.5	1.5%	15.5	86.3%
Property Development Cost	0.0	0.0	96.5	4.3%	96.5	n.a.
Investment Properties	516.0	35.6%	507.3	22.4%	-8.7	-1.7%
Equipment	60.0	4.1%	126.6	5.6%	66.6	110.9%
Leasehold rights and buildings	520.0	35.9%	1,260.9	55.7%	740.9	142.5%
Advance for construction work	4.3	0.3%	3.3	0.1%	-1.0	-23.9%
Deposits	115.6	8.0%	134.1	5.9%	18.5	16.0%
Total Assets	1,449.6	100.0%	2,264.9	100.0%	815.3	56.2%
Liabilities and Shareholders Eq.						
Overdrafts and Short Term Loan	0.0	0.0%	13.3	0.6%	13.3	100%
Trade and other payables	41.1	2.8%	140.2	6.2%	99.1	241.1%
Long-term loan within 1 year payment	68.8	2.8%	73.8	3.3%	5.0	7.3%
Short-term loan	0.0	0.0%	386.5	17.1%	386.5	100%
Long-term loans - net	434.3	30.0%	760.2	33.6%	325.9	75.0%
Deposits received from lessees	128.1	8.8%	147.7	6.5%	19.6	15.3%
Total Liabilities	703.8	48.6%	1,539.4	68.0%	835.3	118.7%
Total Shareholder's Equity	745.8	51.4%	725.5	32.0%	-20.3	-2.7%

Assets

As of the period ending 31 December 2016, the Company had total assets equal to 2,264.5 million baht more than the end of 2015 equal to 815.3 million baht or 56.2% percent due to a higher in leasehold right and building for

The Jas Ramintra and The Jas Urban Srinakarin. Moreover, there were more in equipment for new branches and new shopping mall.

Liabilities & Shareholder's Equity

As for the period ending 31 December 2016, the Company had total liabilities equal to 1,539.4 million baht more than 2015 equal to 835.6 million baht or 118.7 percent due to an increasing in trade and other payable and short-term debt as a result of business expansion, whereas shareholders' equity stood at 725.5 million baht or decreased 20.3 million baht from 2015. The Company debt to equity ratio stood at 2.12 times and the Interest-Bearing Debt ratio was 1.70 times.

Forward Looking

In 2016, the Company has expanded very much in original business, IT Junction, and Neighborhood Shopping Mall. However, the expansion is based on the objectives of revenues diversification and risk diversification of business in order to grow business further in the future. The factors and business plan that will impact on the Company's operation performance in 2017 and future are as following;

Revenues

1. Currently, the Company has a highest total leasable area since the Company established which approximately 53,000 square meters cover nationwide. The Company's has got a plan to increase more revenues from rental revenues and advertising revenues from this rental area. Moreover, there still be an opportunities from Synergy income that the Company can obtain from Jaymart Group of Companies which will boost up more income in 2017.
2. The Company has planned to increase non-rental revenues in 2017. For example, the Company started Food and Beverage Business Unit under brane "Urban Food Ville" at The Jas Urban Srinakarin and the indoor amusement park "Totem Kingdom" which has gain a good attention from client. Moreover, the Company is considering a plan to develop a property for sale e.g. condominium project in 2017.

Cost

The Company has realized that cost of rental and selling and administrative expenses increased due to the business unit expansion. However, the management has a plan to reduce cost like rental negotiation with the landlord; utilities cost reduction and pay more attention on budgeting for expenses which expect to have a concrete result in Q1/2017 onwards.

Audit Remuneration

In the accounting period of 2015 and 2016, the Company paid the audit remuneration as follows:

	2015	2016
Audit Remuneration (Baht)	710,000	750,000

No other remuneration was paid apart from the audit remuneration.

Corporate Social Responsibility Activities

The company realize that making the business sustainable growth must base upon the intension to care all business units and running the business in 2016, the company bring up the energy cleaning policy, environment carefulness as a part of company's social activity by the company corporate with Impact Solar Company Limited to installation the solar roof top at The Jas Urban Srinakarin.



Independent Auditor's Report

To the Shareholders of JAS Asset Public Company Limited

Opinion

I have audited the accompanying financial statements of JAS Asset Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2016, and the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of JAS Asset Public Company Limited as at 31 December 2016, its 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 Company in accordance with the *Code of Ethics for Professional Accountants* as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

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

Revenue recognition

The Company recognised rental and service income as disclosed its policies in Note 4.1 to the financial statements. The Company recognised rental and service income for the year 2016 amounting to Baht 545 million which represents 97% of total revenues. The Company entered into agreements with a large number of customers and there are a variety of conditions in these agreements most are minor lessees. There are therefore risks related to the amount and timing of revenue recognition.

I have examined the revenue recognition of the Company by

- Assessing and testing the Company's internal controls with respect to the revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed controls.
- Applying a sampling method to select rental and service agreements to assess whether revenue recognition was consistent with the conditions of the relevant agreement, and whether it was in compliance with the Company's policy.
- On a sampling basis, examining supporting documents for actual transactions occurring during the year and near the end of the accounting period.
- Reviewing credit notes that the Company issued after the period-end.
- Performing analytical procedures on disaggregated data to detect possible irregularities in revenue transactions throughout the period, particularly for accounting entries made through journal vouchers.

Valuation of investment property

As discussed in Note 11 to the financial statements, the Company had investment property presented in the statement of financial position as at 31 December 2016, at their fair value of Baht 507 million, representing 22% of total assets. The Company determined the fair value of investment property based on the value appraised by an independent appraiser using the income approach. As the Company's management is required to exercise significant judgement with respect to the estimation of future operating results and the determination of a discount rate and key assumptions, there is a significant risk with respect to the measurement of such investment property.

I assessed the key internal controls of the Company related to the calculation of fair value of investment property by making enquiry of responsible executives and gaining an understanding of operation of control designed by the Company. I considered the extent and objectives of the assessment of fair value by the independent appraiser and assessed the techniques and models used by the independent appraiser to measure the fair value, as specified in the appraisal report prepared by the appraiser, by comparing them to my knowledge and past experience regarding the valuation of the same or similar assets. I also considered the consistency of the application of such techniques and models, and assessed the competence and independence of the independent appraiser by checking publicly available data. In addition, I reviewed the data and key assumptions used in the measurement of fair value by comparing the estimated operating results with the Company's actual operating results to evaluate the judgement of the Company's management in terms of estimating operating results, checking them to the rental and service agreements, and testing the calculation of fair value which was based on the above models and assumptions. Moreover, I reviewed the disclosure of information related to the measurement of the fair value of investments property in the notes to the financial statements.

Other Matter

The financial statements of JAS Asset Public Company Limited for the year ended 31 December 2015 were audited by another auditor who, under his report dated 16 February 2016, expressed an unqualified opinion on those financial statements.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company 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 Company, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Miss Rosaporn Decharkom.

Rosaporn Decharkom
Certified Public Accountant (Thailand) No.5659

EY Office Limited
Bangkok: 16 February 2017

JAS Asset Public Company Limited

Statements of financial position

As at 31 December 2016

(Unit: Baht)

	Note	2016	2015
Assets			
Current assets			
Cash and cash equivalents	7	70,058,968	8,052,574
Current investments	8	-	200,410,469
Trade and other receivables	6, 9	33,540,172	18,043,509
Property development costs	10	96,479,872	-
Prepaid income tax		6,082,308	1,490,188
Deposit for purchase of land		15,846,000	-
Other current assets		8,786,931	4,967,796
Total current assets		230,794,251	232,964,536
Non-current assets			
Investment property	11	507,300,000	516,000,000
Equipment	12	126,559,094	60,014,338
Intangible assets	13	488,564	505,196
Leasehold rights and buildings	14	1,260,914,097	520,012,710
Advance for construction work		3,274,025	4,300,727
Deposits	6	134,084,614	115,555,980
Other non-current assets		1,504,860	221,643
Total non-current assets		2,034,125,254	1,216,610,594
Total assets		2,264,919,505	1,449,575,130

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

JAS Asset Public Company Limited
Statements of financial position (continued)
As at 31 December 2016

(Unit: Baht)

	Note	2016	2015
Liabilities and shareholders' equity			
Current liabilities			
Bank overdrafts and short-term loans			
from financial institution	15	13,278,283	-
Trade and other payables	16	140,211,506	41,119,327
Current portion of long-term loans	17	73,763,752	68,756,850
Current portion of liabilities under			
finance lease agreements	18	405,110	412,426
Short-term loan	15	386,479,393	-
Retention guarantees		2,459,346	8,787,614
Other current liabilities		13,164,678	11,545,696
Total current liabilities		629,762,068	130,621,913
Non-current liabilities			
Long-term loans - net of current portion	17	760,150,669	434,260,128
Liabilities under finance lease agreements			
- net of current portion	18	196,444	601,554
Provision for long-term employee benefits	19	675,272	2,166,727
Deposits received from lessees	6	147,737,008	128,086,542
Deferred tax liabilities	23	298,538	7,636,067
Other non-current liabilities		601,263	429,500
Total non-current liabilities		909,659,194	573,180,518
Total liabilities		1,539,421,262	703,802,431

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

JAS Asset Public Company Limited

Statements of financial position (continued)

As at 31 December 2016

		(Unit: Baht)	
	Note	2016	2015
Shareholders' equity			
Share capital			
Registered			
370,390,000 ordinary shares of Baht 1 each		370,390,000	370,390,000
Issued and fully paid up			
370,390,000 ordinary shares of Baht 1 each		370,390,000	370,390,000
Premium on share capital		201,870,878	201,870,878
Retained earnings			
Appropriated - statutory reserve	21	37,039,000	37,039,000
Unappropriated		116,198,365	136,472,821
Total shareholders' equity		725,498,243	745,772,699
Total liabilities and shareholders' equity		2,264,919,505	1,449,575,130

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

JAS Asset Public Company Limited
Statement of comprehensive income
For the year ended 31 December 2016

(Unit: Baht)

	Note	2016	2015
Profit or loss:			
Revenues			
Rental and service income	6	545,178,207	505,998,568
Cost of rental and services	6	(446,961,080)	(389,112,212)
Gross profit		98,217,127	116,886,356
Gain (loss) on fair value adjustment of investment property	11	(9,058,000)	8,187,306
Reversal of allowance for impairment assets	12	800,000	14,600,000
Other income	6	16,048,443	10,428,172
Profit before expenses		106,007,570	150,101,834
Service expenses	6	(43,474,724)	(34,300,552)
Administrative expenses	6	(38,975,551)	(26,295,197)
Total expenses		(82,450,275)	(60,595,749)
Profit (loss) before finance cost and income tax expenses		23,557,295	89,506,085
Finance cost		(25,245,685)	(16,833,811)
Profit (loss) before income tax expenses		(1,688,390)	72,672,274
Income tax revenue (expenses)	23	7,337,530	(14,518,818)
Profit for the year		5,649,140	58,153,456
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Actuarial loss - net of income tax	19	-	(359,632)
Other comprehensive income for the year		-	(359,632)
Total comprehensive income for the year		5,649,140	57,793,824
Earnings per share	24		
Basic earnings per share			
Profit attributable to equity holders of the Company		0.02	0.22

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

JAS Asset Public Company Limited

Statement of changes in shareholders' equity

For the year ended 31 December 2016

	(Unit: Baht)				
	Issued and fully paid-up share capital	Premium on share capital	Retained earnings		Total shareholders' equity
			Statutory reserve	Unappropriated	
Balance as at 1 January 2015	250,000,000	-	37,039,000	101,178,997	388,217,997
Share capital increase (Note 20)	120,390,000	201,870,878	-	-	322,260,878
Profit for the year	-	-	-	58,153,456	58,153,456
Other comprehensive income for the year	-	-	-	(359,632)	(359,632)
Total comprehensive income for the year	-	-	-	57,793,824	57,793,824
Dividend paid (Note 27)	-	-	-	(22,500,000)	(22,500,000)
Balance as at 31 December 2015	<u>370,390,000</u>	<u>201,870,878</u>	<u>37,039,000</u>	<u>136,472,821</u>	<u>745,772,699</u>
Balance as at 1 January 2016	370,390,000	201,870,878	37,039,000	136,472,821	745,772,699
Profit for the year	-	-	-	5,649,140	5,649,140
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	5,649,140	5,649,140
Dividend paid (Note 27)	-	-	-	(25,923,596)	(25,923,596)
Balance as at 31 December 2016	<u>370,390,000</u>	<u>201,870,878</u>	<u>37,039,000</u>	<u>116,198,365</u>	<u>725,498,243</u>

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

JAS Asset Public Company Limited**Statement of cash flows****For the year ended 31 December 2016**

(Unit: Baht)

	2016	2015
Cash flows from operating activities		
Profit (loss) before tax	(1,688,390)	72,672,274
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:		
Allowance for doubtful accounts (reversal)	414,887	(229,355)
Depreciation and amortisation	46,338,773	20,323,908
Loss on disposal/write-off assets	1,737,333	113,446
Reversal of allowance for impairment of assets	(800,000)	(14,600,000)
Decrease (increase) in fair value of investment property	9,058,000	(8,187,306)
Unrealised gain on revaluation of current investment	-	(410,469)
Provision for long-term employee benefits	308,546	194,998
Interest expenses	25,245,685	16,833,811
Profit from operating activities before changes in operating assets and liabilities	80,614,834	86,711,307
Operating assets (increase) decrease		
Trade and other receivables	(15,911,550)	(3,564,524)
Deposit for purchase of land	(15,846,000)	-
Property development cost	(96,479,872)	-
Other current assets	(3,819,135)	687,670
Deposits	(18,528,634)	(10,095,484)
Other non-current assets	(1,283,217)	(221,643)
Operating liabilities increase (decrease)		
Trade and other payables	41,322,115	20,011,781
Retention guarantees	(6,328,268)	4,819,071
Other current liabilities	1,618,982	4,805,381
Deposit received from lessees	19,650,466	12,274,148
Cash paid for employee benefits	(1,800,000)	-
Other non-current liabilities	171,763	270,500
Cash flows from operating activities	(16,618,516)	115,698,207
Cash paid for income tax	(4,592,120)	(18,979,459)
Net cash flows from (used in) operating activities	(21,210,636)	96,718,748

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

JAS Asset Public Company Limited**Statement of cash flows (continued)****For the year ended 31 December 2016**

(Unit: Baht)

	2016	2015
Cash flows from investing activities		
Decrease (increase) in current investments	200,410,469	(200,000,000)
Acquisition of equipment	(88,473,928)	(23,195,569)
Acquisitions of intangible assets	(312,440)	-
Acquisition of investment property	(358,000)	(4,628,155)
Increase in leasehold rights and buildings	(704,425,380)	(347,542,471)
Proceeds from sales of assets	221,616	86,169
Net cash flows used in investing activities	(592,937,663)	(575,280,026)
Cash flows from financing activities		
Increase in bank overdrafts and short-term loans		
from financial institution	13,278,283	-
Increase in short-term loans	390,000,000	-
Cash received from long-term loans	400,000,000	226,190,000
Repayment of long-term loans	(69,102,557)	(35,826,113)
Repayment of liabilities under finance lease agreements	(412,426)	(735,422)
Interest expenses	(31,685,011)	(23,217,125)
Dividend paid	(25,923,596)	(22,500,000)
Cash received from capital increase	-	322,260,878
Net cash flows from financing activities	676,154,693	466,172,218
Net increase (decrease) in cash and cash equivalents	62,006,394	(12,389,060)
Cash and cash equivalents at beginning of year	8,052,574	20,441,634
Cash and cash equivalents at end of year	70,058,968	8,052,574

Supplemental cash flows information:

Non-cash items

Accounts payable for leasehold rights	45,000,000	-
Accounts payable for construction	11,365,227	-
Interest expenses recorded as cost of project	4,323,555	6,383,314
Amortised leasehold rights recorded as cost of project	3,378,378	1,650,344

JAS Asset Public Company Limited
Notes to financial statements
For the year ended 31 December 2016

1. General information

JAS Asset 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 principally engaged in providing rental and related services.

The registered office of the Company is located at 325/7, J MART Tower, 8th Floor, Ramkhamhaeng Road, Saphan Sung Sub - District, Saphan Sung District, Bangkok

2. Basis of preparation

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

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

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

3. New financial reporting standards

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

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

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

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

The management of the Company believe that the revised financial reporting standards and interpretations and new accounting treatment guidance will not have any significant impact on the financial statements.

4. Significant accounting policies

4.1 Revenue recognition

Rental and Service income

Rental and service income are recognised as revenue in profit and loss on a straight-line basis over the lease term. Other service income is recognised when services have been rendered under conditions of the agreement, taking into account the stage of completion.

Interest income

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

4.2 Cash and cash equivalents

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

4.3 Trade accounts receivable

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

4.4 Investments

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

The fair value of marketable securities is based on the latest bid price of the last working day of the year.

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

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

4.5 Property development costs

Property development costs is stated at cost and allowance for loss on impairment (if any). Costs comprise the acquisition costs of land, the cost of design, borrowing cost and related other costs.

4.6 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value. Any gains or losses arising from changes in the value of investment property are recognised in profit or loss when incurred.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

4.7 Plant and equipment/ Depreciation

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

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvement	5 - 30 years
Furniture, fixtures and equipment	3 - 9 years
Motor vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on building under construction and assets under installation.

An item of plant and 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 an asset is included in profit or loss when the asset is derecognised.

4.8 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation depreciation and allowance for loss on impairment of assets (if any). Amortisation expenses are calculated by cost of assets on straight-line method through estimated useful lives for 12 - 30 years

The amortisation is included in determining income.

4.9 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

4.10 Intangible assets

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 asset 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.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 5 years

4.11 Related party transactions

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

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

4.12 Long-term leases

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

4.13 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, intangible assets, and leasehold rights 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, based on information available, reflects the amount that the Company 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 if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company 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. Such reversal is recognised in profit or loss unless the asset is carried

at a revalued amount, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

4.14 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

4.15 Provisions

Provisions are recognised when the Company 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.

4.16 Income tax

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

Current tax

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

Deferred tax

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

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

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

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

4.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company 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 observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company 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.

5. Significant accounting judgements and estimates

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

Leases

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

Allowance for doubtful accounts

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

Fair value of financial instruments

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

Investment property

The Company presents investment property at the fair value estimated by an independent appraiser, and recognises changes in the fair value in profit or loss. The independent appraiser valued the investment property using the income approach, because there is no market price that could be used to apply a comparative approach. The key assumptions used in estimating the fair value are described in Note 11.

Plant and equipment/Depreciation

In determining depreciation of plant 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 plant 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.

Deferred tax assets

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

Post-employment benefits under defined benefit plans

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

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that no loss will result. Therefore no contingent liabilities are recorded as at the end of reporting period.

6. Related party transactions

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

Companies	Relationship
Jay Mart Public Company Limited	Parent company
J Capital Co., Ltd. (formerly known as “Jay Mart Holding Company Limited”)	Related company (related by way of common shareholders and/or directors)
J & P (Thailand) Company Limited	Related company (related by way of common shareholders and/or directors)
Smart Item Company Limited	Related company (related by way of common shareholders and/or directors)
Jaymart Mobile Co., Ltd.	Related company (related by way of common shareholders and/or directors)
JMT Network Services Public Company Limited (JMT)	Related company (related by way of common shareholders and/or directors)
J Fintech Co., Ltd. (formerly known as “JMT Plus Company Limited”)	Related company (related by way of common shareholders and/or directors)
Jay Insurance Broker Company Limited	Related company (related by way of common shareholders and/or directors)
J Asset Management Company Limited	Related company (related by way of common shareholders and/or directors)
T.A.S. Assets Company Limited	Related company (related by way of common shareholders and/or directors)
Singer Thailand Public Company Limited	Related company (related by way of common shareholders and/or directors)

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

	(Unit: Thousand Baht)		
	2016	2015	Transfer Pricing Policy
<u>Transactions with parent company</u>			
Rental and service income	19,456	20,021	Market price
Other income	16	667	Market price
Purchase of assets	37	43	Market price
Rental and service expenses	285	652	Market price
Other expenses	3,634	2,548	Mutually agreed rate
Dividend paid	17,500	22,500	As declared
<u>Transactions with parent company</u>			
Rental and service income	1,094	278	Market price

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

	(Unit: Thousand Baht)	
	2016	2015
<u>Trade and other receivable - related parties (Note 9)</u>		
Parent company	785	1,055
Related companies	63	-
Total	848	1,055
<u>Deposits received - related parties</u>		
Parent company	59	59
Total	59	59
<u>Deposits received from lessees - related parties</u>		
Parent company	4,837	4,047
Related companies	288	338
Total	5,125	4,385

Directors and management's benefits

During the years ended 31 December 2016 and 2015, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Thousand Baht)	
	2016	2015
Short-term employee benefits	10,477	9,835
Termination benefits	94	90
Total	10,571	9,925

7. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2016	2015
Bank deposits	70,059	8,053

As at 31 December 2016, bank deposits in saving accounts carried interests between 0.10% and 0.375% percent per annum (2015: 0.10% and 0.375% per annum).

8. Current investments

	(Unit: Thousand Baht)	
	2016	2015
<u>Investments in trading securities</u>		
Cost	-	200,000
Add: Unrealised gain on changes in value of investments	-	410
Fair value	-	200,410

9. Trade and other receivables

	(Unit: Thousand Baht)	
	2016	2015
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	5	148
Total trade receivables - related parties (Note 6)	5	148
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	1,227	127
Past due		
Up to 3 months	20,008	7,478
3 - 6 months	1,215	2,260
6 - 12 months	515	410
Over 12 months	189	65
Total	23,154	10,340
Less: Allowance for doubtful debts	(476)	(61)
Total trade receivables - unrelated parties, net	22,678	10,279
Total trade receivable - net	22,683	10,427

	(Unit: Thousand Baht)	
	2016	2015
<u>Other receivables</u>		
Other receivables - related parties (Note 6)	382	907
Other receivables - unrelated parties	212	-
Accrued income - related parties (Note 6)	461	-
Accrued income - unrelated parties	9,802	6,710
Total other receivables	10,857	7,617
Trade and other receivables - net	33,540	18,044

10. Property development costs

	(Unit: Thousand Baht)
	2016
Land	95,348
Other costs	1,132
Total	96,480

11. Investment property

	(Unit: Thousand Baht)	
	2016	2015
Net book value at beginning of year	516,000	498,200
Addition during the year	358	4,628
Transfers	-	4,985
Net income (loss) from revaluation to fair value	(9,058)	8,187
Net book value at end of year	507,300	516,000

The investment property represents a community mall held for rent. Its fair value has been determined based on the valuation performed by an independent valuer, using the income approach.

Key assumptions used in the valuation are summarised below:

	As at 31 December		Result to fair value where as an increase in assumption value
	2016	2015	
Discount rate (%)	10	10	Decrease in fair value
Rental rate per square meter per month (Baht)	600	623	Increase in fair value

During the year 2016, the Company recognised rental and service income that are related to investment property of Baht 47 million in profit and loss (2015: Baht 55 million), and recognised direct operating expenses arise from investment property that generated income of Baht 19 million (2015: Baht 24 million).

The Company has pledged investment property amounting to Baht 507 million (2015: Baht 516 million) as collateral against bank overdraft and long term loan, as discussed in Notes 15 and 17.

12. Equipment

	(Unit: Thousand Baht)			
	Furniture, fixtures and equipment	Motor vehicles	Assets under installation	Total
Cost				
1 January 2015	73,327	4,336	2,393	80,056
Additions	22,381	-	814	23,195
Disposals/write-off	(882)	-	-	(882)
Transfers in (out)	(2,669)	-	(2,278)	(4,947)
31 December 2015	92,157	4,336	929	97,422
Additions	44,501	2,269	41,704	88,474
Disposals/write-off	(4,666)	-	-	(4,666)
Transfers in (out)	11,113	-	(11,113)	-
31 December 2016	143,105	6,605	31,520	181,230
Accumulated depreciation				
1 January 2015	17,334	1,316	-	18,650
Depreciation for the year	12,386	761	-	13,147
Depreciation on disposals/write-off	(671)	-	-	(671)
Transfers in (out)	(118)	-	-	(118)
31 December 2015	28,931	2,077	-	31,008
Depreciation for the year	19,797	973	-	20,770
Depreciation on disposals/write-off	(2,707)	-	-	(2,707)
31 December 2016	46,021	3,050	-	49,071
Allowance for impairment loss				
1 January 2015	21,000	-	-	21,000
Decrease during the year	(14,600)	-	-	(14,600)
31 December 2015	6,400	-	-	6,400
Decrease during the year	(800)	-	-	(800)
31 December 2016	5,600	-	-	5,600

	(Unit: Thousand Baht)			
	Furniture, fixtures and equipment	Motor vehicles	Assets under installation	Total
Net book value:				
31 December 2015	56,826	2,259	929	60,014
31 December 2016	91,484	3,555	31,520	126,559
Depreciation for the year				
2015 (Baht 12 million included in rental and service cost and the balance in service and administrative expenses)				13,147
2016 (Baht 19 million included in rental and service cost and the balance in service and administrative expenses)				20,770

As at 31 December 2016, certain items of equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 0.4 million (2015: Baht 0.4 million).

As at 31 December 2016, the Company had vehicle under finance lease agreements with net book values amounting to Baht 1 million (2015: Baht 2 million).

13. Intangible assets

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

	(Unit: Thousand Baht)	
	2016	2015
Computer software - cost	1,737	1,425
Less: Accumulated amortisation	(1,248)	(920)
Net book value	489	505

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

	(Unit: Thousand Baht)	
	2016	2015
Net book value at beginning of year	505	935
Acquisition of computer software	312	-
Amortisation	(328)	(285)
Transfers out	-	(145)
Net book value at end of year	489	505

14. Leasehold rights and buildings

(Unit: Thousand Baht)

	Leasehold rights	Building and improvement	Building under construction	Total
Cost				
1 January 2015	71,378	-	72,333	143,711
Additions	740	20,400	364,433	385,573
Transfers in (out)	-	436,111	(436,111)	-
31 December 2015	72,118	456,511	655	529,284
Additions	102,307	9,169	654,666	766,142
Transfers in (out)	-	648,792	(648,792)	-
31 December 2016	174,425	1,114,472	6,529	1,295,426
Accumulated amortisation/depreciation				
1 January 2015	2,379	-	-	2,379
Amortisation/depreciation	800	6,092	-	6,892
31 December 2015	3,179	6,092	-	9,271
Amortisation/depreciation	2,825	22,416	-	25,241
31 December 2016	6,004	28,508	-	34,512
Net book value:				
31 December 2015	68,939	450,419	655	520,013
31 December 2016	168,421	1,085,964	6,529	1,260,914

During the current year, the Company included borrowing cost of Baht 4 million as cost of leasehold rights and buildings (2015: Baht 6 million). These were determined by applying a capitalisation rate of 4.40%.

The Company has pledged its leasehold rights and buildings with net book value as at 31 December 2016 of Baht 1,223 million (2015: Baht 487 million) are used as collateral against bank overdraft and long-term loans, as discussed in Notes 15 and 17.

15. Bank overdraft and short-term loans from financial institutions/ Short-term loans

(Unit: Thousand Baht)

	Interest rate (percent per annum)	2016
<u>Bank overdrafts and short-term loans from financial institutions</u>		
Bank overdrafts	MOR	3,278
Promissory notes	MLR - 1.00	10,000
Total		<u>13,278</u>
<u>Short-term loans</u>		
Bills of exchange	3.80 - 4.50	390,000
Less: Prepaid interest		<u>(3,521)</u>
Net		<u>386,479</u>

Bank overdraft is secured by investment property and leasehold rights and buildings.

As at 31 December 2016, the Company had unused overdraft amounting to Baht 17 million (2015: Baht 15 million).

16. Trade and other payables

(Unit: Thousand Baht)

	2016	2015
Trade accounts payable	7,818	1,640
Accounts payable for leasehold rights	45,000	-
Account payable for construction	11,365	-
Accrued interest	1,505	100
Accrued expenses	38,495	23,192
Accrued rental and services expenses	36,029	16,187
Total trade and other payables	<u>140,212</u>	<u>41,119</u>

17. Long-term loans

(Unit: Thousand Baht)

Loan	Interest rate per annum	Repayment schedule	2016	2015
1	MLR - 2.375%	Monthly installment as from October 2014 to September 2021	175,264	213,017
2	MLR - 1%	Monthly installment as from February 2016 to July 2024	258,650	290,000
3	MLR minus certain rates	Monthly installment as from January 2018 to June 2026	400,000	-
Total			833,914	503,017
Less: Current portion			(73,764)	(68,757)
Long-term loans - net of current portion			760,150	434,260

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

(Unit: Thousand Baht)

Balance as at 1 January 2016	503,017
Add: Additional of loans	400,000
Less: Repayment of loans	(69,103)
Balance as at 31 December 2016	833,914

Long-term loans are secured by investment property and leasehold rights and buildings.

The loan agreements contain covenants as specified in the agreements which, among other things, require the Company to maintain certain debt to equity.

18. Liabilities under finance lease agreements

(Unit: Thousand Baht)

	2016	2015
Liabilities under finance lease agreements	632	1,096
Less: Deferred interest expenses	(30)	(82)
Total	602	1,014
Less: Portion due within one year	(405)	(412)
Liabilities under finance lease agreements - net of current portion	197	602

The Company has entered into the finance lease agreement with leasing company for rental of motor vehicle for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreement is generally 4 years.

Future minimum lease payments required under the finance lease agreements were as follows:

	(Unit: Thousand Baht)		
	As at 31 December 2016		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	432	200	632
Deferred interest expenses	(27)	(3)	(30)
Present value of future minimum lease payments	<u>405</u>	<u>197</u>	<u>602</u>

	(Unit: Thousand Baht)		
	As at 31 December 2015		
	Less than 1 year	1 - 4 years	Total
Future minimum lease payments	464	632	1,096
Deferred interest expenses	(52)	(30)	(82)
Present value of future minimum lease payments	<u>412</u>	<u>602</u>	<u>1,014</u>

19. 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)	
	2016	2015
Provision for long-term employee benefits at beginning of year	2,167	1,522
Included in profit or loss:		
Current service cost	246	131
Interest cost	62	64
Included in other comprehensive income:		
Actuarial loss from		
Demographic assumptions changes	-	315
Financial assumptions changes	-	135
Benefits paid during the year	<u>(1,800)</u>	<u>-</u>
Provision for long-term employee benefits at end of year	<u>675</u>	<u>2,167</u>

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

	(Unit: Thousand Baht)	
	2016	2015
Cost of rental and services	246	131
Service and administrative expenses	62	64
Total expenses recognised in profit or loss	308	195

The Company does not expect to pay employee benefits during the next year (2015: Baht 1.8 million).

As at 31 December 2016, the weighted average duration of the liabilities for long-term employee benefit is 12 years (2015: 10 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)	
	2016	2015
Discount rate	2.57	2.57
Salary increase rate	8.08	8.08

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2016 and 2015 are summarised below:

	(Unit: Thousand Baht)	
	Increase 0.5%	Decrease 0.5%
Discount rate	(34)	37
Salary increase rate	45	(42)

20. Share capital

On 26 October 2015, the Company received all payment of share capital increment to public 120,390,000 shares at Baht 2.77 each, totaling Baht 333 million, all expenses related to the share offering amounting to Baht 11 million, are presented as a deduction from the premium on share capital. The Company registered the increased in its paid-up capital with the Ministry of Commerce on 5 November 2015.

(Unit: Share)

Reconciliation of number of ordinary shares

Issued and paid-up share capital

Number of ordinary shares at 1 January 2015	250,000,000
Increase in share capital during the period	120,390,000
Number of ordinary shares as at 31 December 2015	<u>370,390,000</u>

21. 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. At present, the statutory reserve has fully been set aside.

22. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Rental and services expenses	333,419	317,240
Utilities expenses	52,552	40,430
Salaries, wages and other employee benefits	37,108	27,458
Depreciation and amortisation	46,339	20,324
Sales promotion expenses	10,555	7,747

23. Income tax

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

	(Unit: Thousand Baht)	
	2016	2015
Current income tax:		
Current income tax charge	-	9,387
Deferred tax:		
Relating to origination and reversal of temporary differences	(7,338)	5,132
Income tax expense (revenue) reported in the statement of comprehensive income	<u>(7,338)</u>	<u>14,519</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2016 and 2015 are as follows:

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax on actuarial loss	-	90
	-	90

The reconciliation between accounting profit (loss) and income tax expense (revenue) is shown below.

	(Unit: Thousand Baht)	
	2016	2015
Accounting profit (loss) before tax	(1,688)	72,672
Applicable tax rate	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(338)	14,534
Effects of:		
Non-deductible expenses	298	54
Additional expense deductions allowed	(7,298)	(69)
Total	(7,000)	(15)
Income tax expense (revenue) reported in the statement of comprehensive income	(7,338)	14,519

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

	(Unit: Thousand Baht)	
	2016	2015
Deferred tax assets		
Allowance for doubtful accounts	95	12
Allowance for asset impairment	1,120	1,280
Accrued cost rental under long - term leases	7,205	3,238
Provision for long-term employee benefits	135	433
Unused tax loss	7,732	-
Total	16,287	4,963
Deferred tax liabilities		
Investment property at fair value	13,737	12,599
Accrued cost rental under long-term lease recorded as asset	2,848	-
Total	16,585	12,599
Deferred tax liabilities - net	(298)	(7,636)

24. Earnings per share

Basic earnings per share is calculated by dividing 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.

	For the year ended 31 December	
	2016	2015
Profit for the year (Thousand Baht)	5,649	58,153
Weighted average number of ordinary shares (Thousand shares)	370,390	268,801
Profit per share (Baht per share)	0.02	0.22

25. Segment information

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

The Company is principally engaged in the providing rental and related services. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Geographic information

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

Major customers

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

26. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 percent of basic salary. The fund, which is managed by TISCO Asset Management Co., Ltd., will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2016 amounting to approximately Baht 0.3 million (2015: Baht 0.2 million) were recognised as expenses.

27. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends from the operating results for the year 2015	Annual General Meeting of the Company's shareholders on 7 April 2016	25,924	0.07
Total		25,924	
Dividends from the operating results for the year 2014	Annual General Meeting of the Company's shareholders on 9 April 2015	22,500	0.09
Total		22,500	

28. Commitments and contingent liabilities

28.1 Capital commitments

As at 31 December 2016, the Company had commitments in respect of agreement to purchase land for development of future project and the construction of its project of Baht 146 million.

28.2 Operating lease and service contracts commitments

The Company has entered into lease agreements in respect of land, building space and service contracts. The terms of the agreements are generally between 1 and 30 years.

As at 31 December 2016 and 2015, the Company has future minimum lease payments required under these non-cancellable operating leases and service contracts as follows.

	(Unit: Million Baht)	
	2016	2015
Payable:		
Up to 1 year	265	249
In over 1 and up to 5 years	252	270

28.3 Guarantees

As at 31 December 2016, there were outstanding bank guarantees of Baht 3 million (2015: Baht 2 million) issued by banks on behalf of the Company in respect of the use of electricity.

29. Litigation

During the year 2016, a company sued the Company for compensatory damages from breach of agreement with respect to the operation of a market place totaling Baht 125 million plus interest at a rate of 7.5% per annum, commencing from prosecution until the full amount is paid. The lawsuit is currently in the judicial process. However, the management believes that there will be no material impact to the Company.

30. Fair value hierarchy

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

(Unit: Million Baht)				
As at 31 December 2016				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Investment property	-	-	507	507

(Unit: Million Baht)				
As at 31 December 2015				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Current investments - Unit trust	-	200	-	200
Investment property	-	-	516	516

31. Financial instruments

31.1 Financial risk management

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade and other receivables, current investments, trade and other payables, bank overdrafts and short-term loans from financial institution and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

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

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts and long-term loan from financial institutions and short-term and long-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

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

(Unit: Thousand Baht)

As at 31 December 2016						
Fixed interest rates						
Within 1 year	More than 1 to 5 year	Floating interest rate	Non- interest bearing	Total	Effective interest rate (% per annum)	
Financial assets						
Cash and cash equivalent	-	-	68,592	1,467	70,059	0.10 - 0.375
Trade and other receivables	-	-	-	33,540	33,540	-
Financial liabilities						
Bank overdraft and short-term						
loan from financial institution	-	-	13,278	-	13,278	7.375 and 5.275
Trade and other payables	-	-	-	140,212	140,212	-
Short-term loans	386,479	-	-	-	386,479	3.80 - 4.50
Long-term loans	-	-	833,914	-	833,914	4.225 - 5.250

(Unit: Thousand Baht)

As at 31 December 2015

	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	More than 1 to 5 year	Floating interest rate	Non- interest bearing		
<u>Financial assets</u>						
Cash and cash equivalent	-	-	5,722	2,330	8,052	0.10 - 0.375
Current investments	-	-	-	200,410	200,410	-
Trade and other receivables	-	-	-	18,044	18,044	-
<u>Financial liabilities</u>						
Trade and other payables	-	-	-	41,119	41,119	-
Long-term loans	-	-	503,017	-	503,017	4.475 and 5.50

31.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates closed to the market interest rate, their fair value is not expected to be materially different from the amounts presented in statement of financial position.

32. Capital management

The primary objective of the Company'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 2016, the Company's debt-to-equity ratio was 2.11:1 (2015: 0.94:1).

33. Approval of financial statement

These financial statements were authorised for issue by the Company's authorised directors on 16 February 2017.

THE POWER OF **SYNERGY**

CHAPTER II

ANNUALREPORT 2016

JAS ASSET PUBLIC COMPANY LIMITED

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