

Annual Report 2017

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Financial Highlights

บริษัท ชัยภูมิ จำกัด (มหาชน)
CHAYO GROUP PCL.

Unit : Million Baht

Description	2015	2016	2017
Total Revenue	141.23	197.14	205.98
Total Cost	38.27	61.60	73.24
Gross Profit	102.96	135.54	132.74
Net Profit	68.94	70.89	58.24
Total Assets	295.44	307.42	415.48
Total Liabilities	90.78	31.90	82.26
Total Shareholder's Equity	204.66	275.52	333.22

Description	2015	2016	2017
Gross Profit Margin	72.90%	68.75%	64.44%
Net Profit Margin	47.78%	35.83%	28.20%
Debt to Equity (D/E) (Times)	0.44	0.12	0.25
Return on Assets	26.16%	23.52%	16.11%
Return on Equity	34.32%	29.53%	19.13%
Earning Per Shares(EPS)	0.1786	0.1688	0.1387

Message from Chairman and Chief Executive Officer

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.



Assistant Professor Wutisak Lapcharoensap

ผู้ช่วยศาสตราจารย์วุฒิศักดิ์ ลาภเจริญทรัพย์

Chairman of the Board

Mr. Suksan Yasasin

นายสุขสันต์ ยะสะสินธุ์

Chief Executive Officer

Dear Shareholders,

2017 is the start of the company's journey in becoming a new member of Stock Exchange of Thailand. We prepared to enter Stock Exchange since 2014, starting by appointing Price waterhouse Coopers ABAS Co., Ltd as company's auditor. Consultant was hired to lay down the control system. Internal audit was engaged to evaluate internal control system, as well as on company's capital increase and restructuring of shareholding during late of 2015. Further, new management team was hired to reinforce the company's strength in 2016. Later, on 19th September 2017, the company filed form 69-1 to the Securities and Exchange Commission (SEC). Being approved by SEC, the company has been registered as listed company in Stock Exchange of Thailand in February 2018, firstly traded in March 2018.

Apart from being the starting year of our journey, 2017 was also our challenging year. The challenges are varied in many aspects such as to achieve goal of receivables collections during the economic recovery period, capital raising to support the business expansion, and even on more investment in secured non-performing loans. From 20-year experiences in debt collection service, we have achieved and generated total revenue of more than 205 million baht in 2017. Together with our success during previous years, financial institutions provided more funds and loans supporting our business expansion. As a result, we could expand our investment in the secured non-performing loans in a great extent in 2017. By end of 2017, the company had operated secured and unsecured non-performing loans, which was worth around 29,136 million baht.

In 2018, we have unlocked all the limitations on business expansion given that we have already entered into stock market which in turn resolving our restraints, even we used to have limitations on the capital acquisition in the past. We have planned to expand the funds in both secured and unsecured non-performing loans, which we expect that we will achieve a leap growth in 2018.

For this opportunity, Chayo would like to thank our shareholders, customers, partners, business partners, directors, management team, and all staff, who have supported strong fundamental growth of the business. We aim to be parts of society to drive the economic growth, to reduce numbers of non-performing loans, to provide creditability back to customer sand not relying on the loan shark, and to stand with the country to build strong economy and society.

Mr.Wutisak Lapcharoensap
(Chairman of The Board)

Mr. Suksan Yasasin
(Chief Executive Officer)

Board of Directors

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

ผู้ช่วยศาสตราจารย์วุฒิศักดิ์ ลาภเจริญทรัพย์

Assistant Professor Wutisak Lapcharoensap

Chairman of the Board and Independent Director

Age : 69 Years



Education:

1971 Bachelor of Political Science (honors), Chulalongkorn University
1979 Master of Arts (Political Science), University of Chicago

Management Experience (2005 onwards) :

2005 - 2011 - Dean of Faculty of Political Science
2007 - Dean of Faculty of Political Science and Acting Ramkhamhaeng University Rector
(16th January – 17th June 2007)
2008 - 2009 - Dean of Faculty of Political Science and Acting Director of Office of Educational Technology
2011 - Dean of Faculty of Political Science and Acting Ramkhamhaeng University Rector
(10th February – 30th June 2011)
2017- Present - Ramkhamhaeng University Rector

Other appointed positions, from 2010 until present

2010 - 2011 - Director, Dhanarak Asset Development Co., Ltd., Ministry of Finance
2011 - Present - Member of Office of The Consumer Protection Board, Secretariat of the Prime Minister
2012 - Member of Office of Educational Council
- Qualified member of Office of Police Commission (OPC)
- Advisor of sub-committee of the Education and Protection of the Royal Institute
- Chairman of the Audit and Ethics of the Government Officials Committee (Office of Prime Minister Order No. 181/2555 dated 16th July 2012)
2013 - Advisor to the Ministry of Social Development and Human Security.
2014 - Director, The Post Publishing Public Company Limited
- Member of the National Legislative Assembly (commenced on 31 July 2014)
- Constitution Drafting Committee
2015 - Present - Chairman of the Board and Independent Director, Chayo Group Public Company Limited



นายชนันท์ โชติวิจิตร

Mr. Chanon Chotevijit

Chairman of the Audit Committee, Independent Director,
Director, and Nomination and Remuneration Committee

Age : 59 Years

Education:

1979-1983 Bachelor of Economics Program
in International Economics
(second-class honors),
Chulalongkorn University

1984 -1986 Master of Economics Program
in Financial Economics,
National Institute of
Development Administration

2005- 2007 Master of Economics Law,
Chulalongkorn University

2008 - 2009 Diploma, National Defence
College (Class 51)

Experience (2005 onwards) :

2004-2005 - Executive Director, SC ASSET Corporation Public Company Limited

2006- 2011 - Director, Is Property Company Limited
- Chairman of Audit Committee, M Link Asia
Corporation Public Company Limited

2011 - 2012 - Chairman of Audit Committee/ Independent Director/ Executive Director,
Government Savings Bank

2012- 2014 - Member of a sub-committee of Corporate Governance Committee /
- Member of Risk Management Committee, Expressway Authority of Thailand

2012 - Present - Chief Executive Officer, Is Property Company Limited

2015 - Present - Qualified member of Subcommittee on Investment
- Financial Institutions Fund, Ministry of Finance
- Advisor, Thai Valuers Association
- Chairman of the Audit Committee/ Independent Director/
Director/ Nomination and Remuneration Committee,
Chayo Group Public Company Limited



พลอากาศเอกอาณันท์ จารยะพันธุ์

Air Chief Marshal Arnon Jarrapun

Audit Committee, Independent Director, Director,
and Chairman of Nomination and Remuneration Committee

Age : 63 Years

Education:

2003 Air War College, Class 38

2008 National Defence College, Class 51

2011 Advance Certificate Course
in Peace Promotion
(King Prajadhipok's Institute), Class 2

Experience (2005 onwards) :

2008 - Office of Donmuang RTAF Base Commander, Royal Thai Air Force

2011 - RTAF Security Forces Commander, Royal Thai Air Force

2012 - Deputy Chief of the Air Staff, Royal Thai Air Force

2013 - Chief of Executive Staff Committee to the Commanders,
Royal Thai Air Force

2014 - Deputy Commander-in-Chief, Royal Thai Air Force

2014 - 2015 - President of Airforce Central FC Football Club

2014 - Present - Member of National Legislative Assembly of Thailand
- Director, Metropolitan Electricity Authority

2015 - Present - Retired government employee on person, Royal Thai Air Force
- Audit Committee, Independent Director, Director,
and Chairman of Nomination and Remuneration Committee,
Chayo Group Public Company Limited



นายธีรณัฐ ตั้งสถาพรพงษ์

Mr. Teeranut Thangsapornpong

Audit Committee, Independent Director,
Director, Nomination and Remuneration Committee,
Chairman of Risk Management Committee, and
Chairman of the Corporate Governance Committee

Age : 44 Years

Education:

- 1994 Bachelor of Economics,
Thammasat University
- 2002 Master of Economics,
Thammasat University

Experience (2005 onwards) :

- 2002 - 2010 - Chief Investment Officer (CIO),
Watana Choedchu Company Limited
- 2010 - Investment Banking Director, KT Zmico Securities
- 2011 - Accountancy and Management Director,
TSFC Securities Public Company Limited
- 2011 - 2015 - Chief Financial Officer, Globlex Securities Company Limited
- 2015 - 2017 - Executive Vice President Investment Banking Division,
KTB Securities (Thailand) Company Limited
- Present - Audit Committee, Independent Director,
Director, Chairman of Risk Management Committee,
Chairman of Corporate Governance Committee and Nomination
and Remuneration Committee, Chayo Group Public Company Limited

ดร. วิทยา อินลา

Dr. Vitthaya Inala

Director

Age : 58 Years



Education:

- 1981 Bachelor of Education Program
in Chemistry, Mahasarakham University
- 2005 Master of Economics Program,
National Institute of Development
Administration
- 2010 Diploma of Leadership program,
University of California, Berkeley
- 2011 Top Executive Program,
Capital Market Academy
- 2013 Doctor of Philosophy Program
in Development and Organizational Change,
Cebu Doctors' University, Philippines

Experience (2005 onwards) :

- 1992 - 2015 - Director, Megachem (Thailand) Public Company Limited
- 2009 -2015 - Director, Chayo Asset Management Company Limited
- 2014 - Director, World Angel Fight Company Limited
- Director, Inspec Company Limited
- 2015 - Director, Vertis Latex Company Limited
- 2015 - Present - Chief Executive Officer, Megachem (Thailand)
Public Company Limited
- Present - Director, Chayo Group Public Company Limited



นางรสปน สุขสมบูรณ์

Mrs. Rosporn Sooksomporn

Director

Age : 62 Years

Education:

- 1976 Bachelor of Commerce,
Thammasat University
- 1981 Bachelor of Laws,
Thammasat University

Experience (2005 onwards) :

- 2003 -2006 - Director – Middle Manager, Legal Execution Department
- 2008 - Law enforcement investigator –Middle Manager and Specialist, Legal Execution Department
- 2008 - 2012 - Legal Execution of Bankruptcy Case Specialist, Legal Execution Department
- 2012 - 2013 - Director Business Reorganization - higher level, Legal Execution Department
- 2013 - 2015 - Deputy Director General, Legal Execution Department
- Present - Director, Chayo Group Public Company Limited

นายเสกสรรค์ รังสียี่รานนท์
Mr. Seksan RangsiyeranonDirector, Risk Management Committee,
And Executive Director

Age : 52 Years

Education:

- 1998 Bachelor of Business Administration
(Construction Management),
Sukhothai Thammathirat Open University
- 2005 Master of Political Science,
Ramkhamhaeng University
- 2017 Advanced Certificate Course
in Public Economics Management for Executives,
King Prajadhipok's Institute

Experience :

- 1986 - 1989 - Surveyor, Department of Lands, Ministry of the Interior
- 2004 - General Manager, Organo (Thailand) Company Limited
- 2004 - Present - Chief Executive Officer, Pornsiam Consultant and Service Company Limited
- 2005 - Present - General Director, Bangkok Water Pollution Service Company Limited
- Present - Director, Risk Management Committee and Executive Director, Chayo Group Public Company Limited



นายสุสันต์ ยศะสินธุ์

Mr. Suksan Yasasin

Vice Chairman of the Board,
Risk Management Committee,
Corporate Governance Committee,
Chairman of Executive Committee,
Chief Executive Officer,
and Acting Business Development Managing Director
Age : 56 Years

Education:

2002	Bachelor of Laws, Sripatum University
2005	Master of Political Science, Ramkhamhaeng University

Experience :

1985	- Intelligence Officer, National Intelligence Agency
1988	- Middle Officer, Kasikorn Bank
1994	- General Manager, Boonthavorn Company Limited
1997 - Present	- Vice Chairman of the Board, Risk Management Committee, Corporate Governance Committee, Chairman of Executive Committee, and Chief Executive Officer, Chayo Group Public Company Limited



นางสาวสิริพรรณ จันทรทิพย์

Ms. Siriphan Juntip

Director, Risk Management Committee,
Corporate Governance Committee, Executive Director,
and Managing Director of Service Department
Age : 46 Years

Education:

1993	Bachelor of Accountancy (Accounting), Dhurakij Pundit University
2005	Graduate Diploma in Property Valuation, Thammasat University
2006	Master of Real Estate Development, Thammasat University
2016	Bachelor of Laws, Phranakhon Rajabhat University

Experience :

2003	- Executive Officer, Siam Cement Group
2003 - Present	- Director, Risk Management Committee, Corporate Governance Committee, Executive Director, and Managing Director of Service Department, Chayo Group Public Company Limited



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General Information

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)

CHAYO GROUP PCL.

General Information

Name	Chayo Group Public Company
Stock Symbol	CHAYO
Company Registered Number	0107560000214
Established	1997
Registered as Public Limited Company in	2017
Nature of business	To service for debts tracking and collections. Also, to invest and manage the secured and unsecured non-performing loans obtained from the auction/ purchase/ transferred from financial institutions. The company, as well, services in the sale and purchase of the asset, along with customer service center.
Head Office	44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220
Telephone	(66) 2016 4499
Fax	(66) 2001 2555
Website	www.chayo555.com
Registered Capital	280,000,000 baht, comprising of 560,000,000 ordinary shares(as of 11th May 2017)
Paid-up Capital	As of 31st December 2017, paid-up capital of 210,000,000 baht, comprising of 420,000,000 ordinary shares
Par Value Per Share	0.50 baht
Industry	Financial
Sector	On 31st December 2017, not indicated since the company was in the process of listing in MAI stock exchange. However, after being listed, the company has been categorized in Finance & Securities Sector.

Subsidiaries and Associated Companies Information

Head Office	Company Registered Number	Established	Nature of Business	Registered Capital (Baht)	Par Value Per Share (Baht)	Paid-up capital (Baht)	Shareholding Proportion (%)
Chayo Asset Management Company Limited							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220	0105552046187	2009	Investment and Non-Performing Loan Management Business	156,950,000	5.00	156,950,000	100.00
Chayo Call Center Company Limited							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220	0105543062434	2000	Customer Service Center servicing on debt tracking and collection service, investing, and managing non-performing loans auctioned from other companies and financial institutions	1,000,000	10.00	1,000,000	100.00

Reference

Securities Registrar

Thailand Securities Depository Company Limited
 93 Stock Exchange of Thailand Tower
 Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
 Tel: (66) 2009 9000
 Website: www.tsd.co.th

Auditor	<p>Boonlert Kamolchanokkul (Partner) Certified Public Accountant (Thailand) No. 5339 PricewaterhouseCoopers ABAS Limited 179/74-80 Bangkok City Tower South Sathorn Road, Sathorn, Bangkok 10120 Tel: (66) 2844 1000 Website: www.pwc.com/th</p>
Internal Auditor	<p>Mr. Wiwat Limnantasin (Managing Director) KPS Audit Company Limited 412 Soi Rattanathibet 18, Bang Kraso, Muang Nonthaburi, Nonthaburi, 11000</p>
Legal Advisor	<p>Dherakupt International Law Office Limited 900 Tonson Tower, 12th Fl., Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330</p>
Investor Relations	<p>Mr. Kittit Tungswong 02-016-4499</p>

Nature of Business

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

1. Overview of Business

Chayo Group Public Company Limited and its subsidiaries operate the service of tracking and collecting of non-performing loans. Core businesses are categorized into 3 main services comprise of investing and managing non-performing loans, debt tracking and collection services, and customer service. The company has experience and expertise in debts tracking and collection services for 20 years, prior to entering in investing and managing non-performing loans in 2014. Later, the company has expanded to provide the customer service center to better serve the customer.

1.1 Vision and Mission

1.1.1 Vision

“Expertise in managing secured and unsecured non-performing loans professionally, for customers, and key stakeholders.”

1.1.2 Mission

- 1) Professional management abided by Law and Debt Collection Act.
- 2) Promote and protect positive image of customers and stakeholders.
- 3) Lead by systematic marketing and completed execution.
- 4) Managing assets with integrity and providing best solutions to debtors at all time.

1.2 Business Goal

1) Service and Investment aspects

The company targets to (1) grow in investing and managing non-performing loan services, concentrating in continuous investment in the secured and unsecured debts which are obtained from auction, direct purchase, and non-performing loans (NPA) purchase. More investment in non-performing secured loans is expected. (The company has also planned to invest in non-performing unsecured loans; however, the cost of investment is higher.) (2) have sustainable growth in debt tracking and collection services, which is the company’s competency for more than 20 years, and also on customer service. The company will expand customer base in order to better serve the customers,

under the assumptions to support customers and clients to achieve target goal as per initially agreed i.e. monthly/ quarterly debt collection target, goods sold target, monthly/ quarterly services, and monthly/ quarterly debt collection as per promotion campaign. (3) increase more services and sales channels by adapting the implication of modern technology and new innovation in order to promote up-to-date services, supporting the rapid changes of business environment and debtors behavior i.e. transfer information and services through cell phone, social networking platform. Moreover, company is also focusing on maintaining existing customer base; together with building new ones. By means of continuously services improvement; the company aims to expand the services and participates in the auction with companies and other financial institutions, apart from current in service financial institutions. This will ensure that the company can best serve the customers, which will in turn provide opportunity for the company to expand the customer base.

2) Management Aspects

The company aims to increase the revenue and continuously boost up the profit generation by focusing on the revenue growth generated from the investment and management of secured and unsecured non-performing loans, and also from other current related services. For instance, the company will auction more secured loans for further management, auction credit card group debt which is considered as unsecured loans, and also on personal loan group debt. In addition, the company targets to sell assets obtained from the auction, increase the revenue generated from existing customers by reaching the collection target, expand customer base which is still in the same existing target group, or even expand customer base to new target group if there are potential opportunities. Nevertheless, the services will be under the basis that the company will maintain the service efficiency, constant update customer base, and ongoing upgrade employee's knowledge and competence. We believe that by doing these actions, in turn, we will be able to generate much higher return, comparing to what we used to do in the past. Last but not the least, the company will also improve and reinforce the management of those underlying costs. Outbound dialer system will be used for the auto dialer process which is the process whereby the call is automatically triggered to those assigned list. Once the call starts, system will accordingly record the voice messages. Also, lines can be set to hang up once the complete information has been provided. This process will be used for the automatic outbound call to inform the outstanding debts to customer (debt tracking and collection services, and customer service). As well, the company also continuously looks for a way to reduce the auction cost of those secured and unsecured non-performing loans.

1.3 Background and Development

Year	Detail
1997	- The company was established under the name of Khien and Clay Company Limited with 3 million baht capital on 11st March 1997 to operate services under section 69100 prescribed by the Department of Business Development, Ministry of Commerce with the objectives to service tracking and collections of debts.
2009	<ul style="list-style-type: none"> - Performed asset due diligence for Small and Medium Enterprise Development Bank of Thailand.(SME Bank) - Obtained license number 2967 from Ministry of Finance to operate debt and asset managementservice. (2 years in a term)
2015	<ul style="list-style-type: none"> - 1st December 2015, changed name to Chayo Group Company Limited (CHAYO)to operate services under section 69100 prescribed by the Department of Business Development, Ministry of Commerce with the objective to service tracking and collections of debts, and lawyer service. - On 23rd December 2015, registered for capital increase of 207 million baht to 210 million baht with the Department of Business Development, Ministry of Commerce
2017	<ul style="list-style-type: none"> - The company was converted into a public limited company, a juristic person under Civil and Commercial Code B.E. 2535 and changed its name to Chayo Group Public Company Limited on 11st May 2017 - Changed the share's par value and undergo a stock split, from 21,000,000 shares with par value of 10.00 baht to 420,000,000 shares with par value of 0.50 baht - Registered for capital increase of 70.00 million baht on 11thMay 2017, as a result, Chayo Group Public Company Limited has registered capital of total of 280.00 million baht, comprising of 210.00 million baht of Issued and paid-up capital, and 70.00 million baht of unpaid capital.

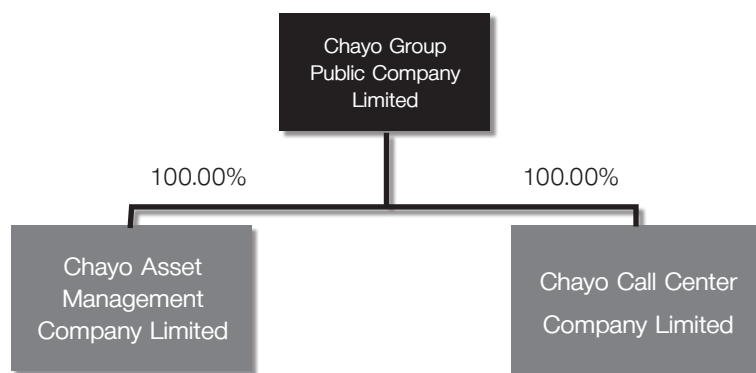
The company has initially auctioned the non-perform assets to invest and manage from non-financial institutions since 2011. However, in 21stMarch 2014, a subsidiary, Chayo Asset Management Company Limited was approved by Bank of Thailand, and registered as Asset Management Company (per Ministerial Regulation B.E. 254 1, Emergency Decree on Asset Management Company B.E. 254 1). As a result, Chayo Asset Management Company Limited (Chayo AMC) is authorized to participate in the auction and debts purchases from financial institutions, whereby Chayo Group Public Company Limited and Chayo Call Center Company Limited are able to buy debts from non-financial institutions.

2. Nature of the Business of the Company and the Subsidiaries

Nature of the business of the company and its subsidiaries are as follows:

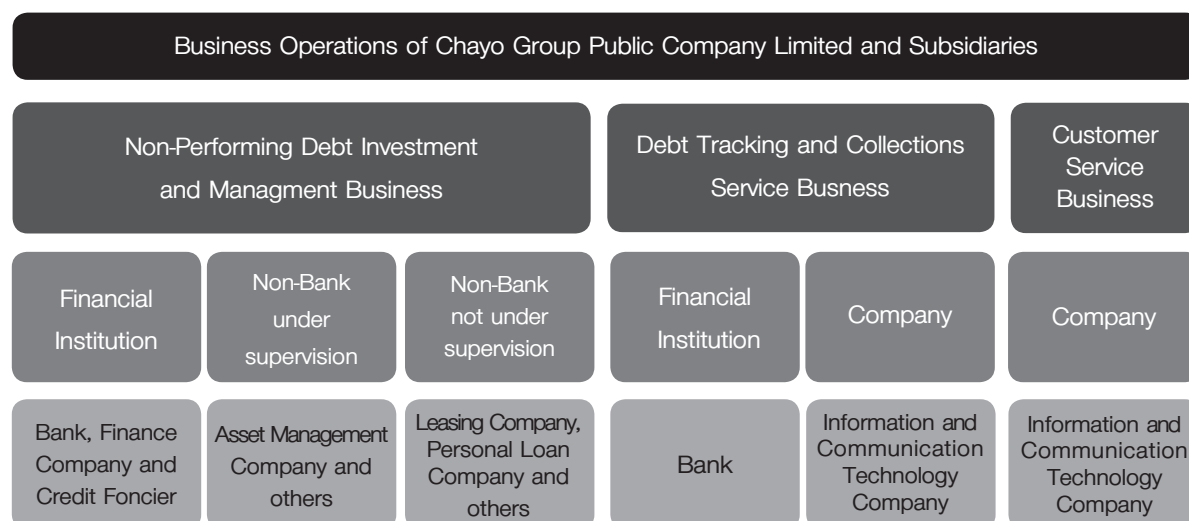
2.1 Company Structure

As at 31stDecember 2017, the company has 2 subsidiaries: Chayo Asset Management Company Limited and Chayo Call Center Company Limited with registered and paid-up capital of 156.95 million baht and 1 million baht, respectively.



2.2 Business Operations

Organizational structure of Chayo Group Public Company Limitedand its subsidiaries are shown below:



2.2.1 Non-performing Debt Investment and Management Business

The company will acquire the non-performing loans mainly from financial institutions by the auction through Chayo Asset Management Company Limited, who has the license granted from Bank of Thailand under Emergency Decree on Asset Management Company B.E. 2541. The company will manage the secured and unsecured non-performing loans, acquired from banks or financial institutions under the Bank of Thailand's supervision. Asset management activities cover compulsory execution, sales by auction, real estate acquired for investment, renovate and/or recondition for resale, and negotiate for the better term.

2.2.2 Debt Tracking and Collections Service Business

The company and its subsidiary, Chayo Call Center Company Limited, are the service providers for tracking and collection of the non-performing loans in which the company will track and negotiate on the debt payment with each debtor under authorized conditions provided by the clients, and under related Acts and regulations. Those non-performing loans are credit card group debt, personal loan group debt, utilities group debt, service fee group debt, and phone bill charge group debt. The company provides these services for the creditors who have limited resources on the debt tracking and collection activities. Debt tracking, negotiation and collections activities will be performed under the name of the clients. Further, the company and its subsidiary provide legal services such as account freeze and assets forfeit activities and suing activities against the debtors for the client.

2.2.3 Customer Service Business

Chayo Call Center Company Limited, the company's subsidiary, provides customer call center services. The company provides call services for products offering through phone line, together with systematical telemarketing services to provide the appropriate services in these rapid changes of customer's behaviors.

2.3 Revenue Structure

The revenue structure of the Company and its subsidiaries during 2015 – 2017 are as follows:

Revenue	2015		2016		2017	
	Million baht	%	Million baht	%	Million baht	%
Revenue from non-performing loans investment and management business	125.26	86.80%	162.42	82.09%	162.01	78.43%
Revenue from debt tracking and collections service business	15.97	11.07%	31.66	16.00%	37.71	18.26%
Revenue from customer service	-	-	3.06	1.55%	6.26	3.03%
Total Revenue from Services and Investment	141.23	97.87%	197.14	99.64%	205.98	99.72%
Other Revenues	3.08	2.13%	0.72	0.36%	0.58	0.28%
Total Revenues	144.31	100.00%	197.86	100.00%	206.56	100.00%

Risk Factors

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

The company operates 3 core businesses, namely, non-performing loan investment and management service, debt tracking and collections service, and customer service, whereby risks of each core business are varied.

1. Non-performing debt investment and management service business

1.1 The risk of investment loss from unsecured debt management

Investment in unsecured debts is to buy and/or participate in unsecured loan auction. In case that the debtor is forced into bankruptcy, assets will need to be shared with other creditors as per proportion and rights. Somehow, the company may not receive any returns from this investment since the pay back is not yet been made by the debtors. Further, activities such as debt collection or legal litigation cannot be imposed in the case whereby the bankruptcy is filed.

However, prior to any auction of non-performing loans, the company will carefully analyze and evaluate related information of those non-performing loans before making any decision. The analysis is based on several factors such as debtor's age, type of debts, average credit limit, forecasted cash flow to be generated from the non-performing loans management, storage cost, and other related information. Further, closely monitoring on the debt tracking and collection, and analysis of the future performance are being done. Nevertheless, the company has set up asset management committee to approve the transaction prior to participate in the auction. The committee will analyze and determine the appropriate auction prices for those distressed debts. Unsecured non-performing loans will normally have lower purchase price and/or lower auction price, due to the reasons provided above.

1.2 The risk of customer repayment ability on the non-performing loans

Customer repayment ability is the main factor of the revenue generation of non-performing loan management business. Many external factors, such as economic fluctuations and natural disaster, can worsen customer's repayment ability, which will in turn create collectible risk to the company. On the other hand, during economic bloom, debtor's repayment ability will be high. Thus, the company has at all time evaluated the debt tracking and collection activities to analyze the repayment ability of the debtors. As well, from the analysis, several campaigns and stimulus plans, such as debt discount during holiday period and special promotions, are used to promote the payback from the debtor.

1.3 The risk of relying on the management

The company is mainly dependent on the expertise and capabilities from Executive directors of Chayo Asset Management Company Limited, namely, Mr. Suksan Yasasin, Chief Executive Officer and Ms. Auntikorn Phichetkorn, Managing Director. The company is strongly relying on the experience, expertise, knowledge and skills from both executives. There is a risk of this dependency and the business operations might get impacted.

However, the company is aware of such risk of dependency on the 2 executives and other expertise personnel. Thus, the company plans and forms structure in the way that other executives can also work interchangeably, under the concept of good governance. As well, there are several training programs offered to the staff to promote the knowledge and capabilities and reduce the dependency on particular staff. Positive work environment is promoted in order to create atmosphere that the staff is a part of the company.

1.4 The risk of complaints and litigation arising from the debt collection activity which is not as prescribed by Debt Collection Act B.E. 2558

The company is exposed to the risk of litigation lawsuits from debtors in the case whereby the employees perform the activities contradicted to what prescribed in Debt Collection Act B.E. 2558 under the supervision of debt collector committee. However, the company has managed out the risk by providing continuous training to the staff and has set up clear disciplinary actions if staff has performed any wrongdoings. Further, the company also has mechanism on tracking staff performance on debts collection and customer satisfaction survey from the debtors is performed. Apart from that, there is a mechanism to protect the debt collection after the work hours, such as staff's phone using for debt tracking and collecting is not usable after the work hours.

1.5 The risk of fund arranging for auction and debt purchase

Even though there is continuously auction of non-performing loans, however, the investment or non-performing loans purchases require huge amount of fund. Thus, the company needs to arrange appropriate source of fund ready at all time, given that if the company wins the auction; the company will have to pay full amount of the non-performing loans to the seller on the asset transfer date which is normally within 30 days after the auction date. Therefore, the company, prior to the auction, will always ensure that sufficient funds are available for the payment.

At present, the company has outstanding credit line with financial institution together with the fund raised from the market, thus, there are much greater available funds for the future auctions.

1.6 The risk that no non-performing loans are available in the market

Potential risk will be at the period whereby those financial institutions are having no non-performing loans or few non-performing loans on hand, subsequently, they will be able to manage those assets in house or even set up subsidiaries to manage the tracking and collection of those non-performing loans. Economy is the main factor determining the amount of non-performing loans in the market. During the period of economic recession, more non-performing loans will be available as a result. However, the company still believes that whenever there are more non-performing loans in any financial institutions or their subsidiaries' portfolios, they will not be able to fully perform debts tracking and collection activities. Further, the tracking and collection activities incur high cost of processing, which will not be worth performing in house. Thus, the company believes that there is a low risk of having no non-performing loans available in the markets.

1.7 The risk that there are changes or incremental regulations, acts and procedures governing the business

It is essential that the company needs to abide by all related rules and regulations which will in turn directly impact the end users. Thus, the company is required to rapidly adjust, adapt and execute those upcoming regulations, which in turn will impact the company's strategy previously planned. However, the company is flexible to adjust any strategies and plans to cope up with any upcoming changes in the assumptions that all internal controls are maintained.

1.8 The risk from natural disaster and political issues which impact the business environment and company's performance

The company has realized the importance to have supporting plans for any natural disaster, thus Business Continuity Planning (BCP) is prepared just in case of any immediate activation. The plan will minimize the effect of any disruption on an organization, and also support the on-going ability to provide the same service level of execution.

1.9 The risk of higher auction cost due to the increase of competition in the industry

Efficient management is another key factor for the revenue generation of the investment and non-performing loans management company. As a result, many companies who are interested in entering into this industry have studied in-depth information on investment and non-performing loans management business. However, to operate the management of non-performing loan business requires high initial funding for the auction of non-performing loans and high investment on related systems. Further, management's expertise and experiences are another key success of the company's performance, which in turn might result as obstacles for the new incomings.

2. Debt Tracking and Collection Service Business

2.1 The risk of litigation arising from the debt collection activity which is not as prescribed by Debt Collection Act B.E. 2558

The company is exposed to the risk of litigation lawsuits from debtors and/or clients in the case whereby the employees perform the activities contradicted to what prescribed in Debt Collection Act B.E. 2558 under the supervision of debt collector committee, such as debts reported wrongly to other persons who are not the debtors, sending any communication containing message/ symbol/ sign/ company's name which implied a debt collection, misunderstanding by the debtors that employees are committing acts of defamation during negotiation, and debt collection activity after the work hours as required by law which is after Monday-Friday 8.00-20.00 and holiday 8.00-18.00.

However, the company has managed out the risk by providing continuous training to the staff, team lead, and related stakeholders on the understanding of Debt Collection Act B.E. 2558 and has clear disciplinary actions if staff including team lead has performed any wrongdoings. Further, the company also has mechanism on tracking staff performance on debts tracking and collection, voice recorder during the tracking and collection activities and also customer satisfaction survey from the debtors. Apart from that, there is a mechanism to protect the debt collection after the work hours, such as staff's phone using for debt tracking and collecting is not usable after the work hours.

2.2 The risk that the debt collection does not meet target as being set by the clients

External uncontrollable factors and economic conditions are playing key roles on debt tracking and collection business which can result in non collectible payback as per being targeted. Further, if the uncollectible issues are prolonged, the company will be at risk of not being chosen by the clients in the future.

However, the company has expertise and experience in debt tracking and collection services of more than 20 years. Further, all executions are performed in a high standard level under strict compliance to all rules and regulations. The company has always well performed the collection activities achieving targets provided by the clients who in turn result in a continuous job offered; as well the clients do not prefer to invest nor start to perform the debt collection activities in house. Furthermore, the company has outlined the plan and performance reports to track the root cause of those unachievable target collections in order to seek out the solutions for further development and improvement.

2.3 The risk of resources shortage

Given that there is high competition in the labor market, and higher possibilities that many companies are entering into the tracking and debt collection business, it is possible risk that the company will lack of resources to perform the tracking and debt collection. The company could possibly lose the opportunities and revenue portions, if the company could not fill in the empty positions nor unable to retain the existing employees. The company, thus, plans to manage the resources matter and any upcoming rapid changes by providing appropriate salary to the staff. Proper training will be provided to stipulate employee's expertise. Team building activities will be held in order to boost up the positive working environment, which will in turn attract those specialized staff to stay with the organization.

2.4 The risks from the competition within the industry

Debt Tracking and Collection Service Business does not require high investment, and business organization is not complex. Thus, the risk is that there will be new business operations to compete more in the industry and will result in an intense competition both in term of market sharing and price discount. Considering the future exposures, the company, therefore, pays high attention on quality of work and standard of the service. Nevertheless, all conducts and procedures will be abided by any laws and regulations in order to maintain the brand image of the clients. In conclusion, the company believes that by maintaining superior quality and high standard, there is a low possibility that the client will not further outsource the collection work to the company.

2.5 The risk of reliance on few major customers

The company is servicing the tracking and debt collection for few major clients, which are leading financial institutions (leading banks) and other information and communication companies. Service contract will be as per the client's consent and will be renewed by terms. In the case whereby the company can not meet the target services as agreed with clients, there is a risk that the contract will be amended or cancelled. However, from the records, the company has shown the competence and set a good standard of the services provided. Thus, the company has earned trust from the clients. Moreover, the company is planning to expand the customer base to other financial institutions and other firms in order to lessen the risk of the said dependency. As well, to expand the scope of services to other types of business such as customer service center.

2.6 The risk of leakage of important information

For debt tracking and collection activities, the clients will send relevant information or related to the company, whereby the data is considered as confidential information of the clients. The company must not disclose, copy or reproduce any single part of the information without clients' written consent. Also, the company will need to monitor and control the staff not to disclose any information to public. In any case, if the staff does not follow the company's rules and procedures by disclosing information to public, the company will be at risk of being sued or fined. Subsequently, company image and reputation can be affected and as a result the company might not get hired in the future.

The company has protected and managed out the risk by using technology to limit the rights of accessing to the information of each client. This technology will limit the access of the staff and related parties, preventing them from copying any information. Staff, also, is not allowed to bring in any electronic devices to workstation. The company also has process to review the access logs and consistently back up clients' information. Further, the company has clearly outlined the penalty if any staff has violated company's rules and procedures.

3. Customer Service Business

3.1 The risk of Industry Competition

Given that customer service business requires low initial investment and organizational structure is not complex, there is high possibility that new players will easily enter into this industry. This could result in price reduction in order to increase the market shares and customer base. However, call center service business requires high creditability and trust from the customer, since the company is representing the customer's image. Any mistakes occurred from the service can directly impact the company's image. Therefore, the customers are strictly sourcing the service providers. From the records, the company has outstanding performance and a long experience in debt tracking and collection business. The company has never discredited any customer's image. As a result, there is a very low risk of the market share loss due to the intense competition.

3.2 The risk of reliance on few major customers

Service contract will be as per the client's consent and will be renewed by terms. If contracts are amended or cancelled, this will immediately impact the business's revenue. However, the company has a good relationship with the clients on other businesses, thus, providing the company advantages on call center service. Further, to lessen the impact of dependency on few major customers, the company has planned to expand the customer base to other companies servicing in technology and communication industry, and also to other industries.

Shareholding Structure

บริษัท ชัยภูมิ จำกัด (มหาชน)
CHAYO GROUP PCL.

As at March 14, 2018, the company has 280 million baht of registered and paid-up capital, with 560 million common shares at 0.50 baht per shares.

No.	Shareholders	No. of Shares	%
1.	Mr. Suksan Yasasin	313,926,720	56.06
2.	Mr. Natthawat Yasasin	39,282,840	7.02
3.	Mr. Thiti Yasasin	39,240,840	7.01
4.	Mr. Somyot Mannithiworkul	11,936,760	2.13
5.	Ms. Siriphan Chanthip	6,831,020	1.22
6.	Mrs. Pimjai Inala	4,574,700	0.82
7.	Mr. Wunlop Jamwutti-precha	4,000,000	0.71
8.	Mrs. Juntaporn Aungkasuwansiri	4,000,000	0.71
9.	Ms. Panida Jiradeepalung	4,000,000	0.71
10.	Mr. Kittit Tungsiwong	3,940,000	0.70
	Others	128,267,120	22.91
Total		560,000,000	100.00

Dividend Policy

1. Dividend Policy

The company's dividend policy is to pay out no less than 40 percent of net income after tax and after all reserved under separate financial statement. However, dividend payout policy is subjected to investment plan, conditions and limitations as per prescribed in loan agreement and other related agreements (if any), financial status and company's performance, and other factors.

However, the Board of Directors may revise and amend the dividend payout policy as deem appropriate, considering future business plan, needs of funding and other factors. However, the dividend payout should be as prescribed by related rules and will not be greater than retained earnings as shown under separate financial statement.

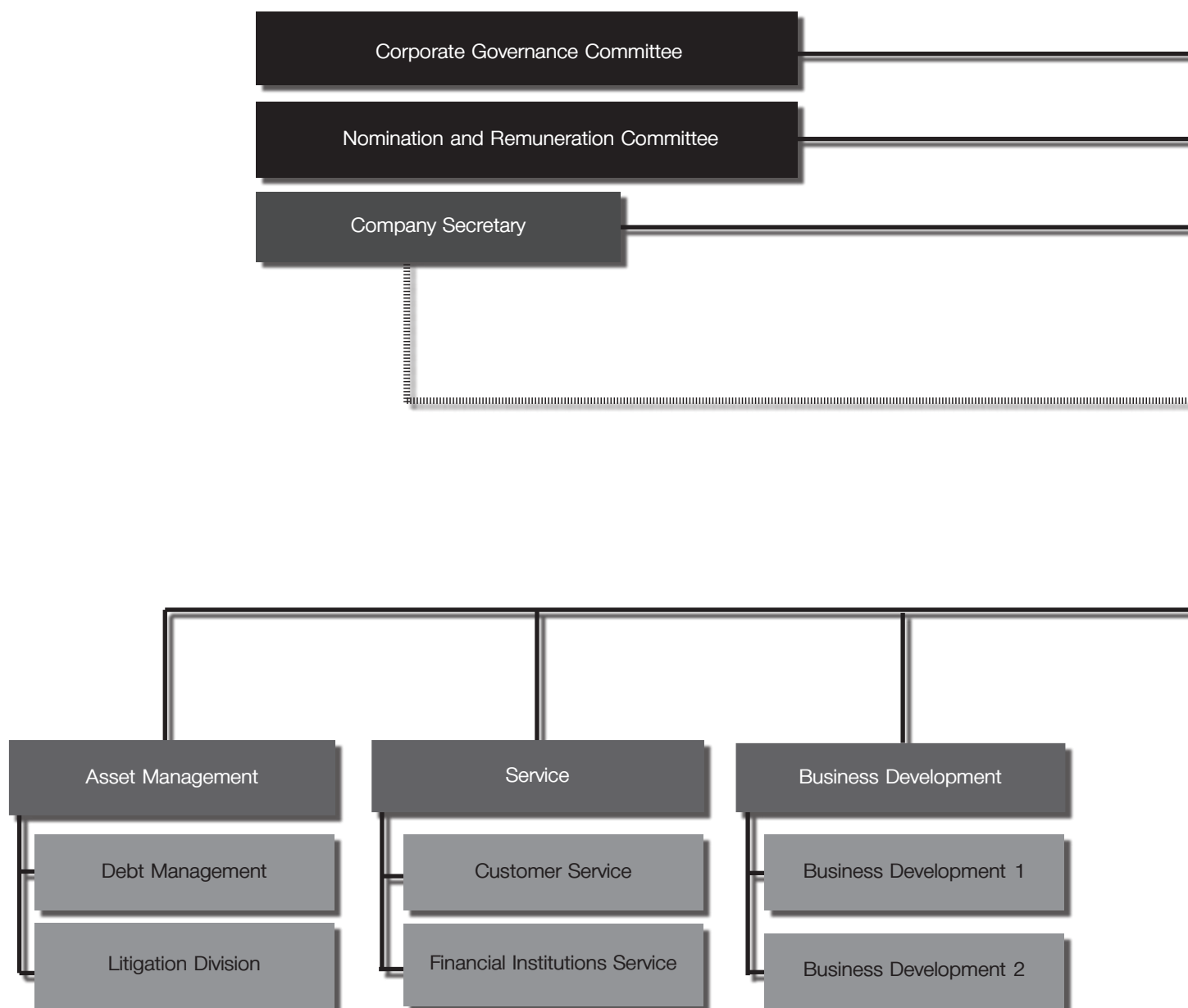
2. Dividend Policy of the Subsidiaries

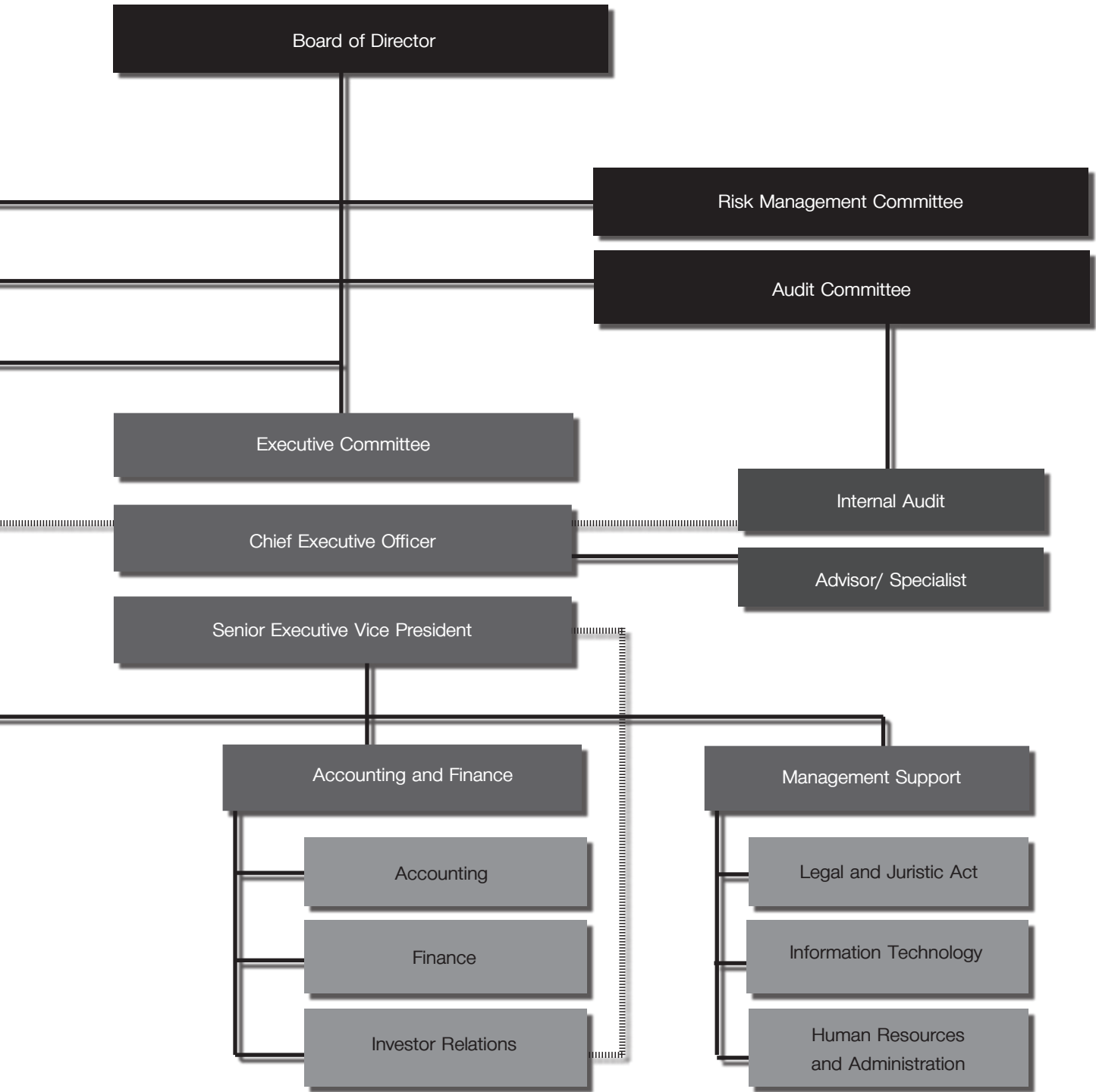
The subsidiaries' dividend policy is to pay out no less than 40 percent of net income after tax and after all reserved under separate financial statement. However, dividend payout policy is subjected to investment plan, conditions and limitations as per prescribed in loan agreement and other related agreements (if any), financial status and the subsidiaries' performance, and other factors. Dividend payout policy might be revised and adjusted as deem appropriate, considering future business plan, needs of funding and other factors. However, the dividend payout should be as prescribed by related rules and will not be greater than retained earnings as shown under separate financial statement.

Organization Structure

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

As at December 31, 2017, the organization charts of the company are as follows:





Board of Directors

As at 31st December 2017, there are total of 6 committees under the current company's structure, namely, Board of Directors, Executive Committee, Audit Committee, Risk Management Committee, Corporate Governance Committee, and Nomination and Remuneration Committee

Qualifications of company's Board of Directors and Executives are as per prescribed in Public Limited Companies Act, B.E.2535 under section 68, and Notification of the Securities and Exchange Commission no. TorChor. 28/2551 Re: Application for Approval and Granting of Approval for Sale of Newly Issued Shares (codified) dated 15 December 2008. From 2017 ordinary shareholders' meeting resolution as of 25 April 2017, Board of Directors of the company comprises of 9 directors as follows:

No.	Name	Position
1.	Mr. Wutisak Lapcharoensap	- Chairman of the Board - Independent Director
2.	Mr. Chanon Chotevijit	- Director - Independent Director - Chairman of the Audit Committee - Nomination and Remuneration Committee
3.	Air Chief Marshal Arnon Jarrapun	- Director - Independent Director - Audit Committee - Chairman of Nomination and Remuneration Committee
4.	Mr. Teeranut Thangsatapornpong	- Director - Independent Director - Audit Committee - Chairman of Risk Management Committee - Nomination and Remuneration Committee - Chairman of the Corporate Governance Committee
5.	Mr. Vitthaya Inala	- Director

No.	Name	Position
6.	Mrs. Rosporn Sooksomporn	- Director
7.	Mr. Seksan Rangsiyeranon	- Director - Executive Director - Risk Management Committee
8.	Mr. Suksan Yasasin	- Vice Chairman of the Board - Risk Management Committee - Corporate Governance Committee - Chairman of Executive Committee - Chief Executive Officer - Acting Business Development Managing Director
9.	Ms. Siriphan Juntip	- Director - Risk Management Committee - Corporate Governance Committee - Executive Director - Managing Director of Service Department

Mr. Kitti Tungsriwongis appointed as Company Secretary

- Directors who have authorities to sign on behalf of the company

- Mr. Suksan Yasasinand Ms. Siriphan Juntipand Mr. Seksan Rangsiyeranonwhereby signed by two directors and a company's seal

- Directors who have control over appointment granted by major shareholders

- No director is granted control by major shareholders since Mr. Suksan Yasasin who is appointed as Vice Chairman of the Board is the only major shareholder who has control right over the company.

Details of 2017 Board Meetings are as follows:

No.	Name	2017	
		No. of Meeting	No. of Attendance
1.	Mr. Wutisak Lapcharoensap	9	7
2.	Mr. Chanon Chotevijit	9	8
3.	Air Chief Marshal Arnon Jarrapun	9	9
4.	Mr. Teeranut Thangsatapornpong	9	9
5.	Mr. Vitthaya Inala	9	5
6.	Mrs. Rosporn Sooksomporn	9	9
7.	Mr. Seksan Rangsiyeranon	9	8
8.	Mr. Suksan Yasasin	9	9
9.	Ms. Siriphan Juntip -	9	8

Executive Committee

As at 31 December 2017, the executive committee consists of 8 members as follows:

No.	Name	Position
1.	Mr. Suksan Yasasin	Chief Executive Officer
2.	Mr. Seksan Rangsiyeranon	Executive Director
3.	Ms. Siriphan Juntip	Executive Director
4.	Mr. Kittit Tungsiwong	Executive Director
5.	Mr. Nottapol Thipchatchawanwong	Executive Director
6.	Ms. Naowarat Sangkrot	Executive Director
7.	Mr. Thakrit Jarasthanakij	Executive Director
8.	Mr. Pramote Yimlamai ^{1/}	Executive Director

Audit Committee

As at 31 December 2017, the audit committee consists of 3 directors as follows:

No.	Name	Position
1.	Mr. Chanon Chotevijit	Chairman of the Audit Committee
2.	Air Chief Marshal Arnon Jarrapun	Audit Committee
3.	Mr. Teeranut Thangsatapornpong	Audit Committee

Risk Management Committee

As at 31 December 2017, the committee consists of 6 directors as follows:

No.	Name	Position
1.	Mr. Teeranut Thangsatapornpong	Chairman of Risk Management Committee
2.	Mr. Suksan Yasasin	Risk Management Committee
3.	Ms. Siriphan Juntip	Risk Management Committee
4.	Mr. Seksan Rangsiyeranon	Risk Management Committee
5.	Mr. Nottapol Thipchatchawanwong	Risk Management Committee
6.	Mr. Kittit Tungsiwong	Risk Management Committee

Corporate Governance Committee

As at 31 December 2017, the committee consists of 4 directors as follows:

No.	Name	Position
1.	Mr. Teeranut Thangsatapornpong	Chairman of the Corporate Governance Committee
2.	Mr. Suksan Yasasin	Corporate Governance Committee
3.	Ms. Siriphan Juntip	Corporate Governance Committee
4.	Ms. Auntikorn Phichetkorn	Corporate Governance Committee

Nomination and Remuneration Committee

As at 31 December 2017, there are 3 directors under nomination and remuneration committee as follows:

No.	Name	Position
1.	Air Chief Marshal Arnon Jarrapun	Chairman of Nomination and Remuneration Committee
2.	Mr. Chanon Chotevijit	Nomination and Remuneration Committee
3.	Mr. Teeranut Thangsatapornpong	Nomination and Remuneration Committee

Management Team

As at 31 December 2017, the company comprises of 8 executives as follows:

No.	Name	Position
1.	Mr. Suksan Yasasin	Chief Executive Officer and Acting Business Development Managing Director
2.	Mr. Kittu Tungswong	Senior Executive Vice President
3.	Ms. Auntikorn Phichetkorn	Managing Director of Asset Management Department
4.	Ms. Siriphan Juntip	Managing Director of Service Department
5.	Mr. Nottapol Thipchatchawanwong	Chief Financial Officer
6.	Ms. Narumol Toprapat	Acting, Managing Director of Management Support Division
7.	Mr. Thanate Wanarat	Accounting Manager
8.	Ms. Naowarat Sangkrot	Finance Manager

Compensation of Director for Year 2017

Name	Position
1. Mr. Wutisak Lapcharoensap ^{1/}	<ul style="list-style-type: none"> - Chairman of the Board - Independent Director
2. Mr. Chanon Chotevijit ^{1/ and 4/}	<ul style="list-style-type: none"> - Director - Chairman of the Audit Committee - Independent Director - Nomination and Remuneration Committee
3. Air Chief Marshal Arnon Jarrapun ^{2/}	<ul style="list-style-type: none"> - Director - Chairman of Nomination and Remuneration Committee - Audit Committee - Independent Director
4. Mr. Teeranut Thangsatapornpong ^{1/}	<ul style="list-style-type: none"> - Director - Chairman of Risk Management Committee - Chairman of the Corporate Governance Committee - Nomination and Remuneration Committee - Audit Committee - Independent Director
5. Mr. Vitthaya Inala ^{2/}	<ul style="list-style-type: none"> - Director
6. Mrs. Rosporn Sooksomporn ^{2/}	<ul style="list-style-type: none"> - Director

Unit : Baht

For the year ended 31 December 2017						
Compensation (Baht)						
Board of Director	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee	Total
35,000	-	-	-	-	-	35,000
21,000	35,000	2,000	-	-	-	58,000
27,000	21,000	6,000	-	-	-	54,000
27,000	21,000	4,000	-	6,000	5,000	63,000
15,000	-	-	-	-	-	15,000
27,000	-	-	-	-	-	27,000

Name	Position
7. Mr. Seksan Rangsiyeranon ^{2/}	- Director - Executive Director
8. Mr. Suksan Yasasin ^{3/}	- Director - Chief Executive Officer - Chairman of Executive Committee
9. Ms. Siriphan Juntip ^{4/}	- Director - Executive Director - Managing Director of Service Department
10. Mr.Thakrit Jarasthanakij	- Executive Director
11. Mr. Pramote Yimlamai	- Executive Director
Total	

Remarks: 1/ Firstly appointed as per extraordinary shareholders' meeting resolution 1/2015 dated 17 August2015

2/ Firstly appointed as per extraordinary shareholders' meeting resolution 3/2015 dated 19 November2015

3/ Firstly appointed on registration Date 11 March 1997

4/ On extra record of the meeting participation of Mr. Chanon Chotevijit. Thus, the company will not pay the compensation for the next meeting attendance of Mr. Chanon Chotevijit.

Unit : Baht

For the year ended 31 December 2017						
Compensation (Baht)						
Board of Director	Audit Committee	Nomination and Remuneration Committee	Executive Committee	Risk Management Committee	Corporate Governance Committee	Total
24,000	-	-	24,000	-4,000	-	52,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	20,000	-	-	20,000
-	-	-	6,000	-	-	6,000
176,000	77,000	12,000	50,000	10,000	5,000	330,000

For year 2017, compensations of Board of Directors and Committees are approved by the Annual General Meeting of Shareholders held on 25 April 2017

Unit : Baht

Committee	Monthly Compensations		Allowances(Baht/Time)	
	Chairman	Committee	Chairman	Committee
Board of Directors	-	-	5,000	3,000
Audit Committee	-	-	5,000	3,000
Nomination and Remuneration Committee	-	-	3,000	2,000
Executive Committee	-	-	3,000	2,000
Risk Management Committee	-	-	3,000	2,000
Corporate Governance Committee	-	-	5,000	3,000

There are other compensations of 702,212 baht in 2017, with the details shown below:

Unit : Baht

Director	2017
Mr. Wutisak Lapcharoensap	100,000
Mr. Chanon Chotevijit	170,000
Air Chief Marshal Arnon Jarrapun	80,000
Mr. Teeranut Thangsatapornpong	108,112
Mr. Vitthaya Inala	50,000
Mrs. Rosporn Sooksomporn	50,000
Mr. Seksan Rangsiyeranon	114,100
Mr. Thakrit Jarasthanakij	30,000
Mr. Suksan Yasasin	-
Ms. Siriphan Juntip	-
Total	702,212

Further, total other compensations in 2017 of 702,212 baht consists of special bonus of 520,000 baht, TEPCoT program held by Commerce Academy of The University of the Thai Chamber Commerce of 90,000 baht, Advanced Security Management Program by National Defense College of 64,100 baht, and RCL 9/2017 program held by Capital Market Academy IOD of 28,112 baht.

Human Resources

As of 31 December 2017, the company and its subsidiaries have total of 128 staff (excluding executives), with total compensation of 22.08 million baht comprises of salary, commission, incentive, bonus, provident fund, etc.

As of 31 December 2017, the company and its subsidiaries have total of 8 executives with total compensation of 13.99 million baht comprises of salary, commission, incentive, bonus, provident fund, etc.

Corporate Governance

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

1. Corporate Governance Policy

Corporate Governance Code for Listed Companies B.E. 2555 consists of the principles of good corporate governance outlined by Stock Exchange of Thailand, excluding the principles which are explicitly outlined in the law. 5 principles of corporate governance are as follows:

1. Rights of shareholders
2. Equitable treatments of shareholders
3. Roles of stakeholders
4. Information disclosure and transparency
5. Responsibility of the board of Directors

Principle 1 Rights of Shareholders and Principle 2 Equitable Treatments of Shareholders

Every shareholder is regarded as company's owner who is having the equitable rights. These treatments are rights to buy/sell/transfer shares, rights in company's profit and dividends, rights to receive timely and sufficient information through appropriate accessible channels, which in turn will result in the decision on the director voting, nomination of the auditors, and rights to attend the meeting for any voting.

The company recognizes the importance of the equal rights of all minor shareholders and institutional investors. Also, the company always ensures that all shareholders' right are protected and fairly treated:

1. Promote shareholders to exercise their rights
2. Prevent any actions which will interfere or deprive other shareholder's rights
3. Promote and provide adequate information to all shareholders
4. Set up preventive actions on any abstinence of the usage of internal information for one's benefit
5. Channels for all shareholders to report if ones find that there might be any consequences toward ones' benefits.
6. Promote the right to participate in shareholder's meeting, whereby in each meeting the company will:

- (1) Inform the shareholders prior to the meeting on rules and procedures of the meeting, right voting procedures.
- (2) The company will distribute adequate and necessary information in a timely manner prior to the meeting. The information will be displayed in company's website prior to distributing the relevant documents to the shareholders. This enables shareholders to gain quick access to the meeting details prior to the meeting.
- (3) Proper registration will be provided to accommodate the shareholders
- (4) Facilitate and provide appropriate accommodation to all shareholders.
- (5) Prepare proxy form in the format to facilitate the voting
- (6) Nominate at least 2 independent directors as an alternative for the shareholders to give a proxy to.
- (7) Clear procedure to allow minor shareholders to propose agenda, nominate candidates for directorship, and submit any queries in advance.
- (8) Create an open atmosphere to allow shareholders to give opinions or suggestions, and ask queries during the meeting
- (9) Promote the use of voting cards on any important agenda
- (10) Promote the attendance of all directors and all chairmen of sub committees to attend every meeting.

Principle 3 Roles of Stakeholders

The company places importance on the rights of all stakeholders of the company both internal stakeholders, i.e. shareholders, executives, staff, or external stakeholders, i.e. creditors, partner, competitor, government, society and public, etc. Company believes that by receiving any suggestions from all stakeholders will in turn benefit company's performance and further result in the business development. All laws and related procedures on stakeholders' rights will be taken in a good care. The roles of stakeholders can be summarized as follows

1. Shareholders

The company places an importance on transparency, morality and ethics. Sustainable growth is placing at the heart aiming for good business performance as a result. This, in turn, enables reasonable and sustainable growth to shareholders and investors' investment. The company treats all shareholders with equitability by promoting all directors, executives and staff to be fair, careful and attentive to all the steps of work which as a result will generate the highest benefits toward shareholders.

The company will consistently and completely disclose company's status, performance, financial statement, and relevant information by informing both positive and negative future trends with facts. All data will be supported by reasonable supportive information. No undisclosed confidential data which can result in conflicts of interest will be used for the benefit of oneself or other parties.

2. Clients

Company has regarded customer satisfaction as a key, thus the company has outlined the policy to provide effective and quick services to serve the needs of its clients. The company will always protect clients' image by work with the clients on providing the best solution to them and related parties. Also, human development will continuously be improved in order to promote the best quality services.

3. Business Partners and/or Creditors

The company promotes the good relationship with business partners and/or creditors by operating under supportive basis, and fairly treatment to all business partners and/or creditors whereby maximizing the company's benefit. For mutual benefit, any situation which can result in conflict of interest will be avoided and strictly comply with all commitments whereby no deceitful actions will be performed. In any case, if the company finds that there are any deceitful actions being taken, the company will declare those actions to business partners and/or creditors, in order to coordinately fix the issues in a fairly and timely manner. All agreed commitments will be strictly complied, in the case that any commitments are broke, the company will immediate inform business partners and/or creditors.

4. Competitors

The company strictly follows the rules of competition, avoids any inappropriate or corrupted methods in accessing competitors' information. The company will run the business based on good code of conduct towards its competitor by not destroying competitors' reputation in an inappropriate way.

5. Employees

The company gives priority to the employees who are the most critical resources, and who has supported and drove the company's performance toward the goals. Thus, the company promotes the campaign to promote appropriate recruitment, wellbeing of the employees by providing appropriate benefits, opportunity in career growth and arrange good ergonomics in the workplace. Clear compliance to laws and procedures will be adhered to ensure that the employee will work in a safe environment both towards employee's health and assets. The company treats every employee equitably, fairly, and provides suitable remuneration. Job promotion and rotation as well as rewards and punishment will be conducted fairly, and provides suitable remuneration. Job promotion and rotation as well as rewards and punishment will be conducted fairly, and opportunity will be given thoroughly to all staff as per the performance. No unfair treatments

which can result in the job security or any threatening to pressure the employees will be performed. The employees have rights to make a complain if they do not receive fair treatment in the specified procedure, and it is a must that the company will listen for all the opinions and suggestion from every employee.

6. Government

The company will run the business, along with promoting and developing the country, by adhering to any related laws, rules, regulations and any procedures.

7. Society, Community and Environment

The Company continuously engages in activities that enhance quality of life of the society, community and environment by promoting all standards related to security, sustainability, sanitation and environment. The company recognizes and reinforces the importance of social environmental responsibilities and supporting the improvement towards sustainable society, environment, and better quality of life according to rules and regulations outlined by the regulatory authority. The company addresses the importance of social responsibilities by aiming to promote the community and social development as well as conservation of natural resources.

Principle 4 Information disclosure and transparency

The company ensures the information disclosure and transparency of both financial related and non-financial related information with below principles:

1. All disclosed information to shareholders, investors, and public need to be accurate, complete, transparency, timely and adhere to all related rules and regulations, covering financial information, annual financial statement, annual reports and all other information.
2. Disclosure channels will be easily and equitably accessed by all shareholders, investors and public.
3. Always revise important information to be up-to-date and always evaluate the performance of the disclosure procedure.
4. Set up responsible team to take care of the fair and transparency of the disclosure. The team will receive and coordinate on the information disclosure, create a good relationship between the company, shareholders, investors, analyst and all related functions. Information technology team is set up to internally distribute the company update.

Principle 5 Responsibility of the Board of Directors

5.1 Board of Directors

The Board of Directors comprises of personnel with various knowledge, capability and experience. As mandated, the company has at least 5 directors and not greater than 12 directors whereby one of the directors needs to have expertise in accounting and finance.

- (1) The independent directors should be at least 3 persons, or one thirds of the Board of Directors.
- (2) All directors including independent directors should have qualifications as per mandated by related laws and procedures set by the company's governance committee and under good corporate governance. Directors should be personnel with knowledge, capability and experience beneficial to the business operations, and should be recruited through the recruitment process of the Nomination and Remuneration Committee.

However, all appointed directors need to have qualifications as per mandated by company's rules and related law. The remuneration process should be transparent and clear. The nomination and remuneration committee will need to study the detailed qualifications of the nominated directors including their education background and experience, which will support the better decision making by the Board of Directors and shareholders. Further, the position term will be as per specified in company's regulations, and the directors that leave their positions may be re-appointed.

1. Charter or responsibilities of the Board of Directors

- (1) Operate the business in accordance with laws, objectives and regulations of the company, including to all the resolution of the shareholder's meeting with integrity, carefulness, and always operate in a way to protect the interests of the company and shareholders.
- (2) Power to appoint number of directors and/or the executives as company's management team, thus, to perform the tasks assigned from the Board of Directors. Further, the Board of Directors also has power to appoint Chief Executive Officer and other committees in order to perform specific assignments on behalf of the board. However, these appointments will need to be under the Board of Director's empowerment, and the Board can revoke, cancel, amend or change such authorities as suitable.
- (3) Authority to appoint sub committees, such as Nomination and Remuneration Committee, Risk Management Committee, Executive Committees. Further, the Board of Directors can appoint Chairman of the sub committees to support the appointed committee as appropriate. At all time, the performance of sub committees will be tracked and evaluated.

- (4) Set goal, approach, strategy, business plan, and company's budget, including the supervision and monitoring of the management team, sub committees, and other related persons' performance on any assignment.
- (5) Evaluate, verify and approve policy, directions, strategy, business plan, and mega investments proposed by the management team. Also, revise critical policy and business plan to be up-to-date and suitable per the current business environment.
- (6) Consistently monitor the company's performance to be in accordance with the plan and budget.
- (7) Approve for any investment in business expansion, including investment in any joint venture with other business operators or companies.
- (8) Determine the management strategy of the subsidiaries and/or associating companies.
- (9) Outline the company's regulations.
- (10) Evaluate and approve key business of the company as appropriate under the assumptions that the decision is based on the best benefit provided to the company. However, the Board is not authorized to perform the following actions, unless approval from the shareholder's meeting is received. In the event that any directors or the delegates or the persons who might have conflicts against the company (according to the announcement of The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand) or process any conflict of interest against the company and/or its subsidiaries and/or the company which relates to the directors or the delegates, the Board will not have authority to approve such topics.
 - a) Resolution from shareholder's meeting is required for any topic specified by law.
 - b) Resolution from shareholder's meeting is required for any issue whereby the directors have conflict of interest or under the scope of law or under the rules of Stock Exchange i.e. the connected transaction, asset acquisition and deposition according to rules of The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand

The below agenda must be approved by the majority votes from the attended directors in the Board's meeting, and no less than 75% of total votes from the attended shareholders with voting right in shareholder's meeting.

- a) Sales or transfer of total or some essential parts of the business
- b) Acquire or obtain other companies
- c) Enter, amend or terminate any contract either the whole or essential parts of the company's leasing. Appointing other individual to manage company's business or merge the business under the purpose of personal benefit sharing.
- d) Amendment of the Memorandum of association or the regulations
- e) Capital increase, capital decrease, and debenture issuance
- f) Enter or terminate the merger of the business
- g) Other mandates as prescribed by law under security section and/or regulation of the stock exchange need to be approved by the Board's meeting and shareholder's meeting with majority votes.

The interested director, who is having the conflicts or conflicts of interest against the company or its subsidiaries, shall not have voting rights in such agenda.

- (11) Authorized to provide the reports and financial reports to shareholders and stakeholders or investors in a timely manner and as per prescribed by law. The Board of Directors has to acknowledge the audit report provided by audit committee, the internal audit, the auditors and the supervisor. The Board of Directors shall consider on the adjustment of the problems.
- (12) The independent directors and non-executive directors shall be independent to evaluate the strategy, management, resources usage, director nomination, standard of business performance, and shall oppose if found any wrongdoings by any directors or management team.
- (13) Appoint Company Secretary as per mandated by the Stock Exchange in order to oversee the related laws and regulations, prepare and manage the documents of the Board of Director's meeting and related confidential documents, Board of Directors' activities, and coordinate for the actions from the Board of Director's meeting resolution.
- (14) Responsible for the proper accounting system and auditing, and also monitor the proper internal audit system and place importance to the efficiency of the internal control system

- (15) Arrange appropriate and efficient risk management system in order to be able to evaluate and manage the critical risk
- (16) Arrange good corporate governance conduct and ethics and set guidelines for the directors and staff. Promote and communicate to all staff in the company to adhere to the guidelines.
- (17) Set up clear and transparent process for the connected transactions
- (18) Clear procedures for audit committee to report any suspicious activities or actions which might significantly impact the financial statement or company's performance to the Board of Director. The Board of Directors will need to amend those issues in a timely manner as per advised by the audit committee.
- (19) Update and revise the company's Charter to be up-to-date
- (20) Declare the shares held under themselves, their spouse and child(ren) under the legal age in Board of Director's meeting on a monthly basis, and need to immediately inform the company if:
 - a) The directors or related persons are having any conflicts on the management of the company or its subsidiaries.
 - b) The directors or related persons are holding the company's or its subsidiaries' shares.
- (21) Prohibited to disclose internal information to third party and no trading of the company's shares within 1 month before publication and 3 days after publication of the company's financial statement.
- (22) The Board of Directors can hire external consultant to provide the business comment at the company's expense
- (23) Perform any duties as per delegated by the shareholders

2. The Board of Director's meeting

- (1) The Board of Directors has schedule the meeting every 3 months, and schedule the meeting in advance for a year, and might arrange special meeting as per necessary.
- (2) Chairman of the Board of Director, Chief Executive Officer, or Managing Director will be responsible for meeting invitation and meeting agenda. The company secretary shall send the notice of the meeting according to the agendas and supporting documents at least 7 days in advance prior to the meeting in order that the Board of Directors shall have sufficient time to consider the matters before the meetings.
- (3) Chairman of the board will conduct the meeting and responsible for the proper discussion time for each agenda. The meeting will be conducted to facilitate and encourage the different opinions for the profits of the shareholders and stakeholders, also allow management team to present important information for particular agenda.
- (4) The company secretary has duty to prepare minutes of the meeting and distributed within 14 days and shall store the meeting documents and related supporting documents, and coordinate with related stakeholders.

5.2 Sub Committees

The Board of Directors has established sub-committees to assist the board in overseeing matters in details, namely:

5.2.1 Audit Committee

As of 31 December 2017, the audit committee consists of 3 directors as follows:

No.	Name	Position
1.	Mr. Chanon Chotevijit	Chairman of the Audit Committee
2.	Air Chief Marshal Arnon Jarrapun	Audit Committee
3.	Mr. Teeranut Thangsapornpong ^{1/}	Audit Committee

Remarks: 1/ Audit committee who has expertise and experience in reviewing company's financial statement.

1. Recruitment process

Audit committee is a part of the Board of Directors, whereby at least 3 directors should be appointed, and one director should have expertise and experience in accounting/ finance. Audit committee should be independent as per mandated by the Office of the Securities and Exchange Commission. Audit committee has authority as per mandated in the Charter.

2. Charter or responsibilities of the audit committee

- (1) Review the accuracy and adequacy of the company's financial reporting, coordinate with auditor and executives who are in charge of the quarterly and yearly financial statements, review whether the company has an appropriate and effective standard of financial statements and reports, any changes of important accounting policy, and also on the opinions related to accounting policy as raised by the Board of Directors, prior to publish the figure to investors and shareholders.
- (2) Review whether the company has an appropriate and effective internal control system and internal audit procedure and evaluate. Work together with external auditor and company's internal auditor on the annual audit plan review to ensure and evaluate if there are any issues or limitations of the financial audit. Further, outline the control over the electronically processing and prevent the fraudulent actions or any misuse of the computer network by the staff or any stakeholder. All members of the audit committee must be independent director and shall appoint, transfer or terminate the Chairman of the audit committee or any related committees.
- (3) Review the company's compliance with the Securities and Exchange Act, SET regulation, and relevant laws relating to the company business. Also, responsible to act upon any rules and regulations mandated by The Office of the Securities and Exchange Commission and the Stock Exchange of Thailand.
- (4) Nominate and appoint the independent auditor to review the reliability of financial report. Also, responsible for the review of the compensation of the auditor by taking into account of the creditability, resources, quantity of the work, experience of the assigned auditor. Further, shall participate with the auditor in the meeting without the Company's management at least once a year.
- (5) Shall provide opinion on the connected transactions and/or the acquisition or disposition of company or its subsidiaries' asset and shall disclose the accurate and completed company's connected transactions and any conflict of interest transactions. Approve those agenda and present to the Board of Director and/or shareholder's meeting under the assumptions in accordance to related laws and undergo for the best benefits of the company.

(6) Prepare the audit committee report and disclose the said report, signed by the Audit Committee Chairman, in the annual report. The audit committee's report should contain at least the following information:

- a) Opinion on the accuracy, adequacy and reliability of the company's financial report
- b) Opinion on the company's internal control system
- c) Opinion on the company's compliance with the Securities and Exchange Act, the SET regulations, and the relevant laws relating to the Company's business
- d) Opinion on the appropriation of the external auditor
- e) Opinion on transactions that may cause conflict of interests
- f) The frequency of Audit Committee meetings and the participation of each member
- g) Opinion or raise any points on which the audit committee obtains from the duties according to the charter
- h) Other reports which shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors

(7) The audit committee shall responsible for any duties assigned by the Board of Directors and reports such matters on those assigned duties to the Board of Director in timely manner:

- a) Conflicts of Interest
- b) Fraud or irregularity or a significant deficiency in the internal control system
- c) Infringement of the Office of the Securities and Exchange Commission act and/or the Stock Exchange of Thailand Regulations, or relevant laws related to the company business.
- d) Other reports which the Board of Directors shall know

If the auditor reports the issues which can significantly impact the company's financial statement and business performance to the Board of Director and Executives on the solutions, however, if the Board of Directors or the management fails to seek an improvement within a reasonable period, any member of the audit committee shall report such matter directly to the Office of the Securities and Exchange Commission and/or Stock Exchange of Thailand.

- (8) If the auditor finds suspicious circumstances in which a director, manager or responsible person in the company committed an offense under the law and Securities and Exchange Act section 281/2 clause 2, section 305, section 306, section 308, section 309, section 310, section 311, section 312 and section 313, the audit committee should initial investigate such matter and shall report the primary result to the Office of the Securities and Exchange Commission and the auditor within 30 days of being informed.
- (9) Audit committee has authority to seek external independent opinion at the expense of the company.
- (10) Audit committee has authority to invite the management or other related stakeholders to participate in the meeting or to provide related information or to obtain any information from any departments to supplement any auditing agenda.
- (11) Occasionally review and update the charter of audit committee, and present to Board of Directors for approval.
- (12) Perform any other duties as assigned by the Board of Directors and/or as per the opinion from the audit committee such as review the financial management policy and risk management procedures, revise the management code of conduct documented in reports published as per the required laws i.e. Management discussion and analysis. However, the interested audit committee or any delegates shall not have the right to vote in the agenda whereby the interested audit committee or any delegates or any conflict stakeholders according to the Office of the Securities and Exchange Commission and/or Stock Exchange of Thailand, have conflict of interest or connected transactions against the company and/or its subsidiaries and/or its associated companies.
- (13) The audit committee shall have responsibilities to the Board of Directors, whereby the Board of Directors shall have responsibilities to the public.

5.2.2 Nomination and Remuneration Committee

As of 31 December 2017, the nomination and remuneration committee consists of 3 directors as follows:

No.	Name	Position
1.	Air Chief Marshal Arnon Jarrapun	Chairman of Nomination and Remuneration Committee
2.	Mr. Chanon Chotevijit	Nomination and Remuneration Committee
3.	Mr. Teeranut Thangsatapornpong	Nomination and Remuneration Committee

1. Recruitment process

Nomination and remuneration committee consists of at least 3 directors. The committee shall determine the company's rules on nomination and remuneration for the Board of Directors and sub-committees of the company. The nomination and remuneration committee shall nominate suitable directors and present to Board of Director for further presenting for the approval in the shareholder's meeting and determine the compensation for each committee.

2. CHARTER OR RESPONSIBILITIES OF THE NOMINATION AND REMUNERATION COMMITTEE

- (1) Determine and set appropriate remuneration policy and guideline for Executive committees and subcommittees nomination
- (2) Determine the structure, size and duties of the Board of Directors and sub-committees to be suitable for the company's strategy and the business environment.
- (3) Determine the qualification of the directors by taking into accounts of the knowledge, expertise, and experience qualification of the directors in order to preserve the highest benefit for the company.
- (4) Determine the qualification of the independent directors to be suitable for the business specific structure and to be as per mandated by the Office of the Securities and Exchange Commission and the Stock Exchange.
- (5) Nominate and propose the suitable managers, managing directors, senior managers to the Board of Directors.

- (6) Nominate and propose the suitable sub-committees to the Board of Directors as per appropriate or when if there is a vacancy.
- (7) Regular review the succession plan of the Chairman of the Board of Directors, occasionally revise the successor list, and nominate to the Board of Directors whenever the position is vacant.
- (8) Determine the remuneration packages for the Board of Directors, Executives Committee and the Chief Executive Officer both in cash and non-cash compensation, to comply with the company's performance by comparing the compensation packages against the industry peer. Proposer the remuneration packages to the Board of Directors and/or the shareholder's meeting for further approval. The authority also covers those for the subsidiaries.
- (9) Determine the nomination and remuneration of the management team, covering for managing director position and above. Also, propose the policy and procedure of remuneration of the management team and those of the subsidiary companies.
- (10) Authorize to determine the remuneration packages, annual salary increase of the executives, bonus and other compensations.
- (11) Report the performance to the Board of Directors at least once a year.
- (12) Nomination and remuneration committee has authority to seek external independent opinion as appropriate at the expense of the company.
- (13) Occasionally review and update the charter of nomination and remuneration committee, and present to Board of Directors for approval.
- (14) Perform other duties as assigned by the Board of Directors
- (15) Present the above topics number 1-10 to the Board of Directors and/or shareholder's meeting for further approval

However, the interested nomination and remuneration committee or any delegates shall not have the right to determine any compensation packages for the interested audit committee or any delegates or any conflict stakeholders according to the Office of the Securities and Exchange Commission and/or Stock Exchange of Thailand who are having benefits or conflicts of interest against the company and/or its subsidiary companies and/or associated company. The nomination and remuneration committee will need to propose the agenda to the Board of Directors and/or the shareholder's meeting for further approval

5.2.3 Executive Committee

As of 31 December 2017, the executive committee consists of 8 directors as follows:

No.	Name	Position
1.	Mr. Suksan Yasasin	Chairman of Executive Committee
2.	Mr. Seksan Rangsiyeranon	Executive Director
3.	Ms. Siriphan Juntip	Executive Director
4.	Mr. Kitti Tungsiwong	Executive Director
5.	Mr. Nottapol Thipchatchawanwong	Executive Director
6.	Ms. Naowarat Sangkrot	Executive Director
7.	Mr. Thakrit Jarasthanakij	Executive Director
8.	Mr. Pramote Yimlamai ^{1/}	Executive Director

Remarks 1/ The resolution from the 5th CHAYO Board of Director meeting 5/2017 dated 15 August 2017 was to appoint Mr. Pramote Yimlamai who previously was the nomination and remuneration committee as CHAYO's executive director.

1. Recruitment Process

The executive committee is the sub-committee appointed by the Board of Director, which consist of total of 8 persons. The Board of Directors has outlined the responsibilities of the executive committee in the charter.

2. Charter or responsibilities of the Executive Committee

- (1) Responsible for analyzing the strategy, business plan, budget, decision of upcoming projects prior to presenting to the Board of Directors for approval.
- (2) Monitor the performance as per the laws, and manage the company as per vision, mission, strategy and Board of Directors' initiatives, according to laws, rules and regulation of the company and related regulatory authorities.
- (3) Oversee the business, direct the process of approval, and tracking on the defined actions prescribed in the executive committee's rule i.e. any activities apart from the business operations such as any investment that requires lump sum of investment, new products launch, joint venture, lending or guarantee

- (4) Provide opinion to the Board of Directors on the dividend payout policy.
- (5) Review and approve the investment and the acquisition and disposition of the assets under the approval of the management team as per the guidelines on acquisition and disposition of asset for the listed company.
- (6) Ensure the efficiency of the operation and management in order to best benefit the shareholders.
- (7) Opinion and provide rationale on the agenda which requires Board of Directors' approval, except on any activities whereby the Board of Directors has already assigned to other committees.
- (8) Occasionally report the business performance to the Board of Directors, including notify the Board of Director for any important matters.
- (9) Evaluate the performance on an annually basis.
- (10) The Executive Committee has authority to seek external independent opinion as appropriate at the expense of the company.
- (11) Occasionally review and update the charter of executive committee, and present to Board of Directors for approval.
- (12) Perform other duties as assigned by the Board of Directors

5.2.4 Risk Management Committee

As of 31 December 2017, the risk management committee consists of 6 directors and executives as follows:

No.	Name	Position
1.	Mr. Teeranut Thangsatapornpong	Chairman of Risk Management Committee
2.	Mr. Suksan Yasasin	Risk Management Committee
3.	Ms. Siriphan Juntip	Risk Management Committee
4.	Mr. Seksan Rangsiyeranon	Risk Management Committee
5.	Mr. Nottapol Thipchatchawanwong	Risk Management Committee
6.	Mr. Kittit Tungsiwong	Risk Management Committee

1. Recruitment Process

The risk management committee comprises of the chairman of the committee, directors or independent directors, managing director, senior executive vice president, Chief Financial Officer and appropriate management team, with the authority prescribed in the charter.

2. Charter or responsibilities of the risk management committee

- (1) Outline the policy to present to Board of Directors on the risk management and the control on all critical foreseen risks.
- (2) Define the strategy to be consistent with the risk policy. Evaluate, track and monitor the risk to be at appropriate level.
- (3) Review the sufficiency of the risk management policies, maintain the efficiency of the system and the action toward the policies, also governing and monitoring the overall risk level of the business.
- (4) Monitor, keep track and revise the critical risk reporting. Advise and provide opinion in the risk evaluation, risk standard and risk mitigation plan, to ensure the efficiency of the risk management of the company, ascertain the risk policy is appropriate to the business operations and able to manage the risk at the acceptable risk as per outlined in the risk policy.
- (5) Occasionally review and update the charter of the risk management committee to be efficient, consistent with the company's risk policy and the rapid changes of the business environment.
- (6) Provide supports and tools on risk management development to all departments in the organization with efficiency. Occasionally promote and support the development of the risk management.
- (7) Report the important risk management issues to the Board of Directors, in the case whereby any factors or situations can significantly impact the company.
- (8) Occasionally exchange information and coordinate with the audit committee on the risk and internal control.
- (9) The Risk Management Committee has authority to seek external independent opinion as appropriate at the expense of the company.
- (10) Occasionally review and update the charter of the risk management committee, and present to Board of Directors for approval.
- (11) Perform other duties as assigned by the Board of Directors

5.2.5 Corporate Governance Committee

As of 31 December 2017, the corporate governance committee consists of 4 directors and executives as follows:

No.	Name	Position
1.	Mr. Teeranut Thangsatapornpong	Chairman of the Corporate Governance Committee
2.	Mr. Suksan Yasasin	Corporate Governance Committee
3.	Ms. Siriphan Juntip	Corporate Governance Committee
4.	Ms. Auntikorn Phichetkorn	Corporate Governance Committee

1. Recruitment Process

Corporate governance committee consists of at least 3 persons to outline and report the good corporate governance to the Board of Directors. The committee shall monitor the performance of the directors and management team to be as per the policies and shall have authorities as per mandated in the charter of the corporate governance committee.

2. Charter or responsibilities of the corporate governance committee

- (1) Outline corporate governance guideline and policy to be transparent, efficient and verifiable in order to further present to the Board of Directors.
- (2) Monitor and ensure that the performance of the directors and management team strictly comply with good corporate governance, Stock Exchange's corporate Governance Code and related laws.
- (3) Coordinate with the compliance team on the principles of the corporate governance code for Listed Companies 2017: Good Corporate Governance or any updated version as per outlined by the Stock Exchange of Thailand.
- (4) Review the company's corporate governance policies in consistent with the international standard and advise from Capital Market Governance Development Division or related agencies at least once a year.
- (5) Report the good corporate governance policies to the Board of Directors, providing comments, guideline and suggestion as appropriate.

- (6) Meeting of the corporate governance committee shall be convened at least once at least 1 meeting per year and report the minutes to the Board of Directors.
- (7) Disclosed the duties and code of corporate governance in the annual report of the company.
- (8) Encourage and motivate the code of corporate governance to all executives and staff both under the company and its subsidiaries.
- (9) Support and provide advice the company on the evaluation or the governance rating, to promote the corporate governance standard.
- (10) The Corporate Governance Committee has authority to seek external independent opinion as appropriate at the expense of the company.
- (11) Occasionally review and update the charter of the corporate governance committee, and present to Board of Directors for approval.
- (12) Perform other duties as assigned by the Board of Directors

5.3 Board of Directors of the Subsidiaries

5.3.1 Asset Management Committee

As of 31 December 2017, the asset management committee consists of 6 directors as follows:

No.	Name	Position
1.	Mr. Suksan Yasasin	Chairman of Asset Management Committee
2.	Mr. Boonchai Prakongkunchai	Asset Management Committee
3.	Ms. Siriphan Juntip	Asset Management Committee
4.	Ms. Auntikorn Phichetkorn	Asset Management Committee
5.	Ms. Narumol Toprapat	Asset Management Committee
6.	Mr. Nottapol Thipchatchawanwong ^{2/}	Asset Management Committee
7.	Mr. Kittit Tungsiwong ^{3/}	Asset Management Committee

1. Charter or the responsibilities of the asset management committee.
 - (1) Evaluate the quality of secured or unsecured non-performing loans and come up with the offering price and for the purpose of further management.
 - (2) Analyze and evaluate the assets quality, which can be segregated into 3 parts:
 - A) CONTRACTS AND LITIGATION INFORMATION
 - B) DEBTOR AND GUARANTOR
 - C) COLLATERAL
 - (3) Analyze the purchase price, whereby for unsecured debt the value should not exceed the market price, and the appraisal price, location and asset liquidity should be taken into account for the secured debt.
 - (4) Authorized to seek internal or external specialist for the opinion

5.4 Code of Conduct

The company aims to encourage the reliability and trustworthy, believing that in turn these actions will lead to sustainable growth and creditability from the customer, shareholders, and the public. The company has outlined the code of conduct for related stakeholders as follows:

The Company

1. Building up the reputation of the company
2. Adhere to the rules and regulations of the company
3. Shall pay attention and perform the works with dedication and patient
4. Honest and loyal to the company, no false, disparaging statements on the company
5. Inform the company on any foreseen impacts and/or misconduct or any illegal activities, in order for the company to take preventive action
6. Shall use the company's assets efficiently and economically, maintain the assets to prevent damage or loss.
7. Shall pay attention and perform the Company's works with dedication and patient to improve the quality, efficiency and profitability of the Company and develop the Company to the excellence.

8. Shall be punctual and utilize the time to best serve the company. The staff shall not be the permanent or temporary staff of other companies with similar business as the company or its subsidiaries, or the competitors or having conflicts of interest against the company.
9. Shall not disclose any confidential information, news or technology to the public.
10. Shall not operate or invest in any activities competing with the company or perform any conflict of interest activities.
11. Shall not vote for any agenda if foreseen any conflicts of interest.
12. Shall maintain and create the harmony and unity among the employees for collaborative working and effective problems solving as teamwork.
13. Shall be responsible and secure a good working environment.
14. Coordinate and act upon the good corporate governance of the company.
15. Not perform other duties, in the case where necessary, the below activities should not be
 - Have an effect on one's work.
 - Violate the law or the public order or the morals.
 - Contradicting to the company's benefit and rules.
 - Negative feedback on company's reputation and image.
 - Disclose or misuse of company's confidential information.

Customer

1. Shall respect other personnel's rights, act according to laws, timely service and treat others fairly.
2. Shall keep client's secrets confidential.
3. Shall conduct themselves in such manner as to deserve the respect.
4. Shall refrain from accepting any excessively valuable items or any benefits from the person who has business dealing with the company.
5. Avoid all circumstances which can lead to the conflicts of interest against the customers.

Employee

1. Shall be disciplined and behaved, and not involve in any gambling.
2. Shall keep one's words and do what one has promised.
3. Shall develop and improve the skills, knowledge and capabilities.
4. Shall perform duties with honesty and not perform any activities for one's own benefits.
5. Shall not utilized company's assets and procedures inappropriately.

Responsibility for the Partners and Creditors

Shall avoid any actions leading to the damage of company's image, reputation or any unlawful behavior. The suppliers and creditors shall be treated equally and fairly based on mutually fair return. The company believes that the partner is main factor for the company's value creation, thus, the company shall strictly act upon the agreed arrangement, for example, principle and interest repayment and collateral management.

Supervisor and Co-worker

1. Shall coordinate and assist each other
2. Shall respect the supervisors
3. Shall respect and be compassionate to the subordinates
4. Shall share the skill and experience to the co-workers
5. Shall avoid accepting valuable gifts from the co-workers and subordinates
6. Shall not destroy the co-worker's reputation by making damaging accusations on personal issues
7. Shall treat supervisors and co-workers politely, fairly and generously.
8. Shall not claim other's work as oneself
9. Shall not process of bad attitude and accuse the supervisors and co-worker

Corporate Social Responsibility

บริษัท ชัย กลุ่ม จำกัด (มหาชน)
CHAYO GROUP PCL.

1. Overall Guidelines

The company has adhered to the values of business treatment that are fair to all relevant parties, society, economy and the environment with high-level of ethical and moral operation standards, upheld the principles of maximum transparency and equitable treatment to promote the confidence level for the shareholders, investors, staff, customer, and stakeholders under the corporate governance principles.

Vision

“Expertise in managing secured and unsecured non-performing loans professionally, for customers, and key stakeholders.”

Mission

- Professional management abided by Law and Debt Collection Act.
- Promote and protect positive image of customers and stakeholders.
- Lead by systematic marketing and completed execution.
- Managing assets with integrity and providing best solutions to debtors at all time.

In order to comply with the Principles of the Good Corporate Governance of The Stock Exchange of Thailand, the company has outlined the guideline for corporate social responsibility and anti-corruption policy as follows:

- Fair Operating Practices

The company has adhered to the values of business treatment that are fair and under the related rules and regulations. The company shall recognize the importance of the responsibilities towards the stakeholders which are shareholders, staff, customers, partners, investors, creditors and the society.

- Anti-Corruption

The company is opposed to all forms of corruption, ensures to conduct its business based on the principles of good corporate governance, transparency and fairness. The organization shall be managed effectively, transparently and verifiable. The company also provides knowledge and encourages the staff to comply with the anti-corruption policy.

- **Respect on Human rights**

The company places importance to the respect of human rights as it is the foundation of the rights. Also, the company outlines the appropriate human rights compliance, and fairly treats the staff without discrimination on the grounds of group, nationality, race, ethnicity, religions, languages or social status, and promotes the surveillance of human rights compliance which is the ground for the management \ and human resources development foundation.

- **Fair Treatment to Employees**

The company has placed great importance on the fair treatment toward employees, equitable management, professional advancement of the staff, and efficiency of the staff. The company as well promotes the code of conduct, provides appropriate benefits, and opens for any suggestions and opinions.

- **Responsibility to Clients and Debtors**

The company has outlined the appropriate code of business conduct towards clients and debtors by developing quality and up to standard service. Effective data management and efficient service management are being established in order to serve the clients and debtors. Further, efficient data management is being developed in order to serve the decision making for the clients.

- **Environment Conservation**

The company has upheld the responsibilities toward the society and strictly acted upon related rules and procedures on the environment conservation, and also outlined the protective measurement to immediately solve if there are any environmental impacts occurred from business operations.

- **Community and Social Development**

The company has highly values the responsibility toward the society. The company, thus, arranged campaigns to support the community and social development by promote the education, foster the career path. The company opens the opportunity for the personnel who do not graduate the Bachelor degree, or even high school (Matthayom 3), to be recruited. As well, the company encourages self-reliance through the social development campaign.

- **Innovation and Diffusion of Innovation**

The company has initiated the development of innovation in order to promote the efficiency of the process, and to encourages the development and distribution of innovations to the staff aiming to connect the company's goal and the customer's needs in return.

2. The Activities of Corporate Social Responsibility (After Process)

The company has places an importance on Corporate Social Responsibility: CSR, and on social, environment and quality of life development. In 2017, the company has participated in the follow Corporate Social Responsibility activities:

Corporate Social Responsibility: CSR					
No.	Date	Location	Project	Amount (Baht)	Remarks
1.	17/02/2017	Thai Television Channel 3	Donate for the flood victim in the Southern area	50,000	
2.	20/02/2017	Fahuan Temple, Amnat Charoen Province	Charity	50,000	
3.	25/03/2017	Willpower Institute, Putthabucha Temple, Bangkok	Water Donation	-	200 packs of water
4.	12/05/2017	Grand Palace	Royal Merit-Making Ceremony	39,999	
5.	12/06/2017	Thanyaburi School, Pathum Thani Province	Scholarship	11,500	

3. Anti-Corruption and Conflict of Interests Policy

- Acceptance of Cash and Benefits

- Directors, executives and employees shall not agree to accept money or any other benefits from the customers, partners, or the person who has business dealing with the company.
- Directors, executive and employees shall not lend or borrow or soliciting customer or person who has business dealing with the company, except the money borrowed from banks or financial institution.

- Operate Similar Business to the Company

- The directors, executives and employees shall not operate one's own business which impacts the assigned duties and working time.
- The directors, executives and employees shall not operate any business competing with the company even through one's will receive direct or indirect benefits.

- Operate the Business with the Company

1. The directors, executives and employees shall disclose by detailing the name, family name or juristic person's name that may have a conflict of interest, prior to perform any transactions with the business.
2. Prohibit the directors, executives and employees who have the rights to vote for the transactions
3. The executor shall check whether the directors, executives and employees have any relationship with the partners prior to perform any transactions to prevent the conflict of interest. The definition of relationship shall be as per the disclosure of information and other acts of listed companies concerning the connected transactions of the Stock Exchange of Thailand.

- Gifts and Entertainment

1. Directors, executives and employee shall not agree to accept both cash and non-cash benefits from the partners and stakeholders, unless accept the gift during the festival seasons with the value not greater than 3,000 baht. Acceptance of gifts greater than 3,000 baht must be reported to the supervisors for further appropriate actions.
2. Directors, executives and employees shall utilize the entertainment cost for the benefit of the company and avoid excessive solicit entertainment provided by other stakeholders or expected partners.

- Business Travel and Seminar

1. Directors, executives and employees shall accept any business travel and seminar, arranged and paid by the partner, with the purpose for company's benefit, and must be approved by the authorized supervisor prior to such acceptance. However, no cash and other benefits received from the partners are allowed.

- Offering Gifts and Entertainment

1. Offering gifts and entertainment to third parties might sometimes be regarded as bribery since it can be viewed that the offering of gifts and entertainment are for the purposes of business benefits from and to the government. Directors, executives and employees shall not offer such gifts and entertainment. However, only the authorized delegate is allowed to offer appropriate gifts and entertainment to the clients.
2. In some business, juristic person and specific location of the company might stricter policy and/or more reporting or approvals.

- **Donation**

1. The company has positioned itself as a good citizenship by supporting the society activities such as donations. The company provides the fund to support the donation and will arrange through several charity institutions to avoid the inappropriate arrangement such as the organization that support the terrorism and money laundering or other criminal. Thus, the employees will need to act upon the Anti Money Laundering (AML) policy.
2. A donation has to be proven that it has nothing to do with a reciprocal return with any staff, clients, suppliers, government house or partners, as for the benefits or lead to any decision making for one's benefit.
3. Donation activity should be confidential and voluntary made whereby there should not be any impact to the company's recruitment process or interfere the decision on the benefits paid and must be as per the company's policy.

- **Political Contributions**

1. As a citizen, the staff might be interested in politics or being convinced or having any relationship with the government authorities. However, participation in any political process might have direct influence over the company, even though it has been done personally by the staff's own participation. However, the company has outlined the rule not to participate in any political activities, and also \applied to several applicable laws such as if the employees perform any unauthorized political activities, they will be subjected to the punishment according to laws, no business dealing with and/or also incur reputation risk towards the company

- **Performing other businesses**

There might be a conflict of responsibilities, once the employee is the director of other companies who are listed in the Stock Exchange. As well, there might be a potential risk that the employee will spend majority of the time participating for other companies' activities, which will become obstacles for performing existing roles and duties for the company. However, the company does not encourage the employee to participate or accept the director position with other companies listed in the Stock Exchange.

The employees must declare and seek for the approval prior to enter into any of the following activities:

1. Being a director or a member of the Board of Director in other companies listed in the Stock Exchange.
2. Being a director or a member of the Board of Director in Public Company with the purpose for the profit.
3. Being a director or a member of the Board of Director in non-profit organization but lead to the conflict of interests or interfere the management of financial and investment.
4. Run of political election, or accept the position in the government, or any relationship with the government agencies.
5. Other non-profit business but lead to or having possibilities of the conflicts of interests.

- **Commitment to the Code of Conduct**

1. Directors, executives and employees shall strongly uphold the code of conduct. Disciplinary action as per outlined in the policy shall be imposed if any violations to the code of conduct are found.
2. Directors, executives and employees are having the responsibilities to sign acknowledge on this code of conduct at the time being the employees and when there any changes.
3. The management and the supervisor should be a role model for the code of conduct and have duties to monitor and support the employees under one's responsibilities to act upon the code of conduct.
4. Any exception on the code of conduct to the management and directors will need to be approved by the Board of Director.

- **Ethics and Complaint**

1. Channel for the Complaint (Hot Line)

Whenever there are any breaches, violation of ethics and conduct, wrongdoings, or unfair treatment by the Executive Director, Audit committees and /or the Board of Directors, the company will investigate the complaint in a timely manner with fair and justice. The employees shall submit their concerns and/or fill in the form for further submission to the Executive Director, Audit Committees and/or the Board of Directors, whereby the information will be kept confidential. Channels to raise the complaints are as follows:

- (1) Direct supervisor
- (2) Human Resources Department 02-004-5588
- (3) Fill the information in company's website [http:// www.chayo555.com/](http://www.chayo555.com/) or email to center@chayo555.com

2. Procedure to handle complaints

The complaint center shall consolidate all information regarding the breaches and violations of the ethics and code of conduct for further consideration and handling, also to take preventive measure and report the result to the complainant (in case disclose the name)

3. Preventive measure to protect the complainant or person who provides support in the information gathering process.

- (1) The complainant or person who provides supports is free to disclose the name. The company will report back the result in case the complainant chooses to disclose the name.
- (2) The person received complaint shall treat all complaints confidential, and only disclose necessary information to the responsible parties.
- (3) The company prohibits all the retaliation against the complainant or person who provides supports. The retaliation will be subjected to disciplinary action which might results in the dismissal.

Connected Transactions

บริษัท ชัย กลุ่ม จำกัด (มหาชน)
CHAYO GROUP PCL.

For year ended 31 December 2017, the company and its subsidiaries have the following connected transactions:

No.	Company	Related Parties	Transaction Type	Pricing Method	Amount (million baht)	Remarks
1	Chayo Group Public Company Limited	Chayo Asset Management Company Limited	Rental and Service Fee Receivables	Market Price	1.80	The subsidiaries rent the office to operate the business with the parent company.
2	Chayo Group Public Company Limited	Chayo Call Center Company Limited	Rental and Service Fee Receivables	Market Price	0.44	The subsidiaries rent the office to operate the business with the parent company.
3	Chayo Group Public Company Limited	Chayo Asset Management Company Limited	Management Fee Receivables	Agreed Rate	21.60	Parent company collect the management fee to the subsidiaries since some of the management has participated in managing the subsidiaries, thus to reflect the correct expenditure.
4	Chayo Group Public Company Limited	Chayo Call Center Company Limited	Management Fee Receivables	Agreed Rate	1.20	Parent company collect the management fee to the subsidiaries since some of the management has participated in managing the subsidiaries, thus to reflect the correct expenditure.
5	Chayo Group Public Company Limited	Chayo Call Center Company Limited	Interest Receivables	6% per annum	1.17	Refer to company's interest rate
6	Chayo Group Public Company Limited	Chayo Asset Management Company Limited	Commission Receivables	Market Price	6.35	Same rate as payable to the external company

No.	Company	Related Parties	Transaction Type	Pricing Method	Amount (million baht)	Remarks
7	Chayo Group Public Company Limited	Mr. Suksan Yasasin	Building Rental Payable (Document Storage)	Market Price	0.12	The company signed the building rental agreement with the concerned party for the document storage.
8	Chayo Asset Management Company Limited	Chayo Call Center Company Limited	Commission Payable	Market Price	1.87	Same rate as payable to the external company
9	Chayo Asset Management Company Limited	Mr. Suksan Yasasin	Building Rental Payable (Document Storage)	Market Price	0.12	The company signed the building rental agreement with the concerned party for the document storage.
10	Chayo Call Center Company Limited	CC Alliance Company Limited	Commission Fee	Market Price	-	Same rate as payable to the external company

Audit committee approved the connected transactions given that there is no conflict of interest and the price is reasonable for all related parties.

Report on the Responsibilities of the Board of Directors for the Financial Report

บริษัท ชัยภูมิ จำกัด (มหาชน)
CHAYO GROUP PCL.

Report on the Responsibilities of the Board of Directors for the Financial Report

The Board of directors is responsible for the financial statement of Chayo Group Public Company Limited, and the consolidated financial statement of Chayo Group Public Company Limited and its subsidiaries, which have been prepared in accordance to the generally accepted accounting standard. The company believes that the accounting policies are appropriate and have been consistently applied. The notes to the financial statements disclose details of useful and material financial information supported for the benefit of shareholders and other stakeholders. The company's external auditor has audited the financial statements and expressed an unqualified opinion in the auditor's report.

An effective and efficient internal control system are put in place in order to have reasonable assurance that the financial records of the company are accurate and complete and are preventive tools for any fraud or abnormality.

The Board of Directors has also appointed the Audit Committee to oversee the accuracy and adequacy of the financial reporting process as well as review the suitability and efficiency of the internal control and independence of the internal audit system, and also on the connected transactions.

In the opinion of the Board, the internal control process is sufficient and appropriate to conclude that the audited financial statements of Chayo Group Public Company Limited and its subsidiaries for year ended 31 December 2017 are in accordance with the accounting principles and any relevant laws and regulations.

Mr.Wutisak Lapcharoensap
(Chairman of The Board)

Mr. Suksan Yasasin
(Chief Executive Officer)

Independent Auditor's Report

The Audit Committee of Chayo Group Public Company Limited is appointed by the Board of Directors and obtained qualifications as per mandated by the Stock Exchange of Thailand. The Audit Committee has held total of 7 meetings during the year. List of independent directors are as follows:

- | | |
|-------------------------------------|---------------------------------|
| 1. Mr. Chanon Chotevijit | Chairman of the Audit Committee |
| 2. Air Chief Marshal Arnon Jarrapun | Audit Committee |
| 3. Mr. Teeranut Thangsatapornpong | Audit Committee |

The audit committee has responsibilities to perform the tasks assigned by the Board of Director, and report the minutes of audit committee meeting to the Board of Director, as summarized below:

1. Review the accuracy and adequacy of the company's financial reporting. The audit committee has viewed that the company's financial statement is accurate in accordance with the accounting standard.
2. Review that the company has an appropriate and effective internal control system. The audit committee has evaluated and approved the plan annually, review the internal audit report and monitor the development of the internal control system. The audit committee has viewed that the internal control system is adequate and appropriate.
3. Nominate Mr. Boonlert Kamolchanokkul Certified Public Accountant No. 5339, Mr. Chanchai Chaipradit Certified Public Accountant No. 3760, and Mr. Piboon Tunkul Certified Public Accountant No. 4298 under Pricewaterhouse Coopers ABAS Co., Ltd as company's auditors for 2017 to the Board of Directors for further presenting to shareholder's meeting.
4. Appointed KPS Audit Company Limited (KPS) as Internal Auditor to evaluate the overall control of the company, and overview on the control plan over the critical functions.
5. Review the connected transactions and monitor that the information is disclosed in accordance to the Stock of Exchange Regulations.

On behalf of Audit committee, we would like to extend our gratitude to all related stakeholders for the support and coordination.

Mr. Chanon Chotevijit
(Chairman of the Audit Committee)

Management Discussion and Analysis

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

Overview

The company has operated 3 businesses which are Non-performing loans investment and management business, debt tracking and collection service business, and customer service business. The main revenue of the company is the revenue from the loan to non-performing loans.

As at 31 December 2015 until 2017, the overview of the Non-performing loans investment and management business is as follows:

Non-performing loans investment and management businesses as of 31st December	2015	2016	2017
Number of non-performing loans under management	10	13	19
Incremental of the non-performing loans during the year (million baht)	5,796	1,018	2,724
Total value of the non-performing loans under management (million baht)	26,220	26,617	29,136
Number of non-performing loans fully amortized the cost of purchasing	-	7	8
Annual collectible amount (million baht)	142.49	199.74	222.32

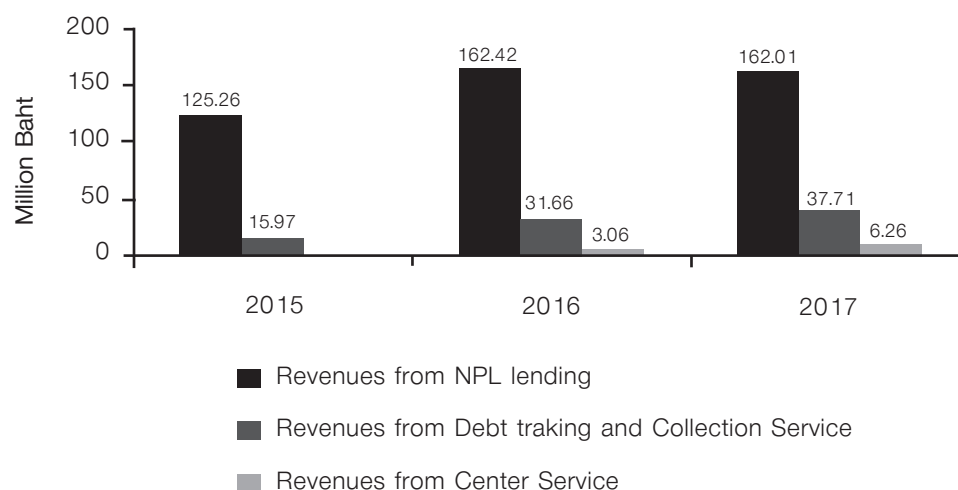
Summary of the Financial Performance for the Year Ended 31st December 2015 until 2017.

Unit : Million Baht

Key Financial Performance	31 st December (audited)		
	2015	2016	2017
Revenue from Debt Tracking and Collection Service	15.97	31.66	37.71
Revenue from Non-Performing Loans Lending	125.26	162.42	162.01
Revenue from the Call Center Service	-	3.06	6.27
Cost of the Service	(38.27)	(61.60)	(73.24)
Gross Profit	102.96	135.54	132.74
Other Revenues	3.08	0.72	0.58
Net Profit	68.94	70.89	58.24
Earnings Per Share	0.1786	0.1688	0.1387
Gross Profit Margin	72.90%	68.75%	66.44%
Net Profit Margin	47.78%	35.83%	28.20%

Analysis of Company's Financial Performance

Revenue



The company obtains revenues from the non-performing loans lending, debt tracking and collection service, and call center service.

The revenues from the non-performing loans lending are 125.26 million baht, 162.42 million baht and 162.01 million baht for the year of 2015, 2016 and 2017 respectively. The revenue grows by 29.67 percent from 2013, and slightly decrease by 0.26 percent comparing to 2014. There is an upward trend on the non-performing loans investment and management business due to the fluctuations of the economy. The revenues from non-performing loans lending are the company's core revenue since the revenues from the non-performing loans comparing to total revenues are 86.80 percent, 82.09 percent, and 78.43 percent for the year 2015, 2016 and 2017 respectively.

The value of non-performing loans business is 162.01 million baht as of 2017, slightly decreases comparing to those in 2016 of 162.42 million baht, which decreases by 0.26 percent. However, the company has not won so many auctions during 2016, and the auctioned non-performing loans funds are in the midst of processing which is the normal process for secured non-performing loan operations. Therefore, the revenues from the non-performing loans have not significantly increased comparing to the non-performing loans lending.

- Revenue from Debt Collection Services

The revenue from debt collection services are generated from debt tracking and collection service business. The company will collect the outstanding non-performing loans or outstanding debts whereby the creditors could not collect the repayment as per agreed term. The examples of the non-performing loans are credit card outstanding debts, personal loans outstanding debts, and utilities debts outstanding. The company will receive the compensations in proportion of the total collectible debts value. (The commissions are percentage of the collectible debts value) The company generates the revenue from debt collection services by 15.97 million baht, 31.66 million baht, and 37.71 million baht for 2015, 2016 and 2017, respectively. The percentage increases for 2016 and 2017 are 98.21 percent and 19.11 percent, respectively. The revenues from debt collection services comparing to total revenue increase by 11.07 percent, 16.00 percent and 18.26 percent for 2015, 2016 and 2017 respectively.

In 2017, the company has total of 10 outstanding contracts on debt tracking and collection services under CHAYO and CHAYO Call Center. The debt collection revenue in 2017 is 37.71 million baht higher than those in 2016 of 31.66 million baht by 19.11 percent. The revenue growth is from the incremental collectable debts of the existing financial institutions and new institutions acquired in 2017.

- Revenue from Call Center Service

Revenue from call center service is the revenue generated from the call center service business operated since 2016. The company provides the related information of the employer's products and services for any inbound call, whereby the company will receive the compensation per the agreed contract. The revenues from call center service in 2016 and 2017 are 3.06 million baht and 6.26 million baht, respectively with 104.98 percentage growth in 2017. The target customer under this service are the information and communication technology companies and the financial institutions. However, the significant revenue growth of the call center service in 2017 is because the revenue in 2017 is for the whole year period whereby the call center service was in operation in the late Q3 in 2016.

Cost of the Services

The costs of business operations are salary, commissions and collection fees to the outsource service providers. The total cost is 38.27 million baht, 61.60 million baht, and 73.24 million baht for 2015, 2016 and 2017 respectively. The cost of services increases by 60.96 percent from those of 2015 and 18.90 percent those of 2016. The revenues from call center services comparing to total revenue increase by 26.52 percent, 31.13 percent and 35.46 percent for 2015, 2016 and 2017 respectively.

Gross Profit

Gross profit is 102.96 million baht, 135.54 million baht and 132.74 million baht for 2015, 2016 and 2017, respectively. The gross profit increases by 31.64 percent from those of 2015 and decreases by 2.06 percent from those of 2016. The growth of the gross profit is in line with the non-performing loans lending service, since the large portion of the revenue which is more than 70 percent is generated from the non-performing loans lending service.

Selling and Administrative Expenses

Selling and administrative expenses are salary and bonus of the management team, audit fee, business consultant fee. Total selling and administrative expenses are 21.38 million baht, 41.66 million baht, and 45.27 million baht for 2015, 2016 and 2017, respectively. The selling and administrative expenses increase by 94.88 percent from those of 2015 and 8.68 percent from those of 2016. The incremental selling and administrative expenses are due to the incremental numbers of the management team and executives to support the business expansion. Thus, the company has higher expenses on the salary, bonus, meeting allowance and commission, along with the additional cost in the related consultant fees on the stock listing in MAI stock exchange preparation. However, the company has already been listed in the MAI stock exchange and has expected a reduction of the related fees for the registration preparation.

Other Revenues

Other revenues are 3.08 million baht, 0.72 million baht, and 0.58 million baht for 2015, 2016 and 2017, respectively which decrease by 76.53 percent in 2016 and 20.19 percent in 2017. The reduction of other revenues in 2016 is because the company had no service and rental revenue. Further, the company expected a lower return on the sale of short-term investment, whereby the company has sold 77.00 million baht worth of the available-for-sale investment in 2016.

Finance Costs

Finance costs are 3.37 million baht, 2.98 million baht and 1.25 million baht for 2015, 2016 and 2017, respectively which decrease by 11.48 percent in 2016 and 57.91 percent in 2017. However, the finance cost in 2017 is lower than those in 2015 and 2016 due to the reduction of the interest paid. The company borrowed money for restructuring and working capital facilities in 2015 and 2016, whereby the outstanding borrowing fund is 50.88 million baht in 2017.

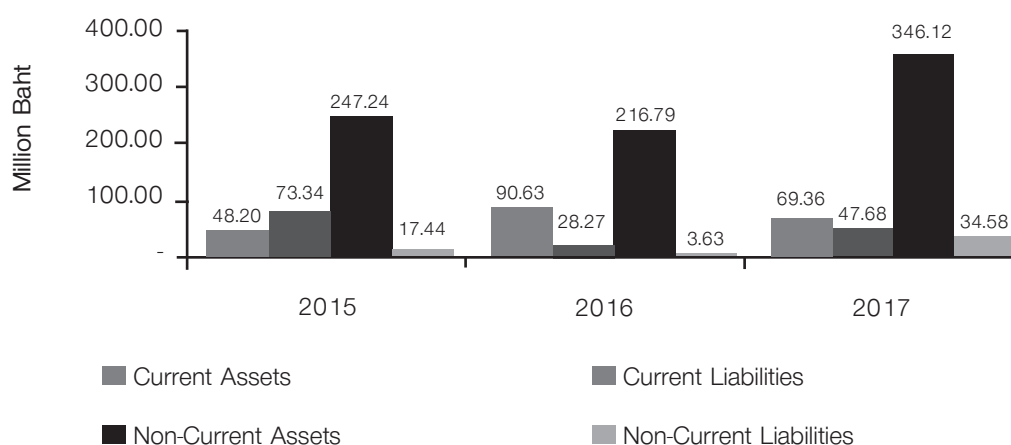
Income Tax Expenses

Income tax expenses for the period consist of income tax of the current period and deferred income tax. The income tax expenses are 12.35 million baht, 20.73 million baht, and 28.55 million baht for 2015, 2016 and 2017, respectively. The income tax expenses increase by 67.84 in 2016 and 37.70 in 2017. The incremental of the income tax expenses is because the company has not recorded the deferred income tax in 2017, causing a reduction in 2017 figure. As a result, the income tax expenses in 2017 are higher than those in 2016.

Net Profit

Net profit is 68.94 million baht, 70.89 million baht and 58.24 million baht for 2015, 2016 and 2017, respectively which increase by 2.82 percent from those in 2015 and decrease by 17.85 percent from those in 2016. The reduction of net profit in 2017 is due to the incremental management fee and income tax expenses in 2017.

Analysis of Financial Status



Current Assets

Current assets for the year ended 2015, 2016 and 2017 are 48.20 million baht, 90.63 million baht, and 69.36 million baht, respectively which increase by 88.00 percent from those of 2015 and decrease by 23.46 percent from those of 2016. The changes of current assets are show below:

Current Assets as of	31 st December					
	2015		2016		2017	
	Million baht	Proportion	Million baht	Proportion	Million baht	Proportion
Cash and Cash Equivalents	35.14	72.91%	79.72	87.96%	57.73	83.23%
Restricted Depositor Pledged	0.55	1.15%	0.71	0.79%	1.16	1.68%
Short-Term Investments	7.62	15.81%	1.22	1.35%	1.23	1.78%
Trade and Other Receivables	4.86	10.08%	7.27	8.02%	7.04	10.14%
Other Current Assets	0.03	0.05%	1.71	1.88%	2.20	3.17%
Total	48.2	100.00%	90.63	100.00%	69.36	100.00%

Cash and Cash Equivalents

Cash and cash equivalents for year ended 2016 and 2017 are 79.72 million baht and 57.73 million baht, respectively. The cash and cash equivalents to current assets are 87.96 percent for 2016 and 82.23 percent for 2017. The reduction of cash and cash equivalents of 27.58 percent in 2017 is due to the additional secured non-performing loans auctioned in 2017.

Trade and Other Receivables

The company's receivables are the receivables from the debtors under debt tracking and collection service business and call center business, comprising of the receivables acquired from the financial institutions and other receivables from the information and communication companies. Thus, there are no significant changes of trade and other receivables for year ended 2016 and 2017 which are 7.27 million baht and 7.04 million baht, respectively.

Non-Current Assets

Non-current assets for the year ended 2015, 2016 and 2017 are 247.24 million baht, 216.79 million baht, and 346.12 million baht, respectively. The non-current assets decrease by 12.31 percent comparing to those of 2015 and increase by 59.65 percent comparing to those of 2016. The non-current assets figures are show below:

Non-Current Assets as of	31 st December					
	2015		2016		2017	
	Million baht	Proportion	Million baht	Proportion	Million baht	Proportion
Restricted Deposits or Pledged	0.90	0.36%	1.08	0.50%	1.75	0.50%
Loans to Non-Performance Loans	199.68	80.76%	160.64	74.10%	281.77	81.41%
Investment Property	1.90	0.77%	1.82	0.84%	9.09	2.63%
Property, Plant and Equipment	35.49	14.36%	39.85	18.38%	38.12	11.01%
Intangible Assets ^๙	0.02	0.01%	0.07	0.03%	1.74	0.50%
Deferred Income Tax	9.13	3.69%	13.06	6.02%	12.76	3.69%
Other Non-Current Assets	0.12	0.05%	0.27	0.13%	0.89	0.26%
Total	247.24	100.00%	216.79	100.00%	346.12	100.00%

Loans to Non-Performance Loans

Loans to non-performance loans for the year ended 2016 and 2017 are 160.64 million baht and 281.77 million baht, respectively. Loans to non-performance loans to non-current assets are 74.10 percent in 2016 and 81.41 percent in 2017. The company lent more non-performance loans in 2016 of 121.13 million baht since the company had auctioned secured non-performance loans with investment value of 181.50 billion baht.

Investment Property

Investment property comprises of 1 plot of land and 4 office buildings whereby the company has not yet indicated the usage purposes. The investment property for the year ended 2016 and 2017 is 1.82 million baht and 9.09 million baht, respectively. Investment property to non-current assets is 0.84 percent in 2016 and 2.63 percent in 2017. The incremental investment property value in 2017 is due to the purchase of shop house whereby the company plans to sell or rent in the future.

Current Liabilities

Current liabilities for the year ended 2015, 2016 and 2017 are 73.34 million baht, 28.27 million baht and 47.68 million baht, respectively. The current liabilities decrease by 61.45 percent comparing to those of 2015 and increase by 68.64 percent comparing to those of 2016. The current liabilities figures are show below:

Current Liabilities as of	31 st December					
	2015		2016		2017	
	Million baht	Proportion	Million baht	Proportion	Million baht	Proportion
Trade and Other Payables	55.17	75.22%	14.44	51.08%	12.44	26.09%
Current Portion of Long-term Loans	-	-	-	-	20.40	42.79%
Current Portion of Liabilities Under Finance Lease Agreements	-	-	0.55	1.95%	0.60	1.25%
Income Tax Payables	10.33	14.08%	11.57	40.91%	12.29	25.78%
Other Current Liabilities	7.84	10.70%	1.71	6.06%	1.95	4.10%
Total	73.34	100.00%	28.27	100.00%	47.68	100.00%

Current portion of liabilities under finance lease agreements

Current portion of liabilities under finance lease agreement is 20.40 million baht in 2017. The company has utilized the loan facility from the financial institutions for the auction of secured non-performing loans in 2017.

Non-Current Liabilities

Non-current liabilities for the year ended 2015, 2016 and 2017 are 17.44 million baht, 3.63 million baht and 34.58 million baht, respectively. The non-current liabilities decrease by 79.18 percent from those of 2015 and increase by 852.51 percent from those of 2016. The non-current liabilities figures are show below:

Non-Current Liabilities as of	31 st December					
	2015		2016		2017	
	Million baht	Proportion	Million baht	Proportion	Million baht	Proportion
Long-Term Loans from Financial Institutions	-	-	-	-	30.48	88.14%
Long-Term Loans from Related Parties	16.98	97.34%	-	-	-	-
Liabilities under Finance Lease Agreements, Net of Current Portion	-	-	2.11	58.15%	1.52	4.39%
Provision for Long-Term Employee Benefits	0.44	2.52%	1.52	41.85%	2.58	7.48%
Other Non-Current Liabilities	0.02	0.14%	-	-	-	-
Total	17.44	100.00%	3.63	100.00%	34.58	100.00%

Long-Term Loans from Financial Institutions

Long-term loans from financial institutions in 2017 are 30.48 million baht. The company has utilized the loan facility from the financial institutions for the auction of secured non-performing loans in 2017.

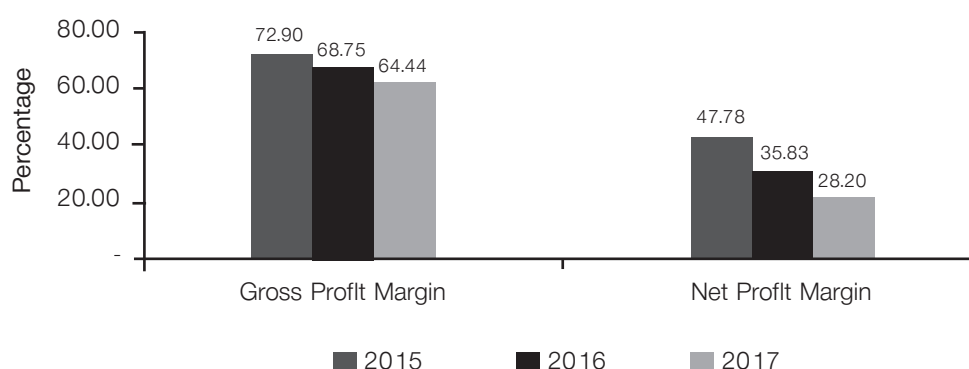
Shareholder's Equity

Total shareholder's Equity for 2015, 2016 and 2017 is 204.66 million baht, 275.52 million baht and 333.22 million baht, respectively. The shareholder's equity increases by 34.62 percent in 2016 and 20.94 percent in 2017. The incremental shareholder's equity is due to the higher of net profit in 2016 and 2017.

Financial Ratio Analysis

Profitability Ratio	Unit	2015	2016	2017
Gross Profit Margin	Percentage	72.90	68.75	64.44
Net Profit Margin	Percentage	47.78	35.83	28.20
Return On Equity (ROE)	Percentage	34.32	29.53	19.13

• Gross Profit Margin and Net Profit Margin



Gross profit margin for 2015, 2016 and 2017 is 72.90 percent, 68.75 percent and 64.44 percent, respectively. The reduction of gross profit margin in 2016 and 2017 is due to the incremental of services cost since the company has arranged more training for the new recruited staff supporting for the future business expansion and incremental collection cases. Further, call center service in which the company has just provided the services for the first year has as well resulted in a higher service cost.

Company's net profit margin for 2015, 2016 and 2017 is 47.78 percent, 35.83 percent and 28.20 percent, respectively. However, changes in net profit margin are in line with those of the gross profit margin.

Return on Equity for 2015, 2016 and 2017 is 34.32 percent, 29.53 percent and 19.13 percent, respectively. The reduction of the return on equity in 2016 and 2017 is due to the company's equity and unappropriated retained earnings since the company paid out lower dividend in 2016 than those of 2015. Further, the company also has lower net profit in 2015 and 2016.

Efficiency Ratio	Unit	2015	2016	2017
Return on Asset	Percentage	26.16	23.52	16.11

Return on asset for 2015, 2016 and 2017 is 26.16 percent, 23.52 percent and 16.11 percent, respectively. The reduction of return on asset in 2016 is because net profit is increasing at a slower rate than the asset portion. However, return on asset in 2017 of 16.11 percent is lower than those of 2016 since the company has high assets obtained from the auction of non-performing loans in 2017.

Leverage Ratio	Unit	2015	2016	2017
Debt to Equity Ratio	times	0.44	0.12	0.25

Debt to equity ratio for 2015, 2016 and 2017 is 0.44 times, 0.12 times and 0.25 times, respectively. The debt to equity ratio is quite low due to the lower debt portion. However, the debt to equity ratio decreases in 2016 due to the payment of all accrued dividend in 2016. The company has higher debt to equity ratio of 0.25 times in 2017 since the company utilized the loan facility from the financial institutions for the auction of secured non-performing loans in 2017.

Liquidity

Unit: million baht

Cash Flow Statement	2015	2016	2017
Cash Flow from Operating Activities	(22.11)	102.87	(59.38)
Cash Flow from Investing Activities	(127.46)	2.44	(12.71)
Cash Flow from Financing Activities	147.06	(60.73)	50.10

During 2017, the company has utilized the cash flow from operating activities and loans from financial institutions for the purchase of non-performing asset portfolio, which as a result caused the negative cash flow from operating activities in 2017. Positive cash flow from financing activities in 2017 is also due to the loans from financial institutions.

During 2017, the company has invested in property for investment worth of 7.5 million baht, and the rest in equipment and intangible assets.

Sources of Fund

As at 31st December 2017, the company's source of fund is from long-term loans from financial institutions with the credit facility of 60 million baht and company's equity.

Auditing Fees

The company and its subsidiaries have paid Pricewaterhouse Coopers ABAS Co., Ltd the auditing fee of 3,900,000 baht and 4,200,000 baht for 2016 and 2017, respectively.



Financial Statement

Independent Auditor's Report

For the year ended 31 December 2017

บริษัท ชัยโก้ กรุ๊ป จำกัด (มหาชน)
CHAYO GROUP PCL.

To the shareholders and the Board of Directors of Chayo Group Public Company Limited

My opinion

In my opinion, the consolidated financial statements of Chayo Group Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial statements of the Company present fairly, in all material respects, the consolidated and separate financial position of the Group and of the Company as at 31 December 2017, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2017;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Other information

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee

Responsibilities of management for the consolidated and separate financial statements

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

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists management in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and 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 Group and 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 consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee 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.

PricewaterhouseCoopers ABAS Ltd.

Boonlert Kamolchanokkul
Certified Public Accountant (Thailand) No. 5339
Bangkok
12 February 2018

Statements of Cash Flows

For the year ended 31 December 2017

บริษัท ชัยภูมิ จำกัด (มหาชน)

CHAYO GROUP PCL.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>Assets</i>					
<i>Current assets</i>					
Cash and cash equivalents	7	57,731,492	79,718,785	15,430,740	16,760,955
Restricted deposits at financial institutions					
- current	8	1,163,331	713,418	1,163,331	713,418
Short-term investments	9	1,234,097	1,224,156	513,333	510,757
Trade and other receivables	10	7,036,461	7,268,427	4,825,825	5,504,928
Short-term loans to related parties	26.5	-	-	21,000,000	18,000,000
Other current assets		2,197,180	1,701,949	3,018,984	2,050,423
Total current assets		69,362,561	90,626,735	45,952,213	43,540,481

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
<i>Non-current assets</i>					
Restricted deposits at financial institutions					
- non-current	8	1,745,300	1,076,497	1,435,068	769,752
Loans to non-performing assets, net	11	281,773,990	160,643,813	-	-
Investments in subsidiaries	12	-	-	169,000,000	169,000,000
Investment properties, net	13	9,095,652	1,822,063	10,505,285	10,947,940
Property, plant and equipment, net	14	38,118,167	39,847,124	21,038,320	20,142,279
Intangible assets, net	15	1,736,993	70,643	1,334,661	-
Deferred tax assets	16	12,756,803	13,060,703	505,939	399,031
Other non-current assets		891,194	274,600	796,195	159,600
Total non-current assets		346,118,099	216,795,443	204,615,468	201,418,602
Total assets		415,480,660	307,422,178	250,567,681	244,959,083

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and equity					
Current liabilities					
Trade and other payables	17	12,437,922	14,443,131	7,142,924	7,548,324
Current portion of liabilities under hire purchase agreements		594,535	550,686	-	-
Current portion of long-term borrowings from a financial institution	18	20,400,000	-	-	-
Income tax payable		12,291,941	11,565,916	-	-
Other current liabilities		1,953,553	1,713,093	994,954	1,186,199
Total current liabilities		47,677,951	28,272,826	8,137,878	8,734,523
Non-current liabilities					
Liabilities under hire purchase agreements, net		1,516,563	2,111,098	-	-
Long-term borrowings from a financial institution	18	30,480,992	-	-	-
Employee benefit obligations	19	2,585,321	1,519,611	2,534,024	1,490,100
Other non-current liabilities		-	-	204,000	204,000
Total non-current liabilities		34,582,876	3,630,709	2,738,024	1,694,100
Total liabilities		82,260,827	31,903,535	10,875,902	10,428,623

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Liabilities and equity (Cont'd)					
Equity					
Share capital	20				
Authorised share capital					
560,000,000 ordinary shares at par value of Baht 0.50 each		280,000,000		280,000,000	
(2016: Authorised share capital 21,000,000 ordinary shares at par value of Baht 10 each)			210,000,000		210,000,000
Issued and paid-up share capital					
420,000,000 ordinary shares, paid-up, Baht 0.50 each		210,000,000		210,000,000	
(2016: Authorised share capital 21,000,000 ordinary shares at par value of Baht 10 each)			210,000,000		210,000,000
Discount from business combinations under common control	2.1	(9,678,120)	(9,678,120)	-	-
Retained earnings					
Appropriated					
Legal reserve	21	300,000	300,000	300,000	300,000
Unappropriated		132,622,696	74,927,581	29,388,679	24,229,421
Other component of equity		(24,743)	(30,818)	3,100	1,039
Equity attributable to owners of the parent		333,219,833	275,518,643	239,691,779	234,530,460
Non-controlling interests		-	-	-	-
Total equity		333,219,833	275,518,643	239,691,779	234,530,460
Total liabilities and equity		415,480,660	307,422,178	250,567,681	244,959,083

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Statements of Comprehensive Income

For the year ended 31 December 2017

บริษัท ชัยภูมิ จำกัด (มหาชน)

CHAYO GROUP PCL.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Services income from debt collection service	26.1	37,708,398	31,659,157	35,530,216	38,088,464
Income from loans to non-performing assets		162,007,156	162,422,096	7,477	-
Service income from call center services		6,266,280	3,057,000	-	-
Costs of rendering services	23, 26.2	(73,238,394)	(61,596,776)	(19,839,289)	(21,195,399)
Gross profit		132,743,440	135,541,477	15,698,404	16,893,065
Other income	22, 26.3	576,430	722,298	26,319,851	40,126,867
Administrative expenses	23	(45,272,624)	(41,656,466)	(34,913,961)	(31,735,412)
Finance costs		(1,254,801)	(2,981,583)	-	(1,709,177)
Profit before income tax		86,792,445	91,625,726	7,104,294	23,575,343
Income tax expense	24	(28,552,054)	(20,734,404)	(1,398,064)	(1,382,180)
Net profit for the year		58,240,391	70,891,322	5,706,230	22,193,163
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	19	(681,588)	(10,897)	(683,715)	(10,897)
Income tax relating to items that will not be reclassified subsequently to profit or loss	16	136,312	2,179	136,743	2,179

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Total items that will not be reclassified subsequently to profit or loss		(545,276)	(8,718)	(546,972)	(8,718)
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments	9	7,593	(38,523)	2,576	1,299
Income tax relating to items that will be reclassified					
subsequently to profit or loss	16	(1,518)	7,705	(515)	(260)
Total items that will be reclassified subsequently to profit or loss		6,075	(30,818)	2,061	1,039
Other comprehensive expense for the year, net of tax		(539,201)	(39,536)	(544,911)	(7,679)
Total comprehensive income for the year		57,701,190	70,851,786	5,161,319	22,185,484

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Profit attributable to:					
Owners of the parent		58,240,391	70,891,322	5,706,230	22,193,163
Non-controlling interests		-	-	-	-
		58,240,391	70,891,322	5,706,230	22,193,163
Total comprehensive income attributable to:					
Owners of the parent		57,701,190	70,851,786	5,161,319	22,185,484
Non-controlling interests		-	-	-	-
		57,701,190	70,851,786	5,161,319	22,185,484
Earnings per share	25				
Weighted-average ordinary shares (shares)		420,000,000	420,000,000	420,000,000	420,000,000
Basic earnings per share		0.1387	0.1688	0.0136	0.0528

Statements of Changes in Equity

For the year ended 31 December 2017

บริษัท ชัย กรุ๊ป จำกัด (มหาชน)

CHAYO GROUP PCL.

Consolidated financial statements

Attributable to owners of the parent

	Issued and paid-up share capital	Discount from business combinations under common control	Retained earnings	
			Appropriated retained earnings - legal reserve	Unappropriated retained earnings
Opening balance as at 1 January 2017	210,000,000	(9,678,120)	300,000	74,927,581
Changes in equity for the year				
Total comprehensive income for the year	-	-	-	57,695,115
Closing balance as at 31 December 2017	210,000,000	(9,678,120)	300,000	132,622,696
Opening balance as at 1 January 2016	210,000,000	(9,678,120)	300,000	4,044,977
Changes in equity for the year				
Total comprehensive income for the year	-	-	-	70,882,604
Closing balance as at 31 December 2016	210,000,000	(9,678,120)	300,000	74,927,581

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

Attributable to owners of the parent		Non-controlling interests	Total equity
Other comprehensive income	Total owners of the parent		
Available-for-sales			
investments			
(30,818)	275,518,643	-	275,518,643
6,075	57,701,190	-	57,701,190
(24,743)	333,219,833	-	333,219,833
-	204,666,857	-	204,666,857
(30,818)	70,851,786	-	70,851,786
(30,818)	275,518,643	-	275,518,643

Separate financial statements

	Issued and paid-up share capital	Appropriated retained earnings - legal reserve	Unappropriated retained earnings
Opening balance as at 1 January 2017	210,000,000	300,000	24,229,421
Changes in equity for the year			
Total comprehensive income for the year	-	-	5,159,258
Closing balance as at 31 December 2017	210,000,000	300,000	29,388,679
Opening balance as at 1 January 2016	210,000,000	300,000	2,044,976
Changes in equity for the year			
Total comprehensive income for the year	-	-	22,184,445
Closing balance as at 31 December 2016	210,000,000	300,000	24,229,421

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

Other component of equity		Total equity
Other comprehensive income		
Available-for-sales investments		
	1,039	234,530,460
	2,061	5,161,319
	3,100	239,691,779
	-	212,344,976
	1,039	22,185,484
	1,039	234,530,460

Statements of Cash Flows

For the year ended 31 December 2017

บริษัท ชัยภูมิ จำกัด (มหาชน)

CHAYO GROUP PCL

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Cash flows from investing activities					
Profit before income tax		86,792,445	91,625,726	7,104,294	23,575,343
Adjustments:					
Depreciation and amortisation	13, 14, 15	4,342,758	3,731,162	1,834,538	1,954,372
Loss on write-off of equipment	14	39,045	2,839	2,019	2,839
Gain on disposal short-term investments	9	-	(385,942)	-	(258,837)
Loss on (reversal of) impairment of loans to non-performing assets	11	149,624	(302,248)	-	-
Employee benefit expenses		384,122	1,069,021	360,209	1,046,620
Dividend income		-	-	-	(18,834,000)
Income from loans to non-performing assets		(162,007,156)	(162,422,096)	(7,477)	-
Other interest income	22	(336,461)	(184,765)	(1,239,732)	(652,583)
Finance costs		1,254,801	2,981,583	-	1,709,177

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Changes in working capital					
- Trade and other receivables		231,966	(2,408,102)	679,103	471,977
- Other current assets		(25,714)	(1,678,608)	(15,286)	(1,478,002)
- Loans to non-performing assets		(121,279,801)	39,339,636	-	106,809
- Other non-current assets		(616,594)	(159,000)	(636,595)	(129,000)
- Trade and other payables		(2,136,716)	588,792	(405,400)	3,397,061
- Other current liabilities		240,460	(6,128,706)	(191,245)	(6,498,436)
- Other non-current liabilities		-	(24,000)	-	(24,000)
Cash (used in) generated from operations		(192,967,221)	(34,354,708)	7,484,428	4,389,340
Interest received		334,112	181,485	710,088	102,227
Income from loans to non-performing assets		162,007,156	162,422,096	7,477	-
Interest paid		(896,678)	(1,969,776)	-	(1,709,177)
Income tax paid		(27,856,851)	(23,412,817)	(1,792,375)	(2,713,934)
Net cash (used in) generated from operating activities		(59,379,482)	102,866,280	6,409,618	68,456

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Notes					
Cash flows from investing activities					
Increase in restricted deposits at financial institutions	8	(1,118,716)	(587,029)	(1,115,229)	(528,584)
Purchases of short-term investments	9	-	(70,000,000)	-	(60,000,000)
Proceeds from sale of short-term investments	9	-	77,000,000	-	60,000,000
Purchases of investment properties	13	(7,511,218)	-	-	(93,686)
Purchases of property, plant and equipment	14	(2,273,117)	(3,883,953)	(2,216,154)	(639,184)
Purchases of intangible asset	15	(1,808,450)	(91,486)	(1,408,450)	-
Repayments of short-term borrowings to related party		-	-	(3,000,000)	(18,000,000)
Dividends received		-	-	-	18,834,000
Net cash (used in) generated from investing activities		(12,711,501)	2,437,532	(7,739,833)	(427,454)
Cash flow from financing activities					
Proceeds from short-term borrowings from others		-	88,988,193	-	60,000,000
Proceeds from long-term borrowings from financial institution	18	57,639,830	-	-	-
Payments on short-term borrowings from others		-	(90,000,000)	-	(60,000,000)
Payments on long-term borrowings from financial institution	18	(6,800,000)	-	-	-
Payments on long-term borrowings from related parties	26.6	-	(16,977,796)	-	-
Payments on finance lease liability		(736,140)	(1,428,216)	-	-
Dividends paid to the Group's shareholders		-	(41,312,054)	-	-
"Net cash generated from (used in) financing activities"		50,103,690	(60,729,873)	-	-

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
"Net (decrease) increase in cash and cash equivalents"		(21,987,293)	44,573,939	(1,330,215)	(358,998)
Cash and cash equivalents at the beginning of the year		79,718,785	35,144,846	16,760,955	17,119,953
Cash and cash equivalents at the end of the year		57,731,492	79,718,785	15,430,740	16,760,955
Non-cash transactions:					
During the years ended 31 December 2017 and 2016, the following significant non-cash transactions occurred:					
Transfer from restricted deposits to short-term investments		-	250,621	-	250,621
Transfer from property, plant and equipment to Investment properties		-	3,746,919	-	3,746,919
Purchases of property, plant and equipment under hire-purchase agreements		-	1,233,569	-	-

The note to financial statements on pages 106 to 186 are an integral part of these consolidated and separate financial statements.

General information

For the year ended 31 December 2017

บริษัท ชัยกรุป จำกัด (มหาชน)
CHAYO GROUP PCL.

1. General information

Chayo Group Public Company Limited (“the Company”) is a public company incorporated and resident in Thailand at 44/499-504 Phahonyothin Road, Anusawaree, Bangkok, Bangkok 10220.

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”.

The Group is allowed to operate Asset Management Business under the Royal Enactment of Financial Institution Asset Management Corporation B.E. 2541 by Bank of Thailand on 21 March 2014.

On 11 May 2017, the Company registered the transformation of the Company from the limited company to the public company limited to the Ministry of Commerce.

The Group operates with its objectives to provide debt collection service, manage non-performing assets from purchases and transfers of secured and non-secured non-performing assets from the financial institutions, credit facility companies and call center services.

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 12 February 2018.

2. Accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below:

2.1 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

On 23 December 2015, the Company restructured the Group's business restructuring under common control. The consolidated financial statements have been prepared retrospectively using pooling of interests method as if the subsidiaries have been included since the date of business combinations under common control in accordance with the accounting guidance for the business combinations under common control of the Federation of Accounting Professions. Such business combination resulted in discount from business combination under common control of Baht 9,678,120.

The consolidated and separate financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 Revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards and interpretations which are effective on 1 January 2017 and are relevant and but do not have a significant impact to the Group are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 27 (revised 2016)	Separate financial statements

TAS 1 (revised 2016): the amendments provide clarifications on a number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals - line items specified in TAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes - confirmation that the notes do not need to be presented in a particular order.
- Other comprehensive income (OCI) arising from investments accounted for under the equity method - the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

TAS 27 (revised 2016): the amendments allow an entity a policy choice to account for investments in subsidiaries, joint ventures and associates in its separate financial statements using the equity method as described in TAS 28 (revised 2016) in addition to measurement at cost or at fair value (when announced) previously allowed. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively.

2.2.2 Revised financial reporting standards that are effective for annual periods beginning on or after 1 January 2018 that have significant changes and are relevant to the Group that the Group has not yet adopted are as follows:

TAS 7 (revised 2017) Statement of cash flows

TAS 12 (revised 2017) Income taxes

TAS 7 (revised 2017): the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017): the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

The Group's management assessed and considered that the above revised standards will not have a material impact to the Group except for disclosure.

2.3 Group Accounting - Investments in subsidiaries

(1) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations (except the business combinations under common control which the Group applies the method similar to pooling of interests. The acquirer recognised the asset and liabilities transferred at cost method in the owners' proportionate share of the acquiree under common control). The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measured are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or loss on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

(2) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

2.4 Cash and cash equivalents

In the consolidated and separate statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less from acquisition date and bank overdrafts.

2.5 Restricted deposits

Restricted deposits mean deposits with banks with restrictions on withdrawals.

2.6 Investments

Investments other than investments in subsidiaries are classified into the following four categories:

(1) held-to-maturity investments; and (2) available-for-sales investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity.
- (2) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss (if any).

Available-for-sales investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost. Available-for-sales investments are subsequently measured at fair value. The unrealised gains and losses of available-for-sales investments are recognised in other comprehensive income.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

2.7 Loans to non-performing assets

The Group acquires in secured and non-secured assets from financial institutions and credit facility companies from bidding for debts collection which is expected to be collected for 4-5 years from the acquisition date. The Group has no rights to claim the repayment from the seller when the debts cannot be collected.

The loans to non-performing assets are classified as non-current assets unless management has expressed the intention of holding the loans for less than 12 months from the statement of financial position date, in which case they are included in current assets, except management has intention to sell the loans for financing cash in the operation, in which case they are included in current assets.

The loans to non-performing assets are presented at their acquisition cost less amortised costs using the effective interest rate less allowance for impairment (if any).

The Group recognised loss on impairment of loans to non-performing assets when it anticipates discounted cash flows to the present values of receivables are lower than carrying value.

2.8 Trade accounts receivable

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

2.9 Investment properties

Properties that are held for long-term rental yields or for capital appreciation or both, and that are not occupied by the companies in the consolidated Group, are classified as investment properties. Investment properties also include properties that are being constructed or developed for future use as investment properties.

Investment properties of the Group comprise land and buildings held for long-term rental yields or for capital appreciation, including certain land and buildings which are currently undetermined for future use.

Investment properties are measured initially at their cost, including related transaction costs.

Subsequent expenditures are capitalised to the asset's carrying amount only where it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance costs are expensed when incurred. When parts of an investment property are replaced, the carrying amount of the replaced parts are derecognised.

After initial recognition, investment properties are carried at cost less accumulated depreciation and allowance for impairment (if any).

Land is not depreciated. Depreciation of buildings is calculated using the straight-line method to write down its cost over its estimated useful life of 20 years.

2.10 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and building improvements	20 yers
Office equipments	5 years
Furnitures and fixtures	5 years
Vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within profit or loss.

2.11 Intangible assets

Computer software

Computer software acquired with specific characteristics are recorded as an asset and recognised with acquisition cost and other costs directly distributable to prepare the assets ready for use. The asset is amortised over the estimated useful life of 3 years. All related repairs and maintenance costs are expensed when incurred.

2.12 Impairment of assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment when ever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Leases - where the Group is a lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Leases - where the Group is a lessor

Assets leased out under operating leases are included in investment properties in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with other similar property, plant and equipment owned by the Group. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term

2.14 Borrowings

Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.15 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.16 Retirement benefits

The Group operate various retirement benefits schemes. The Group has both defined contribution and defined benefit plans.

2.16.1 Defined contribution

A defined contribution plan is a plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions once the contributions have been paid even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to a separate fund which is managed by an external fund manager in accordance with the Provident Fund Act. B.E. 2530. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.16.2 Retirement benefits

A defined benefit plan is a retirement plan that is not a defined contribution plan. Typically defined benefit plans define an amount of retirement benefit that an employee will receive on retirement, usually depends on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using and market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related retirement liability.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

2.17 Provisions

Provisions (excluding employee benefits) are recognised when the Group and company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.18 Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.19 Revenue recognition

Service income from debt collection is recognised using the accrual basis in accordance with the substance of the relevant agreements.

Income from loans to non-performing assets comprised with interest income from loans to non-performing assets is recognised using the effective interest method calculated from estimated future cash inflows. If actual cash flows from collection exceed calculated revenues, the remaining cash collection will be amortised from the value of loans to non-performing assets for each period. In the case that all investment amount is written off, the Group shall recognise cash inflows as income from loans to non-performing assets and recognise loss on impairment immediately when there is an indication for significant decrease in cash flows. The future cash flows from loans to non-performing assets are estimated based on the quality, type and age of debt and referred to historical records of debt collection, where the total estimation shall not over the amount of cash flows estimated by management since the purchase of the assets. It is expected that the debt collection will last 4-5 years since the date of acquired loans to non-performing assets.

Interest income is recognised using the effective interest method.

Dividend income is recognised when the right to receive payment is established.

Other income is recognised using the accrual basis.

2.20 Dividend distribution

Dividend distribution to the Company's shareholders is recognised in the financial statements in the period in which the annual dividend is approved by the Company's shareholders or the interim dividend is approved by the Company's Board of Directors.

2.21 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Director committee that makes strategic decisions.

Segment information is presented in respect of the Group's business segments are disclosed in Note 6.

3. Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group under policies approved. The management provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment excess liquidity.

3.1.1 Interest rate risk

The Group's income and operating cash flows are substantially dependent of changes in market interest rates. The Group borrows at fixed rates and does not use interest rate swaps as cash flow hedges of future interest payments.

3.1.2 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place by paying close attention to repayments from debtors and for debts that are long-outstanding will be considered doubtful debts and set allowance on the amounts.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

3.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3)

The following tables present the Group's financial assets and liabilities that are measured at fair value at 31 December 2017 and 2016:

Unit : Baht

Consolidated financial statements 2017				
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Short-term investments (Note 9)	-	774,383	-	774,383
Total	-	774,383	-	774,383

Unit : Baht

Consolidated financial statements 2016				
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Short-term investments (Note 9)	-	766,790	-	766,790
Total	-	766,790	-	766,790

The following tables present the Group's financial assets and liabilities that are measured at fair value at 31 December 2017 and 2016:

Unit : Baht

Separate financial statements 2017				
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Short-term investments (Note 9)	-	262,712	-	262,712
Total	-	262,712	-	262,712

Unit : Baht

Separate financial statements 2016				
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Short-term investments (Note 9)	-	260,136	-	260,136
Total	-	260,136	-	260,136

There were no transfers between levels 1 and 2 during the year.

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2017 and 2016:

Unit : Baht

Consolidated financial statements 2017				
	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Cash and cash equivalents	57,731,492	-	-	57,731,492
Restricted deposits at financial institutions	2,908,631	-	-	2,908,631
Short-term investments	459,714	-	-	459,714
Trade and other receivables	-	7,036,461	-	7,036,461
Loans to non-performing assets	-	369,893,600	188,997,533	558,891,133
Investment properties	-	18,100,000	-	18,100,000
Total	61,099,837	395,030,061	188,997,533	645,127,431
<u>Financial liabilities</u>				
Trade and other payables	-	12,437,922	-	12,437,922
Long-term borrowings from at financial institutions	-	48,657,373	-	48,657,373
Total	-	61,095,295	-	61,095,295

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2017 and 2016: (Cont'd)

Unit : Baht

	Consolidated financial statements 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	79,718,785	-	-	79,718,785
Restricted deposits at financial institutions	1,789,915	-	-	1,789,915
Short-term investments	457,366	-	-	457,326
Trade and other receivables	-	7,268,427	-	7,268,427
Loans to non-performing assets	-	-	328,800,505	328,800,505
Investment properties	-	5,700,000	-	5,700,000
Total	81,966,066	12,968,427	328,800,505	423,734,998
Financial liabilities				
Trade and other payables	-	14,443,131	-	14,443,131
Total	-	14,443,131	-	14,443,131

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2017 and 2016: (Cont'd)

Unit : Baht

Separate financial statements 2017				
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	15,430,740	-	-	15,430,740
Restricted deposits at financial institutions	2,598,399	-	-	2,598,399
Short-term investments	250,621	-	-	250,621
Trade and other receivables	-	4,825,825	-	4,825,825
Short-term loans to related parties	-	21,000,000	-	21,000,000
Investment properties	-	15,772,720	-	15,772,720
Total	18,279,760	41,598,545	-	59,878,305
Financial liabilities				
Trade and other payables	-	7,142,924	-	7,142,924
Total	-	7,142,924	-	7,142,924

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2017 and 2016: (Cont'd)

Unit : Baht

Separate financial statements 2016				
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and cash equivalents	16,760,955	-	-	16,760,955
Restricted deposits at financial institutions	1,483,170	-	-	1,483,170
Short-term investments	250,621	-	-	250,621
Trade and other receivables	-	5,504,928	-	5,504,928
Short-term loans to related parties	-	18,000,000	-	18,000,000
Investment properties	-	15,750,000	-	15,750,000
Total	18,494,746	39,254,928	-	57,749,674
Financial liabilities				
Trade and other payables	-	7,548,324	-	7,548,324
Total	-	7,548,324	-	7,548,324

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price/closing price by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. These instruments are included in level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (over-the-counter) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(c) Financial instruments in level 3

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The main factor the Group applies in estimating fair value at level 3 to is a discount rate appropriate for relevant risks.

Valuation processes

The Group's finance department comprises the committee that assesses the fair values of financial assets for financial reporting in the financial statements including the level 3 fair value. This committee directly reports to Management Committee (MC) and Audit Committee. The meeting among Chief Financial Officer, Audit Committee, and the committee assessing the fair values is held at least once each quarter which is consistent with the Group's quarterly reporting date.

The main information used for assessing the level 3 fair value include aging from the last payment date the debtors made payment to the financial institutions, legal status, and outstanding balance. The discount rate applied is the maximum default rate of the local financial institutions.

Changes in level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO and MC. As part of this discussion, CFO presents a report that explains the reasons for the fair value movements.

Cash and cash equivalents and restricted deposits at financial institutions

The carrying amounts of cash and cash equivalents presented in the statement of financial position approximate fair values.

Short-term investments

The fair value of available-for-sale investments is based on net asset value as at year end date announced by the asset management company. The fair value is within level 2 of the fair value hierarchy.

The fair value of held-to-maturity investments due within 1 year recorded at book value, as the impact of discounting is not significant.

Trade and other receivables

The carrying amounts of trade and other receivables presented in the statement of financial position approximate fair values.

Short-term loans to related parties

The carrying amounts of short-term loans to related parties presented in the statement of financial position approximate fair values.

Loans to non-performing assets

The fair value of loans to non-performing assets is calculated by estimating cash flows to be received from debtors or disposal of collateral in the future discounted by the maximum of default interest from financial institutions. The estimated cash flows to be received from debtors used significant unobservable inputs such that the Group classifies the fair value measurement at level 3 of fair value hierarchy.

Investment properties

The Group engaged an independent appraiser to assess the fair values of investment properties by using the market approach which is based on sales prices of comparable property in close proximity and adjusted for differences in key attributes such as size and shape, location and condition of investment properties. Such information is sufficient for comparison to determine the fair values of investment property. The Group classifies the fair value measurement at level 2 of fair value hierarchy.

Trade and other payables

The carrying amounts of trade and other payables presented in the statement of financial position approximate fair values.

Long-term borrowings from a financial institution

The fair value of borrowings is calculated by discounting cash outflows to settle borrowings using the market interest rate.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

a) Recognition of interest income from loans to non-performing assets

The Group recognises interest income from loans in non-performing assets based on estimated future cash inflow according to quality, type and age of debt referring to historical records of debt collection discounted with effective rate.

b) Estimated impairment of loans to non-performing assets

The Group annually evaluates whether loans to non-performing assets have suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts have been determined based on the present value of estimated future cash receipts that have been revised discounted at the original effective interest rate which reflects the quality of non-performing assets as at the financial report date.

5. Capital risk management

The Group's objectives for managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6. Segment information

The Group reports based on segments by presenting main business as main reported segments by considering the types of business in which the Group operates.

The Group operates in 3 main segments:

- 1) Segment of debt collection service
- 2) Segment of management of non-performing assets
- 3) Segment of call center services

The financial statements are reported by segments in consolidated financial statements:

Unit : Baht

For the year ended 31 December 2017	Debt collection service	Management of non-performing assets	Call center service	Total
Revenues	45,937,048	162,007,156	6,266,280	214,210,484
Revenues from inter-segment	(8,228,650)	-	-	(8,228,650)
Revenues from segment	37,708,398	162,007,156	6,266,280	205,981,834
Costs	(23,015,861)	(54,603,153)	(3,848,030)	(81,467,044)
Costs from inter-segment	-	8,228,650	-	8,228,650
Costs from segment	(23,015,861)	(46,374,503)	(3,848,030)	(73,238,394)
Segment results	14,692,537	115,632,653	2,418,250	132,743,440
Unallocated costs				(45,272,624)
Profit from operation				87,470,816
Other income				.576,430
Finance costs				(1,254,801)
Profit before income tax				86,792,445
Income tax expense				(28,552,054)
Net profit				58,240,391

The financial statements are reported by segments in consolidated financial statements: (Cont'd)

Unit : Baht

For the year ended 31 December 2016	Debt collection service	Management of non-performing assets	Call center service	Total
Revenues	44,049,816	162,422,096	3,057,000	209,528,912
Revenues from inter-segment	(12,390,659)	-	-	(12,390,659)
Revenues from segment	31,659,157	162,422,096	3,057,000	197,138,253
Costs	(22,722,570)	(50,113,471)	(1,151,394)	(73,987,435)
Costs from inter-segment	-	12,390,659	-	12,390,659
Costs from segment	(22,722,570)	(37,722,812)	(1,151,394)	(61,596,776)
Segment results	8,936,587	124,699,284	1,905,606	135,541,477
Unallocated costs				(41,656,466)
Profit from operation				93,885,011
Other income				722,298
Finance costs				(2,981,583)
Profit before income tax				91,625,726
Income tax expense				(20,734,404)
Net profit				70,891,322

7. Cash and cash equivalents

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash on hand	21,732	5,077	11,969	438
Deposits held at call with banks	57,709,760	79,713,708	15,418,77	116,760,517
Total	57,731,492	79,718,785	15,430,740	16,760,955

The interest rates of deposits held at call with banks were 0.2% - 0.625% per annum
(2016: 0.2% - 0.625% per annum).

8. Restricted deposits at financial institutions

As at 31 December 2017 and 2016, restricted deposits at financial institutions of the Group and the Company are fixed deposits for securing the performance of debt collection services which is in the normal course of business.

9. Short-term investments

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Fixed deposits not over 12 months	459,714	457,366	250,621	250,621
Available-for-sales investments	774,383	766,790	262,712	260,136
Fair value as at 31 December	1,234,097	1,224,156	513,333	510,757

As at 31 December 2017, the fixed deposits not over 12 months bore interest of 1.15% per annum
(2016: 1.15% per annum).

At 31 December 2017 and 2016, the movements in short-term investments are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	766,790	7,419,371	260,136	-
Additions	-	70,000,000	-	60,000,000
Unrealised gains right before disposal of available-for-sales investments	-	345,545	-	259,959
Disposals	-	(77,000,000)	-	(60,000,000)
<u>Add</u> Re-measuring available-for-sales investments	7,593	1,874	2,576	177
At 31 December	774,383	766,790	262,712	260,136

The movements in unrealised gains (losses) from changes in value of available-for-sales investments during the year are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	6,925	45,448	1,299	-
Unrealised gains right before disposal of available-for-sales investments	-	345,545	-	259,959
<u>Less</u> Unrealised gains subsequently realised to profit and loss at disposal of investments	-	(385,942)	-	(258,837)
<u>Add</u> Re-measuring available-for-sales investments	7,593	1,874	2,576	177
Fair value as at 31 December	14,518	6,925	3,875	1,299

10. Trade and other receivables

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade receivables	6,670,821	7,001,717	4,237,788	4,573,100
Less allowance for doubtful accounts	-	-	-	-
Trade receivables, net	6,670,821	7,001,717	4,237,788	4,573,100
Amounts due from related parties (Note 26.4)	-	-	533,203	836,816
Prepaid expenses	140,021	132,286	54,834	95,012
Advances	206,869	134,424	-	-
Others	18,750	-	-	-
Total	7,036,461	7,268,427	4,825,825	5,504,928

Outstanding trade accounts receivable as at 31 December 2017 and 2016 can be analysed as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Less than 3 months	6,670,821	7,001,717	4,237,788	4,573,100
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	6,670,821	7,001,717	4,237,788	4,573,100
Less allowance for doubtful accounts	-	-	-	-
Total trade receivables, net	6,670,821	7,001,717	4,237,788	4,573,100

Outstanding amounts due from related parties as at 31 December 2017 and 2016 can be analysed as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Less than 3 months	-	-	533,203	836,816
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total amounts due from related parties	-	-	533,203	836,816
Less allowance for doubtful accounts	-	-	-	-
Total amounts due from related parties, net	-	-	533,203	836,816

11. Loans to non-performing assets, net

As of 31 December 2017 and 2016, loans to non-performing assets are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Non-performing assets	281,923,614	160,643,813	-	-
Less Allowance for impairment	(149,624)	-	-	-
At 31 December	281,773,990	160,643,813	-	-

The movements of loans to non-performing assets for years ended 31 December 2017 and 2016 are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	160,643,813	208,453,555	-	106,809
Additions	181,500,300	-	-	-
Less Proceeds from loans to non-performing assets	(60,220,499)	(48,111,990)	-	(106,809)
Add (less) (Loss on) reversal of impairment	(149,624)	302,248	-	-
At 31 December	281,773,990	160,643,813	-	-

As at 31 December 2017, loans to non-performing assets in the consolidated financial statements consisted of 220,613 contracts (2016: 227,457 contracts), and 7 contracts have secured assets (2016: 1 contract) and the appraised value of collaterals is Baht 369.89 million (2016: Baht 5.19 million).

Loans to non-performing assets as at 31 December 2017 and 2016 can be analysed by aging from the date of acquisition of loans to non-performing assets as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Less than 1 year	181,500,300	-	-	-
1 - 2 years	-	106,113,717	-	-
2 - 3 years	76,861,036	54,530,096	-	-
3 - 4 years	23,562,278	-	-	-
4 - 5 years	-	-	-	-
Over 5 years	-	-	-	-
Total amounts loans to non-performing assets	281,923,614	160,643,813	-	-

11.1) Classified by loan type

Unit : Baht

	Consolidated financial statements	
	2017	2016
Overdrafts	3,981,855,335	3,941,756,791
Loans	11,108,578,343	8,493,164,235
Notes	361,074,015	361,230,958
Hire-purchase receivables	1,881,688,891	1,882,208,819
Financial lease receivables	10,900,162	10,900,162
Others	11,791,649,003	11,927,520,763
<u>Less</u> Deferred revenue	(28,853,822,135)	(26,456,137,915)
Total loans net of deferred revenue	281,923,614	160,643,813
<u>Add</u> Accrued interest receivables	-	-
Total loans net of deferred revenue and accrued interest receivables	281,923,614	160,643,813
<u>Less</u> Allowance for doubtful accounts	(149,624)	-
Total	281,773,990	160,643,813
Total loans to non-performing assets, net	281,773,990	160,643,813

Unit : Baht

		Separate financial statements	
		2017	2016
Hire-purchase receivables		79,551,236	79,560,236
Financial lease receivables		10,900,162	10,900,162
<u>Less</u> Deferred revenue		(90,451,398)	(90,460,398)
Total loans net of deferred revenue		-	-
<u>Add</u> Accrued interest receivables		-	-
Total loans net of deferred revenue and accrued interest receivables	-	-	-
<u>Less</u> Allowance for doubtful accounts		-	-
Total		-	-
Total loans to non-performing assets, net		-	-

11.2) Classified by currency and customer's residence

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Thai Baht - Domestic	281,923,614	160,643,813	-	-
At 31 December	281,923,614	160,643,813	-	-

The Group and the Company have positions and performances in Thailand only.

11.3) Classified by type of business and loan classification

Unit : Baht

Consolidated financial statements 2017						
	Normal	Special mention	Sub-standard	Doubtful	Doubtful loss	Total
Agriculture and mining	-	-	-	-	-	-
Housing loans	-	-	-	-	-	-
Personal consumption for living	-	-	-	-	181,500,300	181,500,300
Others	-	-	-	-	100,423,314	100,423,314
Total	-	-	-	-	281,923,614	281,923,614

Unit : Baht

Consolidated financial statements 2016						
	Normal	Special mention	Sub-standard	Doubtful	Doubtful loss	Total
Agriculture and mining	-	-	-	-	-	-
Housing loans	-	-	-	-	-	-
Personal consumption for living	-	-	-	-	-	-
Others	-	-	-	-	160,643,813	160,643,813
Total	-	-	-	-	160,643,813	160,643,813

Unit : Baht

Separate financial statements 2017						
	Normal	Special mention	Sub-standard	Doubtful	Doubtful loss	Total
Agriculture and mining	-	-	-	-	-	-
Housing loans	-	-	-	-	-	-
Personal consumption for living	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-

Unit : Baht

Separate financial statements 2016						
	Normal	Special mention	Sub-standard	Doubtful	Doubtful loss	Total
Agriculture and mining	-	-	-	-	-	-
Housing loans	-	-	-	-	-	-
Personal consumption for living	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-

11.4) Classified by type of classification

The Group classified all loans to non-performing assets as doubtful loss since all loans have overdue over 12 months according to their original loan agreements before the Group acquired these loans from the financial institutions. The Group classifies these loans according to the definitions of Bank of Thailand.

The Group considers whether the impairment indicators exist by comparing the future cash receipt (including the collaterals value) from loans to non-performing assets in each type, legal status, and aging from last payment made to the financial institution. The Group provides allowance for doubtful loans where the estimated future cash receipts that have been revised discounted at the original effective interest rate, which reflected the quality of non-performing assets as at the financial report date, are lower than the carrying amount.

Loans in non-performing assets as at 31 December 2017 and 2016 can be analysed by aging from the default date based on loan agreements of the investments in non-performing assets.

Unit : Baht

Consolidated financial statements 2017			
Loan classification	Carrying amount	Book value after collateral value	Allowance for doubtful account
Normal	-	-	-
Special mention	-	-	-
Sub-standard	-	-	-
Doubtful	-	-	-
Doubtful loss	281,923,614	100,423,314	149,624
Total	281,923,614	100,423,314	149,624

Unit : Baht

Consolidated financial statements 2016			
Loan classification	Carrying amount	Book value after collateral value	Allowance for doubtful account
Normal	-	-	-
Special mention	-	-	-
Sub-standard	-	-	-
Doubtful	-	-	-
Doubtful loss	160,643,813	158,303,775	-
Total	160,643,813	158,303,775	-

Unit : Baht

Separate financial statements 2017			
Loan classification	Carrying amount	Book value after collateral value	Allowance for doubtful account
Normal	-	-	-
Special mention	-	-	-
Sub-standard	-	-	-
Doubtful	-	-	-
Doubtful loss	-	-	-
Total	-	-	-

Unit : Baht

Separate financial statements 2016			
Loan classification	Carrying amount	Book value after collateral value	Allowance for doubtful account
Normal	-	-	-
Special mention	-	-	-
Sub-standard	-	-	-
Doubtful	-	-	-
Doubtful loss	-	-	-
Total	-	-	-

12. Investments in subsidiaries

The details of subsidiaries are as follows:

Direct	Type of business	Country of incorporation
Chayo Asset Management Company Limited	Management of non-performing assets	Thailand
Chayo Call Center Company Limited	Debt collection service	Thailand
Total		

Changes in investments in subsidiaries for the years ended 31 December 2017 and 2016 are as follows:

Opening balance
Less Loss on impairment of investments
Ending balance

Unit : Baht

2017 and 2016

% of ownership interest	Cost	Allowance for decrease in value	Carrying value
99.99	1 69,000,000	-	169,000,000
99.99	2,000,000	(2,000,000)	-
	171,000,000	(2,000,000)	169,000,000

Unit : Baht

Separate financial statements	
2017	2016
169,000,000	169,000,000
-	-
169,000,000	169,000,000

13. Investment properties, net

Unit : Baht

	Consolidated financial statements			
	Land	Buildings and building improvements	Construction in progress	Total
At 1 January 2016				
Cost	1,397,916	1,569,052	-	2,966,968
Less accumulated depreciation	-	(1,066,453)	-	(1,066,453)
Net book value	1,397,916	502,599	-	1,900,515
For the year ended 31 December 2016				
Beginning net book value	1,397,916	502,599	-	1,900,515
Depreciation charge	-	(78,452)	-	(78,452)
Ending net book value	1,397,916	424,147	-	1,822,063
At 31 December 2016				
Cost	1,397,916	1,569,052	-	2,966,968
Less accumulated depreciation	-	(1,144,905)	-	(1,144,905)
Net book value	1,397,916	424,147	-	1,822,063
For the year ended 31 December 2017				
Beginning net book value	1,397,916	424,147	-	1,822,063
Additions	-	7,000,000	511,218	7,511,218
Depreciation charge	-	(237,629)	-	(237,629)
Ending net book value	1,397,916	7,186,518	511,218	9,095,652
At 31 December 2017				
Cost	1,397,916	8,569,052	511,218	10,478,186
Less accumulated depreciation	-	(1,382,534)	-	(1,382,534)
Net book value	1,397,916	7,186,518	511,218	9,095,652

In the consolidated financial statements, depreciation expense of Baht 237,629 (2016: Baht 78,452) has been charged in administrative expenses.

Separate financial statements			
	Land	Buildings and building improvements	Total
At 1 January 2016			
Cost	4,661,218	5,012,487	9,673,705
Less accumulated depreciation	-	(2,125,832)	(2,125,832)
Net book value	4,661,218	2,886,655	7,547,873
For the year ended 31 December 2016			
Beginning net book value	4,661,218	2,886,655	7,547,873
Additions	-	93,686	93,686
Transferred from property, plant and equipment, net	-	3,746,919	3,746,919
Depreciation charge	-	(440,538)	(440,538)
Ending net book value	4,661,218	6,286,722	10,947,940
At 31 December 2016			
Cost	4,661,218	8,853,092	13,514,310
Less accumulated depreciation	-	(2,566,370)	(2,566,370)
Net book value	4,661,218	6,286,722	10,947,940
For the year ended 31 December 2017			
Beginning net book value	4,661,218	6,286,722	10,947,940
Depreciation charge	-	(442,655)	(442,655)
Ending net book value	4,661,218	5,844,067	10,505,285
At 31 December 2017			
Cost	4,661,218	8,853,092	13,514,310
Less accumulated depreciation	-	(3,009,025)	(3,009,025)
Net book value	4,661,218	5,844,067	10,505,285

In the separate financial statements, depreciation expense of Baht 442,655 (2016: Baht 440,538) has been charged in administrative expenses.

As at 31 December 2017, investment properties of the Company with the carrying amount of Baht 0.36 million (2016: nil) that are used as collateral for securing the Group's credit facilities of Baht 60 million from bank. (2016: nil). (Note 18)

The fair values of investment properties in land and building in consolidated and separate financial statements were at Baht 18.10 million and Baht 15.77 million, respectively.

The fair values are measured by independent professionally qualified valuers who hold a recognised relevant professional qualification and has recent experience in the locations and categories of the investment properties valued.

The Group applies the Market Approach in calculating fair values of investment properties. The fair value is within Level 2 of the fair value hierarchy

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Rental income	-	-	2,244,000	2,244,000
Direct operating expenses incurred by the investment properties resulting in rental income for the year	-	-	(442,655)	(440,538)
Direct operating expenses incurred by the investment properties not resulting in rental income for the year	-	-	-	-
Total	-	-	1,801,345	1,803,462

14. Property, plant and equipment, net

Unit : Baht

	Consolidated financial statements					
	Land	Buildings and building improvements	Office equipment	Furniture and fixture	Vehicles	Total
At 1 January 2016						
Cost	8,767,080	27,180,701	4,721,091	5,035,431	466,355	46,170,658
<u>Less</u> accumulated depreciation	-	(3,736,912)	(3,675,857)	(3,075,148)	(191,397)	(10,679,314)
Net book value	8,767,080	23,443,789	1,045,234	1,960,283	274,958	35,491,344
For the year ended 31 December 2016						
Beginning net book value	8,767,080	23,443,789	1,045,234	1,960,283	274,958	35,491,344
Additions	-	513,780	1,100,827	473,867	5,885,480	7,973,954
Disposal, net	-	-	(2,839)	-	-	(2,839)
Depreciation charge	-	(1,383,035)	(575,728)	(774,214)	(882,358)	(3,615,335)
Ending net book value	8,767,080	22,574,534	1,567,494	1,659,936	5,278,080	39,847,124
At 31 December 2016						
Cost	8,767,080	27,694,481	5,649,941	5,509,298	6,351,835	53,972,635
<u>Less</u> accumulated depreciation	-	(5,119,947)	(4,082,447)	(3,849,362)	(1,073,755)	(14,125,511)
Net book value	8,767,080	22,574,534	1,567,494	1,659,936	5,278,080	39,847,124

Property, plant and equipment, net (Cont'd)

Unit : Baht

	Consolidated financial statements					
	Land	Buildings and building improvements	Office equipment	Furniture and fixture	Vehicles	Total
For the year ended						
31 December 2017						
Beginning net book value	8,767,080	22,574,534	1,567,494	1,659,936	5,278,080	39,847,124
Additions	-	88,000	2,185,117	-	-	2,273,117
Disposal, net	-	-	(12,117)	(26,928)	-	(39,045)
Depreciation charge	-	(1,373,289)	(600,488)	(567,863)	(1,421,389)	(3,963,029)
Ending net book value	8,767,080	21,289,245	3,140,006	1,065,145	3,856,691	38,118,167
At 31 December 2017						
Cost	8,767,080	27,782,481	7,822,941	5,482,370	6,351,835	56,206,707
Less accumulated depreciation	-	(6,493,236)	(4,682,935)	(4,417,225)	(2,495,144)	(18,088,540)
Net book value	8,767,080	21,289,245	3,140,006	1,065,145	3,856,691	38,118,167

Property, plant and equipment, net (Cont'd)

Unit : Baht

	Separate financial statements				
	Land	Buildings and building improvements	Office equipment	Furniture and fixture	Total
At 1 January 2016					
Cost	5,503,778	20,542,923	3,254,965	4,117,060	33,418,726
Less accumulated depreciation	-	(2,634,828)	(3,083,318)	(2,933,892)	(8,652,038)
Net book value	5,503,778	17,908,095	171,647	1,183,168	24,766,688
For the year ended 31 December 2016					
Beginning net book value	5,503,778	17,908,095	171,647	1,183,168	24,766,688
Additions	-	158,018	339,622	141,544	639,184
Transferred to investment properties, net	-	(3,746,919)	-	-	(3,746,919)
Disposals, net	-	-	(2,839)	-	(2,839)
Depreciation charge	-	(844,137)	(100,745)	(568,953)	(1,513,835)
Ending net book value	5,503,778	13,475,057	407,685	755,759	20,142,279
At 31 December 2016					
Cost	5,503,778	16,954,022	3,422,610	4,258,604	30,139,014
Less accumulated depreciation	-	(3,478,965)	(3,014,925)	(3,502,845)	(9,996,735)
Net book value	5,503,778	13,475,057	407,685	755,759	20,142,279

Unit : Baht

	Separate financial statements				
	Land	Buildings and building improvements	Office equipment	Furniture and fixture	Total
For the year ended 31 December 2017					
Beginning net book value	5,503,778	13,475,057	407,685	755,759	20,142,279
Additions	-	88,000	2,128,154	-	2,216,154
Disposals, net	-	-	(166)	(1,853)	(2,019)
Depreciation charge	-	(848,328)	(141,668)	(328,098)	(1,318,094)
Ending net book value	5,503,778	12,714,729	2,394,005	425,808	21,038,320
At 31 December 2017					
Cost	5,503,778	17,042,022	3,341,205	4,256,751	30,143,756
Less accumulated depreciatio	-	(4,327,293)	(947,200)	(3,830,943)	(9,105,436)
Net book value	5,503,778	12,714,729	2,394,005	425,808	21,038,320

As at 31 December 2017, property and plant of the Company with the carrying amount of Baht 26.91 million (2016: nil) are used as collateral for securing the Group's credit facilities of Baht 60 million from bank. (2016: nil). (Note 18).

15. ntangible assets, net

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	Software	Total	Software	Total
At 1 January 2016				
Cost	116,385	116,385	-	-
<u>Less</u> accumulated amortisation	(8,367)	(8,367)	-	-
Net book value	108,018	108,018	-	-
For the year ended 31 December 2016				
Opening net book amount	108,018	108,018	-	-
Amortisation charge	(37,375)	(37,375)	-	-
Closing net book value	70,643	70,643	-	-
At 31 December 2016				
Cost	116,385	116,385	-	-
<u>Less</u> accumulated amortisation	(45,742)	(45,742)	-	-
Net book value	70,643	70,643	-	-
For the year ended 31 December 2017				
Opening net book amount	70,643	70,643	-	-
Additions	1,808,450	1,808,450	1,408,450	1,408,450
Amortisation charge	(142,100)	(142,100)	(73,789)	(73,789)
Closing net book value	1,736,993	1,736,993	1,334,661	1,334,661
At 31 December 2017				
Cost	1,924,835	1,924,835	1,408,450	1,408,450
<u>Less</u> accumulated amortisation	(187,842)	(187,842)	(73,789)	(73,789)
Net book value	1,736,993	1,736,993	1,334,661	1,334,661

16. Deferred income taxes

The analysis of deferred tax assets and deferred tax liabilities is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	-	-	-
Deferred tax assets to be recovered After 12 months	12,760,143	13,062,088	506,714	399,291
	12,760,143	13,062,088	506,714	399,291
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(3,340)	(1,385)	(775)	(260)
Deferred tax liabilities to be settled after 12 months	-	-	-	-
	(3,340)	(1,385)	(775)	(260)
Deferred tax assets, net	12,756,803	13,060,703	505,939	399,031

The gross movement of the deferred income tax accounts is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	13,060,703	9,134,678	399,031	688,751
(Credited)/charged to profit or loss (Note 24)	(438,694)	3,916,141	(29,320)	(291,639)
Charged to other comprehensive income	134,794	9,884	136,228	1,919
At 31 December	12,756,803	13,060,703	505,939	399,031

The movement in deferred tax assets and liabilities during the year is as follows:

Unit : Baht

Consolidated financial statements				
	Unrealised gain (loss) on available-for-sale investments	Loans to non-performing assets	Employee benefit obligations	Total
Deferred tax assets				
At 1 January 2017	-	12,758,211	303,877	13,062,088
(Credited)/charged to profit or loss	-	(515,381)	76,687	(438,694)
Charged to other comprehensive income	-	-	136,749	136,749
At 31 December 2017	-	12,242,830	517,313	12,760,143
Deferred tax liabilities				
At 1 January 2017	1,385	-	-	1,385
Charged to other comprehensive income	1,518	-	437	1,955
At 31 December 2017	2,903	-	437	3,340
Deferred tax assets				
At 1 January 2016	-	9,072,424	87,939	9,160,363
Charged to profit or loss	-	3,685,787	213,759	3,899,546
Charged to other comprehensive income	-	-	2,179	2,179
At 31 December 2016	-	12,758,211	303,877	13,062,088
Deferred tax liabilities				
At 1 January 2016	9,090	16,595	-	25,685
Credited to profit or loss	-	(16,595)	-	(16,595)
Credited to other comprehensive income	(7,705)	-	-	(7,705)
At 31 December 2016	1,385	-	-	1,385

The movement in deferred tax assets and liabilities during the year is as follows: (Cont'd)

Unit : Baht

	Separate financial statements			
	Unrealised gain (loss) on available-for-sale investments	Loans to non-performing assets	Employee benefit obligations	Total
Deferred tax assets				
At 1 January 2017	-	101,271	298,020	399,291
(Credited)/charged to profit or loss	-	(101,271)	71,951	(29,320)
Charged to other comprehensive income	-	-	136,743	136,743
At 31 December 2017	-	-	506,714	506,714
Deferred tax liabilities				
At 1 January 2017	260	-	-	260
Charged to other comprehensive income	515	-	-	515
At 31 December 2017	775	-	-	775
Deferred tax assets				
At 1 January 2016	-	681,171	7,580	688,751
(Credited)/charged to profit or loss	-	(579,900)	288,261	(291,639)
Charged to other comprehensive income	-	-	2,179	2,179
At 31 December 2016	-	101,271	298,020	399,291
Deferred tax liabilities				
At 1 January 2016	-	-	-	-
Charged to other comprehensive income	260	-	-	260
At 31 December 2016	260	-	-	260

17. Trade and other payables

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Trade payables	596,678	404,353	334,082	288,058
Amounts due to related parties (Note 26.4)	-	-	24,867	1,917
Accrued expenses	11,106,576	13,212,396	6,358,027	6,832,401
Others	734,668	826,382	425,948	425,948
Total	12,437,922	14,443,131	7,142,924	7,548,324

18. Long-term borrowings from a financial institution

As at 31 December 2017 and 2016, long-term borrowings from a financial institution of the Group are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current				
Current portion of long-term borrowings				
Borrowings from a financial institution	20,400,000	-	-	-
Non-current				
Borrowings from a financial institution	30,480,992	-	-	-
Total borrowings	50,880,992	-	-	-

The movement of long-term borrowings from a financial institution for the years ended 31 December 2017 and 2016 is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	-	-	-	-
Addition	57,639,830	-	-	-
Repayment of borrowing	(6,800,000)	-	-	-
Amortisation of relevant cost				
to obtain borrowings	41,162	-	-	-
Closing book amount	50,880,992	-	-	-

As at 31 December 2017, interest expense related to long-term borrowings from a financial institution amounted to Baht 1,028,185 (2016: nil). The borrowings bear an interest rate of 6.25% per annum (2016: nil). Principal and interest are to be repaid every month, within 3 years.

The interest rate exposure on the borrowings of the Group is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Borrowings:				
at fixed rates	50,880,992	-	-	-
at floating rates	-	-	-	-
Total borrowings	50,880,992	-	-	-

The effective interest rates at the statement of financial position date were as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Long-term borrowings from a financial institution	6.41	nil	nil	nil

The carrying amounts and fair values of long-term borrowings are as follows:

Unit : Baht

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2017	2016	2017	2016
Long-term borrowings from a financial institution	50,880,992	-	48,657,373	-
	50,880,992	-	48,657,373	-

The fair value of current borrowings approximates their carrying amount as the impact of discounting is not significant. The fair values are based on discounted cash flows using a discount rate based upon the market interest rate of 6.25% per annum (2016: nil) and are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings (excluding finance lease liabilities) is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Within 1 year	20,400,000	-	-	-
Between 1 year but not over 2 years	20,400,000	-	-	-
Between 2 years but not over 5 years	10,080,992	-	-	-
	50,880,992	-	-	-

19. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Present value of post-employment benefit obligations	2,585,321	1,519,611	2,534,024	1,490,100
Liability in the statement of financial position	2,585,321	1,519,611	2,534,024	1,490,100

The movement in the post-employment benefit obligations during the year is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	1,519,611	439,693	1,490,100	37,900
Current service cost	332,603	1,049,084	310,440	1,027,649
Interest cost	51,519	19,937	49,769	18,971
Transferred current service cost from related parties	-	-	-	394,683
Loss on remeasurements	681,588	10,897	683,715	10,897
At 31 December	2,585,321	1,519,611	2,534,024	1,490,100

The amounts recognised in the statements of comprehensive income are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current service cost	332,603	1,049,084	310,440	1,027,649
Interest cost	51,519	19,937	49,769	18,971
Total (mainly included in administrative expense)	384,122	1,069,021	360,209	1,046,620

The amounts recognised in other comprehensive income are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Loss on remeasurements of employee benefit obligations	681,588	10,897	683,715	10,897

The principal actuarial assumptions used are as follows:

Unit : percent

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	2.08 - 3.33	3.34 - 4.03	2.08	3.34
Salary growth rate	5.00	5.08	5.00	5.08
Turnover rate (depends on range of ages)	0.00 - 34.00	0.00 - 25.00	0.00 - 34.00	0.00 - 25.00
Mortality rate	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2008	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2008

Sensitivity analysis of actuarial assumptions as at 31 December 2017 is as follows:

Consolidated financial statements			
Impact on defined benefit obligations			
	Change in assumptions (%)	Increase in obligation (Baht)	Decrease in obligation (Baht)
Discount rate	- 0.50	93,882	-
Discount rate	+ 0.50	-	88,756
Salary growth rate	- 0.50	-	83,466
Salary growth rate	+ 0.50	87,101	-
Mortality rate	- 0.50	534	-
Mortality rate	+ 0.50	-	534
Morbidity rate	- 0.50	504	-
Morbidity rate	+ 0.50	-	504
Turnover rate	- 10.00	125,049	-
Turnover rate	+ 10.00	-	113,547

Separate financial statements			
Impact on defined benefit obligations			
	Change in assumptions (%)	Increase in obligation (Baht)	Decrease in obligation (Baht)
Discount rate	- 0.50	91,444	-
Discount rate	+ 0.50	-	86,497
Salary growth rate	- 0.50	-	81,431
Salary growth rate	+ 0.50	84,927	-
Mortality rate	- 0.50	525	-
Mortality rate	+ 0.50	-	525
Morbidity rate	- 0.50	496	-
Morbidity rate	+ 0.50	-	496
Turnover rate	- 10.00	120,600	-
Turnover rate	+ 10.00	-	109,988

Sensitivity analysis of actuarial assumptions as at 31 December 2016 is as follows:

Consolidated financial statements			
Impact on defined benefit obligations			
	Change in assumptions (%)	Increase in obligation (Baht)	Decrease in obligation (Baht)
Discount rate	- 0.50	29,775	-
Discount rate	+ 0.50	-	27,701
Salary growth rate	- 0.50	-	30,135
Salary growth rate	+ 0.50	32,141	-
Turnover rate	- 0.50	36,676	-
Turnover rate	+ 0.50	-	34,042

Separate financial statements			
Impact on defined benefit obligations			
	Change in assumptions (%)	Increase in obligation (Baht)	Decrease in obligation (Baht)
Discount rate	- 0.50	27,054	-
Discount rate	+ 0.50	-	25,251
Salary growth rate	- 0.50	-	27,582
Salary growth rate	+ 0.50	29,326	-
Turnover rate	- 0.50	33,408	-
Turnover rate	+ 0.50	-	31,126

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liability recognised in the statement of financial position.

Expected maturity analysis of undiscounted retirement benefits as at 31 December 2017 and 2016 is as follows:

Unit : Baht

Consolidated financial statements 2017					
	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
Retirement benefit	-	148,029	2,253,301	5,284,679	7,686,009
Total	-	148,029	2,253,301	5,284,679	7,686,009

Unit : Baht

Consolidated financial statements 2016						
		Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
Retirement benefit		-	-	1,369,237	2,152,202	3,521,439
Total		-	-	1,369,237	2,152,202	3,521,439

Unit : Baht

Separate financial statements 2017					
	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
Retirement benefit	-	-	2,253,301	4,883,966	7,137,267
Total	-	-	2,253,301	4,883,966	7,137,267

Unit : Baht

Separate financial statements 2016						
		Less than 1 year	1 - 2 years	2 - 5 years	Over 5 years	Total
Retirement benefit	-	-	1,369,237	1,541,932	2,911,169	
Total	-	-	1,369,237	1,541,932	2,911,169	

The weighted average duration of the retirement benefit is 9.46 - 26.98 years (2016: 15 - 26 years)

20. Share capital

Unit : Baht

	Consolidated financial statements		
	Number of shares - issued and paid-up Shares	Ordinary shares - issued and paid-up	Discount from business combinations under common control
At 1 January 2016	21,000,000	210,000,000	(9,678,120)
Issue of shares	-	-	-
At 31 December 2016	21,000,000	210,000,000	(9,678,120)
Split of shares (shares)*	399,000,000	-	-
At 31 December 2017	420,000,000	210,000,000	(9,678,120)

Unit : Baht

	Separate financial statements	
	Number of shares - issued and paid-up Shares	Ordinary shares - issued and paid-up
At 1 January 2016	21,000,000	210,000,000
Issue of shares	-	-
At 31 December 2016	21,000,000	210,000,000
Split of shares (shares)*	399,000,000	-
At 31 December 2017	420,000,000	210,000,000

*At the Annual General Meeting of Shareholders No.1/2560 on 25 April 2017, the shareholders passed a resolution to approve the share split from 21,000,000 ordinary shares with a par value of Baht 10 per share to 420,000,000 ordinary shares with a par value of Baht 0.50 per share. The Company registered the share split to the Ministry of Commerce on 5 May 2017. The share split resulted in an increase in the number of weighted average ordinary shares used in calculating the basic earnings per share from 21,000,000 shares to 420,000,000 shares.

21. Legal reserve

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	300,000	300,000	300,000	300,000
Appropriation during the year	-	-	-	-
At 31 December	300,000	300,000	300,000	300,000

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net income for the year after accumulated deficits brought forward (if any) until the reserve is not less than 10% of the registered share capital. The legal reserve is not available for dividend distribution.

22. Other income

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Interest income	336,461	184,765	70,965	102,227
Interest income from loan to related party (Note 26.5)	-	-	1,168,767	550,356
Service income (Note 26.3)	-	-	22,800,000	18,135,000
Rental income	28,138	-	28,138	-
Rental income from related parties (Note 26.3)	-	-	2,244,000	2,244,000
Loss on disposal of property, plant and equipment (Note 14)	(39,045)	(3,549)	(2,019)	(3,549)
Gain on disposal of short-term investments (Note 9)	-	385,942	-	258,837
Other income	250,876	155,140	10,000	18,839,996
Total	576,430	722,298	26,319,851	40,126,867

23. Expenses by nature

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Employee expenses	54,001,799	50,322,582	37,094,538	39,485,979
Debts collection expenses	35,620,169	26,607,727	589,182	113,157
Professional fees	10,883,065	7,920,429	8,494,540	5,696,762
Utility expenses	5,890,491	6,013,408	3,990,666	3,205,181
Depreciation and amortisation	4,342,758	3,731,162	1,834,538	1,954,372
Loss from amortisation of loans to non-performing assets	-	1,747,210	-	85,501
Loss on (reversal of) impairment of loans to non-performing assets	149,624	(302,248)	-	-
Financial expenses	116,233	133,310	27,782	28,725
Insurance premium	327,737	103,318	48,830	19,022
Advertising expenses	213,312	24,501	213,100	15,845
Entertainment expenses	213,793	565,406	166,929	307,859
Expenses not deductible for tax purpose	27,210	199,501	21,892	157,335
Special business tax	2,284,975	2,045,799	-	-
Administrative expenses	937,000	2,301,500	934,500	920,500
Other expenses	3,502,852	1,839,637	1,336,753	940,573
Total	118,511,018	103,253,242	54,753,250	52,930,811

24. Income tax

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Current tax:				
Current tax on profits for the year	28,113,360	24,650,545	1,368,744	1,090,541
Total current tax	28,113,360	24,650,545	1,368,744	1,090,541
Deferred tax:				
Origination and reversal of temporary differences (Note 16)	438,694	(3,916,141)	29,320	291,639
Total deferred tax	438,694	(3,916,141)	29,320	291,639
Total tax expense	28,552,054	20,734,404	1,398,064	1,382,180

The tax on the Group's and the Company's profit before tax is as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Profit before tax	86,792,445	91,625,726	7,104,294	23,575,343
Tax calculated at a tax rate of 20% and Less than 300,000 exempt, Over 300,000 10% (2016: tax rate of 20% and Less than 300,000 exempt, Over 300,000 10%)	16,733,694	21,740,040	1,420,859	4,715,068
Tax effect of:				
Income not subject to tax	(30,816)	(5,971,414)	-	(3,766,800)
Expenses additionally deductible for tax purpose	(186,585)	(182,561)	(128,603)	(120,397)
Non-tax deductible expenses	335,989	373,720	105,740	241,502
Revenue not recognised but subject to tax	11,699,772	4,774,619	68	312,807
Income tax expense	28,552,054	20,734,404	1,398,064	1,382,180

The weighted average applicable tax rate was 32.90% (2016: 22.63%).

25. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the parent company by the weighted average number of ordinary shares in issue during the year;

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Net profit attributable to ordinary shareholders of the parent Company (Baht)	58,240,391	70,891,322	5,706,230	22,193,163
Weighted average number of ordinary shares outstanding before share split (shares)	420,000,000	21,000,000	420,000,000	21,000,000
Increase in number of ordinary shares from the share split (shares) *	-	399,000,000	-	399,000,000
Weighted average number of ordinary shares outstanding after share split (shares) *	420,000,000	420,000,000	420,000,000	420,000,000
Basic earnings per share (Baht per share)	0.1387	0.1688	0.0136	0.0528

The Company did not issue dilutive shares during 2017 and 2016.

* An increase in the number of ordinary shares resulting from the share split at the rate of 20 new shares for each share. In calculating earnings per share, the Group and the Company adjusted the increases in number of ordinary shares for all reported periods.

26. Related party transactions

Enterprises and individuals that, directly or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company's shares are held by Mr. Suksan Yasasin in proportion of 74.74% (2016: 74.74%) of total shares.

The related party transactions are made on trading norms and based on agreements.

	<u>Relationship</u>
Chayo Asset Management Company Limited	Subsidiary
Chayo Call Center Company Limited	Subsidiary
Chayo Fast Cash Co., Ltd.	Having the common director
Chaya Law Firm Co., Ltd.	Having the common director
CC Alliance Co., Ltd.	Having the common director
Mr. Suksan Yasasin	Shareholder and Key management

The following transactions were carried out with related parties:

26.1) Service income from debts collection

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Subsidiaries	-	-	6,354,545	9,010,571
Total	-	-	6,354,545	9,010,571

26.2) Costs of rendering services

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Key management	1,150,000	1,158,000	1,030,000	988,000
Total	1,150,000	1,158,000	1,030,000	988,000

26.3) Other income

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<u>Rental income</u>				
Subsidiaries	-	-	2,244,000	2,244,000
	-	-	2,244,000	2,244,000
<u>Management fee income</u>				
Subsidiaries	-	-	22,800,000	18,135,000
	-	-	22,800,000	18,135,000
<u>Dividend income</u>				
Subsidiary	-	-	-	18,834,000
	-	-	-	18,834,000

26.4) Outstanding balances arising from rendering /purchases of services

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Receivables				
Subsidiaries	-	-	533,203	836,816
Total amounts due from related parties (Note 10)	-	-	533,203	836,816
Payables				
Subsidiaries	-	-	24,867	1,917
Total amounts due to related parties (Note 17)	-	-	24,867	1,917

26.5) Short-term loans to related parties

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	-	-	18,000,000	-
Loan repayments during the year				
Subsidiary	-	-	3,000,000	18,000,000
At 31 December	-	-	21,000,000	18,000,000

Related interest income from loan to related party amounted to Baht 1,168,767 (2016: Baht 550,356). (Note 22) Loan to related party is due for repayments at call. The loan bears an interest rate of 6% per annum (2016: 6% per annum).

26.6) Long-term borrowings from related party

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
At 1 January	-	16,977,796	-	-
Loan repayments during the year				
Subsidiary	-	(16,977,796)	-	-
At 31 December	-	-	-	-

For 2016, Related interest expense on loans from related parties was Baht 113,974. The loans bore interest at 1.35% per annum. On 30 September 2016, the Group made repayment of the long-term borrowings in full.

26.7) Key management remunerations

For the year ended 31 December 2017 and 2016, benefits to key management personnel are as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Salaries and other short-term				
employee benefits	10,017,531	7,651,317	10,017,531	7,651,317
Post-employment benefits	242,560	85,704	242,560	85,704
Total	10,260,091	7,737,021	10,260,091	7,737,021

27. Financial instruments

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentation", principally comprise financial asset, cash and cash equivalents, restricted cash, short-term investments, trade and other receivables, loans to non-performing assets, trade and other payables, and liabilities under hire purchase.

27.1) Market risk

Interest rate risk

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows:

Unit : Baht

Consolidated financial statements 2017				
Descriptions	Floating interest rate	Fixed interest rate	No interest rate	Total
Financial assets				
Cash and cash equivalents	35,762,790	50,360	21,918,342	57,731,492
Restricted cash	-	2,908,631	-	2,908,631
Short-term investments	-	459,714	774,383	1,234,097
Trade and other receivables	-	-	7,036,461	7,036,461
Loans to non-performing assets	-	281,923,614	-	281,923,614
Total financial assets	35,762,790	285,342,319	29,729,184	350,834,295
Financial liabilities				
Trade and other payables	-	-	12,437,922	12,437,922
Liabilities under hire purchase	-	2,111,098	-	2,111,098
Long-term borrowings from a financial institution	-	50,880,992	-	50,880,992
Total financial liabilities	-	52,992,090	12,437,922	65,430,012

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Unit : Baht

Consolidated financial statements 2016				
Descriptions	Floating interest rate	Fixed interest rate	No interest rate	Total
Financial assets				
Cash and cash equivalents	33,004,764	49,794	46,664,227	79,718,785
Restricted cash	-	1,789,915	-	1,789,915
Short-term investments	-	457,366	766,790	1,224,156
Trade and other receivables	-	-	7,268,427	7,268,427
Loans to non-performing assets	-	160,643,813	-	160,643,813
Total financial assets	33,004,764	162,940,888	54,699,444	250,645,096
Financial liabilities				
Trade and other payables	-	-	14,443,131	14,443,131
Liabilities under hire purchase	-	2,661,784	-	2,661,784
Total financial liabilities	-	2,661,784	14,443,131	17,104,915

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Unit : Baht

Descriptions	Separate financial statements 2017			
	Floating interest rate	Fixed interest rate	No interest rate	Total
<u>Financial assets</u>				
Cash and cash equivalents	15,369,600	-	61,140	15,430,740
Restricted cash	-	2,598,399	-	2,598,399
Short-term investments	-	250,621	262,712	513,333
Trade and other receivables	-	-	4,825,825	4,825,825
Short-term loans to related parties	-	21,000,000	-	21,000,000
Total financial assets	15,369,600	23,849,020	5,149,677	44,368,297
<u>Financial liabilities</u>				
Trade and other payables	-	-	7,142,924	7,142,924
Total financial liabilities	-	-	7,142,924	7,142,924

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Unit : Baht

Separate financial statements 2016				
Descriptions	Floating interest rate	Fixed interest rate	No interest rate	Total
<u>Financial assets</u>				
Cash and cash equivalents	16,760,517	-	438	16,760,955
Restricted cash	-	1,483,170	-	1,483,170
Short-term investments	-	250,621	260,136	510,757
Trade and other receivables	-	-	5,504,928	5,504,928
Short-term loans to related parties	-	18,000,000	-	18,000,000
Total financial assets	16,760,517	19,733,791	5,765,502	42,259,810
<u>Financial liabilities</u>				
Trade and other payables	-	-	7,548,324	7,548,324
Total financial liabilities	-	-	7,548,324	7,548,324

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions		
	At call	0 - 3 months
Financial assets		
Cash and cash equivalents	-	50,360
Restricted cash	-	-
Short-term investments	-	-
Trade and other receivables	-	-
Loans to non-performing assets	-	-
Total financial assets	-	50,360
Financial liabilities		
Trade and other payables	-	-
Liabilities under hire purchase	-	144,391
Long-term borrowings from a financial institution	-	5,100,000
Total financial liabilities	-	5,244,391

Unit : Baht

Consolidated financial statements 2017

Fixed interest repricing or maturity date			Floating interest rate	No Interest rate	Total
3 - 12 months	1 - 5 years	Over 5 years			
-	-	-	35,762,790	21,918,342	57,731,492
1,163,331	1,745,300	-	-	-	2,908,631
459,714	-	-	-	774,383	1,234,097
-	-	-	-	7,036,461	7,036,461
-	281,923,614	-	-	-	281,923,614
1,623,045	283,668,914	-	35,762,790	29,729,186	350,834,295
-	-	-	-	12,437,922	12,437,922
450,144	1,516,563	-	-	-	2,111,098
15,300,000	30,480,992	-	-	-	50,880,992
15,750,144	31,997,555	-	-	12,437,922	65,430,012

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions		
	At call	0 - 3 months
<u>Financial assets</u>		
Cash and cash equivalents	-	49,794
Restricted cash	-	-
Short-term investments	-	-
Trade and other receivables	-	-
Loans to non-performing assets	-	-
Total financial assets	-	49,794
<u>Financial liabilities</u>		
Trade and other payables	-	-
Liabilities under hire purchase	-	133,742
Total financial liabilities	-	133,742

Unit : Baht

Consolidated financial statements 2016

Fixed interest repricing or maturity date			Floating interest rate	No Interest rate	Total
3 - 12 months	1 - 5 years	Over 5 years			
-	-	-	33,004,764	46,664,227	79,718,785
713,418	1,076,497	-	-	-	1,789,915
457,366	-	-	-	766,790	1,224,156
-	-	-	-	7,268,427	7,268,427
-	160,643,813	-	-	-	160,643,813
1,170,784	161,720,310	-	33,004,764	54,699,444	250,645,096
-	-	-	-	14,443,131	14,443,131
416,944	2,111,098	-	-	-	2,661,784
416,944	2,111,098	-	-	14,443,131	17,104,915

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions		
	At call	0 - 3 months
<u>Financial assets</u>		
Cash and cash equivalents	-	-
Restricted cash	-	-
Short-term investments	-	-
Trade and other receivables	-	-
Short-term loans to related parties	21,000,000	-
Total financial assets	21,000,000	-
<u>Financial liabilities</u>		
Trade and other payables	-	-
Total financial liabilities	-	-

Unit : Baht

Separate financial statements 2017

Fixed interest repricing or maturity date			Floating interest rate	No Interest rate	Total
3 - 12 months	1 - 5 years	Over 5 years			
-	-	-	15,369,600	61,140	15,430,740
1,163,331	1,435,068	-	-	-	2,598,399
250,621	-	-	-	262,712	513,333
-	-	-	-	4,825,825	4,825,825
-	-	-	-	-	21,000,000
1,413,952	1,435,068	-	15,369,600	5,149,677	44,368,297
-	-	-	-	7,142,924	7,142,924
-	-	-	-	7,142,924	7,142,924

As at 31 December, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions		
	At call	0 - 3 months
<u>Financial assets</u>		
Cash and cash equivalents	-	-
Restricted cash	-	-
Short-term investments	-	-
Trade and other receivables	-	-
Short-term loans to related parties	18,000,000	-
Total financial assets	18,000,000	-
<u>Financial liabilities</u>		
Trade and other payables	-	-
Total financial liabilities	-	-

Unit : Baht

Separate financial statements 2016

Fixed interest repricing or maturity date			Floating interest rate	No Interest rate	Total
3 - 12 months	1 - 5 years	Over 5 years			
-	-	-	16,760,517	438	16,760,955
713,418	769,752	-	-	-	1,483,170
250,621	-	-	-	260,136	510,757
-	-	-	-	5,504,928	5,504,928
-	-	-	-	-	18,000,000
964,039	769,752	-	16,760,517	5,765,502	42,259,810
-	-	-	-	7,548,324	7,548,324
-	-	-	-	7,548,324	7,548,324

The average balances of the financial assets and liabilities of the Group generating revenues and expenses, calculated based on the average outstanding balances during the year of financial assets and liabilities, and the average interest rate and dividend for the year ended 31 December, can be summarised as follows:

Consolidated financial statements						
Descriptions	2017			2016		
	Average balances Million (Baht)	Interest and dividend Million (Baht)	Average rate (%)	Average balances Million (Baht)	Interest and dividend Million (Baht)	Average rate (%)
Financial assets						
Cash and cash equivalents	101.33	0.32	0.32	68.66	0.15	0.21
Restricted cash	2.52	0.02	0.79	1.71	0.02	1.17
Short-term investments	1.23	-	-	21.85	-	-
Loans to non-performing assets	188.55	162.01	85.92	176.59	162.42	91.98
Total financial assets	293.63	162.35		268.81	162.59	
Liabilities under hire purchase						
Liabilities under hire purchase	2.32	0.19	8.19	2.11	0.15	7.11
Long-term borrowings from a financial institution	47.67	1.03	2.16	-	-	-
Total financial liabilities	49.99	1.22		2.11	0.15	

Separate financial statements						
Descriptions	2017			2016		
	Average balances Million (Baht)	Interest and dividend Million (Baht)	Average rate (%)	Average balances Million (Baht)	Interest and dividend Million (Baht)	Average rate (%)
Financial assets						
Cash and cash equivalents	15.57	0.06	0.39	30.55	0.07	0.23
Restricted cash	2.21	0.02	0.90	1.47	0.02	1.36
Short-term investments	0.51	-	-	30.33	-	-
Loans to non-performing assets	-	0.01	-	0.04	-	-
Total financial assets	18.29	0.09		62.39	0.09	

27.2) Liquidity risk

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2017 and 2016 are as follows:

Unit : Baht

Consolidated financial statements Counting from 31 December 2017				
	At call	Less than 1 year	More than 1 year	Total
<u>Financial assets</u>				
Cash and cash equivalents	57,681,132	50,360	-	57,731,492
Restricted cash	-	1,163,331	1,745,300	2,908,631
Short-term investments	774,383	459,714	-	1,234,097
Trade and other receivables	-	7,036,461	-	7,036,461
Loans to non-performing assets	-	-	281,923,614	281,923,614
Total financial assets	58,455,515	8,709,866	283,668,914	350,834,295
<u>Financial liabilities</u>				
Trade and other payables	-	12,437,922	-	12,437,922
Liabilities under hire purchase	-	594,535	1,516,563	2,111,098
Long-term borrowings from a financial institution	-	20,400,000	30,480,992	50,880,992
Total financial liabilities	-	33,432,457	31,997,555	65,430,012

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2017 and 2016 are as follows: (Cont'd)

Unit : Baht

	Consolidated financial statements Counting from 31 December 2016			
	At call	Less than 1 year	More than 1 year	Total
Financial assets				
Cash and cash equivalents	79,668,991	49,794	-	79,718,785
Restricted cash	-	713,418	1,076,497	1,789,915
Short-term investments	766,790	457,366	-	1,224,156
Trade and other receivables	-	7,268,427	-	7,268,427
Loans to non-performing assets	-	-	160,643,813	160,643,813
Total financial assets	80,435,781	8,489,005	161,720,310	250,645,096
Financial liabilities				
Trade and other payables	-	14,443,131	-	14,443,131
Liabilities under hire purchase	-	550,686	2,111,098	2,661,784
Total financial liabilities	-	14,993,817	2,111,098	17,104,915

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2017 and 2016 are as follows: (Cont'd)

Unit : Baht

	Separate financial statements Counting from 31 December 2017			
	At call	Less than 1 year	More than 1 year	Total
Financial assets				
Cash and cash equivalents	15,430,740	-	-	15,430,740
Restricted cash	-	1,163,331	1,435,068	2,598,399
Short-term investments	262,712	250,621	-	513,333
Trade and other receivables	-	4,825,825	-	4,825,825
Short-term loans to related parties	21,000,000	-	-	21,000,000
Total financial assets	36,693,452	6,239,777	1,435,068	44,368,297
Financial liabilities				
Trade and other payables	-	7,142,924	-	7,142,924
Total financial liabilities	-	7,142,924	-	7,142,924

Unit : Baht

	Separate financial statements Counting from 31 December 2016			
	At call	Less than 1 year	More than 1 year	Total
Financial assets				
Cash and cash equivalents	16,760,955	-	-	16,760,955
Restricted cash	-	713,418	769,752	1,483,170
Short-term investments	260,136	250,621	-	510,757
Trade and other receivables	-	5,504,928	-	5,504,928
Short-term loans to related parties	18,000,000	-	-	18,000,000
Total financial assets	35,021,091	6,468,967	769,752	42,259,810
Financial liabilities				
Trade and other payables	-	7,548,324	-	7,548,324
Total financial liabilities	-	7,548,324	-	7,548,324

28. Commitments

The Group and the Company have commitments as follows:

Unit : Baht

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Commitments under service contracts				
Not later than 1 year	482,549	4,029,087	402,511	3,892,511
Later than 1 year but not later than 3 years	-	25,038	-	-
Total	482,549	4,054,125	402,511	3,892,511



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