



2018

รายงานประจำปี 2561
ANNUAL REPORT

Chayo Group Public Company Limited



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Financial Highlights

Unit : Million Baht

	2559	2560	2561
Total Revenue	197.14	205.98	255.64
Total Cost	61.60	73.24	91.70
Gross Profit	135.54	132.74	163.94
Net Profit	70.89	58.24	85.43
Total Assets	307.42	415.48	828.82
Total Liabilities	31.90	82.26	65.56
Total Shareholder's Equity	275.52	333.22	763.26

	2559	2560	2561
Gross Profit Margin	68.75%	64.44%	64.13%
Net Profit Margin	35.83%	28.20%	32.29%
Debt to Equity (D/E) (Times)	0.12	0.25	0.09
Return on Assets	23.52%	16.11%	13.73%
Return on Equity	29.53%	19.13%	15.58%
Earning Per Shares (EPS)	0.1688	0.1387	0.1605



**EXPERTISE IN MANAGING
NON-PERFORMING LOANS PROFESSIONALLY**

Message from Chairman and Chief Executive Officer

Dear Shareholders,

2018 is the beginning of entering the stock market. Our company has registered, funding and trading in stocks of The Stock Exchange of Thailand on the 22nd March 2018 for the first time. By entering the stock market, this time, has helped pushing our company to the limits especially fund's investment approach. To push the limits of fund's investment in 2018, affected the capability of investment expansion. The company has purchased the non-performing loans in order to manage up to 114% (or 322 Million Baht) compared to last year. By 2017 year end, the company has invested in non-performing loans as well as given credit to non-performing loans up to 603 Million Baht, with 38,000 Million Baht of debt management.

Company Performance of 2018 shows that we are continually growing. In 2018, our company has total revenues of 28.10% or increasing from 206.56 Million Baht in 2017 to 264.61 Million Baht in 2018. Profitability from company performance is up to 46.70 or increasing from 58.24 Million Baht in 2017 to 85.44 million Baht in 2018. The key factors of these achievements are the increasing of total storage money trading non-performing loan secured and cost cutting.

For implementation direction in 2019, we have planned to further our business to a wide range business loans with 200-250 Million Baht of budgeting loans. In case of the marketing goes well, we have planned to further develop into a real estate as well. However, the company continues to emphasize investment in purchasing assets or non-performing loans to manage. We have been planning to purchase debt approximately 800-1250 Million Baht for investment expansion. For our debts tracking and collections business. We have aimed to at least 15% growth in this coming year.

Mr. Wutisak Lapcharoensap
(Chairman of The Board)

Mr. Suksan Yasasin
(Chief Executive Officer)

Board of Directors : information



**Assistant Professor Wutisak Lapcharoensap
(69 Years)**

Chairman of the Board and Independent Director

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 (16 th January - 17 th 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 (10 th February - 30 th June 2011) |
| 2011 - 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
- 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. 161/2555 dated 16 th July 2012) |
| 2011 | - Advisor to the Ministry of Social Development and Human Security. |
| 2012 | - Director, The Post Publishing Public Company Limited
- Member of the National Legislative Assembly (commenced on 31 st July 2014)
- Constitution Drafting Committee |
| 2013 | - Present - Chairman of the Board and Independent Director Chayo Group Public Company Limited |



Mr. Chanon Chotevijit (59 years)

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

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 |



Air Chief Marshal Arnon Jarrapun (63 years)

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

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



Mr. Teeranut Thangsatapornpong (44 years)

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

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
2015 - 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
2018 - Present	- Director, K.C. Property Public Company Limited
	- Director, Simat Technologies Public Company Limited
	- Director, Hinsitsu (Thailand) Company Limited

Board of Directors : information



Dr. Vitthaya Inala (59 years)

Director

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) :

2009 - 2015	- Director, Megalatek Company Limited
2015 - 2016	- Director, Chayo Asset Management Company Limited
2015 - 2016	- Director, World Angel Fight Company Limited
	- Director, Inspec Company Limited
1992 - Present	- Chief Executive Officer, Megachem (Thailand) Public Company Limited
2015 - Present	- Director, Vertis Latex Company Limited
	- Director, Chayo Group Public Company Limited



Mr. Chanon Chotevijit (63 years)

Director

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



Mr. Seksan Rangsiyeranon (53 years)

Director, Risk Management Committee,
And Executive Director

Education :

1998	Bachelor of Business Administration (Construction Management), Sukhothai Thammathirat Open University
2005	Master of Political Science, Ramkhamhaeng University 2017 2017 Advanced Certificate Course in Public Economics Management for Executives, King Prajadhipok's Institute
2018	Advanced Security Management Program : ASMPq, Thailand National Defence College

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



Mr. Suksan Yasasin (57 years)

Vice Chairman of the Board, Risk Management Committee,
Corporate Governance Committee, Chairman of Executive Committee,
and Chief Executive Officer,

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

Board of Directors : information



Ms. Siriphan Juntip (47 years)

Director, Risk Management Committee,
Corporate Governance Committee,
Executive Director, and Acting Managing Director

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, Executive Director, Corporate Governance Committee, and Acting Business Development Managing Director, Chayo Group



General Information

General Information

Company Name	บริษัท ชโย กรุ๊ป จำกัด (มหาชน) และบริษัทย่อย
Company Name (English)	Chayo Group Public Company Limited and Its Subsidiaries
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 asset from the auction/ purchase/ transferred NPL which are and are not guaranteed. By Financial Institution, 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) 2004-5555
Fax	(66) 2001 2555
Website	www.chayo555.com
Registered Capital	280,000,000 baht, comprising of 560,000,000 ordinary shares (as of 31st December 2018)
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	Not indicated since the company was in the process of listing in MIA stock exchange.

Subsidiaries and Associated Companies Information

Head Office	Company Registered Number	Established	Nature of Business	Registered capital (Baht)	Par Value 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	2552	Investment and Non-Performing Loan Management Business	156,950,000	5.00	156,950,000	100.00
Chayo Property and Service Company Limited (Formal name "Chayo Call Center Company Limited")							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen Bangkok 10220	0105543062434	2543	Customer Service Center servicing on debt tracking and collection service, investing, and managing non performing loans auctioned from Financial institutions and other companies including lending business (collateral and non-collateral)	5,000,000	10.00	5,000,000	100.00
Chayo Capital Company Limited							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen Bangkok 10220	0105561158987	2561	Lending Business both collateral and non-collateral	50,000,000	10.00	50,000,000	70.00

Reference person's information

Securities Registrar

Thailand Securities Depository Company Limited
93 Stock Exchange of Thailand Tower
Ratchadaphisek Road, Din Daeng, Din Daeng, Bangkok 10400
Tel : (66) 2824 5000
Website : www.tsd.co.th

Auditor

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

Internal Auditor

Mr. Wiwat Limnantasini (Managing Director)
KPS Audit Company Limited
412 Soi Rattanathibet 18, Bang kraso, Muang Nonthaburi,
Nonthaburi, 11000

Investor Relations

Mr. Kittit Tungsiwong
02-016-4499

Nature of Business

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.

On the 22nd March 2018, Chayo Group Public Company Limited registered in Market for Alternative Investment (MAI). During the 2018 year, the company has established Chayo Capital Company Limited, another subsidiary company. By holding 70% of stocks, to operate a money lending business which is both secured and unsecured loans. Our lending business operates under The Bank of Thailand. Moreover, we have changed one of our subsidiary's name from Chayo Call Center Company Limited to Chayo Property and Service Company Limited. Adding the business objectives to operate assets development also lending business under the Ministry of Finance's control (Fico Finance is in the process of requesting license).

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. Asset investment depends on opportunities also other factors comprise of economic condition, relate rules, sell debts of financial institutions insight information of debtsport, competitors, price auction and value investment. Our company mainly uses Conservative principles. More investment in non-performing secured loans is expected. (The company has also planned to invest in nonperforming 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 the 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, the information communication technology group for customer service center business, or even expand customer base to new target group if there are potential opportunities. To aim for maintaining 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	<ul style="list-style-type: none"> - 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 management service. (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. - Business restructured by consolidated business which were under supervised through purchased ordinary shares of Chayo AMC also Chayo Call Center on the 23rd December 2015.
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 11th May 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.
2018	<ul style="list-style-type: none"> - On the 22nd March 2018, the company registered in Market for Alternative Investment (MAI) also began trading in stock market. - On the 14th September 2018, Chayo Capital Company Limited (Subsidiary Company) was established. The objective of this subsidiary company was lending business (Nano Finances and Personal Loans) beneath the 70% of holding stocks from Chayo Group Company Limited.

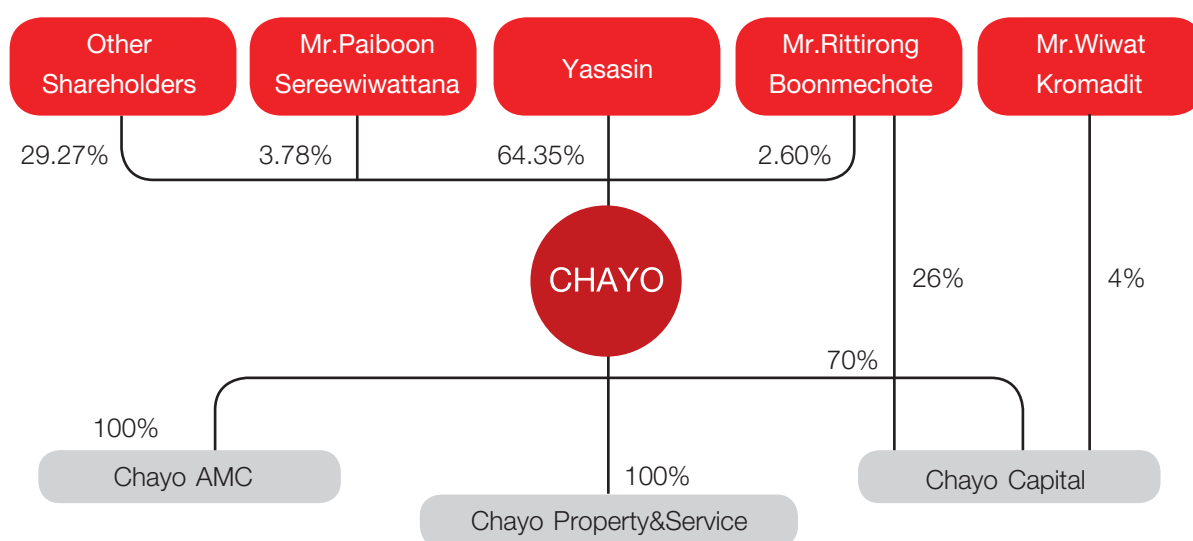
The company has initially auctioned the non-perform assets to invest and manage from non-financial institutions since 2011. However, in 21st March 2014, a subsidiary, Chayo Asset Management Company Limited was approved by Bank of Thailand, and registered as Asset Management Company (per Ministerial Regulation B.E. 2541, Emergency Decree on Asset Management Company B.E. 2541). 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 Property and Service Company Limited (former name was 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 Holding Company Structure (As at 11th December 2018)

As at the 11th December 2018, the company has held 3 subsidiaries stocks; Chayo Asset Management Company Limited, Chayo Property and Service Company Limited (former name was Chayo Call Center Company Limited) and Chayo Capital Company Limited with registered and paid-up capital of 156.95 million baht, 5 million baht and 50 million baht, respectively. As shown in the diagram belows;



2.2 Business Operations

The diagram below shows the relationship between Business Operations of Chayo Group Company Limited also the subsidiaries and business partners related in investment also services :

Business Operations of Chayo Group Public Company Limited and Subsidiaries

Non-Performing Debt Investment and Management Business	Financial Institution ^{1/2/}	Bank, Finance Company and Credit Foncier
	Non-Bank under supervision ^{1/2/}	Asset Management Company and others
	Non-Bank not under supervision ^{2/}	Leasing Company, Personal Loan Company and others
Debt Tracking and Collections Service Business	Financial Institution	Bank
	Company	Information and Communication Technology Company
Customer Service Business	Company	Information and Communication Technology Company
Money Lending Business ^{3/}	Secured loans	Retail Loans
		Commercial Loans
	Unsecured loans	Retail Loans
Property Development Business ^{3/}		

Remark : ^{1/} Financial Institutions (Commercial Bank, Finance Company and Credit Fancier Company) also Non-Bank under supervision (Asset Management Company and others) comprise of Foreign Financial Institution Representative Offices and Non-Bank as the diagram above are under the Bank of Thailand's supervision which mean these financial service providers offer deposit-withdraw money service loan service, payment service also other financial transactions as authorized to customers not only ordinary people but also companies or government agencies. To manage the financial business beneath Financial Institutions Business Act, B.E., 2551 and under the bank of Thailand's supervision consist of;

- 1) Financial Institutions categorise into 3 types;
 - Commercial Banking Business
 - 1) Thai Commercial Banks
 - 2) Retail Bank
 - 3) Subsidiaries
 - 4) Foreign Bank Branches/Full Branches
 - Finance Companies
 - Credit Fancier Companies
- 2) Foreign Financial Institution Representative Offices
- 3) Asset Management Companies
- 4) Non-Bank

Sources : Financial Consumer Protection Center, Bank of Thailand at <https://www.1213.or.th/>

^{2/} Generally, Chayo AMC is able to purchase non-performing assets from Financial Institutions also Non-Bank under supervision. While Chayo and Chayo Call Center are capable of purchase non-performing assets from Financial Institutions also Non-Bank under supervision including also Non-Bank not under supervision. However, in practice, Financial Institutions also Non-Bank under supervision will not trade non-performing assets to any company which is not Asset Management Company.

^{3/} Business has not launched yet-until now.

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 Chayo Property and Service Company Limited [former name 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 2016 - 2018 are as follows :

Revenue	2016		2017		2018	
	Million baht	%	Million baht	%	Million baht	%
Revenue from non-performing loans	162.42	82.09%	162.01	78.43%	212.87	80.45%
investment and management business						
Revenue from debt tracking and	31.66	16.00%	37.71	18.26%	41.44	15.66%
collections service business						
Revenue from customer service	3.06	1.54%	6.26	3.03%	1.33	0.5%
Total Revenue from Services and Investment	197.14	99.63%	205.98	99.72%	255.65	96.61%
Other Revenues	0.72	0.37%	0.58	0.28%	2.23	0.84%
Profit from Non-Performing Assets	-	-	-	-	6.73	2.55%
Total Revenues	197.86	100.00%	206.56	100.00%	264.61	100.00%

Risk Factors

Currently, the company operates 5 businesses, namely, non-performing loan investment and management service, debt tracking and collections service, customer service, money lending business both secured also unsecured loans (have not operated yet) and property development, whereby risk 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 payback 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.

Furthermore, with more than 20 years of debt tracking and collecting service business experience will affect the company to attain the debt collections' target or nearly target through specify debt tracking plans also making reports. Moreover, the company will identify causes also determine solutions in case of debt tracking and collections service failure to improve and figure out the problem to onwards developing business of the company.

1.2 The risk of business competition or the risk of company incapable to bid for new non-performing loans

Operating Investment also Asset Management both secured and unsecured, the entrepreneurs need to own business license, investment readiness also potential debt tracking and collection. At present, few individual entrepreneurs (also non-financial Institutions or hold stocks or establish by government) in this business type. Nowadays, most entrepreneurs are in the financial institutions which sell non-performing assets also purchase non-performing assets from associated company only as a policy. However, even though less entrepreneurs will affect the risk of companies in non-performing assets auction competition not only prices but also capitals, meanwhile non-performing assets auction from companies which are established by government have got quite high capitals, these will affect that there would be no non-performing assets to manage more also impact on company's income. Furthermore, if some private companies begin to operate this type of business, this will cause the risk of more investment usage in order to purchase non-performing assets from financial institutions also non-financial institutions. Due to a large number of Non-Performing loans or assets in the market effect the financial institutions or associated company are incapable to collect debts thoroughly accompany with high cost of debt tracking also not worth for themselves, besides, few individual entrepreneurs also limited capital. Our company believes that we have low risk of competition.

1.3 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 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.

1.4 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. 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 executive 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.

1.5 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.

1.6 The risk of fund arranging for auction and debt purchase

Even though there is continuously auction of non-performing loans, however, the investment or nonperforming 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 the present time (as at the 31st December 2018), the company has outstanding credit line with financial institutions for 40 million baht (The company is in the process of requesting for additional credit line approximately 100-200 million baht. Anyhow, the company has a policy to ask for a loan in order to maintain the debt to equity ratio in a limited amount of 2 million baht or 1,500 million baht of credit line.

1.7 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 worth performing in house. Thus, the company believes that there is a low risk of having no non-performing loans available in the markets.

1.8 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.

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

The company has realized in 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.

1.10 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 nonperforming 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 cannot 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 in contact cancellation due to depending on Large Employers also few group of customer.

Generally, Customer Service Center's term of service contract will have employer contract session also renew a contract occasionally. In case of employer decide to terminate or non-renewal the contract, these will directly impact on customer service revenue promptly.

Nevertheless, the revenue from customer service center doesn't gain much, approximately 1%-2% from total revenues. Furthermore, customer service officers were hired in debt tracking for our associated company. Moreover, the company has planned to extend our service to other customers not only Information Technology and Communication Industry but also other industries including developing property to reduce the risk of revenues.

4. Money Lending Business

4.1 The risk of Lending

The most important process of money lending is considering customers' credit. If credit evaluation or consideration carelessly, these will affect to the company's approval then improper lending.

These will cause the risk of Non-Performing Loan.



1. Income Criterion



2. Net Income Criterion



3. Minimum Year Work Experience Criterion



4. Total Loan Limit amount from other financial institutions where ever lent money to, under identical license, will not exceed the license terms.

In addition to the company has established agencies also money lending and debt tracking systems which comprise of experienced and skilled personnel to sustain and contribute to credit considerations to reduce the risk.

4.2 The risk of Industry Competition

Personal Loan Business are highly competitive in the industry from both Bank and Non-Bank. Each entrepreneur offers discount promotions to customers and may cause company's less profit comparing to other business. However, the company has methods to deal with this problem consist of define the target market to promote product also reduce competition from others, another method is effectively debt-tracking to control Non-Performing Loan. These solutions will ensure that the company may gain more profits nearby our current business.

5. Property Development Business

5.1 The risk of Site Selection

Key to success in the Property Development Business is site selection for developing. If the company chooses improper site or doesn't meet the requirements of customers, the risk of unsuccessful site is rather than successful which will affect to expected profits of the company.

Reducing risk factor is the method of site selection including market price analysis, requirements also evaluate a site's worthiness and compare to not only nearby but also future competitors. The company will establish agencies both internal agency and external consultants who specialized in business to supervise also take responsibility for site selection to reduce the risk above. Moreover, to seek for the joint venturers who are proficient in development.

5.2 The risk of Developing Site

Developing site to respond to customers' requirements, is one of the key to success for company. In case of the company develops site where doesn't meet the requirements of customers, the site will be unsuccessful not to mention about expected profits of the company.

Declining risk factor is to study about the possibility of the site thoroughly to ensure that the site will meet the requirements of the target market. Furthermore, the company will establish an internal agency also external consultants who specialized in business to supervise also take responsibility for site development to reduce the risk above. Aside from the company may develop the site together with other experienced property development companies to decrease the risk of site development.

5.3 The risk of No Credit Approval from financial institutions

The risk of Property Development Business is that customers didn't get approved for a credit from financial institutions. In that case the company will not capable to conveyancing property into subscription amount. However, we expected that the number of non-approval customers are less due to sale price per square metre isn't much. Besides, the target market have a potential to loan money from financial institutions.

Shareholding Structure

Shareholding Structure

Information from Book Closing as of the 7th December 2018 shows the twelve Major Shareholders and shareholding Proportions as follows;

No.	Shareholders	No. of Shares	%
1.	Mr. Suksan Yasasin	314,926,720	56.24
2.	Mr. Paiboon Sereewiwattana	21,149,300	3.78
3.	Mr. Natthawat Yasasin	19,327,340	3.45
4.	Mr. Thiti Yasasin	19,240,840	3.44
5.	Mr. Somyot Mannithiworkul	14,730,000	2.63
6.	Mr. Rittirong Boonmechote	14,600,000	2.61
7.	Mr. Somchi Vijitsaengrat	9,999,900	1.79
8.	Mr. Siriphan Chanthip	6,831,020	1.22
9.	Thai NVDR Company Limited	6,705,679	1.20
10.	Ms. Petcharat Wareerueksab	5,800,000	1.04
11.	Mr. Chaowalit Jaruschothepinij	5,035,000	0.90
12.	Ms. Pimjai Inala	4,574,700	0.82

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.

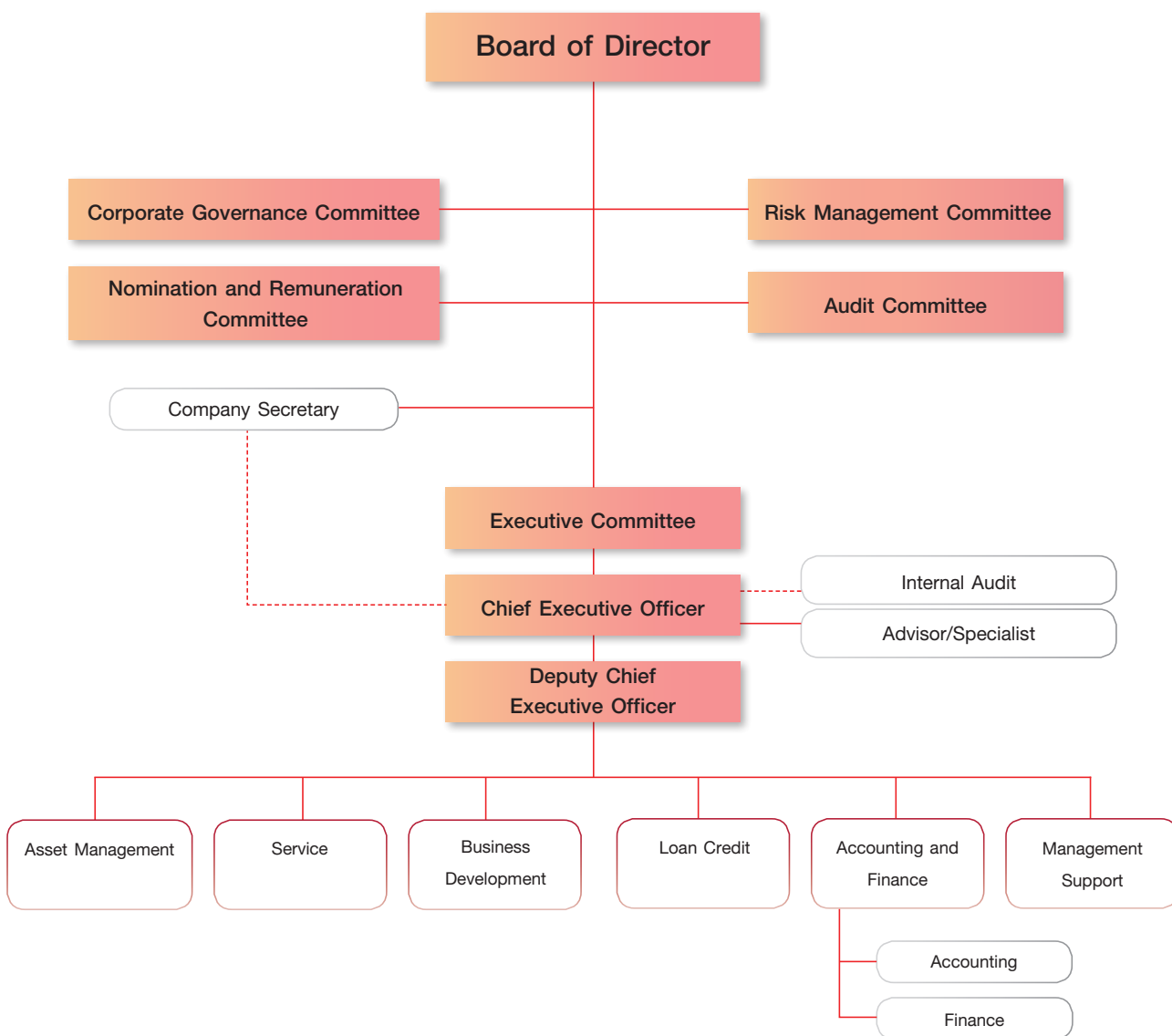
2. Dividend Policy of the Subsidiaries

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

Organization Structure

As of the 25th February 2019, the organization charts of the company are as follows :



Board of Director

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
6.		- Director
7.	Mrs. Rosporn Sooksomporn	- Director
		- Executive Director
		- Risk Management Committee
8.	Mr. Seksan Rangsiyeranon	- Vice Chairman of the Board
		- Risk Management Committee
		- Corporate Governance Committee
		- Nomination and Remuneration Committee

No.	Name	Position
		- 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

Kitti Tungsriwong is appointed as Company Secretary

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

Mr. Suksan Yasasin and Ms. Siriphan Juntip and Mr. Seksan Rangsiyeranon whereby 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 2018 Board Meetings are as follows :

2018			
No.	Name	No. of Meeting	No. of Attendance
1.	Mr. Wutisak Lapcharoensap	9	8
2.	Mr. Chanon Chotevijit	9	8
3.	Air Chief Marshal Arnon Jarrapun	9	9
4.	Mr. Teeranut Thangsatapornpong	9	8
5.	Mr. Vitthaya Inala	9	3
6.	Mrs. Rosporn Sooksomporn	9	8
7.	Mr. Seksan Rangsiyeranon	9	8
8.	Mr. Suksan Yasasin	9	9
9.	Ms. Siriphan Juntip	9	9

Executive Committee

As of the 31st December 2018, the executive committee consists of 6 members. During the year, 2 executive committees have resigned 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

- Remark :**
- 1 Mr. Thakrit Jarasthanakij has resigned from executive committee director of Asset Management Company and other positions (if any) according to letter of resignation on the 16th October 2018, effective on the 16th October 2018.
 - 2 Mr. Prarnote Yimlamai has resigned from executive committee of Chayo Group Public Company Limited and other positions (if any) according to letter of resignation on the 26th April 2018, effective on the 26th April 2018.

Audit Committee

As at the 31st December 2018, 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 of the 31st December 2018, the Risk Management 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 of the 31st December 2018, the corporate Governance committee consists of 3 directors. During the year, 1 committee has been resigned as follows :

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

Remark : Ms. Auntikron Phichetkorn has resigned from officer, executive director, Corporate Governance Committee, Asset Management Committee, Committee of Chayo Group Public Company Limited and other positions (if any) according to letter of resignation on 15th May 2018, effective on 15th July 2018.

Nomination and Remuneration Committee

As at the 31st December 2018, there are 5 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
4.	Mr. Suksan Yasasin	Nomination and Remuneration Vice Committee
5.	Mr. Kittit Tungswong	Nomination and Remuneration Committee

Remark : The Board of Directors Meeting No. 4/2018 on 27 March 2018 had a resolution in appointed Mr. Suksan Yasasin and Mr. Kittit Tungswong to take 2 positions of Nomination and Remuneration committee.

Management Team

The Board of Directors Meetings resolution on the 25th February 2019, the company has the executives according to The Securities and Exchange Commission Announcement no.17/2551 on the 15th December 2018, Companies of 9 executives as follows;

No.	Name	Position
1.	Mr. Suksan Yasasin	Chief Executive Officer
2.	Mr. Kittu Tungswong	Vice Chief Executive Officer, Acting Business Development Managing Director
3.	Ms. Natee Limprasert	Managing Director of Asset Management Department
4.	Ms. Siriphan Juntip	Acting Business Development Managing Director
5.	Mr. Nottapol Thipchatchawanwong	Chief Financial Officer
6.	Ms. Narumol Toprapat	Acting, Managing Director of Management Support Division
7.	Mr. Sukruethai Chaiwong	Accounting Manager
8.	Ms. Naowarat Sangkrot	Finance Manager
9.	Mr. Preecha Surakupt	Acting Managing Director of Service Department

- หมายเหตุ : 1. Ms. Auntikorn Phichetkorn had resigned from officer, Executive Director, Corporate Government Committee, Asset Management Committee' committee of Chayo Group Public Company Limited and other positions (if any) according to letter of resignation on the 15th May 2018, effective on the 15th July 2018. Thus, The Board of Directors Meeting No.6/2018 on 10th July 2018 Had assigned Ms. Siriphan Junthip to assume the position of Asset Management Manager on the 16th July 2018. Apart from, The Board of Directors Meeting No.9/2018 on the 21st November 2018, had a resolution in appointed Mr. Natee Limprasert as Managing Director of Chayo Asset Management Company Limited also Managing Director of Asset Management Department effective date on the 3rd January 2019. Anyhow, had Ms. Siriphan Juntip to assume the position of Acting Business Development Managing Director, substituted for Mr. Suksan Yasasin.
2. Mr. Thanet Wannarat had resigned from Accounting Manager on the 1st June 2018 and on the 1st February 2019 the company had accepted Ms. Sukruethai Chaiwong to assume the position of Accounting Manager.
3. MR. Preecha Surakupt has been appointed to a position of Action Managing Director of Service Department from The Board of Director meeting No.6/2018, effective date on the 16th July 2018.

In accordance with The Board of Directors meeting No.1/2019 on the 25th February 2019, the company has been restructuring an Executive Organization Chart in order to conform with Company's Business Plan by means of resolution as;

1. Mr. Kittu Tungswong also Ms. Siriphan Juntip (former position was Managing Director of Asset Management Department) were appointed to Acting Business Development Managing Director, substituted for Mr. Suksan Yasasin, effective date on the 25th February 2019.
2. Mr. Natee Limprasert (Managing Director of Chayo Asset Management Company Limited) was appointment to Managing Director of Asset Management Department, substituted for Ms. Siriphan Juntip, effective date on the 25th February 2019.
3. Mr. Nattapol Thipchatchawanwong was appointed to Credit Managing Director, effective date on the 25th February 2019.
4. Ms. Sukruethai Chaiwong was appointed to Accounting Manager (substituted for Mr.Thanet Wannarat who resigned from Accounting Manager on 1st June 2018), retroactive date on the 1st February 2019 which is the starting date onwards.

Compensation of Director

Notice of 2017 and 2018 Annual General Meeting of Shareholders on the 30th April 2018 has approved the specification of the Board of Directors and Sub-Committee meeting allowance in conclusion as follows. Moreover, has approved the amount of remuneration for Board of Directors also Sub-Committees yearly 2017 and 2018 ,Not more than 1.25 million baht and 1.50 million baht

Boards	Monthly Compensation		Meeting Allowance (Baht/Time)	
	Chairman	Committee	Chairman	Committee
Boards of Director	-	-	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

Remuneration of Committee and Sub-Committee

The company has remuneration for committees and sub-committees of the year 2017 also 2018 in the amount of 1,032,212 baht and 1,146,000 baht, as described in detail below (Executives Director has no rights in the remuneration);

Committee and Sub-Committee	2017			2018		
	Meeting Allowance	Bonus and Training Cost	Total (Baht)	Meeting Allowance	Bonus and Training Cost	Total (Baht)
1. Mr. Wutisak Lapcharoensap	35,000	100,000	135,000	40,000	150,000	190,000
2. Mr. Chanon Chotevijit	58,000	170,000	228,000	72,000	120,000	192,000
3. Air Chief Marshal Arnon Jarrapun	54,000	80,000	134,000	63,000	120,000	183,000
4. Mr. Teeranut Thangsatapornpong	63,000	108,112	171,112	66,000	120,000	186,000
5. Mr. Vitthaya Inala	15,000	50,000	65,000	9,000	100,000	109,000
6. Mrs. Rosporn Sooksomporn	27,000	50,000	77,000	24,000	100,000	124,000
7. Mr. Seksan Rangsiyeranon	52,000	114,100	166,100	48,000	100,000	148,000
8. Mr. Thakrit Jarasthanakij	20,000	30,000	50,000	14,000	-	14,000
9. Mr. Pramote Yimlamai	6,000	-	6,000	-	-	-
10. Mr. Suksan Yasasin	-	-	-	-	-	-
11. Ms. Siriphan Juntip	-	-	-	-	-	-
Total	330,000	702,212	1,032,212	336,000	810,000	1,146,000

Human Resources

Number of Staff

As of the 31st December 2018, the company and its subsidiaries have total of 187 staff (excluding executive), can divide into 5 fields of work comprise of Asset Management, Service, Business Development, Accounting and Finance and Administration Support as the details below;

Unit : Staff

Field of work	2016	2017	2018
<u>Staff of Asset Management Department</u>			
Debt Management Department	27	22	28
Litigation Department	7	12	19
Total staff of Asset Management Department	34	34	47
<u>Staff of Service Department</u>			
Customer Service Department	90	61	97
Financial Institutions Customer Service Department	9	16	25
Credit Service Department	-	-	1
Total staff of Service Department	99	77	123
<u>Staff of Business Development Department</u>			
Business Development Department 1	1	-	-
Business Development Department 2	-	-	-
Total staff of Business Development Department	1	-	-
<u>Staff of Accounting and Finance Department</u>			
Accounting Department	2	2	2
Finance Department	2	3	2
Investor Relation Department	-	-	-
Total staff of Accounting and Finance Department	4	5	4
<u>Staff of Administration Support Department</u>			
Law and Juristic Acts Department	-	-	-
Information Technology Department	2	2	5
Human Resources and Administration Department	4	2	2
Administration Support Department	6	8	6
Total staff Administration Support Department	12	12	13
Total	150	128	187

Corporate Governance

1. Corporate Governance Policy

In 2018, Board of Directors have approved a proposal from Corporate Governance Committee to specify also reconsider the policies and regulations of Corporate Governance. The company has reconsidered the Corporate Governance Code for Listed Company 2017 to adapt for Businesses Context exhaustively. The details as below;

Practice Principle 1 : Establish Clear Leadership Responsibilities of the Board.

Practice Principle 2 : Define Objectives that promote Sustainable Value Creation

Practice Principle 3 : Strengthen Board Effectiveness.

Practice Principle 4 : Ensure Effective CEO and People Management.

Practice Principle 5 : Nurture Innovation and Responsible Business.

Practice Principle 6 : Strengthen Effective Risk Management and Internal Control.

Practice Principle 7 : Ensure Disclosure and Financial Integrity.

Practice Principle 8 : Ensure Engagement and Communications with Shareholders.

For sustainable implementation and value creation of the company we have specified the compensatory measures for any practice principle which has not been applied in 2018 as follows;

No.	C6 Code 2017	Compensatory measures for any practice principles which has not been apply currently
1	Define the number of terms in consecutive occupy s position of the committee for instance; do not excess 3 consecutive terms and define the number of terms in consecutive occupy the position of sub-committee. Define that the Independent. Directors position since the first accession. However, in case of continuing occupy the position, must be consider the necessity as appropriate	Due to the committee of the company could not occupy a position more than 9 years, so that the term of committee occupation will be applied with criteria consideration does not excess 3 consecutively opportunities. Nevertheless, the company will reconsider the criteria above in company committee regulations. The committee will be considered from Skill Matrixs in order to assist the company to have an efficient operation also give proper advice for the highest advantage of company's gain and loss.
2	The meeting minutes should be deliver to committee at least 5 working days before the meeting day.	The company has delivered the draft meeting minutes at least 5 working days before the meeting day. In fact, the real version of meeting minutes' details will not differ from previously meeting as the main point. However, in case of meeting minutes amendment as the main point, the executive will explain before the real meeting.

Other Corporate Governance Principles Compliance

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 Directs

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 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) Arrange for the disclosure of information to all shareholders and stakeholders in an accurate, complete, transparent, reliable, timely and equal manner.
- (15) 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
- (16) Arrange appropriate and efficient risk management system in order to be able to evaluate and manage the critical risk
- (17) 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.
- (18) Set up clear and transparent process for the connected transactions
- (19) 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.

- (20) Update and revise the company's Charter to be up-to-date
- (21) 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.
- (22) Prohibited to disclose internal information to third party and no trading of the company's shares with in 1 month before publication and 3 days after publication of the company's financial statement.
- (23) The Board of Directors can hire external consultant to provide the business comment at the company's expense
- (24) 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 with in 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

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.

- (10) Occasionally review and update the charter of audit committee, and present to Board of Directors for approval.
- (11) 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.
- (12) 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

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 subcommittees 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 sub-committees 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

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

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

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

No.	Name	Position
1.	Mr. Suksan Yasasin	Chairman of Asset Management Committee
2.	Mr. Boonchai Prakongkwunchai	Asset Management Committee
3.	Ms. Siriphan Juntip	Asset Management Committee
4.	Ms. Narumol Toprapat	Asset Management Committee
5.	Mr. Nottapol Thipchatchawanwong	Asset Management Committee
6.	Mr. Kittit Tungsiwong	Asset Management Committee

Remarks : Ms. Auntikorn Phichetkorn had resigned from officer, Executive Director, Corporate Government Committee, Asset Management Committee' committee of Chayo Group Public Company Limited and other positions (if any) according to letter of resignation on the 15th May 2018, effective on the 15th July 2018.1. Charter or the responsibilities of the asset management committee.

1. Charter or responsibilities of the corporate governance 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 also rate for appraisal price which the value should not exceed the market price (at the present time 5%) of unsecured debt. In case of secured debt, will consider from location, surrounding, physical appearance, legal restriction, transportation and public utility to appraisal price meanwhile purchase valuation should not exceed 70% of the market price.
 - (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 it's 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 performed :
 - 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

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 2018, the company has participated in the follow Corporate Social Responsibility activities :

Corporate Social Responsibility : CSR					
No.	Date	Location	Project Name	Project Details	Amount (Baht)
1.	13/7/61	Impact Muang Thong Thani	Give scholarships to disabled children at Foundation for Empowerment of Person with Disabilities.	Due to the company realizes the important of education for children with disabilities, we had decided to give 10 scholarships to the disabilities in all level to be a part of their education.	50,000
2.	25/8/61	Amnat Charoen Temple, Udonthani	Almshouse	Arise from the company was invited to be the guest of honour in merit ceremony at almshouse arranged yearly by Amnat Charoen Temple as a host. Moreover, a lot of faithful people had attended into this ceremony.	30,000
3.	3/12/61	Bankumyarnang School, Amnat Charoen	Donate coat, luncheon and scholarship	Owing to the cold covered in the north also northeast yearly, the company had decided to attend the 200 coats donation to children and people in a rural area to relieve the cold. Meanwhile the company was a host in giving scholarship to Bankumyarnang School and a host luncheon.	50,000
4.	25/12/61	Phramongkutklao Hospital	Contribute money to Phramongkutklao Hospital Foundation	Because of the hospital had lacked of medical equipments, the company perceived the necessities also the benefits of medical equipments in healing patients, thus we contributed money to support in purchasing medical equipment to hospital.	50,000

3. Anti-Corruption and Conflict of Interests Policy

- **Acceptance of Cash and Benefits**

1. 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.
2. 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**

1. The directors, executives and employees shall not operate one's own business which impacts the assigned duties and working time.
2. 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

Connected Transactions

For year ended the 31st December 2018, the company and its subsidiaries have the following connected transactions and the person who may have led to the conflict as bellows;

No.	Company	Related Parties	Transaction Type	Pricing Method	Amount in 12 months (million baht)	Necessities/Remarks
1	Chayo Group Public Company Limited	Chayo Asset Management Company Limited	Rental and Service Fee Receivables	Market Price while rental and service fee are in an average price with vicinity approximately 170-200 Baht/square metre. Thus, the company will charge rental and service fee at 170 Baht/square metre.	1,800,000.-	The subsidiaries rent the office to operate the business with the parent company.
2	Chayo Group Public Company Limited	Chayo Property and Service Company Limited	Rental and Office Service Fee Receivables	Market Price while rental and service fee are in an average price with vicinity approximately 170-200 Baht/square metre. Thus, the company will charge rental and service fee at 170 Baht/square metre.	444,000.-	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	Use enterprise's costs and allocate from executive working hours in all positions.	24,000,000.-	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.

No.	Company	Related Parties	Transaction Type	Pricing Method	Amount in 12 months (million baht)	Necessities/Remarks
4	Chayo Group Public Company Limited	Chayo Property and Service Company Limited	Management Fee Receivables	Use enterprise's costs and allocate from executive working hours in all positions	1,920,000	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 Property and Service Company Limited	Interest Receivables	Interest rate 6% per year, refer to interest rate which the company has borrowed from humanity with interest rate 5.1-6% per year.	1,176,164.39	Refer to company's interest rate
6	Chayo Group Public Company Limited	Chayo Asset Management Company Limited	Interest Receivables	Interest rate 6% per year, refer to interest rate which the company loan to another subsidiary.	8,600,190.25	Refer to company's interest rate
7	Chayo Asset Management Company Limited	Chayo Group Company Limited	Commission Payables	Market price with the same rate as payable to external company	6,418,599.82	Same rate as payable to the external company.
8	Chayo Asset Management Company Limited	Chayo Property and Service Company Limited	Commission Payable	Market price with the same rate as payable to external company	2,271,269.15	Same rate as payable to the external company.
9	Chayo Group Public Company Limited	Mr. Suksan Yasasin	Building Rental Payable (Document Storage)	Market Price	80,000.-	The company signed the building rental agreement with the concerned party for the document storage.
10	Chayo Asset Management Company Limited	Mr. Suksan Yasasin	Building Rental Payable (Document Storage)	Market Price	136,000.-	The company signed the building rental agreement with the concerned party for the document storage.
11	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.

Financial Statement

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

Management Discussion and Analysis

Business Management Overview

The company has categorised business into 3 types namely; Non-Performing Debt Investment and Asset Management, Debt tracking and Collections Service Business also Customer Service Business. For the purpose that the revenue proportion from Non-Performing Loans is the main revenue of the company approximately 70-85% of company's net incomes from 2016 to 2018. Thus, the overall operation of the company could refer to non-performing debt investment and asset management. At the beginning of non-performing debt investment and asset management business, the company started with after sale debt management from the auction at that time. However, at present, the company is capable to manage other types of debt from additional auction for instance; credit cards' debt, cash cards' debt, mortgage also overdraft (O/D). Nowadays, non-performing loans under the company management consists of credit cards' debt also cash cards' debt mostly. On the 31st December 2018, the company has owned debts before deducting secured in the quantity of 38,349 million baht also debts after deducting secured in the amount of 37,453 million baht. Therefore, the overview of non-performing debt investment and asset management of the company are as below;

Year	Yearly Storage (Million Baht)	Number of Contracts (issue)	Non-Performing Loans						
			Prime Cost	Adjusted Entry	Incremental Cost	Amortization Fund	Transfer into property foreclosed	Impairment Allowance	Termination Cost
2554	0.12	649	-	-	4.32	(0.19)	-	-	4.13
2555	3.80	4,313	4.13	-	22.69	(7.74)	-	-	19.08
2556	6.71	4,273	19.08	-	-	(10.65)	-	-	8.43
2557	47.94	174,175	8.43	(4.74)	100.35	(4.70)	-	-	99.34
2558	142.49	234,537	99.34	9.93	118.51	(27.80)	-	(0.30)	199.68
2559	199.74	227,457	199.68	8.77	-	(48.11)	-	0.30	160.64
2560	222.32	220,613	160.64	-	181.50	(60.22)	-	(0.15)	281.77
2561	252.68	299,187	281.77	-	374.96	(39.80)	(13.63)	(9.16)	594.14

Remark : Adjusted Entry comes from the company has changed the revenue calculation method for non-performing loans from portfolio account into debtor account.

Summary of the Financial Performance for the Year Ended the 31st December 2016-2018

Financial Statement in 2018						
Key Financial Performance	2016	%	2017	%	2008	%
Revenue from Debt Tracking and Collection Service	31,659,157	16.1	37,708,398	18.3	41,443,050	16.2
Revenue from Non-Performing Loans Lending	162,422,096	82.4	162,007,156	78.7	212,873,389	83.3
Revenue from the Customer Service Center	3,057,000	1.6	6,266,280	3.0	1,330,719	0.5
Gross Revenue	197,138,253	100.0	205,981,834	100.0	255,647,158	100.0
Service Cost	(61,596,776)	-32.2	(73,238,394)	-35.6	(91,701,406)	-35.9
Gross Profit	135,541,477	68.8	132,743,440	64.4	163,945,752	64.1
Other Revenues	722,298	0.4	576,430	0.3	2,225,853	0.9
Profit from on sale of Assets	-		-		6,734,019	2.6
Administrative Expenses	(41,656,466)	-21.1	(45,272,624)	-22.0	(60,755,407)	-23.8
Financial Costs	(2,981,583)	-1.5	(1,254,801)	-0.6	(2,868,480)	-1.1
Pre-tax Profits	91,625,726	46.5	86,792,445	42.1	109,281,737	42.7
(Expenses) Tax revenues	(20,734,404)	-10.5	(28,552,054)	-13.9	(23,846,648)	-9.3
Yearly Net Profit Margin	70,891,322	36.0	58,240,391	28.3	85,435,089	33.4

Overall Operation Analysis

Revenue

The Gross Revenue from overall operation of the company for the year 2016, 2017 and 2018 in total are 197.14 million baht, 205.98 million baht and 255.65 million baht which increasing from year 2017 comparing to 2016 approximately 8.4 million baht from Debt Tracking and Collection Service also Customer Service Center revenues. Meanwhile the increasing of year 2018 comparing to year 2017 approximately 49.67 million baht which come from Non-Performing Lending also Debt Tracking and Collection Service revenues, both of them are the company's main business.

- Income from Loans to Non-performing Assets

The increment in income from Loans to non-performing assets mainly arose from the increment of income from selling collateral of non-performing assets and increment in collection around Baht 30.36 million. In addition this year the amortization of cost was lower than last year around Baht 20.5 million. The following are the details.

For the year end on the						
	31 st December 2016		31 st December 2017		31 st December 2018	
	Million baht	%	Million baht	%	Million baht	%
Cash Collection and income from selling collateral	210.53	100.00	222.32	100.00	252.68	100.00
Amortization of Cost	(48.11)	(22.85)	(60.31)	(27.13)	(39.81)	(15.76)
Revenue recognition or income from loans to non-performing assets	162.42	77.15	162.01	72.87	212.87	84.24

- **Services Income from Debt Collection Service**

In the year 2018, the Company had services income of Baht 41.44 million which increased from last year Baht 3.73 million (or increased around 9.89%). The reasons for the increment mainly arose from the increment of collection that the company provided the services to the Financial Institutions and the increment of the number of the employers (the Company have more customers).

- **Service Income from Call Center Services**

In the year 2018, the Company had income from Call Center Services of Baht 1.33 million while last year the Company had income from Call Center Service of Baht 6.27 million. The main reason for the decrement was from the expiration of contract.

Cost of Rendering Services

The main costs of rendering services are salary, commissions and legal cost. In the year 2018, the Company had a total cost of rendering services around Baht 91.70 million which increased from last year around Baht 18.46 million. The reasons for the increment mainly arose from the incremental of legal cost around Baht 10.87 million, commission expense around Baht 2.11 million, and the selling cost of collateral of non-performing assets around Baht 1.13 million.

Gross Profit

In the year 2018 and 2017, the Company had gross profit almost the same or around 64.10% and 64.40% respectively. The gross profit for the year 2018 increased from last year around Baht 31.21 million. The main reason for the increment mainly arose from the increment of income from selling the collateral of loans to non-performing assets, increment of collection and the reduction of the amortization of cost as mentioned above.

Other Income

Other income in this year mainly represents the interest income. The year the Company had other income around Baht 2.23 million.

Gains on disposal of foreclosed assets

This year the Company bought the assets by auctioning to be the Non-Performing Assets (NPA) of the Company. Subsequently in the same year, the Company sold this NPA. Therefore, the Company recorded gains on disposal of foreclosed assets of Baht 6.73 million in 2018.

Administrative Expenses

Administrative expenses mainly are salary, welfare and bonus of the employee and management, audit fee, business consultation fee. In the year 2018, the administrative expenses increased around Baht 15.49 million from last year. The main reasons for the increment were the provision or the impairment of non-performing assets of Baht 9.16 million and the provision for property plant and equipment around Baht 2.81 million.

Finance Cost

Finance cost for the year 2018 increased around Baht 1.62 million from last year. The reason for the increment mainly arose from the increment of loan from the Bank.

Income Tax Expenses

The income tax expense for the year 2018 was around Baht 23.85 million or around 21.82% of Net profit before income tax. The income tax reduced from last year around Baht 4.7 million. The main reasons for the decrement were the increment in setting up of the deferred tax and the Utilization of tax benefit from expenses related to IPO.

Net Profit

The net profit for the year 2018 was around Baht 85.44 million which increased from last year around 46.70 % (increased around Baht 27.20 million). The main reason for the increment mainly arose from the increment of income (from selling collateral and collection), the reduction of the amortization of cost and the reduction of tax expenses as mentioned above.

Financial position analysis

Consolidated financial statements						
Assets	2016	%	2017	%	2018	%
Current assets						
Cash and cash equivalents	79,718,785	25.9	57,731,492	13.9	148,507,511	17.9
Restricted deposits at financial institutions						
- current	713,418	0.2	1,163,331	0.3	200,000	0.0
Short-term investments	1,224,156	0.4	1,234,097	0.3	467,563	0.1
Trade and other receivables	7,268,427	2.4	7,036,461	1.7	8,349,813	1.0
Deposit for purchasing loans to	-	0.0	-	0.0	6,193,027	0.7
non-performing assets						
Other current assets	1,701,949	0.6	2,197,180	0.5	2,649,446	0.3
Total current assets	90,626,735	29.5	69,362,561	16.7	166,367,360	20.2
Non-current assets						
Restricted deposits at financial institutions						
- Non-current	1,076,497	0.4	1,745,300	0.4	2,240,189	0.2
Loans to non-performing assets, net	160,643,813	52.3	281,773,990	67.8	594,140,479	71.7
Investments in subsidiaries	-	0.0	-	0.0	-	0.0
Investment properties, net	1,822,063	0.6	9,095,652	2.2	8,823,372	1.1
Foreclosed assets, net	-	0.0	-	0.0	5,243,418	0.6
Property, plant and equipment, net	39,847,124	13.0	38,118,167	9.2	33,761,650	4.1
Intangible assets, net	70,643	0.0	1,736,993	0.4	2,040,483	0.2
Deferred tax assets	13,060,703	4.2	12,756,803	3.1	14,474,580	1.7
Other non-current assets	274,600	0.1	891,194	0.2	1,728,595	0.2
Total non-current assets	216,795,443	70.5	346,118,099	83.3	662,452,766	79.8
Total assets	307,422,178	100.0	415,480,660	100.0	828,820,126	100.0

Financial position

Total Assets

As at 31 December 2018, the Company had total assets of Baht 828.82 million. The total assets of the Company increased from last year around Baht 413.34 million. The following are the main reasons for the increment;

- The increment of cash and cash equivalents of Baht 90.78 million from the collection and the profit from operation.
- The increment of deposit for purchasing loans to non-performing assets of Baht 6.19 million.
- The increment of loans to non-performing assets of Baht 312.37 million (This is because the subsidiary of the Company won the Auction continuously).

Consolidated financial statements						
Liabilities and equity	2016	%	2017	%	2018	%
Current liabilities						
Trade and other payables	14,443,131	3.5	12,437,922	3.0	15,329,480	1.8
Current portion of long-term borrowings from a financial institution	-	0.0	20,276,513	4.9	14,330,248	1.7
Income tax payable	11,565,916	2.8	12,291,941	3.0	10,121,529	1.2
Current portion of liabilities under hire purchase agreements	550,686		594,535		938,668	0.1
Other current liabilities	1,713,093	0.4	1,953,553	0.5	3,674,927	0.4
Total current liabilities	28,272,826	6.8	47,554,464	11.4	44,394,852	5.4
Non-current liabilities						
Long-term borrowings from a financial institution	-	0.0	30,604,479	7.4	17,101,392	2.1
Employee benefit obligations	1,516,563	0.4	2,585,321	0.6	2,705,558	0.3
Liabilities under hire purchase agreements, net	2,111,098	0.5	1,516,563	0.4	1,362,934	0.2
Other non-current liabilities	-	0.0	-	0.0		0.0
Total non-current liabilities	3,630,709	0.9	34,706,363	8.4	21,169,884	2.6
Total liabilities	31,903,535	7.7	82,260,827	19.8	65,564,736	7.9
Equity						
Authorised share capital	210,000,000	50.5	210,000,000	50.5	280,000,000	33.8
paid-up, Baht 0.50 each	-	0.0	-	0.0	320,966,376	33.7
Discount from business combinations under common control	(9,678,120)	-2.3	(9,678,120)	-2.3	(9,678,120)	-1.2
Legal reserve	300,000	0.1	300,000	0.1	7,262,746	0.9
Unappropriated	74,927,581	18.0	132,622,696	31.9	149,728,719	18.1
Other component of equity	(30,818)	0.0	(24,743)	0.0	-	0.0
Equity attributable to owners of the parent	275,518,643	66.3	333,219,833	80.2	748,279,721	90.3
Non-controlling interests	-	0.0	-	0.0	14,975,669	1.8
Total equity	275,518,643	66.3	333,219,833	80.2	763,255,390	92.1
Total liabilities and equity	307,422,178	74.0	415,480,660	100.0	828,820,126	100.0

Total Liabilities

The total liability of the Company as at 31 December 2018 was around Baht 65.56 million. The total liability was reduced from last year around Baht 16.70 million. The reduction of total liability was mainly from the reduction of loan from financial institution (from loan repayment during the year).

Total Shareholders' Equities

The total shareholders' equity of the Company as at 31 December 2018 was at Baht 763.26 million. The total shareholder's equity increased from last year around Baht 430.04 million. The following are the main reasons for the increment;

- The increment of cash from IPO around Baht 390.97 million (after deduction of related expenses) and
- The increment of net profit from operation of Baht 85.67 million
- The increment of minority interest around Baht 15.00 million and
- The reduction of retained earnings from the dividend payment of Baht 61.60 million

	2016	2017	2018
Operating Activities (Decrease)	102,866,280	(59,564,936)	(246,738,607)
Investing Activities (Decrease)	2,437,532	(12,711,501)	13,551,789
Financing Activities (Decrease)	(60,729,873)	50,289,144	323,962,837
Net Cash Flow (Decrease)	44,573,939	(21,987,293)	90,776,019

Net Cash Flow of 2018 is increasing from 2017 in the amount of 90.78 million baht. Due to the company has received capital increase on IPO approximately 390.97 million baht which affects more cash in the Financial Activities. The company has paid much of IPO's cash in Non-Performing Loan Portfolios which is the cause of decreasing in Operating Activities by 246.74 million baht. For Investing Activities, this year, the company is capable to sell Foreclosed Assets approximately 18 million baht which influences the increasing of Investing Activities by 13.55 million baht.

Sources of Fund

As at the 31st December 2018, the company's source of fund is from selling IPO stocks in the amount of 390.97 million baht and long-term loans from financial institutions with credit facility of 40 million baht also company's equity.

Auditing Fees

The company and its subsidiaries have paid Pricewaterhouse Coopers ABAS Co.,Ltd where the auditor affiliates with, the auditing fee of 4,200,000 baht and 4,550,000 baht in 2017 also 2018, respectively.

Independent Auditor's Report

Independent Auditor's Report

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 2018, 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 2018;
- 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.

Key audit matters

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

Key audit matter

Interest income from non-performing assets

Referring to Note 2.20 to the financial statements for Accounting policies - Revenue recognition, Interest income from loans on non-performing assets contributed 80.45% to the Group's total revenues. The Group recognises interest income from loans on non-performing assets based on estimated future cash inflow. This is determined by the quality, type and age of debt, referring to historical records of debt collection discounted with the effective interest rate.

I focussed on auditing this area because it required the management's significant judgment when determining the assumption to estimate revenues, which are material to the consolidated financial statements.

How my audit addressed the key audit matter

I understood the principle the management used to recognise interest income from loans on non-performing assets. I also assessed the appropriateness of the principle with the general practice of the other companies in the same industry.

I understood the process of estimating cash flows and the effective interest rate at the initial date.

I tested a sample of the estimated cash flows and effective interest rates, as well as related factors used in estimating cash flows and the effective interest rate at the acquisition date. This also included assessing the appropriateness of factors that affected the estimation of cash flows and effective interest rate at the acquisition date such as hair cut rate, repayment rate, legal status of receivables, collateral values and initial cost allocation.

I tested a sample to calculate the interest income from loans on non-performing asset loans. In addition, I tested a sample of repayments from loans on non-performing asset loans.

From the above procedures, I found no material errors.

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.

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

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

PricewaterhouseCoopers ABAS Ltd.

Boonlert Kamolchanokkul

Certified Public Accountant (Thailand) No. 5339

Bangkok

25 February 2019

Chayo Group Public Company Limited

Statements of Financial Position

As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	148,507,511	57,731,492	51,108,966	15,430,740
Restricted deposits at financial institutions					
- current	8	200,000	1,163,331	200,000	1,163,331
Short-term investments	9	467,563	1,234,097	256,296	513,333
Trade and other receivables	11	8,349,813	7,036,461	28,047,788	5,905,825
Short-term loans to related parties	29.5	-	-	346,200,100	21,000,000
Deposit for purchasing loans					
to non-performing assets	10	6,193,027	-	-	-
Other current assets		2,649,446	2,197,180	2,282,506	1,938,984
Total current assets		166,367,360	69,362,561	428,095,656	45,952,213
Non-current assets					
Restricted deposits at financial institutions					
- non-current	8	2,240,189	1,745,300	1,926,732	1,435,068
Loans to non-performing assets, net	12	594,140,479	281,773,990	-	-
Investments in subsidiaries	13	-	-	207,999,990	169,000,000
Investment properties, net	14	8,823,372	9,095,652	10,062,631	10,505,285
Foreclosed assets, net	15	5,243,418	-	-	-
Property, plant and equipment, net	16	33,761,650	38,118,167	17,342,132	21,038,320
Intangible assets, net	17	2,040,483	1,736,993	1,641,046	1,334,661
Deferred tax assets	18	14,474,580	12,756,803	512,181	505,939
Other non-current assets		1,728,595	891,194	1,586,595	796,195
Total non-current assets		662,452,766	346,118,099	241,071,307	204,615,468
Total assets		828,820,126	415,480,660	669,166,963	250,567,681

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	19	15,329,480	12,437,922	7,333,750	7,142,924
Current portion of liabilities					
under hire purchase agreements		938,668	594,535	-	-
Current portion of long-term borrowings					
from a financial institution	20	14,330,248	20,276,513	-	-
Income tax payable		10,121,529	12,291,941	-	-
Other current liabilities		3,674,927	1,953,553	1,266,490	994,954
Total current liabilities		44,394,852	47,554,464	8,600,240	8,137,878
Non-current liabilities					
Liabilities under					
hire purchase agreements, net		1,362,934	1,516,563	-	-
Long-term borrowings from					
a financial institution	20	17,101,392	30,604,479	-	-
Employee benefit obligations	21	2,705,558	2,585,321	2,574,737	2,534,024
Other non-current liabilities		-	-	204,000	204,000
Total non-current liabilities		21,169,884	34,706,363	2,778,737	2,738,024
Total liabilities		65,564,736	82,260,827	11,378,977	10,875,902

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Financial Position (Cont'd)
As at 31 December 2018

Notes	Consolidated		Separate	
	financial statements		financial statements	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)				
Equity				
Share capital	22			
Authorised share capital				
560,000,000 ordinary shares at				
par value of Baht 0.50 each	280,000,000	280,000,000	280,000,000	280,000,000
Issued and paid-up share capital				
560,000,000 ordinary shares,				
paid-up, Baht 0.50 each	280,000,000		280,000,000	
(2017: 420,000,000 ordinary shares,				
paid-up, Baht 0.50 each		210,000,000		210,000,000
Share premium, net	320,966,376	-	320,966,376	-
Discount from business combinations				
under common control	(9,678,120)	(9,678,120)	-	-
Retained earnings				
Appropriated				
Legal reserve	23	7,262,746	300,000	7,262,746
Unappropriated		149,728,719	132,622,696	49,558,864
Other component of equity		-	(24,743)	-
Equity attributable to owners of the parent		748,279,721	333,219,833	657,787,986
Non-controlling interests		14,975,669	-	-
Total equity		763,255,390	333,219,833	657,787,986
Total liabilities and equity		828,820,126	415,480,660	669,166,963

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

	Notes	Consolidated financial statements		Separate financial statements	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest income from loans to non-performing assets		212,873,389	162,007,156	13,271	7,477
Services income from debt collection service	29.1	41,443,050	37,708,398	35,721,407	35,530,216
Service income from call center services		1,330,719	6,266,280	-	-
Costs of rendering services and managing non-performing assets	26, 29.2	(91,701,406)	(73,238,394)	(19,361,131)	(19,839,289)
Gross profit		163,945,752	132,743,440	16,373,547	15,698,404
Other income	25, 29.3	2,225,853	576,430	111,685,959	26,319,851
Gains on disposal of foreclosed assets		6,734,019	-	-	-
Administrative expenses	26	(60,755,407)	(45,272,624)	(38,069,964)	(34,913,961)
Finance costs		(2,868,480)	(1,254,801)	-	-
Profit before income tax		109,281,737	86,792,445	89,989,542	7,104,294
Income tax expense	27	(23,846,648)	(28,552,054)	(1,465,950)	(1,398,064)
Net profit for the year		85,435,089	58,240,391	88,523,592	5,706,230
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	21	260,416	(681,588)	260,416	(683,715)
Income tax relating to items that will not be reclassified subsequently to profit or loss	18	(52,083)	136,312	(52,083)	136,743
Total items that will not be reclassified subsequently to profit or loss		208,333	(545,276)	208,333	(546,972)
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments	9	30,929	7,593	(3,875)	2,576
Income tax relating to items that will be reclassified subsequently to profit or loss	18	(6,186)	(1,518)	775	(515)
Total items that will be reclassified subsequently to profit or loss		24,743	6,075	(3,100)	2,061
Other comprehensive expense for the year, net of tax		233,076	(539,201)	205,233	(544,911)
Total comprehensive income for the year		85,668,165	57,701,190	88,728,825	5,161,319
Profit attributable to:					
Owners of the parent		85,459,430	58,240,391	88,523,592	5,706,230
Non-controlling interests		(24,341)	-	-	-
		85,435,089	58,240,391	88,523,592	5,706,230
Total comprehensive income attributable to:					
Owners of the parent		85,692,506	57,701,190	88,728,825	5,161,319
Non-controlling interests		(24,341)	-	-	-
		85,668,165	57,701,190	88,728,825	5,161,319
Earnings per share					
28					
Weighted-average ordinary shares (shares)		532,383,562	420,000,000	532,383,562	420,000,000
Basic earnings per share		0.1605	0.1387	0.1663	0.0136

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

Consolidated financial statements														
Attributable to owners of the parent														
Notes	Issued and paid-up share capital	Share premium, net	Discount from business combinations under common control	Retained earnings		Other component of equity			Total owners of the parent	Non-controlling interests	Total equity			
				Baht	Baht	Appropriated - legal reserve	Unappropriated	Other comprehensive income						
								Baht				Baht	Available-for-sales investments	Baht
Opening balance as at 1 January 2018														
	210,000,000	-	(9,678,120)	300,000	132,622,696	(24,743)			333,219,833	-	333,219,833			
Changes in equity for the year														
22	70,000,000	320,966,376	-	-	-	-			390,966,376	-	390,966,376			
13	-	-	-	-	-	-			-	15,000,010	15,000,010			
23	-	-	-	6,962,746	(6,962,746)	-			-	-	-			
24	-	-	-	-	(61,598,994)	-			(61,598,994)	-	(61,598,994)			
	-	-	-	-	85,667,763	24,743			85,692,506	(24,341)	85,668,165			
Closing balance as at 31 December 2018														
	280,000,000	320,966,376	(9,678,120)	7,262,746	149,728,719	-			748,279,721	14,975,669	763,255,390			
Opening balance as at 1 January 2017														
	210,000,000	-	(9,678,120)	300,000	74,927,581	(30,818)			275,518,643	-	275,518,643			
Changes in equity for the year														
	-	-	-	-	57,695,115	6,075			57,701,190	-	57,701,190			
Closing balance as at 31 December 2017														
	210,000,000	-	(9,678,120)	300,000	132,622,696	(24,743)			333,219,833	-	333,219,833			

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Changes in Equity (Cont'd)
For the year ended 31 December 2018

Separate financial statements

	Notes	Issued and paid-up share capital		Share premium, net		Retained earnings		Other component of equity		Total equity
		Baht		Baht		Appropriated	Unappropriated	Available-for-sale investments	Baht	Baht
Opening balance as at 1 January 2018		210,000,000	-	-	300,000	29,388,679	3,100	239,691,779		
Changes in equity for the year										
Issuance of ordinary shares	22	70,000,000	320,966,376	-	-	-	-	390,966,376		
Legal reserve	23	-	-	6,962,746	(6,962,746)	-	-	-		
Dividend	24	-	-	-	(61,598,994)	-	-	(61,598,994)		
Total comprehensive income for the period		-	-	-	88,731,925	-	(3,100)	88,728,825		
Closing balance as at 31 December 2018		280,000,000	320,966,376	7,262,746	49,558,864	-	-	657,787,986		
Opening balance as at 1 January 2017		210,000,000	-	300,000	24,229,421	1,039	234,530,460			
Changes in equity for the year										
Total comprehensive income for the year		-	-	-	5,159,258	2,061	5,161,319			
Closing balance as at 31 December 2017		210,000,000	-	300,000	29,388,679	3,100	239,691,779			

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

Statements of Cash Flows

For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		109,281,737	86,792,445	89,989,542	7,104,294
Adjustments:					
Depreciation and amortisation	14, 16, 17	5,195,878	4,342,758	2,555,920	1,834,538
Loss on impairment of assets	16	2,806,037	-	2,806,037	-
Allowance for impairment of loans to non-performing assets	12	9,162,391	149,624	-	-
Interest incomes from loans to non-performing assets		(212,873,389)	(162,007,156)	(13,271)	(7,477)
(Gain) Loss on disposal of property, plant and equipment		(106,510)	39,045	-	2,019
Loss on write-off of equipment		32,418	-	20,898	-
Gain on disposal of short-term investments	9	(16,171)	-	(4,436)	-
Gains on disposal of foreclosed assets		(6,734,019)	-	-	-
Dividend income	29.3	-	-	(72,196,997)	-
Other interest income	25	(1,842,461)	(336,461)	(11,319,351)	(1,239,732)
Employee benefit expenses	21	380,653	384,122	301,129	360,209
Finance costs		2,868,480	1,254,801	-	-
Changes in working capital					
Trade and other receivables		(1,313,352)	231,966	(13,690,541)	679,104
Deposit for purchasing loans to non-performing assets		(6,193,027)	-	-	-
Other current assets		(310,663)	(25,714)	(342,903)	(15,287)
Loans to non-performing assets		(335,163,064)	(121,279,801)	-	-
Other non-current assets		(837,401)	(616,594)	(790,400)	(636,595)
Trade and other payables		3,023,065	(2,136,716)	190,826	(405,400)
Other current liabilities		1,721,374	240,460	271,536	(191,245)
Cash (used in) generated from operations		(430,918,024)	(192,967,221)	(2,222,011)	7,484,428
Interest received		1,834,612	334,112	2,862,253	710,088
Interest income from loans to non-performing assets		212,873,389	162,007,156	13,271	7,477
Interest paid		(2,639,319)	(1,082,132)	-	-
Income tax paid		(27,889,265)	(27,856,851)	(1,524,118)	(1,792,375)
Net cash (used in) generated from operating activities		(246,738,607)	(59,564,936)	(870,605)	6,409,618

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2018

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
Decrease (Increase) in restricted deposits at financial institutions		468,442	(1,118,716)	471,667	(1,115,229)
Proceeds from disposals of short-term investments	9	776,036	-	263,273	-
Dividends received	29.3	-	-	72,196,997	-
Payments on short-term loans to related parties	29.5	-	-	(330,200,100)	(3,000,000)
Proceeds from short-term loans to related parties	29.5	-	-	5,000,000	-
Purchases of property, plant and equipment		(2,650,341)	(2,273,117)	(719,508)	(2,216,154)
Purchases of foreclosed assets	15	(2,875,215)	-	-	-
Purchases of investment properties	14	(192,318)	(7,511,218)	-	-
Purchases of intangible asset	17	(1,030,890)	(1,808,450)	(830,890)	(1,408,450)
Payments on investment in subsidiaries		-	-	(38,999,990)	-
Proceeds from disposals of property, plant and equipment		1,056,075	-	-	-
Proceeds from disposal of foreclosed assets		18,000,000	-	-	-
Net cash generated (used in) from investing activities		13,551,789	(12,711,501)	(292,818,551)	(7,739,833)
Cash flow from financing activities					
Proceeds from long-term borrowings from financial institution	20	39,789,980	57,639,830	-	-
Payments on long-term borrowings from financial institution	20	(59,600,000)	(6,800,000)	-	-
Payments on finance lease liability		(594,535)	(550,686)	-	-
Proceeds from issuance of ordinary shares	22	403,200,000	-	403,200,000	-
Payments of share issuance costs	22	(12,233,624)	-	(12,233,624)	-
Dividends paid to shareholders	24	(61,598,994)	-	(61,598,994)	-
Proceeds from issuance of ordinary shares of subsidiary	13	15,000,010	-	-	-
Net cash generated from financing activities		323,962,837	50,289,144	329,367,382	-
Net increase (decrease) in cash and cash equivalents		90,776,019	(21,987,293)	35,678,226	(1,330,215)
Cash and cash equivalents at the beginning of the year		57,731,492	79,718,785	15,430,740	16,760,955
Cash and cash equivalents at the end of the year		148,507,511	57,731,492	51,108,966	15,430,740

Non-cash transactions:

During the years ended 31 December 2018 and 2017, the following significant non-cash transactions occurred:

Closes account from debt settlement to foreclosed assets	12, 15	13,634,184	-	-	-
Purchase of property, plant and equipment by hire purchase		785,040	-	-	-

The note to financial statements on pages 13 to 66 are an integral part of these consolidated and separate financial statements.

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, Bangkhen, Bangkok 10220.

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

The Group has operated with its objective to provide services relating to debt collection, managing non-performing assets from purchases, transferring secured and non-secured non-performing assets from the financial institutions and credit facility companies, and providing call center services.

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 22 March 2018, the Stock Exchange of Thailand endorsed the listing of the Company's ordinary shares in the Market for Alternative Investments (MAI). The Company's ticker symbol is "CHAYO".

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 25 February 2019.

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.

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 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Group.

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 do not have a significant impact on the Group except for disclosure

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective.

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard.

TFRS 15 provide the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.1 The FAP has issued new standard, TFRS15 Revenue from contracts with customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard. (Cont'd)

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures.

The Group's management is currently assessing the impact of initial adoption of this standard.

2.2.2.2 Revised financial reporting standards will become effect for annual periods beginning on or after 1 January 2019 and are relevant to the Group. The Group has not yet adopt these standards.

TAS 40 (revised 2018) Investment Property

TAS 40, the amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019.

TAS 32	Financial instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

TFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.2 New and revised financial reporting standards and interpretation which have been issued but not yet effective. (Cont'd)

2.2.2.3 The Group of financial instruments reporting standards consist of the following standards. These standards could be early adopted before the effective date only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing financial liabilities with equity instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The Group's management is currently assessing the impact of initial adoption of these standards.

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.

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.

2 Accounting policies (Cont'd)

2.3 Group Accounting - Investments in subsidiaries (Cont'd)

(1) Subsidiaries (Cont'd)

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.

(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.

(4) Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree in the proportion of interests under common control at the carrying values of the acquiree presented in the highest level of the consolidation prior to the business combination under common control at the acquisition date. The Group retrospectively adjusted the business combination under common control transactions as if the combination occurred from the beginning of period of which the financial statements in the previous period are comparatively presented in accordance with the guidance of business combination under common control as issued by the Federation of Accounting Professions.

Costs of business combination under common control are the aggregated amount of fair value of assets transferred, liabilities incurred and equity instruments issued by the acquirer at the date of which the exchange in control occurs. Other costs directly attribute to business combination under common control, such as professional fees of legal advisors and other advisors, registration fees, and costs relating to preparation of information for shareholders, are capitalised as an investment in the separate financial statements while immediately recognised as expenses in the consolidated financial statements in the period of which the business combination occurs.

The difference between costs of business combination under common control and the acquirer's interests in the carrying value of the acquiree is presented as "Surplus arising from business combination under common control" in equity and is derecognised when the investment is disposed (transfer to retained earnings).

(5) Separate financial statement

In the separate 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.

2.4 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. In the statements of financial position, bank overdrafts are shown in current liabilities.

2 Accounting policies (Cont'd)

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 two 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.

The two categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Available for sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale 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 receivables

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 Accounting policies (Cont'd)

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 Foreclosed assets

The foreclosed assets are stated at the lower of cost or net realisable value which referred from the latest appraised value less estimated selling expenses.

Gains on the disposal of foreclosed assets are recognised in the statements of comprehensive income when the Company transfers the significant risks and reward of ownership to the purchaser. Losses on disposal and impairment are recognised as expenses in the statements of comprehensive income.

2.11 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 years
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. (Note 2.13)

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

2 Accounting policies (Cont'd)

2.12 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.

2.13 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 whenever 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.

2.14 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 of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

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.

2.15 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 Accounting policies (Cont'd)

2.16 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.

2.17 Post-employment

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

2.17.1 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.

2.17.2 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 Accounting policies (Cont'd)

2.18 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.

2.19 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.

2.20 Revenue recognition

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

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 interest 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.

2.21 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.

2.22 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)

As at 31 December 2018, the Group and the Company do not have financial assets and liabilities measured at fair value.

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

	Consolidated financial statements			
	2017			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
Short-term investments (Note 9)	-	774,383	-	774,383
Total	-	774,383	-	774,383
	Separate financial statements			
	2017			
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
Short-term investments (Note 9)	-	262,712	-	262,712
Total	-	262,712	-	262,712

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

3 Financial risk management (Cont'd)

3.2 Fair value estimation (Cont'd)

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2018 and 2017:

Consolidated financial statements				
2018				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
Cash and cash equivalents	148,507,511	-	-	148,507,511
Restricted deposits				
at financial institutions	2,440,189	-	-	2,440,189
Short-term investment	467,563	-	-	467,563
Trade and other receivables	-	8,349,813	-	8,349,813
Loans to non-performing assets	-	-	705,513,740	705,513,740
Investment properties	-	18,100,000	-	18,100,000
Deposit for purchasing loan to non-performing assets	-	6,193,027	-	6,193,027
Total	151,415,263	32,642,840	705,513,740	889,571,843
Financial liabilities				
Trade and other payables	-	15,329,480	-	15,329,480
Liabilities under hire purchase	-	2,219,873	-	2,219,873
Long-term borrowings from a financial institutions	-	31,430,535	-	31,430,535
Total	-	48,979,888	-	48,979,888
Consolidated financial statements				
2017				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
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	-	-	519,481,379	519,481,379
Investment properties	-	18,100,000	-	18,100,000
Total	61,099,837	25,136,461	519,481,379	605,717,677
Financial liabilities				
Trade and other payables	-	12,437,922	-	12,437,922
Liabilities under hire purchase	-	2,160,114	-	2,160,114
Long-term borrowings from a financial institutions	-	50,736,599	-	50,736,599
Total	-	65,334,635	-	65,334,635

3 Financial risk management (Cont'd)

3.2 Fair value estimation (Cont'd)

The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2018 and 2017: (Cont'd)

Separate financial statements				
2018				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
Cash and cash equivalents	51,108,966	-	-	51,108,966
Restricted deposits at financial institutions	2,126,732	-	-	2,126,732
Short-term investments	256,296	-	-	256,296
Trade and other receivables	-	28,047,788	-	28,047,788
Short-term loans to related parties	-	346,200,100	-	346,200,100
Investment properties	-	15,772,720	-	15,772,720
Total	53,491,994	390,020,608	-	443,512,602
Financial liabilities				
Trade and other payables	-	7,333,750	-	7,333,750
Total	-	7,333,750	-	7,333,750
Separate financial statements				
2017				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
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	-	5,905,825	-	5,905,825
Short-term loans to related parties	-	21,000,000	-	21,000,000
Investment properties	-	15,772,720	-	15,772,720
Total	18,279,760	42,678,545	-	60,958,305
Financial liabilities				
Trade and other payables	-	7,142,924	-	7,142,924
Total	-	7,142,924	-	7,142,924

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

3 Financial risk management (Cont'd)

3.2 Fair value estimation (Cont'd)

(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, the 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.

3 Financial risk management (Cont'd)

3.2 Fair value estimation (Cont'd)

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.

Deposit for purchasing loan to non-performing assets

The carrying amounts of deposit for purchasing loan to non-performing assets presented in the statement of financial position approximate fair values.

Trade and other payables

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

Liabilities under hire purchase

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

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 interest 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 4 main segments:

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

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

For the year ended 31 December 2018	Debt collection service Baht	Management of non- performing assets Baht	Call center service Baht	Other Baht	Total Baht
Revenues	50,132,919	212,873,389	1,330,719	-	264,337,027
Revenues from inter-segment	(8,689,869)	-	-	-	(8,689,869)
Revenues from segment	41,443,050	212,873,389	1,330,719	-	255,647,158
Costs	(26,630,040)	(73,615,938)	(45,297)	(100,000)	(100,391,275)
Costs from inter-segment	-	8,689,869	-	-	8,689,869
Costs from segment	(26,630,040)	(64,926,069)	(45,297)	(100,000)	(91,701,406)
Segment results	14,813,010	147,947,320	1,285,422	(100,000)	163,945,752
Unallocated costs					(60,755,407)
Profit from operation					103,190,345
Other income					2,225,853
Gain on sale from foreclosed assets					6,734,019
Finance costs					(2,868,480)
Profit before income tax					109,281,737
Income tax expense					(23,846,648)
Net profit					85,435,089

6 Segment information (Cont'd)

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

For the year ended 31 December 2017

	Debt collection service Baht	Management of non-performing assets Baht	Call center service Baht	Total Baht
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

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash on hand	40,114	21,732	14,936	11,969
Deposits held at call with banks	148,416,513	57,659,400	51,094,030	15,418,771
3 months fixed deposit	50,884	50,360	-	-
Total	148,507,511	57,731,492	51,108,966	15,430,740

The interest rates of deposits held at call with banks of saving accounts and 3 months fixed deposit account are 0.20% - 0.90% per annum (2017: 0.20% - 0.625% per annum).

8 Restricted deposits at financial institutions

As at 31 December 2018 and 2017, 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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Fixed deposits not over 12 months	467,563	459,714	256,296	250,621
Available-for-sales investments - mutual funds	-	774,383	-	262,712
At 31 December	467,563	1,234,097	256,296	513,333

As at 31 December 2018, the fixed deposits not over 12 months bear interest of 0.90% - 1.25% per annum (2017: 0.90% - 1.25% per annum).

The movements in available-for-sales investments are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	774,383	766,790	262,712	260,136
Unrealised gains right before disposal of available-for-sales investments	1,653	-	561	-
Disposals	(776,036)	-	(263,273)	-
Add Re-measuring available-for-sales investments	-	7,593	-	2,576
At 31 December	-	774,383	-	262,712

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	14,518	6,925	3,875	1,299
Unrealised gains right before disposal of available-for-sales investments	1,653	-	561	-
Less Unrealised gains subsequently realised to profit and loss at disposal of investments	(16,171)	-	(4,436)	-
Add Re-measuring available-for-sales investments	-	7,593	-	2,576
At 31 December	-	14,518	-	3,875

10 Deposit for purchasing loans to non-performing assets

As at 31 December 2018, the Group bids for purchasing non-performing assets during the auctions. The deposit will be returned when the auctions ended, or will be net off with the purchase price if the Group wins the bidding.

11 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade receivables	7,834,210	6,670,821	5,809,209	4,237,788
<u>Less</u> allowance for doubtful accounts	-	-	-	-
Trade receivables, net	7,834,210	6,670,821	5,809,209	4,237,788
Amounts due from related parties (Note 29.4)	-	-	12,343,939	533,203
Interest receivables from short-term loans to related parties (Note 29.4)	-	-	9,531,422	1,080,000
Prepaid expenses	279,973	140,021	245,150	54,834
Advances	121,562	206,869	4,000	-
Others	114,068	18,750	114,068	-
Total	8,349,813	7,036,461	28,047,788	5,905,825

Outstanding trade receivables as at 31 December 2018 and 2017 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 3 months	7,834,210	6,670,821	5,809,209	4,237,788
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	7,834,210	6,670,821	5,809,209	4,237,788
<u>Less</u> allowance for doubtful accounts	-	-	-	-
Total trade receivables, net	7,834,210	6,670,821	5,809,209	4,237,788

Outstanding amounts due from related parties as at 31 December 2018 and 2017 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 3 months	-	-	12,343,939	533,203
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total amounts due from related parties	-	-	12,343,939	533,203
<u>Less</u> allowance for doubtful accounts	-	-	-	-
Total amounts due from related parties, net (Note 29.4)	-	-	12,343,939	533,203

12 Loans to non-performing assets, net

As of 31 December 2018 and 2017, loans to non-performing assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Loans to non-performing assets	603,452,494	281,923,614	-	-
<u>Less</u> Allowance for impairment	(9,312,015)	(149,624)	-	-
Loans to non-performing assets, net	<u>594,140,479</u>	<u>281,773,990</u>	<u>-</u>	<u>-</u>

The movements of loans to non-performing assets for years ended 31 December 2018 and 2017 are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	281,773,990	160,643,813	-	-
Additions	374,961,971	181,500,300	-	-
<u>Less</u> Closes account from debt settlement to foreclosed assets (Note 15)	(13,634,184)	-	-	-
<u>Less</u> Closes account from debt settlement	(3,160,000)	-	-	-
<u>Less</u> Disposal	(13,980,453)	-	-	-
<u>Less</u> Proceeds from loans to non-performing assets	(22,658,454)	(60,220,499)	-	-
<u>Less</u> Impairment	(9,162,391)	(149,624)	-	-
At 31 December	<u>594,140,479</u>	<u>281,773,990</u>	<u>-</u>	<u>-</u>

As at 31 December 2018, loans to non-performing assets in the consolidated financial statements consisted of 299,187 contracts (2017: 220,613 contracts), and 121 contracts have secured assets (2017: 7 contracts) and the appraised value of collaterals is Baht 896.17 million (2017: Baht 369.89 million).

Loans to non-performing assets as at 31 December 2018 and 2017 can be analysed by aging from the date of acquisition of loans to non-performing assets as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Less than 1 year	372,967,249	181,500,300	-	-
1 - 2 years	153,898,154	-	-	-
2 - 3 years	-	76,861,036	-	-
3 - 4 years	60,748,521	23,562,278	-	-
4 - 5 years	15,838,570	-	-	-
Total amounts loans to non-performing assets	<u>603,452,494</u>	<u>281,923,614</u>	<u>-</u>	<u>-</u>

12 Loans to non-performing assets, net (Cont'd)

12.1) Classified by loan type

	Consolidated financial statements	
	2018 Baht	2017 Baht
Overdrafts	4,032,936,152	3,981,855,335
Loans	16,974,407,584	11,108,578,343
Notes	358,550,288	361,074,015
Hire-purchase receivables	1,287,873,574	1,881,688,891
Financial lease receivables	10,896,162	10,900,162
Credit cards	14,006,630,038	11,006,140,187
Others	1,677,785,650	785,508,816
<u>Less</u> Deferred revenue	<u>(37,745,626,954)</u>	<u>(28,853,822,135)</u>
Total loans net of deferred revenue	603,452,494	281,923,614
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>-</u>
Total loans net of deferred revenue and accrued interest receivables	603,452,494	281,923,614
<u>Less</u> Allowance for doubtful accounts	<u>(9,312,015)</u>	<u>(149,624)</u>
Total loans to non-performing assets, net	594,140,479	281,773,990

	Separate financial statements	
	2018 Baht	2017 Baht
Hire-purchase receivables	79,466,502	79,551,236
Financial lease receivables	10,896,162	10,900,162
<u>Less</u> Deferred revenue	<u>(90,362,664)</u>	<u>(90,451,398)</u>
Total loans net of deferred revenue	-	-
<u>Add</u> Accrued interest receivables	<u>-</u>	<u>-</u>
Total loans net of deferred revenue and accrued interest receivables	-	-
<u>Less</u> Allowance for doubtful accounts	<u>-</u>	<u>-</u>
Total loans to non-performing assets, net	-	-

12.2) Classified by currency and customers' residence

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Thai Baht - Domestic	603,452,494	281,923,614	-	-
At 31 December	603,452,494	281,923,614	-	-

12 Loans to non-performing assets, net (Cont'd)

12.3) Classified by type of business and loan classification

	Consolidated financial statements					
	2018					
	Normal Baht	Special mention Baht	Sub- standard Baht	Doubtful Baht	Doubtful loss Baht	Total Baht
Agriculture and mining	-	-	-	-	-	-
Housing loans	-	-	-	-	476,208,572	476,208,572
Personal consumption for living	-	-	-	-	-	-
Others	-	-	-	-	127,243,922	127,243,922
Total	-	-	-	-	603,452,494	603,452,494

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

	Separate financial statements					Total Baht
	2018					
	Normal Baht	Special mention Baht	Sub- standard Baht	Doubtful Baht	Doubtful loss Baht	
Agriculture and mining	-	-	-	-	-	-
Housing loans	-	-	-	-	-	-
Personal consumption for living	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-

12 Loans to non-performing assets, net (Cont'd)

12.3) Classified by type of business (Cont'd)

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

12.4) 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 2018 and 2017 can be analysed by aging from the default date based on loan agreements of the investments in non-performing assets.

Loan classification	Consolidated financial statements		
	2018		
	Carrying amount Baht	Book value after collateral value Baht	Allowance for doubtful account Baht
- Normal	-	-	-
- Special mention	-	-	-
- Sub-standard	-	-	-
- Doubtful	-	-	-
- Doubtful loss	603,452,494	127,243,922	9,312,015
Total	603,452,494	127,243,922	9,312,015

Loan classification	Consolidated financial statements		
	2017		
	Carrying amount Baht	Book value after collateral value Baht	Allowance for doubtful account Baht
- 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

12 Loans to non-performing assets, net (Cont'd)

12.4) Classified by type of classification (Cont'd)

Separate financial statements			
2018			
Loan classification	Carrying amount Baht	Book value after collateral value Baht	Allowance for doubtful account Baht
- Normal	-	-	-
- Special mention	-	-	-
- Sub-standard	-	-	-
- Doubtful	-	-	-
- Doubtful loss	-	-	-
Total	-	-	-

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

Chayo Group Public Company Limited
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13 Investments in subsidiaries

Subsidiary undertakings are included in consolidation financial statements. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held as at 31 December 2018 as below:

Company name	Country of incorporation	Business	Ownership interest %	Registered capital		Holding percentage %	Cost	
				2018 Baht '000	2017 Baht '000		2018 Baht '000	2017 Baht '000
Chayo Asset Management Co., Ltd.	Thailand	Management of non-performing assets	99.99	156,950	156,950	99.99	169,000	169,000
Chayo Property and Service Co., Ltd (Formerly named Chayo Call Center Co., Ltd.)	Thailand	Debt collection service and call center service	99.99	5,000	1,000	99.99	6,000	2,000
Chayo Capital Co., Ltd.	Thailand	Personal loan	70.00	50,000	-	70.00	35,000	-
					Less Impairment of investments		(2,000)	(2,000)
							208,000	169,000

On 10 July 2018, at the Board of Directors' Meeting No.6/2561 approved to invest in the Chayo Capital Co., Ltd. (subsidiary) which is a new incorporated company, with ordinary shares of 3,499,999 at Baht 10 per share, totalling Baht 34,999,990. Chayo Capital Co., Ltd. received paid-up share capital and registered with Department of Business Development on 14 September 2018.

On 30 July 2018, at the Extraordinary Shareholders' Meeting No. 1/2561 of Chayo Call Center Co., Ltd. approved to change its name from Chayo Call Center Co., Ltd to Chayo Property and Service Co., Ltd., and the Meeting also approved an increase in capital by issuing new ordinary shares of 400,000 at Baht 10 per share, totalling Baht 4,000,000 to Chayo Group Public Company Limited, its parent company. Chayo Property and Service Co., Ltd. received paid-up share capital and registered its new name and the increase in capital with the Department of Business Development on 9 August 2018.

translation

14 Investment properties, net

	Consolidated financial statements			
	Land Baht	Buildings and building improvements Baht	Construction in progress Baht	Total Baht
At 1 January 2017				
Cost	1,397,916	1,569,052	-	2,966,968
<u>Less</u> accumulated depreciation	-	(1,144,905)	-	(1,144,905)
Net book value	<u>1,397,916</u>	<u>424,147</u>	<u>-</u>	<u>1,822,063</u>
For the year ended 31 December 2017	1,397,916	424,147	-	1,822,063
Beginning net book value	-	7,000,000	511,218	7,511,218
Depreciation charge	-	(237,629)	-	(237,629)
Ending net book value	<u>1,397,916</u>	<u>7,186,518</u>	<u>511,218</u>	<u>9,095,652</u>
At 31 December 2017				
Cost	1,397,916	8,569,052	511,218	10,478,186
<u>Less</u> accumulated depreciation	-	(1,382,534)	-	(1,382,534)
Net book value	<u>1,397,916</u>	<u>7,186,518</u>	<u>511,218</u>	<u>9,095,652</u>
For the year ended 31 December 2018				
Beginning net book value	1,397,916	7,186,518	511,218	9,095,652
Additions	-	192,318	-	192,318
Depreciation charge	-	(464,598)	-	(464,598)
Ending net book value	<u>1,397,916</u>	<u>6,914,238</u>	<u>511,218</u>	<u>8,823,372</u>
At 31 December 2018				
Cost	1,397,916	8,761,370	511,218	10,670,504
<u>Less</u> accumulated depreciation	-	(1,847,132)	-	(1,847,132)
Net book value	<u>1,397,916</u>	<u>6,914,238</u>	<u>511,218</u>	<u>8,823,372</u>

In the consolidated financial statements, depreciation expense of Baht 464,598 (2017: Baht 237,629) has been charged in administrative expenses.

14 Investment properties, net (Cont'd)

	Separate financial statements		
	Land Baht	Buildings and building improvements Baht	Total Baht
At 1 January 2017			
Cost	4,661,218	8,853,092	13,514,310
<u>Less</u> accumulated depreciation	-	(2,566,370)	(2,566,370)
Net book value	<u>4,661,218</u>	<u>6,286,722</u>	<u>10,947,940</u>
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	<u>4,661,218</u>	<u>5,844,067</u>	<u>10,505,285</u>
At 31 December 2017			
Cost	4,661,218	8,853,092	13,514,310
<u>Less</u> accumulated depreciation	-	(3,009,025)	(3,009,025)
Net book value	<u>4,661,218</u>	<u>5,844,067</u>	<u>10,505,285</u>
For the year ended 31 December 2018			
Beginning net book value	4,661,218	5,844,067	10,505,285
Depreciation charge	-	(442,654)	(442,654)
Ending net book value	<u>4,661,218</u>	<u>5,401,413</u>	<u>10,062,631</u>
At 31 December 2018			
Cost	4,661,218	8,853,092	13,514,310
<u>Less</u> accumulated depreciation	-	(3,451,679)	(3,451,679)
Net book value	<u>4,661,218</u>	<u>5,401,413</u>	<u>10,062,631</u>

In the separate financial statements, depreciation expense of Baht 442,654 (2017: Baht 442,655) has been charged in administrative expenses.

As at 31 December 2018, there is no investment properties of the Company (2017: Baht 0.36 million) used as collateral for securing the Group's credit. (2016: Baht 60 million). (Note 20)

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.

Amounts recognised in profit and loss that are related to investment property are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Rental income	-	-	2,244,000	2,244,000
Direct operating expenses incurred by the investment properties resulting in rental income for the year	-	-	(442,654)	(442,655)
Direct operating expenses incurred by the investment properties not resulting in rental income for the year	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>1,801,346</u>	<u>1,801,345</u>

15 Foreclosed assets, net

During the year ended 31 December 2018 and 2017, movements of foreclosed assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	-	-	-	-
Additions	2,875,215	-	-	-
Closes account from debt settlement to foreclosed assets (Note 12)	13,634,184	-	-	-
Disposals	(11,265,981)	-	-	-
At 31 December	5,243,418	-	-	-

16 Property, plant and equipment, net

Consolidated financial statements						
	Land Baht	Buildings and building improvements Baht	Office equipment Baht	Furniture and fixture Baht	Vehicles Baht	Total Baht
At 1 January 2017						
Cost	8,767,080	27,694,481	5,649,941	5,509,298	6,351,835	53,972,635
Less 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
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	5,467,909	5,431,597	6,351,835	53,800,902
Less accumulated depreciation	-	(6,493,236)	(2,327,903)	(4,366,452)	(2,495,144)	(15,862,735)
Net book value	8,767,080	21,289,245	3,140,006	1,065,145	3,856,691	38,118,167
For the year ended 31 December 2018						
Beginning net book value	8,767,080	21,289,245	3,140,006	1,065,145	3,856,691	38,118,167
Additions	-	36,000	823,901	23,200	2,552,280	3,435,381
Disposal, net	-	-	-	-	(949,565)	(949,565)
Write-off, net	-	-	(16,675)	(15,741)	-	(32,416)
Impairment	-	(2,806,037)	-	-	-	(2,806,037)
Depreciation charge	-	(1,389,164)	(879,584)	(388,565)	(1,346,567)	(4,003,880)
Ending net book value	8,767,080	17,130,044	3,067,648	684,039	4,112,839	33,761,650
At 31 December 2018						
Cost	8,767,080	27,818,481	6,231,344	4,011,645	6,642,280	53,470,830
Less accumulated depreciation	-	(7,882,400)	(3,163,696)	(3,327,606)	(2,529,441)	(16,903,143)
Less allowance of impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book value	8,767,080	17,130,044	3,067,648	684,039	4,112,839	33,761,650

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

	Separate financial statements				
	Land Baht	Buildings and building improvements Baht	Office equipment Baht	Furniture and fixture Baht	Total Baht
At 1 January 2017					
Cost	5,503,778	16,954,022	3,422,610	4,258,604	30,139,014
<u>Less accumulated depreciation</u>	-	(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
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	2,859,599	28,746,604
<u>Less accumulated depreciation</u>	-	(4,327,293)	(947,200)	(2,433,791)	(7,708,284)
Net book value	5,503,778	12,714,729	2,394,005	425,808	21,038,320
For the year ended 31 December 2018					
Beginning net book value	5,503,778	12,714,729	2,394,005	425,808	21,038,320
Additions	-	36,000	678,308	5,200	719,508
Disposals, net	-	-	(5,157)	(15,741)	(20,898)
Impairment	-	(2,806,037)	-	-	(2,806,037)
Depreciation charge	-	(852,141)	(583,092)	(153,528)	(1,588,761)
Ending net book value	5,503,778	9,092,551	2,484,064	261,739	17,342,132
At 31 December 2018					
Cost	5,503,778	17,078,022	3,987,924	2,818,799	29,388,523
<u>Less accumulated depreciation</u>	-	(5,179,434)	(1,503,860)	(2,557,060)	(9,240,354)
<u>Less allowance of impairment</u>	-	(2,806,037)	-	-	(2,806,037)
Net book value	5,503,778	9,092,551	2,484,064	261,739	17,342,132

As at 31 December 2018, there is no property and plant of the Company (2017: Baht 26.91 million) used as collateral for securing the Group's credit facilities. (2017: Baht 60 million). (Note 20).

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

Leased assets included above, where the Group is a lessee under a finance lease, comprise vehicles:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cost - capitalised finance leases	4,918,030	4,090,000	-	-
<u>Less</u> accumulated depreciation	<u>(2,247,257)</u>	<u>(2,232,738)</u>	<u>-</u>	<u>-</u>
Net book amount	<u>2,670,773</u>	<u>1,857,262</u>	<u>-</u>	<u>-</u>

17 Intangible assets, net

	Consolidated financial statements		Separate financial statements	
	Software Baht	Total Baht	Software Baht	Total Baht
At 1 January 2017				
Cost	116,385	116,385	-	-
<u>Less</u> accumulated amortisation	<u>(45,742)</u>	<u>(45,742)</u>	<u>-</u>	<u>-</u>
Net book value	<u>70,643</u>	<u>70,643</u>	<u>-</u>	<u>-</u>
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	<u>(142,100)</u>	<u>(142,100)</u>	<u>(73,789)</u>	<u>(73,789)</u>
Closing net book value	<u>1,736,993</u>	<u>1,736,993</u>	<u>1,334,661</u>	<u>1,334,661</u>
At 31 December 2017				
Cost	1,924,835	1,924,835	1,408,450	1,408,450
<u>Less</u> accumulated amortisation	<u>(187,842)</u>	<u>(187,842)</u>	<u>(73,789)</u>	<u>(73,789)</u>
Net book value	<u>1,736,993</u>	<u>1,736,993</u>	<u>1,334,661</u>	<u>1,334,661</u>
For the year ended 31 December 2018				
Opening net book amount	1,736,993	1,736,993	1,334,661	1,334,661
Additions	1,030,890	1,030,890	830,890	830,890
Amortisation charge	<u>(727,400)</u>	<u>(727,400)</u>	<u>(524,505)</u>	<u>(524,505)</u>
Closing net book value	<u>2,040,483</u>	<u>2,040,483</u>	<u>1,641,046</u>	<u>1,641,046</u>
At 31 December 2018				
Cost	2,955,725	2,955,725	2,239,340	2,239,340
<u>Less</u> accumulated amortisation	<u>(915,242)</u>	<u>(915,242)</u>	<u>(598,294)</u>	<u>(598,294)</u>
Net book value	<u>2,040,483</u>	<u>2,040,483</u>	<u>1,641,046</u>	<u>1,641,046</u>

18 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	15,338	-	-	-
Deferred tax assets to be recovered after 12 months	14,459,679	12,763,426	512,181	506,714
	14,475,017	12,763,426	512,181	506,714
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(437)	(6,623)	-	(775)
Deferred tax liabilities to be settled after 12 months	-	-	-	-
	(437)	(6,623)	-	(775)
Deferred tax assets, net	14,474,580	12,756,803	512,181	505,939

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	12,756,803	13,060,703	505,939	399,031
Charged/(credited) to profit or loss (Note 27)	1,763,674	(438,694)	57,550	(29,320)
(Credited)/charged to other comprehensive income	(45,897)	134,794	(51,308)	136,228
At 31 December	14,474,580	12,756,803	512,181	505,939

18 Deferred income taxes (Cont'd)

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

	Consolidated financial statements			
	Unrealised gain (loss) on available- for-sale investments Baht	Loans to non- performing assets Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets				
At 1 January 2018	-	12,246,113	517,313	12,763,426
Charged to profit or loss	-	1,690,280	73,394	1,763,674
Credited to other comprehensive income	-	-	(52,083)	(52,083)
At 31 December 2018	-	13,936,393	538,624	14,475,017
Deferred tax liabilities				
At 1 January 2018	6,186	-	437	6,623
Credited to other comprehensive income	(6,186)	-	-	(6,186)
At 31 December 2018	-	-	437	437
Deferred tax assets				
At 1 January 2017	-	12,761,494	303,877	13,065,371
(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	-	12,246,113	517,313	12,763,426
Deferred tax liabilities				
At 1 January 2017	4,668	-	-	4,668
Charged to other comprehensive income	1,518	-	437	1,955
At 31 December 2017	6,186	-	437	6,623

18 Deferred income taxes (Cont'd)

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

	Separate financial statements			
	Unrealised gain (loss) on available- for-sale investments Baht	Loans to non- performing assets Baht	Employee benefit obligations Baht	Total Baht
Deferred tax assets				
At 1 January 2018	-	-	506,714	506,714
Charged to profit or loss	-	-	57,550	57,550
Credited to other comprehensive income	-	-	(52,083)	(52,083)
At 31 December 2018	-	-	512,181	512,181
Deferred tax liabilities				
At 1 January 2018	775	-	-	775
Credited to other comprehensive income	(775)	-	-	(775)
At 31 December 2018	-	-	-	-
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

19 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Trade payables	1,327,519	596,678	1,188,223	334,082
Amounts due to related parties (Note 29.4)	-	-	183,792	24,867
Accrued expenses	13,175,783	11,106,576	5,435,788	6,358,027
Others	826,178	734,668	525,947	425,948
Total	15,329,480	12,437,922	7,333,750	7,142,924

20 Long-term borrowings from a financial institution

As at 31 December 2018 and 2017, long-term borrowings from a financial institution are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current				
Current portion of long-term borrowings				
Borrowings from a financial institution	14,330,248	20,276,513	-	-
Non-current				
Borrowings from a financial institution	17,101,392	30,604,479	-	-
Total borrowings	<u>31,431,640</u>	<u>50,880,992</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	50,880,992	-	-	-
Additions	39,789,980	57,639,830	-	-
Repayment of borrowings	(59,600,000)	(6,800,000)	-	-
Amortisation of relevant cost to obtain borrowings	360,668	41,162	-	-
At 31 December	<u>31,431,640</u>	<u>50,880,992</u>	<u>-</u>	<u>-</u>

As at 31 December 2018, interest expense related to long-term borrowings from a financial institution amounted to Baht 2,366,208 (2017: Baht 1,028,185). The borrowings bear an interest rate of MLR per annum (2017: MLR per annum). Principal and interest are to be repaid every month, within 3 years.

The Company and The Credit Guarantee Corporation (TCG) have fully guaranteed the long-term borrowings of Chayo Asset Management Co., Ltd (Subsidiary) amounting Baht 40 million.

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Borrowings:				
- at fixed rates	-	-	-	-
- at floating rates	31,431,640	50,880,992	-	-
Total borrowings	<u>31,431,640</u>	<u>50,880,992</u>	<u>-</u>	<u>-</u>

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

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Long-term borrowings from a financial institution	6.65%	6.41%	nil	nil

20 Long-term borrowings from a financial institution (Cont'd)

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

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Long-term borrowings from a financial institution	31,431,640	50,880,992	31,430,535	50,736,599
	<u>31,431,640</u>	<u>50,880,992</u>	<u>31,430,535</u>	<u>50,736,599</u>

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 MLR per annum (2017: MLR per annum) and are within level 2 of the fair value hierarchy.

Maturity of long-term borrowings is as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Within 1 year	14,330,248	20,276,513	-	-
Between 1 year but not over 2 years	14,330,248	20,276,513	-	-
Between 2 years but not over 5 years	2,771,144	10,327,966	-	-
	<u>31,431,640</u>	<u>50,880,992</u>	<u>-</u>	<u>-</u>

21 Employee benefit obligations

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Present value of post-employment benefit obligations	2,705,558	2,585,321	2,574,737	2,534,024
Liability in the statement of financial position	<u>2,705,558</u>	<u>2,585,321</u>	<u>2,574,737</u>	<u>2,534,024</u>

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	2,585,321	1,519,611	2,534,024	1,490,100
Current service cost	333,128	332,603	254,768	310,440
Interest cost	47,525	51,519	46,361	49,769
(Gain)/loss on remeasurements	(260,416)	681,588	(260,416)	683,715
At 31 December	<u>2,705,558</u>	<u>2,585,321</u>	<u>2,574,737</u>	<u>2,534,024</u>

21 Employee benefit obligations (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current service cost	333,128	332,603	254,768	310,440
Interest cost	47,525	51,519	46,361	49,769
Total (mainly included in administrative expense)	380,653	384,122	301,129	360,209

The amounts recognised in other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
(Gain)/loss on remeasurements of employee benefit obligations	(260,416)	681,588	(260,416)	683,715

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2018 %	2017 %	2018 %	2017 %
Discount rate	1.94 - 3.33	2.08 - 3.33	2.11	2.08
Salary growth rate	5.00	5.00	5.00	5.00
Turnover rate (depends on range of ages)	0.00 - 34.00	0.00 - 34.00	0.00 - 34.00	0.00 - 34.00
Mortality rate	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2017	100% of Thai Mortality Ordinary Table 2017

Sensitivity analysis of actuarial assumptions as at 31 December 2018 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	97,691	-
Discount rate	+ 0.50	-	92,507
Salary growth rate	- 0.50	-	100,240
Salary growth rate	+ 0.50	104,699	-
Mortality rate	- 0.50	637	-
Mortality rate	+ 0.50	-	637
Turnover rate	- 10.00	151,065	-
Turnover rate	+ 10.00	-	136,791

21 Employee benefit obligations (Cont'd)

Sensitivity analysis of actuarial assumptions as at 31 December 2018 is as follows: (Cont'd)

Separate financial statements			
Impact on defined benefit obligations			
	Change in assumptions %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate	- 0.50	94,096	-
Discount rate	+ 0.50	-	89,155
Salary growth rate	- 0.50	-	96,872
Salary growth rate	+ 0.50	101,119	-
Mortality rate	- 0.50	620	-
Mortality rate	+ 0.50	-	620
Turnover rate	- 10.00	144,045	-
Turnover rate	+ 10.00	-	131,101

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
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
Turnover rate	- 10.00	120,600	-
Turnover rate	+ 10.00	-	109,988

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.

21 Employee benefit obligations (Cont'd)

Expected maturity analysis of undiscounted retirement benefits as at 31 December 2018 and 2017 is as follows:

		Consolidated financial statements				
		2018				
		Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
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
		Consolidated financial statements				
		2017				
		Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
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
		Separate financial statements				
		2018				
		Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
Retirement benefit		-	2,253,301	-	4,883,966	7,137,267
Total		-	2,253,301	-	4,883,966	7,137,267
		Separate financial statements				
		2017				
		Less than 1 year Baht	1 - 3 years Baht	3 - 5 years Baht	Over 5 years Baht	Total Baht
Retirement benefit		-	-	2,253,301	4,883,966	7,137,267
Total		-	-	2,253,301	4,883,966	7,137,267

The weighted average duration of the retirement benefit is 8.46 – 25.98 years (2017: 9.46 - 26.98 years).

22 Share capital

Consolidated financial statements					
	Number of shares - issued and paid-up Shares	Ordinary shares - issued and paid-up Baht	Share Premium, net Baht	Discount from business combinations under common control Baht	Total Baht
As at 1 January 2018	420,000,000	210,000,000	-	(9,678,120)	200,321,880
Issuance of ordinary shares	140,000,000	70,000,000	333,200,000	-	403,200,000
Share issuing costs	-	-	(12,233,624)	-	(12,233,624)
As at 31 December 2018	560,000,000	280,000,000	320,966,376	(9,678,120)	591,288,256
As at 1 January 2017	420,000,000	210,000,000	-	(9,678,120)	200,321,880
Issuance of ordinary shares	-	-	-	-	-
As at 31 December 2017	420,000,000	210,000,000	-	(9,678,120)	200,321,880

Separate financial statements				
	Number of shares - issued and paid-up Shares	Ordinary shares - issued and paid-up Baht	Share premium, net Baht	Total Baht
As at 1 January 2018	420,000,000	210,000,000	-	210,000,000
Issuance of ordinary shares	140,000,000	70,000,000	333,200,000	403,200,000
Share issuing costs	-	-	(12,233,624)	(12,233,624)
As at 31 December 2018	560,000,000	280,000,000	320,966,376	600,966,376
As at 1 January 2017	420,000,000	210,000,000	-	210,000,000
Issuance of ordinary shares	-	-	-	-
As at 31 December 2017	420,000,000	210,000,000	-	210,000,000

On 9 February 2018, the Extraordinary Shareholders' Meeting No. 1/2561 approved the issuance of 140 million ordinary shares at a par value of Baht 0.50 per share totaling Baht 70 million. The authorised share capital remains unchanged.

In March 2018, the Company offered its 140 million ordinary shares in an initial public offering (IPO). The new shares were sold to subscribers at an IPO price of Baht 2.88 per share (par value of Baht 0.50, plus share premium of Baht 2.38), totaling Baht 403.20 million (share premium of Baht 333.20 million). The Company's ordinary shares were approved to be listed in the Market for Alternative Investments (MAI) on 22 March 2018. Expenses directly attributable to the newly issued shares in the IPO of Baht 12.23 million were deducted from the IPO's share premium. This resulted in the net share premium of Baht 320.97 million.

Section 51 of the Public Companies Act, B.E. 2535 requires companies to set aside share subscription money received in excess of the issued shares' par value to a reserve account (share premium). The share premium is not available for dividend distribution.

23 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	300,000	300,000	300,000	300,000
Appropriation during the year	6,962,746	-	6,962,746	-
At 31 December	7,262,746	300,000	7,262,746	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.

24 Dividend

On 30 April 2018, the Annual General Meeting of Shareholders of 2018 approved the dividends of 2017 at the rate of Baht 0.05 per share, totalling Baht 28 million. The Company paid these dividends to the shareholders on 10 May 2018.

On 10 May 2018, the Board of Directors' Meeting No. 5/2561 approved the interim dividends from the financial performance of the three-month period ended 31 March 2018 and retained earnings at the rate of Baht 0.06 per share, totalling Baht 33.6 million. The Company paid these interim dividends to the shareholders on 8 June 2018

25 Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Interest income	1,842,461	336,461	1,542,996	70,965
Interest income from short-term loan to related parties (Note 29.3)	-	-	9,776,355	1,168,767
Management fee income from related parties (Note 29.3)	-	-	25,920,000	22,800,000
Dividend income from related party (Note 29.3)	-	-	72,196,997	-
Rental income	-	28,138	-	28,138
Rental income from related parties (Note 29.3)	-	-	2,244,000	2,244,000
Gain on disposal of property, plant and equipment	106,510	-	-	-
Gain on disposal of short-term investments (Note 9)	16,171	-	4,436	-
Other income	260,711	211,831	1,175	7,981
Total	2,225,853	576,430	111,685,959	26,319,851

26 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Employee expenses	59,523,909	54,001,799	37,043,298	37,094,538
Debts collection expenses	47,926,173	35,620,169	181,074	589,182
Professional fees	6,615,333	10,883,065	4,360,333	8,494,540
Utility expenses	7,632,436	5,890,491	4,450,586	3,990,666
Depreciation and amortisation	5,195,875	4,342,758	2,555,917	1,834,538
Loss on impairment of assets (Note 16)	2,806,037	-	2,806,037	-
Loss on impairment of loans to non-performing assets (Note 12)	9,162,391	149,624	-	-
Financial expenses	174,942	116,233	81,009	27,782
Insurance premium	155,666	327,737	68,684	48,830
Advertising expenses	1,218,811	213,312	984,597	213,100
Entertainment expenses	208,944	213,793	186,370	166,929
Expenses not deductible for tax purpose	637,904	27,210	28,098	21,892
Special business tax	3,677,562	2,284,975	-	-
Administrative expenses	1,151,500	937,000	1,146,000	934,500
Other expenses	6,369,330	3,502,852	3,539,092	1,336,753
Total	152,456,813	118,511,018	57,431,095	54,753,250

27 Income tax

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Current tax:				
Current tax on profits for the year	25,610,322	28,113,360	1,523,500	1,368,744
Total current tax	25,610,322	28,113,360	1,523,500	1,368,744
Deferred tax:				
Origination and reversal of temporary differences (Note 18)	(1,763,674)	438,694	(57,550)	29,320
Total deferred tax	(1,763,674)	438,694	(57,550)	29,320
Total tax expense	23,846,648	28,552,054	1,465,950	1,398,064

27 Income tax (Cont'd)

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

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Profit before tax	109,281,737	86,792,445	89,989,542	7,104,294
Tax calculated at a tax rate of 20% and Less than 300,000 exempt, 300,000 - 3,000,000 15%, over 3,000,000 20% (2017: tax rate of 20% and Less than 300,000 exempt, Over 300,000 10%)	21,684,848		17,997,908	
		16,733,694		1,420,859
Tax effect of:				
Income not subject to tax	-	(30,816)	(14,439,399)	-
Expenses additionally deductible for tax purpose	(2,736,247)	(186,585)	(2,666,243)	(128,603)
Non-tax deductible expenses	2,598,043	335,989	573,684	105,740
Revenue (expense) not recognised but subject to tax	2,300,004	11,699,772	-	68
Income tax expense	23,846,648	28,552,054	1,465,950	1,398,064

The weighted average applicable tax rate was 21.82% (2017: 32.90%).

28 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	
	2018	2017	2018	2017
Net profit attributable to ordinary shareholders of the parent Company (Baht)	85,459,430	58,240,391	88,523,592	5,706,230
Weighted average number of ordinary shares outstanding after share split (shares)	532,383,562	420,000,000	532,383,562	420,000,000
Basic earnings per share (Baht per share)	0.1605	0.1387	0.1663	0.0136

The Company did not issue dilutive shares during 2018 and 2017.

29 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 56.24% (2017: 74.74%) of total shares.

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

	Relationship
Chayo Asset Management Company Limited	Subsidiary
Chayo Property and Service Co., Ltd. (Formerly named Chayo Call Center Co., Ltd.)	Subsidiary
Chayo Capital Co., Ltd.	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:

29.1) Service income from debts collection

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Subsidiaries	-	-	6,418,600	6,354,545
	-	-	6,418,600	6,354,545

29.2) Costs of rendering services and managing non-performing assets

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Rental expense				
Key management	1,362,000	1,150,000	1,226,000	1,030,000
	1,362,000	1,150,000	1,226,000	1,030,000

26 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

29.3) Other income

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Rental income</u>				
Subsidiaries	-	-	2,244,000	2,244,000
	-	-	2,244,000	2,244,000
<u>Management fee income</u>				
Subsidiaries	-	-	25,920,000	22,800,000
	-	-	25,920,000	22,800,000
<u>Dividend income</u>				
Subsidiary	-	-	72,196,997	-
	-	-	72,196,997	-
<u>Interest income</u>				
Subsidiaries	-	-	9,776,355	1,168,767
	-	-	9,776,355	1,168,767

29.4) Outstanding balances arising from rendering /purchases of services and interest receivables

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<u>Receivables</u>				
Subsidiaries	-	-	12,343,939	533,203
Total amounts due from related parties (Note 11)	-	-	12,343,939	533,203
<u>Interest receivables</u>				
Subsidiaries	-	-	9,531,422	1,080,000
Total interest receivables from related parties (Note 11)	-	-	9,531,422	1,080,000
<u>Payables</u>				
Subsidiaries	-	-	183,792	24,867
Total amounts due to related parties (Note 19)	-	-	183,792	24,867

29.5) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
At 1 January	-	-	21,000,000	18,000,000
Loan advanced during the year				
Subsidiary	-	-	330,200,100	3,000,000
Loan repayments during the year				
Subsidiary	-	-	(5,000,000)	-
At 31 December	-	-	346,200,100	21,000,000

29 Related party transactions (Cont'd)

The following transactions were carried out with related parties: (Cont'd)

29.5) Short-term loans to related parties (Cont'd)

As at 31 December 2018, short-term loans to related parties is due for repayments at call. The short-term loans to related parties bears an interest rate of 6% per annum (31 December 2017: 6% per annum).

29.6) Key management remunerations

For the years ended 31 December 2018 and 2017, benefits to key management personnel are as follows:

	Consolidated and Separate financial statements	
	2018 Baht	2017 Baht
Salaries and other short-term employee benefits	10,483,812	10,017,531
Post-employment benefits	205,954	242,560
Total	10,689,766	10,260,091

30 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, deposit for purchasing loans to non-performing assets, trade and other payables, and liabilities under hire purchase.

30.1) Market risk

Interest rate risk

As at 31 December 2018 and 2017, financial assets and liabilities classified by types of interest rate are as follows:

Descriptions	Consolidated financial statements			
	2018			
	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
Financial assets				
Cash and cash equivalents	130,598,106	50,884	17,858,521	148,507,511
Restricted cash	-	2,440,189	-	2,440,189
Short-term investments	-	467,563	-	467,563
Trade and other receivables	-	-	8,349,813	8,349,813
Loans to non-performing assets	-	603,452,494	-	603,452,494
Deposit for purchasing loans to non-performing assets	-	-	6,193,027	6,193,027
Total financial assets	130,598,106	606,411,130	32,401,361	769,410,597
Financial liabilities				
Trade and other payables	-	-	15,329,480	15,329,480
Liabilities under hire purchase	-	2,301,602	-	2,301,602
Long-term borrowings from a financial institution	31,431,640	-	-	31,431,640
Total financial liabilities	31,431,640	2,301,602	15,329,480	49,062,722

30 Financial instruments (Cont'd)

30.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December 2018 and 2017, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions	Consolidated financial statements			
	2017			
	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
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	29,729,186	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	50,880,992	2,111,098	12,437,922	65,430,012

Descriptions	Separate financial statements			
	2018			
	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
Financial assets				
Cash and cash equivalents	51,087,114	-	21,852	51,108,966
Restricted cash	-	2,126,732	-	2,126,732
Short-term investments	-	256,296	-	256,296
Trade and other receivables	-	-	28,047,788	28,047,788
Short-term loans to related parties	-	346,200,100	-	346,200,100
Total financial assets	51,087,114	348,583,128	28,069,640	427,739,882
Financial liabilities				
Trade and other payables	-	-	7,333,750	7,333,750
Total financial liabilities	-	-	7,333,750	7,333,750

30 Financial instruments (Cont'd)

30.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December 2018 and 2017, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Descriptions	Separate financial statements						
	2017						
	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht			
Financial assets							
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	-	-	5,905,825	5,905,825			
Short-term loans to related party	-	21,000,000	-	21,000,000			
Total financial assets	15,369,600	23,849,020	6,229,677	45,448,297			
Financial liabilities							
Trade and other payables	-	-	7,142,924	7,142,924			
Total financial liabilities	-	-	7,142,924	7,142,924			

Descriptions	Consolidated financial statements							
	2018							
	At call Baht	Fixed interest repricing or maturity date	0 - 3 months Baht	3 - 12 months Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	No interest rate Baht
Financial assets								
Cash and cash equivalents	-	50,884	-	-	-	-	130,598,106	17,858,521
Restricted cash	-	-	200,000	2,240,189	-	-	-	2,440,189
Short-term investments	-	-	467,563	-	-	-	-	467,563
Trade and other receivables	-	-	-	-	-	-	8,349,813	8,349,813
Loans to non-performing assets	-	-	-	603,452,494	-	-	-	603,452,494
Deposit for purchasing loans to non-performing assets	-	-	-	-	-	-	6,193,027	6,193,027
Total financial assets	-	50,884	667,563	605,692,683	-	-	130,598,106	32,401,361
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	15,329,480	15,329,480
Liabilities under hire purchase	-	181,673	756,995	1,362,934	-	-	-	2,301,602
Long-term borrowings from a financial institution	-	-	-	-	-	-	31,431,640	31,431,640
Total financial liabilities	-	181,673	756,995	1,362,934	-	-	31,431,640	49,062,722

Descriptions	Consolidated financial statements							
	2017							
	At call Baht	Fixed interest repricing or maturity date	0 - 3 months Baht	3 - 12 months Baht	1 - 5 years Baht	Over 5 years Baht	Floating interest rate Baht	No interest rate Baht
Financial assets								
Cash and cash equivalents	-	50,360	-	-	-	-	35,762,790	21,918,342
Restricted cash	-	-	1,163,331	1,745,300	-	-	-	2,908,631
Short-term investments	-	-	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	-	50,360	1,623,045	283,668,914	-	-	35,762,790	29,729,186
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	12,437,922	12,437,922
Liabilities under hire purchase	-	144,391	450,144	1,516,563	-	-	-	2,111,098
Long-term borrowings from a financial institution	-	-	-	-	-	-	50,880,992	50,880,992
Total financial liabilities	-	144,391	450,144	1,516,563	-	-	50,880,992	65,430,012

30 Financial instruments (Cont'd)

30.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

As at 31 December 2018 and 2017, financial assets and liabilities classified by types of interest rate are as follows: (Cont'd)

Separate financial statements							
2018							
Descriptions	Fixed interest repricing or maturity date				Floating interest rate Baht	No interest rate Baht	Total Baht
	At call Baht	0 - 3 months Baht	3 - 12 months Baht	1 - 5 years Baht			
Financial assets							
Cash and cash equivalents	-	-	-	-	51,087,114	21,852	51,108,966
Restricted cash	-	-	200,000	1,926,732	-	-	2,126,732
Short-term investments	-	-	256,296	-	-	-	256,296
Trade and other receivables	-	-	-	-	-	28,047,788	28,047,788
Short-term loans to related parties	346,200,100	-	-	-	-	-	346,200,100
Total financial assets	346,200,100	-	456,296	1,926,732	51,087,114	28,069,640	427,739,882
Financial liabilities							
Trade and other payables	-	-	-	-	-	7,333,750	7,333,750
Total financial liabilities	-	-	-	-	-	7,333,750	7,333,750
Separate financial statements							
2017							
Descriptions	Fixed interest repricing or maturity date				Floating interest rate Baht	No interest rate Baht	Total Baht
	At call Baht	0 - 3 months Baht	3 - 12 months Baht	1 - 5 years Baht			
Financial assets							
Cash and cash equivalents	-	-	-	-	15,369,600	61,140	15,430,740
Restricted cash	-	-	1,163,331	1,435,068	-	-	2,598,399
Short-term investments	-	-	250,621	-	-	267,712	513,333
Trade and other receivables	-	-	-	-	-	5,905,825	5,905,825
Short-term loans to related parties	21,000,000	-	-	-	-	-	21,000,000
Total financial assets	21,000,000	-	1,413,952	1,435,068	15,369,600	6,229,677	45,448,297
Financial liabilities							
Trade and other payables	-	-	-	-	-	7,142,924	7,142,924
Total financial liabilities	-	-	-	-	-	7,142,924	7,142,924

30 Financial instruments (Cont'd)

30.1) Market risk (Cont'd)

Interest rate risk (Cont'd)

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	2018			2017		
	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	289.26	1.80	0.62	101.33	0.32	0.32
Restricted cash	2.28	0.03	1.32	2.52	0.02	0.79
Short-term investments	0.86	0.02	2.33	1.23	-	-
Loans to non-performing assets	433.00	212.87	49.16	188.55	162.01	85.92
Total financial assets	725.40	214.72		293.63	162.35	
Financial liabilities						
Liabilities under hire purchase	1.94	0.14	7.22	2.32	0.19	8.19
Long-term borrowings from a financial institution	33.22	2.73	8.22	47.67	1.03	2.16
Total financial liabilities	35.16	2.87		49.99	1.22	
Separate financial statements						
Descriptions	2018			2017		
	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	186.14	1.51	0.81	15.57	0.06	0.39
Restricted cash	1.97	0.03	1.52	2.21	0.02	0.90
Short-term investments	0.65	0.02	3.08	0.51	-	-
Short-term loans to related parties	223.65	9.78	4.37	19.50	1.17	6.00
Loans to non-performing assets	-	0.01	-	-	0.01	-
Total financial assets	412.41	11.35		37.79	1.26	

30 Financial instruments (Cont'd)

30.2) Liquidity risk

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2018 and 2017 are as follows:

Descriptions	Consolidated financial statements Counting from 31 December 2018			
	At call Baht	Less than 1 year Baht	More than 1 year Baht	Total Baht
<u>Financial assets</u>				
Cash and cash equivalents	148,456,627	50,884	-	148,507,511
Restricted cash	-	200,000	2,240,189	2,440,189
Short-term investments	-	467,563	-	467,563
Trade and other receivables	-	8,349,813	-	8,349,813
Loans to non-performing assets	-	-	603,452,494	603,452,494
Deposit for purchasing loans to non-performing assets	-	6,193,027	-	6,193,027
Total financial assets	148,456,627	15,261,287	605,692,683	769,410,597
<u>Financial liabilities</u>				
Trade and other payables	-	15,329,480	-	15,329,480
Liabilities under hire purchase	-	938,668	1,362,934	2,301,602
Long-term borrowings from a financial institution	-	14,330,248	17,101,392	31,431,640
Total financial liabilities	-	30,598,396	18,464,326	49,062,722
Descriptions	Consolidated financial statements Counting from 31 December 2017			
	At call Baht	Less than 1 year Baht	More than 1 year Baht	Total Baht
<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	-	20,276,513	30,604,479	50,880,992
Total financial liabilities	-	33,308,970	32,121,042	65,430,012

30 Financial instruments (Cont'd)

30.2) Liquidity risk (Cont'd)

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2018 and 2017 are as follows: (Cont'd)

Descriptions	Separate financial statements Counting from 31 December 2018			Total Baht
	At call Baht	Less than 1 year Baht	More than 1 year Baht	
Financial assets				
Cash and cash equivalents	51,108,966	-	-	51,108,966
Restricted cash	-	200,000	1,926,732	2,126,732
Short-term investments	-	256,296	-	256,296
Trade and other receivables	-	28,047,788	-	28,047,788
Short-term loans to related parties	346,200,100	-	-	346,200,100
Total financial assets	397,309,066	28,504,084	1,926,732	427,739,882
Financial liabilities				
Trade and other payables	-	7,333,750	-	7,333,750
Total financial liabilities	-	7,333,750	-	7,333,750

Descriptions	Separate financial statements Counting from 31 December 2017			Total Baht
	At call Baht	Less than 1 year Baht	More than 1 year Baht	
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	-	5,905,825	-	5,905,825
Short-term loans to related party	21,000,000	-	-	21,000,000
Total financial assets	36,693,452	7,319,777	1,435,068	45,448,297
Financial liabilities				
Trade and other payables	-	7,142,924	-	7,142,924
Total financial liabilities	-	7,142,924	-	7,142,924

31 Commitments

The Group and the Company have commitments as follows:

31.1 Commitments under rental and service contracts

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Not later than 1 year	416,622	482,549	240,411	402,511
Later than 1 year but not later than 3 years	-	-	-	-
Total	416,622	482,549	240,411	402,511

31.2 Letter of guarantees

	Consolidated financial statements		Separate financial statements	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Letter of guarantees	1,400,000	1,200,000	1,100,000	900,000
Total	1,400,000	1,200,000	1,100,000	900,000

Outstanding letters of guarantee issued by local banks to third parties on behalf of the Group and the Company in the normal course of business.



บริษัท ชโย กรุ๊ป จำกัด (มหาชน)

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