





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.





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Financial Highlights



Unit : Million Baht

	2017	2018	2019
Total Revenue	205.98	255.64	295.02
Total Cost	73.24	91.70	105.02
Gross Profit	132.74	163.94	190.00
Net Profit	58.24	85.43	111.05
Total Assets	415.48	828.82	1,824.82
Total Liabilities	82.26	65.56	822.87
Total Shareholder's Equity	333.22	763.26	1,001.95
	2017	2018	2019
Gross Profit Margin	64.44%	64.13%	64.40%
Net Profit Margin	28.27%	32.29%	37.64%
Debt to Equity (D/E) (Times)	0.25	0.09	0.82
Return on Assets	16.11%	17.57%	10.55%
Return on Equity	19.13%	15.80%	12.84%
Earning Per Shares (EPS)	0.1387	0.153	0.1797

Message from the Chairman and Chief Executive Officer Year 2019



Mr. Wutisak Lapcharoensap
(Chairman of The Board)

Mr. Suksan Yasasin
(Chief Executive Officer)



Message from the Chairman and Chief Executive Officer

Dear Shareholders,

For 2019 year overview, the company had the income growth of 19.9% and the net profit from the operation grew 29.9% when compared to the previous year, with the company's net profit margin at 37.7% which increased slightly from the percentages of 33.5%. Investing in non-performing assets purchasing in 2019, the company successfully increased management of non-performing assets by 13,906 million Baht which will affect on the end of the 2019 year. The company has owned non-performing asset portfolios to manage more than 50,427 million Baht, at the end of 2019, with a total investment in non-performing assets approximately 1,131.3 million Baht.

For 2019 performance, the company had total revenue of 314.71 million Baht (including profit from the sale of foreclosed assets) increased by 19.9% compared to the previous year at 262.38 million Baht, with the proportion of revenue from the main business which include interest income to non-performing loan was 79.9% (including profit from sales of foreclosed assets), income from debt collection services was 19.50%, and credit lending 0.60% of total revenue in 2019.

Meanwhile, the gross profit of 2019 year was 190.00 million Baht which increasing 15.9% when comparing to the previous year at 163.95 million Baht and the net profit for the year of operation was 111.05 million Baht, which increasing 29.9% when comparing to the previous year at 85.44 million Baht. In this year, the company has Net Profit Margin at 37.7%

The Direction of 2020 Operation, the company has a plan of net income growth strategies to increase the revenue not less than 20%. The company believes that the trend of bad debt in 2020 will increasing continually. Non-performing loans (NPLs) are expected to remain in many systems. In addition, the new accounting standards or TFRS 9 which may result in financial institutions having to set aside a provision. We expected that the total bad debt will be around 500 billion Baht and the debt which financial institution will be released for sale at approximately 2.0-3 billion Baht. Therefore, in 2020, the company plans to expand the main business, which is the non-performing asset management business, By targeting in the non-performing loans purchase for additional management is approximately 10,000 million Baht and the investment budget of approximately 1,000 million Baht. Likewise, for the service and debt collection business which targeting in continuously growth by focusing on seeking for new customers consecutively. As for the lending business has set a budget approximately 200 million Baht. However, the process will be gradually and carefully due to economic conditions which tend to shrink.

Finally, on behalf of the Board of Directors, all executives and employees, thank you to all business partners for consistently trust and support of. Please rest assured that company will devote in operation with utmost efforts and operating business in accordance with the principles of good governance awareness of every stakeholder including responsible for society and environment to step towards steady growth and sustainable compensation.

Mr. Wutisak Lapcharoensap
(Chairman of The Board)

Mr. Suksan Yasasin
(Chief Executive Officer)



Board of Directors

Assistant Professor Wutisak Lapcharoensap (70 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
(16th January - 17th June 2007)
- 2008 - 2009 Dean of Faculty of Political Science and Acting Director of Office of Educational Technology
- 2011 Dean of Faculty of Political Science and Acting Ramkhamhaeng University Rector
(10th February - 30th June 2011)
- 2011 - 2 March 2020 Ramkhamhaeng University Rector

Other appointed positions, from 2010 until present :

- 2010 - 2011 Director, Dhanarak Asset Development Co.,Ltd., Ministry of Finance
- 2011 - 2014 Member of Office of The Consumer Protection Board Secretariat of the Prime Minister
- 2012 - 2016 Member of Office of Educational Council
- 2012 - 2014
 - 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 16th July 2012)
- 2013 Advisor to the Ministry of Social Development and Human Security
- 2014 Constitution Drafting Committee
- 2014 - 2019 Member of the National Legislative Assembly
- 2014 - Present Director, The Post Publishing Public Company Limited
- 2015 - Present Present - Chairman of the Board and Independent Director Chayo Group Public Company Limited

Mr. Chanon Chotevijit (60 Years)

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



Education:

- 2008 - 2009 Diploma, National Defence College (Class 51)
- 2005 - 2007 Master of Economics Law, Chulalongkorn University
- 1984 - 1986 Master of Economics Program in Financial Economics,
National Institute of Development Administration
- 1979 - 1983 Bachelor of Economics Program in International Economics (second-class honors),
Chulalongkorn University

Experience (2006 onwards) :

- 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 Anon Jarayapant (64 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 (2008 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 - 2018 | Director, Metropolitan Electricity Authority |
| 2014 - 2019 | Member of National Legislative Assembly of Thailand |
| 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 (46 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
2004	Bachelor of Accountancy Program, Sukhothai Thammathirat Open University
2008	Bachelor of Laws Program, Sukhothai Thammathirat Open University

Experience (1996 onwards) :

1996 - 1999	Stock Analyst, BFIT Securities Public Company Limited
1999 - 2002	Fund manager, BFIT Securities Public Company Limited
2002 - 2010	Chief Investment Officer (CIO), Watana Choedchu Company Limited
2010	Senior Vice President of Investment Banking Department, KT Zmico Securities
2010 - 2011	Senior Vice President of Finance, TSFC Securities Public Company Limited
2011 - 2015	Chief Financial Officer, Globlex Securities Company Limited
2015 - 2016	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
2017 - Present	Audit Committee and Independent Director, FILTER VISION PUBLIC COMPANY LIMITED
2018 - Present	- Director, Simat Technologies Public Company Limited - Director, Chairman of Risk Management Committee, Executive Director and Chief Financial Officer, Hinsitsu (Thailand) Co., Ltd.
2019 - Present	- Director, Simat Label Co.,Ltd. - Director, Hinsitsu (Thailand) Company Limited

Dr. Vitthaya Inala (61 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, The United States Of America |
| 2011 | Top Executive Program, Capital Market Academy |
| 2013 | Doctor of Philosophy Program in Development and Organizational Change,
Cebu Doctors' University, Philippines |

Experience (2009 onwards) :

- | | |
|----------------|--|
| 2009 - 2015 | Director, Megalatex Company Limited |
| 2014 - 2016 | - Director, Chayo Asset Management Company Limited |
| 2014 -2015 | - 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 |
| 2018 - Present | - Managing Director, Megachem (Myanmar) Limited, Myanmar
- Chairman of the Executive Board, Megachem Plus Limited |
| 2019 - Present | Managing Director, PRIME INDEX Co.,Ltd, Myanmar |

Mrs. Rosporn Sooksomporn (64 Years)

Director



Education:

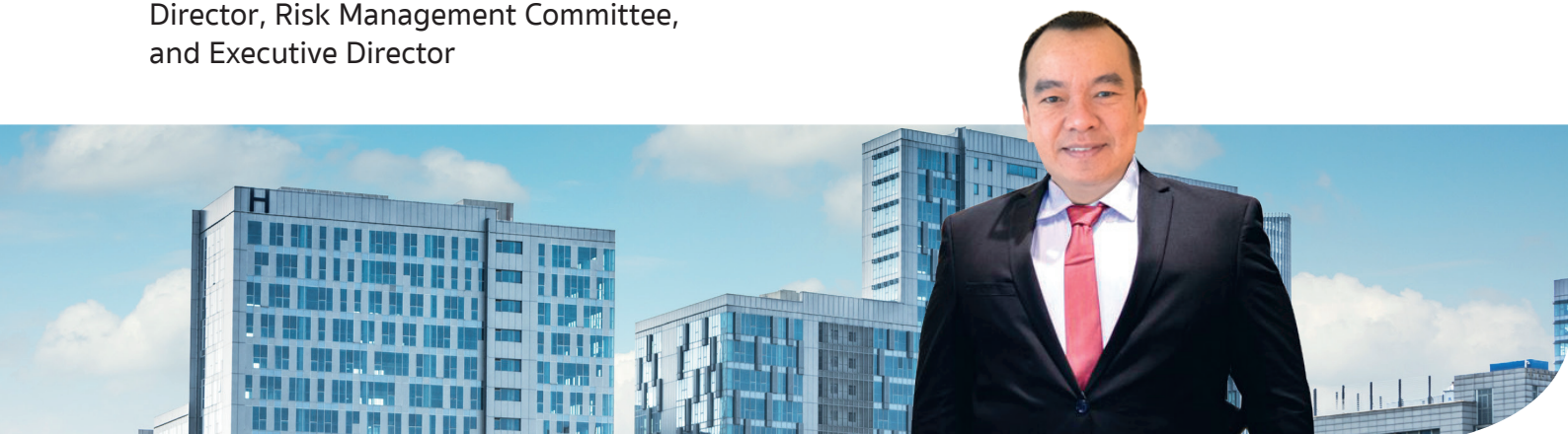
- 1976 Bachelor of Commerce, Thammasat University
- 1981 Bachelor of Laws, Thammasat University

Experience (2003 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
- 2015 - Present Director, Chayo Group Public Company Limited

Mr. Seksan Rangsiyeranon (55 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 | Advanced Certificate Course in Public Economics Management for Executives Class 15,
King Prajadhipok's Institute |
| 2018 | Advanced Security Management Program Class 9 :ASMPq,
Thailand National Defence College |
| 2019 | RTAF & CEO Relationship Program Class 14, Royal Thai Air Force |
| 2019 | The Civil Service Executive Development Program, The Bureau Of The Budget |

Experience (1986 onwards) :

- | | |
|----------------|---|
| 1986 - 1989 | Government officer, Department of Lands, Ministry of the Interior |
| 1990 - 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 |
| 2015 - Present | Director/ Risk Management Committee and Executive Director,
Chayo Group Public Company Limited |
| 2020 - Present | Executive Director, SUMMER SOLUTION Co.,Ltd. |

Mr. Suksan Yasasin (58 Years)

Vice Chairman of the Board, Risk Management Committee, Corporate Governance Committee, Nomination and Remuneration 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 onwards) :

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

**Ms. Siriphan Juntip
(48 Years)**

Director, Risk Management Committee,
Corporate Governance Committee, Executive Committee,
and Managing Director of Executive Support



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 onwards) :

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

Mr. Kitti Tungsriwong (50 Years)

Director, Risk Management Committee, Nomination and Remuneration Committee, Executive Committee, Deputy Chief Executive Officer, Company secretary, and Acting Managing Director Business Development



Education:

- | | |
|------|---|
| 1993 | Bachelor of Accountancy (Cost Accounting), University of Thai Chamber of Commerce |
| 2007 | Master of Science in Real Estate Business, Thammasat University |

Experience (1993 onwards) :

- | | |
|----------------|---|
| 1993 - 1994 | Accountant, BFM (CP Group) |
| 1994 - 1998 | Senior Auditor, PricewaterhouseCoopers ABAS Ltd. (PwC) |
| 1998 - 2002 | Senior Financial Advisor, PricewaterhouseCoopers ABAS Ltd. (PwC) |
| 2003 - 2013 | Director, Executive Director,
Chief Operating Officer and Chief Financial Officer Business Reorganization
Office at Raimon Land Public Company Limited |
| 2013 - 2015 | Director, Executive Director, Managing Director (Accounting and Finance),
Managing Director (Operations and Business Development) at Ferrum Public Company Limited |
| 2016 - Present | Director, Risk Management Committee, Nomination and Remuneration Committee,
Executive Director, Deputy Chief Executive Officer, Company secretary,
and Acting Managing Director Business Development
at Chayo Group Public Company Limited |



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
0107560000214

Number
Established
1997

Registered as
Public Limited
Company
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	: As of 31 st December 2019, registered capital of 315,000,000 Baht, comprising of 630,000,000 ordinary shares
Paid-up Capital	: As of 31 st December 2019, paid-up capital of 314,999,985.50 Baht, comprising of 629,999,971 ordinary shares
Par Value Per Share	: 0.50 Baht
Industry	: Financial
Sector	: Financials

Subsidiaries and Associated Companies Information

Head Office	Company Registered Number	Established	Nature of Business	Registered Capital (Baht)	Par Value Per Share (Baht)	Paid-up capital (Baht)	Shareholding Proportion (%)
Chayo Asset Management Company Limited							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220	0105552046187	2009	Investment and Non-Performing	156,950,000	5.00	156,950,000	100.00
Chayo Property and Service Company Limited (Former name “Chayo Call Center Company Limited”)							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220	0105543062434	2000	Customer Service Center servicing on debt tracking and collection service, investing, and managing non-performing loans auctioned from Financial institutions and other companies including lending business (collateral and non-collateral)	20,000,000	10.00	20,000,000	100.00
Chayo Capital Company Limited							
44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220	0105561158987	2018	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) 2009 9999

Website: www.tsd.co.th

Internal Auditor

Mr. Wiwat Limnantasini (Partner)

KPS Audit Company Limited

412 Soi Rattana Thibet 18, Bang Kraso, Muang Nonthaburi, Nonthaburi, 11000

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

Investor Relations

Mr. Kittit Tungsiwong

Tel: (66) 2016 4499



Nature of Business

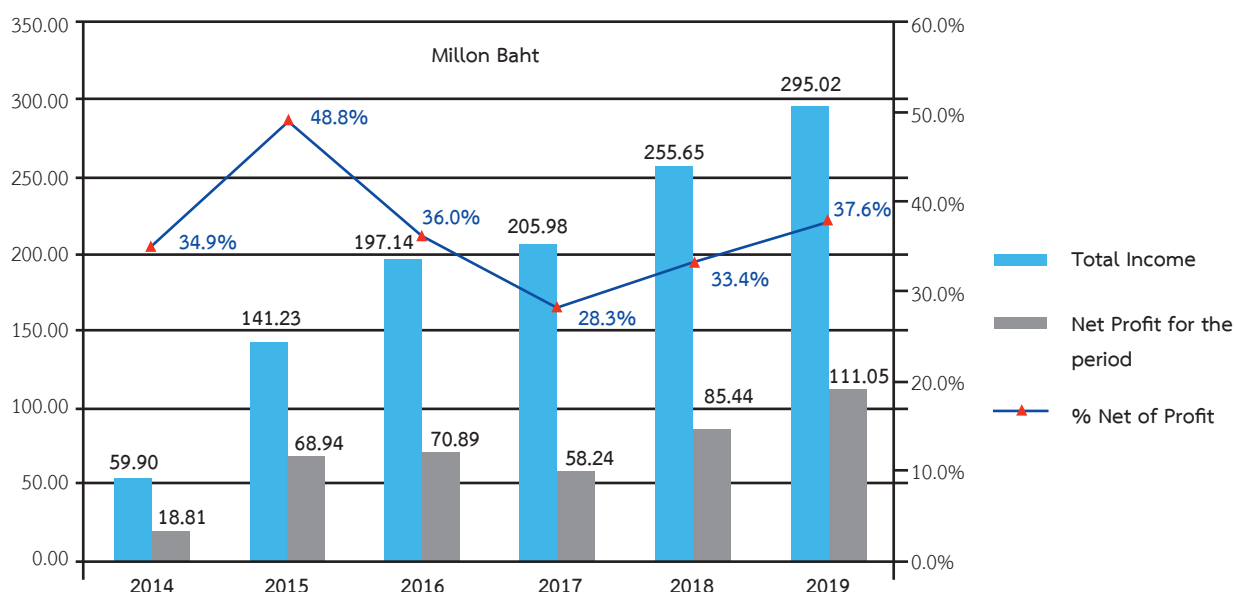
1. Overview of Business

Chayo Group Public Company Limited and its subsidiaries operate the service of tracking and collecting of non-performing loans. Core businesses are categorized into 4 main services comprise of investing and managing non-performing loans, debt tracking and collection services, customer service, and money lending business. 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, in 2016 the company has expanded to provide the customer service center to better serve the customer. The Extraordinary General Meeting No.2/2015 on 15 September 2015, the company has approved to move the establishment to registered address 44/499-504 Phahon Yothin Road, Anusawari, Bang Khen, Bangkok 10220. The Extraordinary General Meeting No.3/2015 on 19 November 2015, the company has changed name from to Chayo Group Company Limited (CHAYO). Later, 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 according to the 2017 Annual General Meeting on 25 April 2017.

On the 22 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 related lending business which provides both secured and unsecured loans. Our lending business operates under The Bank of Thailand (Nano Finance and Personal Loan). Moreover, we have changed one of our subsidiary's names 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).

Business Overview in 2019, the company had total revenue of 317.91 million baht (including profit from the sale of Properties foreclosed), increased by 20.14% when compared to the previous year at 264.61 million baht. The total revenue was consisting of the proportion of income from the main business which are Interest Income to non-performing asset loans at 79.13% (including profit from the sales of properties foreclosed), debt tracking and collection services income at 19.30%, credit lending income at 0.56% of net income. Net profit by year was at 111.05 million baht, increased by 29.97% when compared to the previous year at 85.44 million baht and the gross profit margin was nearly the same amount to the last year which is about 64.40% of income with net profit margin at 37.7%

According to the graph below, it can be seen that from 2014 (after the company has operated the business of investing and managing non-performing assets), the company has continuously grown in terms of revenue and net profits.



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 debt sport, competitors, price auction and value investment. Our company mainly uses Reasonable principles as a primary consideration. 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.

Due to the current economic conditions with bad debt at the end of the year 2019 at approximately 2.99% or approximately 468,028 million baht, the company believes that it is an opportunity to continuously expand the business of investing and managing non-performing assets, also the business of debt tracking and collection services. In the year 2019, the company was able to buy additional debt for management in the amount of 13,807 million baht by spending the investment in non-performing loans in the amount of 643.97 million baht and the income from the company's debt tracking and collection services in 2019 grew more than 48 percent compared to the year 2018.

For the year 2020, the company has set a goal to buy non-performing loans, both secured and unsecured loans, for an additional management of approximately 10,000 million baht by investing approximately 1,000 million baht and continuing to find customers in the debt tracking and collection service business so that the revenue could grow continuously. As for the lending business, the company has set a goal of lending in 2020 by approximately 200 million baht. However, as the current economic situation is not quite good, the company will carefully proceed with the lending, which may result in not being able to meet the goal.

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 was 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
2019	<ul style="list-style-type: none"> - On the 3rd December 2019, the company registered capital increase with the Department of Business Development, Ministry of Commerce by issuing ordinary shares of 15.00 million baht, registered capital in total of 315.00 million baht on the 3rd December 2019.

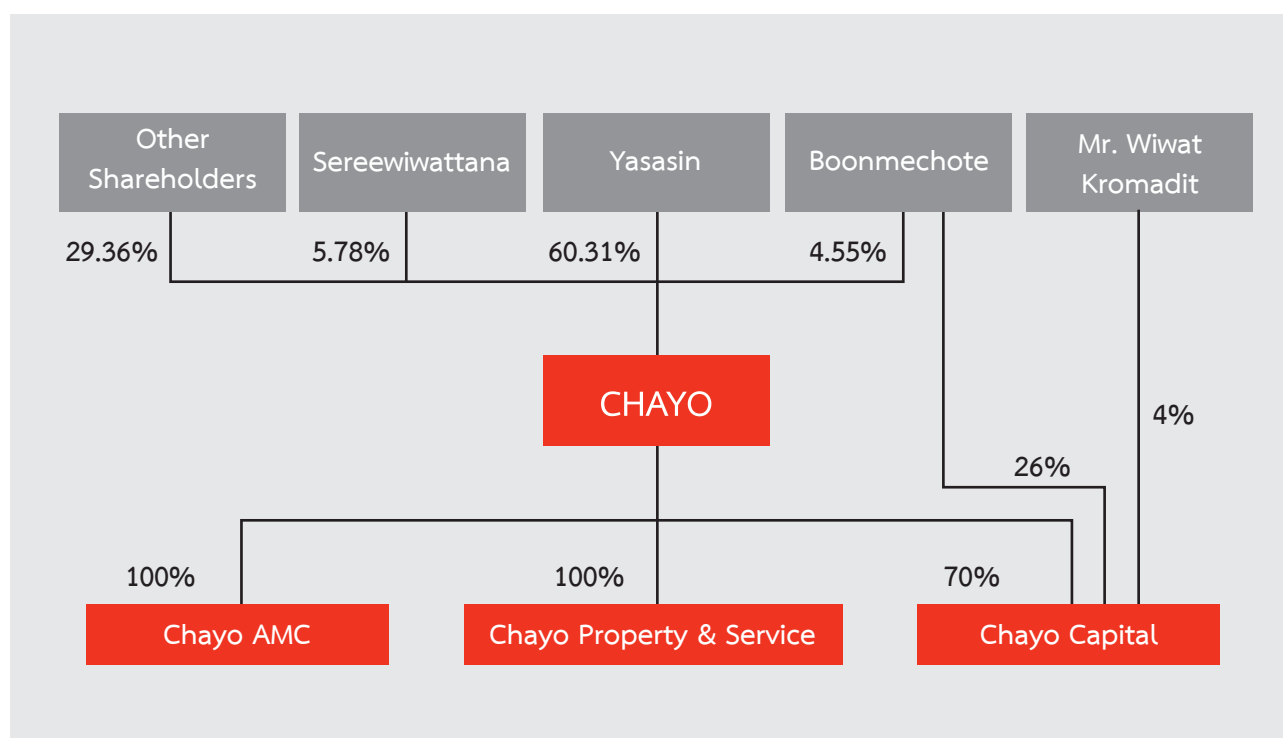
The company has initially auctioned the non-perform assets to invest and manage from non-financial institutions since 2011. However, in 21st March 2014, a subsidiary, Chayo Asset Management Company Limited was approved by Bank of Thailand, and registered as Asset Management Company (per Ministerial Regulation 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 12 February 2020)

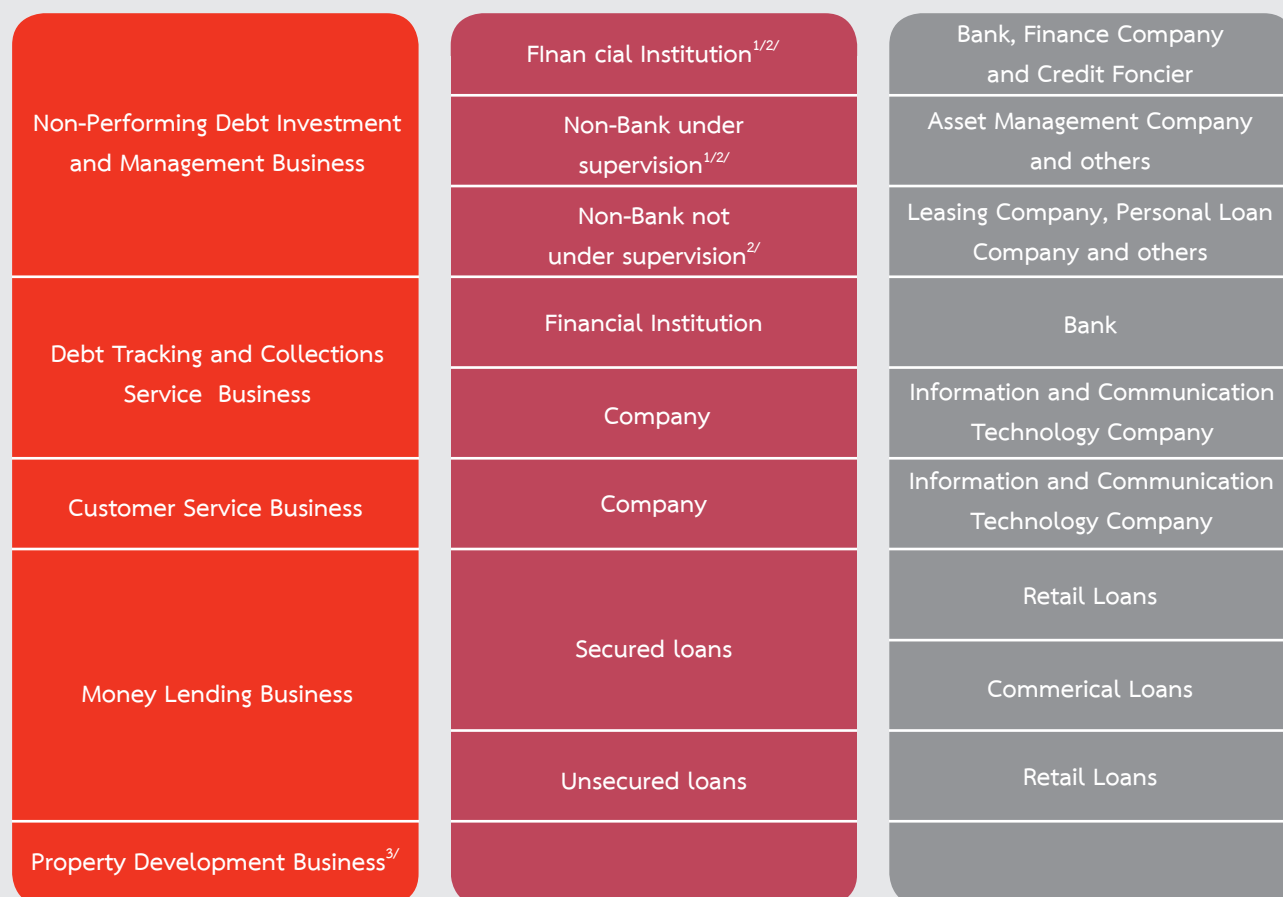
As at the 12 February 2020, the company has held 3 subsidiaries stocks; Chayo Asset Management Company Limited, Chayo Property and Service Company Limited (former name was Chayo Call Center Company Limited) and Chayo Capital Company Limited with registered and paid-up capital of 156.95 million baht, 20 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



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 categories into 3 types;

- Commercial Banking Business
 - 1) Thai Commercial Banks
 - 2) Retail Bank
 - 3) Subsidiaries
 - 4) Foreign Bank Braches / 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

A company that provides cost checking services and accelerates operations by companies that have been inspected accurately and quickly. In addition, the company will continue to be the service provider. Receiving compensation from the arrest of criminal offenders or requesting assistance in the said proceedings for 20 years, resulting in the company having the ability and expertise in procedures and methods of monitoring the Olin Demanding a thorough understanding of the relevant laws for tracking actual damages (No. 2967) of goods that fully support legal compliance and compensation laws in 2015, and the company has a policy to pay attention and take care Maintain the aristocracy as the operational principle.

2.2.3 Customer Service Business

The company is a provider of customer relations centers from clients by systematically providing presentation of products and services from clients, together with telemarketing service, to offer the appropriate products and services in these rapid changes of customer's behaviors from negotiation skills in order to present product information and services of the client systematically.

2.1 Revenue Structure

The revenue structure of the Company and its subsidiaries during 2017 - 2019 are as follows:

Revenue	2017		2018		2019	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from non-performing loans investment and management business	162.01	78.43%	212.87	80.45%	231.87	72.94%
Revenue from debt tracking and collections service business	37.71	18.26%	41.44	15.66%	61.37	19.30%
Money Lending Business	-	-	-	-	1.78	0.56%
Revenue from customer service	6.26	3.03%	1.33	0.5%	-	-
Total Revenue from Services and Investment	205.98	99.72%	255.65	96.61%	295.02	92.80%
Other Revenues	0.58	0.28%	2.23	0.84%	3.20	1.01%
Profit from Non-Performing Assets	-	-	6.73	2.55%	19.69	6.19%
Total Revenues	206.56	100.00%	264.61	100.00%	317.91	100%



Risk Factors

Currently, the company operates 4 businesses, namely, non-performing loan investment and management service, debt tracking and collections service, customer service and money lending business both secured also unsecured loans, whereby risk of each core business are varied as follows.

1. Non-performing debt investment and management service business

1.1 The risk of investment loss from managing Non-Performing Loans

The company purchased Non-Performing Loans both secured and unsecured by auctioning from financial institutions also other financial institutions to manage by receiving transfer of claim rights, debt tracking and collecting also prosecution and execution. Therefore, the company is at risk from Non-Performing Loans auction with improper prices or high costs. Furthermore, the risk of collecting debts which maybe less than expected. These factors will affect the worthless investment or loss experience.

However, before each of Non-Performing Loans auction, the company had analyzed Non-Performing Loans' detail as well as other details involving in order to making a decision in, each Non-Performing Loans auction which included securities analysis (in case of se cured debts auction), age of debtors, debt categories, each of debts ceiling, cash flow forecasting which expected to receive from Non-Per forming Loans Management, storage costs also other related details and ensue on debt collecting consecutive-ly along with debts tracking or debts purchasing analysis for the future. Furthermore, the company had established Assets management Committee to considerate in every debts buying auction. The committees as mentioned will responsible for details analysis in order do making decisions also determining prices for proper Non-Performing Loans auction.

1.2 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

1.3 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

1.4 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.

1.5 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. 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. Furthermore, the company has provided plans also recruitment processes of succession plan in order to defining recruitment methods of the successor by assigning the Nomination and Remuneration Committee to recruit. Moreover, determining recruitment plans for the Chief Executive Officer succession plan meanwhile nominating a proper person into the succession plan consideration constantly to the Board of Directors to considerate an appointment when a vacant position occurs for instance, when the Chief Executive Officer position is vacant or the person who in charge of this position is unable to perform duties, the company will assign the executive who has the closest level or the Vice Chief Executive office to acting in the position as far as, the remuneration also the selection any person whom qualified as company's principle in order to propose to the Board of Directors to consider and approve the appointment and/or an important position within the Company which enable the company to operate and expand business sustainably in accompany with determining qualifications also capabilities which needed for an important position. The company has applied the recruitment strategies within the company in order to boost loyalty and morale to the employees. The Human Resources Department is responsible for determinating successor process as company determinate also each position evaluation annually. Moreover, the company still reinforces a good relationship constantly within company for instance recreation activity and company seminar. From the company's process as mentioned, is the caused of company has never experienced personnel shortage.

1.6 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.

1.7 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 31 December 2019), the company was approved from shareholders to able to raise money through releasing debenture and/or bill of exchange not excess than 1,250 million baht. As of December 31, 2019, the company had issued 525 Million Baht, nevertheless the company still has credit

limit around 725 Million Baht. The company is during negotiations with financial institutions or banks in order to apply for additional loans approximately 100-200 Million Baht. Thus, the company believes that the risk of fund arranging for debt auction is in level. 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 times or not over 1.7 times of interest loans.

1.8 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.

1.9 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 that CHAYO GROUP PCL. ANNUAL REPORT 2018 21 translation 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.

1.10 The risk from natural disaster, epidemic 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 including preventive measures for instance patient screening measures, measures or procedures of operation in case of the situation happens. 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.

1.11 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 risk 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 depending on the Chief Executives and Specialized Personnel

From the business operation of the Company Chief Executives such as Mr. Suksan Yasasin who is being in charge of Chief Executive Officer as well as Ms. Siriphan Juntip whose position is Managing Director, with the business experiences for more than 20 years affect these two executives to have well comprehended in the business. The company must rely on knowledges from skills also long experiences of- knowledge and expertise on debts tracking and collection. If the company had lost these personnels, would have affected the operation capabilities of the company, which will impact on the operations are not going as planned

However, the company has foreseen the risk of depending on the Chief Executives as mentioned, also other specialized personnels. Therefore, the company has planned or specified the replacement of the Chief Executives as good corporate governance. Moreover, the company has created plan as well as recruitment process for succession plan in order to determine recruitment process for successor by

specifying the nomination and remuneration as recruiter also determine recruitment plan for : a successor of Chief Executive Officer. Furthermore, nominate a proper person for successor consideration constantly to the Board of Directors in order to consider the appointment when the position is vacant for instance; when the Chief Executive Officer position is vacant or a person in the position is unable to perform a duty, the company will determine the executive whose position is closest to the vacated position or assign the Deputy Chief Executive Officer to perform duties instead until the recruitment and selection of qualified personnel as company's determining principles to propose to the Board of Directors to considerate the appointment and /or an important position within the company which render the company sustainable operation also expand businesses capabilities, Meanwhile, define characteristics as well as needed capabilities of an important position by applying employees recruitment strategies, within the company in order to create loyalty also morale to employees. The Human Resources Department will specify operation process to create successor as the company defined process and each position will have an evaluation every year. Apart from that, the company has reinforced a good relationship within the company consecutively every year for example; recreation activity and company seminar. From the company's process as mentioned, is the caused of company has never experienced personnel shortage.

2.7 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.

However in the 2019 year, the company had no revenue from customer service center. Meanwhile, customer service center officers had been relocated in debt tracking for associated company too. The company currently seek for new customers not only Information Technology and Communication Industry, but also other industries including developing properties in order to earning for the company. For the purpose that, the, customer service center income, is, approximately 1-2% of company total revenues (if any).

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 or NPL.

These will cause the risk of Non-Performing Loan as follow:

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 TH Sarabun New Cordia New

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 (have not operated yet)

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 ventures 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 consultant 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 due to currently economic condition, the company has decided to postpone the developing site.

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 meter isn't much. Besides, the target markets have a potential to loan money from financial institutions.



Shareholding Structure

Information from Book Closing as of the 12th February 2020 shows the twelve Major Shareholders and shareholding Proportions as follows;

No.	Shareholders		No. of Shares	%
1.	Mr. Suksan	Yasasin	330,673,056	52.49
2.	Mr. Natthawat	Yasasin	21,754,152	3.45
3.	Mr. Paiboon	Sereewiwattana	21,140,000	3.36
4.	Mr. Rittirong	Boonmechote	20,265,000	3.22
5.	Mr. Thiti	Yasasin	20,202,882	3.21
6.	Thai NVDR Company Limited		12,878,700	2.04
7.	Mrs. Waranee	Sereewiwattana	10,500,000	1.67
8.	Mr. Somchi	Vijitsaengrat	8,430,000	1.34
9.	Mr. Pichit	Chinwitayakul	8,181,400	1.30
10.	Mr. Siriphan	Chanthip	7,282,821	1.16
11.	Ms. Petcharat	Wareerueksab	6,510,000	1.03
12.	Ms. Roongtiwa	Boonmechote	5,880,000	0.93

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.

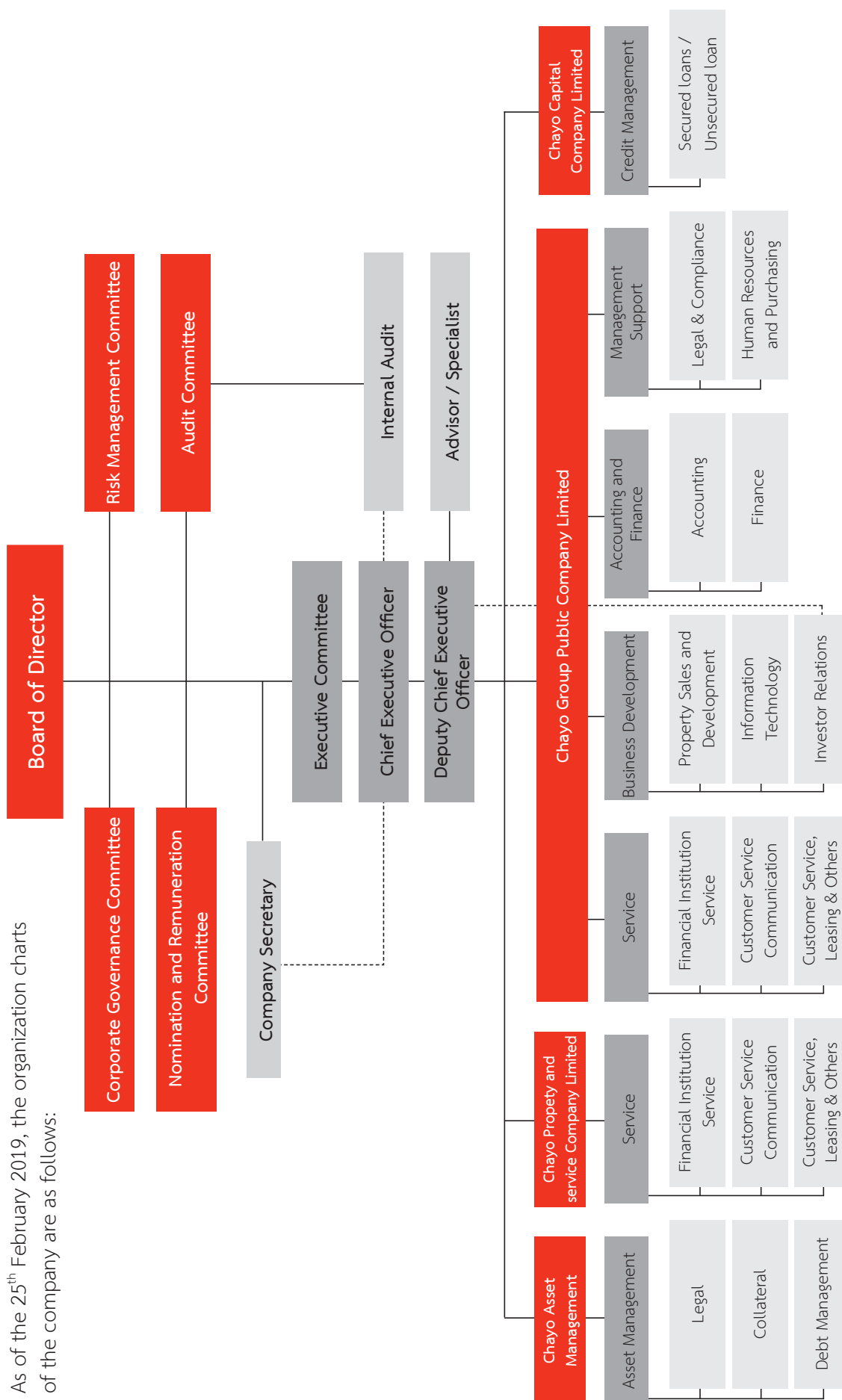
2. Dividend Policy of the Subsidiaries

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

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 2019 ordinary shareholders' meeting resolution as of 31 December 2019, Board of Directors of the company comprises of 10 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 Jarayapant	- Director - Independent Director - Audit Committee - Chairman of Nomination and Remuneration Committee
4.	Mr. Teeranut Thangsapornpong	- 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.	Mrs. Rosporn Sooksomporn	- Director
7.	Mr. Seksan Rangsiyeranon	- Director - Executive Committee - Risk Management Committee
8.	Mr. Suksan Yasasin	- Vice Chairman of the Board - Risk Management Committee - Corporate Governance Committee - Nomination and Remuneration Committee - Chairman of Executive Committee - Chief Executive Officer

No.	Name	Position
9.	Mr. Kittu Tungswong	<ul style="list-style-type: none"> - Director - Risk Management Committee - Nomination and Remuneration Committee - Executive Committee - Deputy Chief Executive Officer - Company secretary - Acting Managing Director Business Development
10.	Ms. Siriphan Juntip	<ul style="list-style-type: none"> - Director - Risk Management Committee - Corporate Governance Committee - Executive Committee - Managing Director of Executive Support

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

Mr. Suksan Yasasin, Ms. Siriphan Juntip, Mr. Seksan Rangsiyeranon and Mr. Kittu Tungswong 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 2019 Board Meetings are as follows:

No.	Name	2019	
		No. of Meeting	No. of Attendance
1.	Mr. Wutisak Lapcharoensap	7	5
2.	Mr. Chanon Chotevijit	7	7
3.	Air Chief Marshal Arnon Jarayapant	7	6
4.	Mr. Teeranut Thangsatapornpong	7	6
5.	Mr. Vitthaya Inala	7	3
6.	Mrs. Rosporn Sooksomporn	7	7
7.	Mr. Seksan Rangsiyeranon	7	7
8.	Mr. Suksan Yasasin	7	7
9.	Ms. Siriphan Juntip	7	3
10.	Mr. Kittu Tungswong ^{1/}	7	4

Remark: : ^{1/} Annual General Meeting of Shareholders 2019 on 30 April 2019 had a resolution in appointed Mr. Kittu Tungswong to take a position of company's Board of Directors.

Executive Committee

As of the 31st December 2019, the executive committee consists of 6 members are 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

Audit Committee

As of the 31st December 2019, the executive committee consists of 3 members are as follows:

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

Risk Management Committee

As of the 31st December 2019, the executive committee consists of 6 members are 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 2019, the executive committee consists of 3 members are as follows:

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

Nomination and Remuneration Committee

As of the 31st December 2019, the executive committee consists of 5 members are as follows:

No.	Name	Position
1.	Air Chief Marshal Arnon Jarayapant	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. Kittu Tungswong	Nomination and Remuneration Committee

Management Team

The Board of Directors Meetings resolution on the 25th February 2020, 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	Deputy Chief Executive Officer, Acting Managing Director Business Development and Company secretary
3.	Mr. Natee Limprasert	Managing Director of Asset Management Department
4.	Ms. Siriphan Juntip	Managing Director of Executive Support
5.	Mr. Nottapol Thipchatchawanwong	Chief Financial Officer and Managing Director of Credit Management
6.	Ms. Narumol Toprapat ^{1/}	Acting Managing Director - Service Business of Chayo Property & Service Company Limited
7.	Ms. Waraporn Inthanu ^{1/}	Acting Managing Director - Service Business of Chayo Group Public Company Limited
8.	Ms. Sukruethai Chaiwong	Accounting Manager
9.	Ms. Naowarat Sangkrot	Finance Manager

Remark: ^{1/} The Board of Directors Meeting No. 12/2019 on 12 December 2019 had a resolution in appointed Ms. Waraporn Inthanu to take a position of Acting Managing Director - Service Business of Chayo Group Public Company Limited and Ms. Narumol Toprapat to take a position of Acting Managing Director - Service Business of Chayo Property & Service Company Limited that Instead of the managing director who resigned.

In accordance with The Board of Directors meeting No.1/2020 on the 25 February 2020, the company has been restructuring an Executive Organization Chart in order to conform to Company's Business Plan by means of resolution as;

1. Ms. Narumol Toprapat (former position was Acting Managing Director of Management Support Division) was appointment to Acting Managing Director - Service Business of Chayo Property & Service Company Limited, effective date on the 12 December 2019.
2. Ms. Waraporn Inthanu (former position was Service Manager) was appointment to Acting Managing Director - Service Business of Chayo Group Public Company Limited, effective date on the 12 December 2019.
3. Ms. Siriphan Juntip (former position was Acting Business Development Managing Director) was appointment to Managing Director of Executive Support, effective date on the 25 February 2020.

Compensation of Director

Notice of 2019 Annual General Meeting of Shareholders on the 30 April 2019 has approved the directors' and sub-committee members' remuneration in conclusion as below. Moreover, has approved the amount of remuneration for Board of Directors also Sub-Committees yearly 2018 and 2019, not more than 1.50 million baht and 1.75 million baht respectively.

Boards	Monthly Compensation (Baht)		Meeting Allowance (Baht/Time)	
	Chairman	Committee	Chairman	Committee
Boards of Director	-	-	25,000	12,500
Audit Committee	-	-	12,500	10,000
Nomination and Remuneration Committee	-	-	12,500	10,000
Executive Committee	-	-	12,500	10,000
Risk Management Committee	-	-	12,500	10,000
Corporate Governance Committee	-	-	12,500	10,000

Remuneration of Committee and Sub-Committee

The company has remuneration for committees and sub-committees of the year 2018 also 2019 in the amount of 1,146,000 Baht and 1,436,000 Baht respectively, as described in detail below (Executives Director has no rights in the remuneration);

Committee and Sub-Committee	2018			2019		
	Meeting Allowance	Bonus and Training Cost	Total (Baht)	Meeting Allowance	Bonus and Training Cost	Total (Baht)
Mr. Wutisak Lapcharoensap	40,000	150,000	190,000	105,000	150,000	255,000
Mr. Chanon Chotevijit	72,000	120,000	192,000	103,500	258,940	362,440
Air Chief Marshal Arnon Jarayapant	63,000	120,000	183,000	72,500	120,000	192,500
Mr. Teeranut Thangsatapornpong	66,000	120,000	186,000	97,000	120,000	217,000
Mr. Vitthaya Inala	9,000	100,000	109,000	28,000	100,000	128,000
Mrs. Rosporn Sooksomporn	24,000	100,000	124,000	59,000	100,000	159,000
Mr. Seksan Rangsiyeranon	48,000	100,000	148,000	161,000	150,000	311,000
Mr. Suksan Yasasin	-	-	-	-	-	-
Ms. Siriphan Juntip	-	-	-	-	-	-
Mr. Kittit Tungsiwong	-	-	-	-	-	-
Total	336,000	810,000	1,146,000	626,000	998,940	1,624,940

Human Resources

Number of Staff

As of the 31 December 2019, the company and its subsidiaries have total of 183 staffs (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	2017	2018	2019
<u>Staff of Asset Management Department</u>			
Debt Management Department	22	28	31
Litigation Department	12	19	18
Total staff of Asset Management Department	34	47	49
<u>Staff of Service Department</u>			
Customer Service Department	61	97	65
Financial Institutions Customer Service Department	16	25	44
Credit Service Department	-	1	3
Total staff of Service Department	77	123	112
<u>Staff of Business Development Department</u>			
Business Development Department 1	-	-	-
Business Development Department 2	-	-	-
Total staff of Business Development Department	-	-	-
<u>Staff of Accounting and Finance Department</u>			
Accounting Department	2	2	2
Finance Department	3	2	2
Investor Relation Department	-	-	-
Total staff of Accounting and Finance Department	5	4	4
<u>Staff of Administration Support Department</u>			
Law and Juristic Acts Department	-	-	-
Information Technology Department	2	5	4
Human Resources and Administration Department	2	2	2
Administration Support Department	8	6	7
Total staff Administration Support Department	12	13	13
Total	128	187	178



Corporate Governance

1. Corporate Governance Policy

In 2019, 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 5: Nurture Innovation and Responsible Business.
Practice Principle 2: Define Objectives that promote Sustainable Value Creation	Practice Principle 6: Strengthen Effective Risk Management and Internal Control.
Practice Principle 3: Strengthen Board Effectiveness.	Practice Principle 7: Ensure Disclosure and Financial Integrity.
Practice Principle 4: Ensure Effective CEO and People Management.	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 ad follows;

No.	CG Code 2017	Compensatory measures for any practice principles which has not been apply currently
1	The meeting minutes should be delivers 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 Directors

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

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

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

1. Promote shareholders to exercise their rights
2. Prevent any actions which will interfere or deprive other shareholder's rights
3. Promote and provide adequate information to all shareholders
4. Set up preventive actions on any abstinence of the usage of internal information for one's benefit
5. Channels for all shareholders to report if ones find that there might be any consequences toward ones' benefits.
6. Promote the right to participate in shareholder's meeting, whereby in each meeting the company will:
 - (1) Inform the shareholders prior to the meeting on rules and procedures of the meeting, right voting procedures.
 - (2) The company will distribute adequate and necessary information in a timely manner prior to the meeting. The information will be displayed in company's website prior to distributing the relevant documents to the shareholders. This enables shareholders to gain quick access to the meeting details prior to the meeting.
 - (3) Proper registration will be provided to accommodate the shareholders
 - (4) Facilitate and provide appropriate accommodation to all shareholders.
 - (5) Prepare proxy form in the format to facilitate the voting

- (6) Nominate at least 2 independent directors as an alternative for the shareholders to give a proxy to.
- (7) Clear procedure to allow minor shareholders to propose agenda, nominate candidates for directorship, and submit any queries in advance.
- (8) Create an open atmosphere to allow shareholders to give opinions or suggestions, and ask queries during the meeting
- (9) Promote the use of voting cards on any important agenda
- (10) Promote the attendance of all directors and all chairmen of sub committees to attend every meeting.

Principle 3 Roles of Stakeholders

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

1. Shareholders

The company places an importance on transparency, morality and ethics. Sustainable growth is placing at the heart aiming for good business performance as a result. This, in turn, enables reasonable and sustainable growth to shareholders and investors' investment. The company treats all shareholders with equitability by promoting all directors, executives and staff to be fair, careful and attentive to all the steps of work which as a result will generate the highest benefits toward shareholders. The company will consistently and completely disclose company's status, performance, financial statement, and relevant information by informing both positive and negative future trends with facts. All data will be supported by reasonable supportive information. No undisclosed confidential data which can result in conflicts of interest will be used for the benefit of oneself or other parties.

2. Clients

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

3. Business Partners and/or Creditors

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

4. Competitors

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

5. Employees

The company gives priority to the employees who are the most critical resources, and who has supported and drove the company's performance toward the goals. Thus, the company promotes the campaign to promote appropriate recruitment, wellbeing of the employees by providing appropriate benefits, opportunity in career growth and arrange good ergonomics in the workplace. Clear compliance to laws and procedures will be adhered to ensure that the employee will work in a safe environment both towards employee's health and assets. The company treats every employee equitably, fairly, and provides suitable remuneration. Job promotion and rotation as well as rewards and punishment will be conducted fairly, and 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.

This is to enable the directors to devote their time to overseeing the company's business effectively and to ensure that the directors are able to devote sufficient time to perform their duties. The company requires that each director should not hold a director position in more than 5 listed companies and the Chief Executive Officer may hold a director position in no more than 2 other listed companies without exception. Unless there are reasonable grounds to be considered, except by proposing to the Board of Directors for approval under the corporate governance policy.

In addition, the company has a policy to specify the term of independent directors for no more than 9 years from the date of being appointed as the first independent directors. In the event that it is necessary to appoint that independent director to continue his office the board must reasonably consider the said necessity.

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 within 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

In 2019, the Board of Directors had considered also approved visions, missions, objective, organizational structure and business direction including review the important policy appropriately and conform to operating business along with good Corporate Governance principles. Meanwhile the company has monitored in leading company's strategies implementation. In the Board up the performance of the Administration Department through company's performance also turnover, particularly financial goals and project to conform with company's strategies as planned.

2. Qualifications of Independent Directors

- (1) Holding shares in total not more than 1.00 percent of total voting shares of the company.
- (2) Possess true independence from Administration Department as well as major shareholders.
- (3) Never been or ever been the committee who involved in administration, employee, staff or salaried consultant / Entities with Controlling Authority of the company except for having passed from such the position as mentioned inclusive of spouse of executive son, major shareholders and regulator
- (4) Never had or ever had business relationship with company including never been or ever been major, shareholder director; who didn't serving as Independent Director or Director of whom engaged business relationship with the company, except for having passed from such the position not less than two years.
- (5) Never been or ever been the company's auditor inclusive of never been or ever been the major shareholder, director who didn't serving as Independent Director, executive or partner of auditor's auditing firm which had company's auditor, except for having passed from such the position not less than two years.
- (6) Never been or ever been a professional service provider who has paid more than Two million Baht in service fee per year by the company, except for having passed from such the position not less than two years.
- (7) Never been the committee who has appointed to be a nominee of Director of the company, major shareholder or shareholder who is connected to a major shareholder.
- (8) Does not have any other characteristics which impede from having independent opinions regard to the operation of the company.

3. The Board of Director's meeting

- (1) The Board of Directors has schedule the meeting every 3 months, and schedule the meeting in advance for a year, and might arrange special meeting as per necessary.
- (2) Chairman of the Board of Director, Chief Executive Officer, or Managing Director will be responsible for meeting invitation and meeting agenda. The company secretary shall send the notice of the meeting according to the agendas and supporting documents at least 7 days in advance prior to the meeting in order that the Board of Directors shall have sufficient time to consider the matters before the meetings.
- (3) Chairman of the board will conduct the meeting and responsible for the proper discussion time for each agenda. The meeting will be conducted to facilitate and encourage the different opinions for the profits of the shareholders and stakeholders, also allow management team to present important information for particular agenda.
- (4) The company secretary has duty to prepare minutes of the meeting and distributed within 14 days and shall store the meeting documents and related supporting documents, and coordinate with related stakeholders.
- (5) The company has defined Non-Executive Directors meeting without any party holding the meeting.
- (6) In the Board of Director's meeting, minimum quorum must be attending while the Board of Director is going to vote in the meeting that requires minimum two-third of the Board of Director from overall.

4. Recruitment and Selection of a person who will be appointed to be a Director as well as an Independent Director.

4.1 Criteria for Selecting Director

For the purpose of recruitment also nomination of the board of the Director as criterias, having transparency as well as along with the principles of good Corporate Governance, the Board of Director has appointed Nomination and Remuneration Committee to considering and recruiting in case of a vacancy of the Board of Director position occurs or the committee ends of term limit to propose The Board of Director and/or shareholder meeting to consider also approve which is the Board of Director's appointment procedure. The considering selection of a person to propose in the Board of Director position has been defined criterias as;

- (1) The committee, whom needed recruit, should own various qualifications along with Education, skill Career, Specialization which operation strategy of the company without discrimination in gender, age also race.
- (2) Possess leadership, vision, morality and ethics also transparently career background.

- (3) Possess qualification and doesn't have any characteristic which is prohibited by legal and regulation of the company.
- (4) In case of former committee is proposed to occupy a position, a person will be taken in to account further in performance as the Board of Director as well as a Sub-committee after all this time.
- (5) In case of Independent Director recruitment, a person must be qualify as criterion of Capital Market Commission.

4.2 A committee Recruitment Process

- (1) A nominating Committee is responsible for recruiting the best qualified expert for the Board of Director by proposing in the Board of Director meeting to consider before proposing to the Annual General meeting of shareholder with majority vote from shareholders in the meeting as well as vote.
- (2) A Nominating Committee will analyze expertise, experience, knowledge also specialization of the committee in order to be an information which will be taken into recruiting committee consideration conform to business operations strategy of the company.

Furthermore in Recruitment as well as Selection of the new committee the Nominating Committee will considerate in knowledge, capability, experience which will be beneficial for committee's performance and necessity for composition structure which still be missing of the committee as an additional consideration.

- (3) whenever new committee is appointed, Company Secretary will arrange new committee orientation by preparing information as well as introduce process in business operation of the company which relate to new committee performance.

5. Remuneration of the Committee

The company has a policy which deciding the pay for committees as well as directors in the level of motivation and maintain quality of the committee. The remuneration will be in a comparative level as identical corporate group also combine with the company performance by submit to company's committee and/or shareholder's meeting Likewise, the remuneration of the Chief Executive has been defined appropriately with authorities as principles and policies which have been specified by the committee for the very second productively of the company. The level of remuneration including salaries, raising salaries, bonuses as well as other gratuities must be conform to company's accomplishment also each Board of Director's operation.

6. The Development of Committee and Board of Director

The company has policy to support knowledge improving consecutively as well as facilitating training in Corporate Governance System for related persons for instance the Board of Directors, Audit Committee, Executive Committee, Executives also Company Secretaries in order to progressively improving operations. The training will train within company or using outside institute service to acquire knowledge to serve as Committee as well as good Corporate Governance and create community of the committee for knowledge exchange and so on.

In addition every new committee appointment, the Company Secretary will arrange new committee orientation by preparing information also introduce process in business operation of the company which relate to new committee performance.

In the year of 2019, the Committee as well as the Chief Executive had been obtained developing and training as follows;

Name of the Committee	Training Courses Attended
Mr. Chanon Chotevijit	Thailand Insurance Leadership Program (TIL Class 9) which arrange by Office of Insurance Commission at London, United Kingdom
Mr. Seksan Rangsiyeranon	Budgeting for Executives Program Class 6 by Budget Bureau
Mr. Suksan Yasasin	<ul style="list-style-type: none"> - Advanced Certificate Courses in Politics and Governance in Democratic Systems for Executives Class 23 by King Prajadhipok's Institute - Chief Transformation Office Program (CTO) by MAI Listed Company Association. - Making The CEOs of Thailand Program by MCOT Public Company Limited
Mr. Kittit Tunsiwong	Top Executives Program Class by 28 by Capital Market Academy.

7. Succession Plan

The Nomination and Remuneration Committee has defined a recruitment plan to replace a Chief Executive Officer position in accompany with nominate a proper person to the committee for succession constantly.

The person will be considered when the position vacancies occur as follows;

(1) Chief Executive Officer

By the time that the Chief Executive Officer position vacancy occurs or the person, who in charge of the position, unable to perform the duty, the company has specified the executive, in an adjacent position, or Deputy Chief Executive Officer as Acting Chief Executive Officer until recruitment and selection for qualified person as company's criterias in order to propose to company's committee to consider and approve the appointment.

(2) Executives

When executive from managing director upward vacant, or a person who hold a position unable to perform a duty, the company will propose a successor who was selected by considering potential assessment also contribution in order to offer to the Board of Directors to consider and approve the appointment.

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, appoint and lay off the independent auditor to review the reliability of financial report. Also, responsible for the review of the compensation of the auditor by taking into account of the creditability, resources, quantity of the work, experience of the assigned auditor. Further, shall participate with the auditor in the meeting without the Company's management at least once a year.

- (5) Shall provide opinion on the connected transactions and/or the acquisition or disposition of company or its subsidiaries' asset and shall disclose the accurate and completed company's connected transactions and any conflict of interest transactions. Approve those agenda and present to the Board of Director and/or shareholder's meeting under the assumptions in accordance to related laws and undergo for the best benefits of the company.
- (6) Prepare the audit committee report and disclose the said report, signed by the Audit Committee Chairman, in the annual report. The audit committee's report should contain at least the following information:
 - a) Opinion on the accuracy, adequacy and reliability of the company's financial report
 - b) Opinion on the company's internal control system
 - c) Opinion on the company's compliance with the Securities and Exchange Act, the SET regulations, and the relevant laws relating to the Company's business
 - d) Opinion on the appropriation of the external auditor
 - e) Opinion on transactions that may cause conflict of interests
 - f) The frequency of Audit Committee meetings and the participation of each member
 - g) Opinion or raise any points on which the audit committee obtains from the duties according to the charter
 - h) Other reports which shareholders and general investors should know under the scope of duties and responsibilities assigned by the Board of Directors
- (7) The audit committee shall responsible for any duties assigned by the Board of Directors and reports such matters on those assigned duties to the Board of Director in timely manner:
 - a) Conflicts of Interest
 - b) Fraud or irregularity or a significant deficiency in the internal control system
 - c) Infringement of the Office of the Securities and Exchange Commission act and/or the Stock Exchange of Thailand Regulations, or relevant laws related to the company business.
 - d) Other reports which the Board of Directors shall know

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

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

5.2.2 Nomination and Remuneration Committee

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 6-8 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

5.2.6 Chairman of the committee and Chief Executive Officer

The Board of Director has defined authorities and responsibilities of the Chairman also Chief Executive Officer distinctly in order to be operation processes of the Chairman and Chief Executive Officer as follows

Authorities and Responsibilities of the Chairman

- (1) To regulate, pursue and supervise the operation of both the Board of Director and the Sub Committee.
- (2) To summon a meeting of the Board of Director or assign a representative to proceed instead.
- (3) To be a Chairman in the Board of Director's meeting. In case of equal votes, the Chairman will vote as being casting vote.
- (4) To be a Chairman in the Shareholders meeting, regulate a meeting as the company's regulations also conduct the meeting as respectively agendas which were defined in an invitation to a meeting.
- (5) Other operations which were assigned by the Board of Director.

Authorities and Responsibilities of the Chief Executive Officer

- (1) To administrate company business according to policies, objectives, regulations of the company, Shareholders' meeting resolution, the Board of Directors meeting resolution, Executive Directors meeting resolution along with related regulations.
- (2) To command or proceed in order to achieve operating as (1). In case of significantly matter, should be reported to the Board of Directors meeting also/or Executive Directors meeting.
- (3) To considerate and approve positioning, appointment, transferring, impeachment along with considering credits, disciplinary measures including compensation also welfare of the employee. In order that any operation must not oppose with Executive Directors' Authority.
- (4) To regulate regarding to company's operation without opposing to the policy, regulation, rule also any resolution of the Shareholders' meeting, Board of Directors' meeting and/or Executive Directors' meeting.
- (5) To authorize and/or assign others to perform specific duty instead.
- (6) To reinforce also develop business operation of the company with ethics, obeying the law, moral and good culture based on good governance.
- (7) To apply the authorities above of the Chief Executive Officer (Managing Director) will be unable to apply in case of the Chief Executive Officer has a stake or conflict of any interest with the company.
- (8) Supposing that any indistinctness in applying the authorities, above as prescribed, should be submitted to the Board of Directors' consideration.
- (9) Any operation as the Board of Directors and/or Executive Directors have assigned.

5.3 Board of Directors of the Subsidiaries

5.3.1 Asset Management Committee

As of the 31st December 2019, the asset management committee consists of 6 directors as follows:

No.	Name	Position
1.	Mr. Suksan Yasasin	Chairman of Asset Management Committee
2.	Mr. Boonchai 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

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 its subsidiaries, or the competitors or having conflicts of interest against the company.
9. Shall not disclose any confidential information, news or technology to the public.
10. Shall not operate or invest in any activities competing with the company or perform any conflict of interest activities.
11. Shall not vote for any agenda if foreseen any conflicts of interest.
12. Shall maintain and create the harmony and unity among the employees for collaborative working and effective problems solving as teamwork.
13. Shall be responsible and secure a good working environment.
14. Coordinate and act upon the good corporate governance of the company.

15. Not perform other duties, in the case where necessary, the below activities should not be 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

Insider Trading Management

The company has policies also supervise both committees and executives in regard to conduct the insider trading of the company and subsidiaries which still be concealed from the public, in order to exploitation in accordance with Securities and Exchange Commission Principles as follows;

1. Enlightened the director also the executive relate to reporting of one's own securities holding ; their spouses and underage children including the report stating acquisition or distribution of one's own securities, their spouses and underage children to the Securities and Exchange Commission.
2. Directors also Executives of the company and subsidiaries comprise of their spouses and underage children to provide also disclose reports of acquiring securities also reports of company securities transaction to the Securities and Exchange Commission. Meanwhile, send the duplicate of report to the company in the same day of sending report to the Securities and Exchange Commission office.
3. Directors Executives, Employees also Workers of the company and subsidiaries who acknowledged the substantive insider trading of the company and subsidiaries which will affect company's securities price adjust, must refrain from securities transaction of the company before 1 month of the public dissemination of the financial statements. While after 24 hours of insider trading disclosure to the public, the insider trading confederate must not disclose that information to others until that information will be informed to the Securities and Exchange Commission.
4. Directors, Executives, Employees and Workers of the company and subsidiaries are forbidden to apply any insider trading of the company and subsidiaries which might affect company's securities price adjust, which conceal from public, which perceive by position or status, in order to securities transaction or bidding or offering including induce others in bidding or offering both shares and securities (if any) of the company both direct and indirect, or probably damage the company both direct and indirect. Whether any action has an advantage to oneself or others, or divulges the matters of fact in order to have anyone perform instead with personal compensation.



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 and Effective Environmental Resources Utilization**

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. By means of the company has defined both policies and regulations as follows

1. Every Board of Directors also employees must take part in protecting the environment and improving company's workplace environment for instance; the company holds Big Cleaning Day Activity, allow the employees to clean office desks also sort out the equipment which unprofitable to a workplace, environment and employees' sanitation.
2. Every Board of Directors also employees must reduce garbage and wastes along with recycle discarded products and materials which still be salutary.
3. Every Board of Directors must conserve as well as energy efficiency use. The company has defined procedure in saving electricity and water energy by using economical also efficient for instance switch off the lights, turn off the air conditioners as well as switch off the electrical appliances as a campaign duly. Furthermore, electrical appliances selection with energy saving quality particularly light bulbs, air conditioners and electrical appliances indoor.
4. The company has disseminated policies as well as enlightened to the Board of Directors and Employees by means of efficiently resources usage declaration to all employees through bulletin boards in accompany with stimulating also assisting employees' cooperation conscientiously

- **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 encourage 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 2019, 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.	1/02/2019	Business Administration Program in Information System, Rajamangala University of Technology Tawan-Ok : Chakrabongse Bhuvanarth Campus.	Seminar and Business Skills Competition	Due to the company has been invited to support charitable activities in the seminar and business skills competition.	10,000
2.	13/07/2019	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
3.	20/09/2019	Dhupateme Royal Thai Air Force Sports Stadium	Supporting the Thai boxing competition	Due to the company was invited to be support the activities of the Royal Thai Air Force Academy and Boxing stadium of the Royal Thai Air Force for youth, citizens and civil servants.	15,000

Corporate Social Responsibility: CSR					
No.	Date	Location	Project Name	Project Details	Amount (Baht)
4.	24/09/2019	Dum Yai Temple, Udonthani	Almshouse	Arise from the company was invited to be the guest of honor in merit ceremony at almshouse arranged yearly by Dum Yai Temple as a host. Moreover, a lot of faithful people had attended into this ceremony.	5,000
5.	24/09/2019	Ban Nong Yang Temple, Amnat	Almshouse	The company was invited to be the chairman of the alms-making ceremony for the pauper, with the Ban Nong Yang Temple who are hosting a merit event held often annually and there are also many people who had faith to attend such a merit event as well.	5,000
6.	5/10/2019	Wat Anong Kha Ram Temple, Amnat Charoen	Almshouse	The company was invited to be the guest of honor in merit ceremony at almshouse arranged yearly by Wat Anong Kha Ram Temple as a host. Moreover, a lot of faithful people had attended into this ceremony.	5,000
7.	9/10/2019	Ban Hin Dad School, Nakhon Ratchasima	Building Renovation	Due to receiving donation support documents to improve the building and to promote the atmosphere in teaching and learning.	30,000
8.	1/11/2019	Wat Pa Udom Sap Temple, Srisaket	Kathin Ceremony	Due to the company was invited to co-host Kathin Ceremony with Siam Commercial Bank PCL (SCB) to purchase land for the temple.	10,000
9.	18/12/2019	Ramathibodi Hospital	Establishment of SME D Bank step up to the 18th year	Due to the company was invited to donate to Ramathibodi Hospital for Establishment of SME D Bank step up to the 18th year that organized by Small and Medium Enterprise Development Bank of Thailand.	2,000

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.

- **Operation 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.

- **Operation 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**

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 02-004-5565, 086-819-3333
- (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

For year ended the 31st December 2019, 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 (Baht)	Necessities/Remarks
1	Chayo Group Public Company Limited	Chayo Asset Management 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.	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.
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.

No.	Company	Related Parties	Transaction Type	Pricing Method	Amount in 12 months (Baht)	Necessities/Remarks
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.	1,715,507	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.	26,788,280	Refer to company's interest rate
7	Chayo Asset Management Company Limited	Chayo Group Public Company Limited	Commission Payables	Market price with the same rate as payable to external company	4,940,331	Same rate as payable to the external company.
8	Chayo Asset Management Company Limited	Chayo Property and Service Company Limited	Commission Payables	Market price with the same rate as payable to external company	2,913,522	Same rate as payable to the external company.
9	Chayo Asset Management Company Limited	Mr. Suksan Yasasin	Building Rental Payable (Document Storage)	Market Price	168,000	The company signed the building rental agreement with the concerned party for the document storage.

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 2019 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 4 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 2019 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

Business Management Overview

The company has categorized 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 73 - 82% 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 2019, the company has owned debts before deducting secured in the quantity of 50,427 million baht also debts after deducting secured in the amount of 36,239 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 ^{1/}	Incremental Cost	Transfer into property foreclosed	Transfer into property foreclosed	Impairment Allowance	Termination Cost
2011	0.12	649	-	-	4.32	(0.19)	-	-	4.13
2012	3.80	4,313	4.13	-	22.69	(7.74)	-	-	19.08
2013	6.71	4,273	19.08	-	-	(10.65)	-	-	8.43
2014	47.94	174,175	8.43	(4.74)	100.35	(4.70)	-	-	99.34
2015	142.49	234,537	99.34	9.93	118.51	(27.80)	-	(0.30)	199.68
2016	199.74	227,457	199.68	8.77	-	(48.11)	-	0.30	160.64
2017	222.32	220,613	160.64	-	181.50	(60.22)	-	(0.15)	281.77
2018	252.68	299,187	281.77	-	374.96	(39.80)	(13.63)	(9.16)	594.14
2019	267.43	293,000	594.14	-	643.97	(35.56)	(80.60)	-	1,121.95

Remark : ^{1/} Adjusted Entry come 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 2017 - 2019

Key Financial Performance	Financial Statement					
	31 st December 2017	%	31 st December 2018	%	31 st December 2019	%
Revenue from Debt Tracking and Collection Service	37,708,398	18.3%	41,443,050	16.2%	61,372,965	20.8%
Revenue from Non-Performing Loans Lending	162,007,156	78.7%	212,873,389	83.3%	231,867,085	78.6%
Revenue from Loan	-	0.0%	-	0.0%	1,777,522	0.6%
Revenue from the Customer Service Center	6,266,280	3.0%	1,330,719	0.5%	-	0.0%
Gross Revenue	205,981,834	100.0%	255,647,158	100.0%	295,017,572	100.0%
Service Cost	(73,238,394)	-35.6%	(91,701,406)	-35.9%	(105,016,456)	-35.6%
Gross Profit	132,743,440	64.4%	163,945,752	64.1%	190,001,116	64.4%
Other Revenues	576,430	0.3%	2,225,853	0.9%	3,202,090	1.1%
Profit from on sale of Assets	-	0.0%	6,734,019	2.6%	19,691,118	6.7%
Administrative Expenses	(45,272,624)	-22.0%	(60,755,407)	-23.8%	(63,768,938)	-21.6%
Financial Costs	(1,254,801)	-0.6%	(2,868,480)	-1.1%	(9,118,056)	-3.1%
Pre-tax Profits	86,792,445	42.1%	109,281,737	42.7%	140,007,330	47.5%
(Expenses) Tax revenues	(28,552,054)	-13.9%	(23,846,648)	-9.3%	(28,960,508)	-9.8%
Net Profit for the year	58,240,391	28.3%	85,435,089	33.4%	111,046,822	37.6%

Overall Operation Analysis

Revenue

The Gross Revenue from overall operation of the company for the year 2017, 2018 and 2019 in total are 205.98 million baht, 255.65 million baht and 295.02 million baht which increasing from year 2018 zcomparing to 2017 approximately 49.67 million baht from Revenue from Non-Performing Loans Lending and Revenue from Debt Tracking and Collection Service. Meanwhile the increasing of year 2019 comparing to year 2018 approximately 39.37 million baht which come from Revenue from Non-Performing Loans Lending, Revenue from Debt Tracking and Collection Service and Revenue from Loan.

- **Income from Loans to Non-performing Assets**

The increment in income for the year 2019 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 14.75 million. In addition this year the amortization of cost was lower than last year around Baht 4.25 million. The following are the details.

	For the year end on the					
	31 st December 2017		31 st December 2018		31 st December 2019	
	Million baht	%	Million baht	%	Million baht	%
Cash Collection and income from selling collateral	222.32	100.00	252.68	100.00	267.43	100.00
Amortization of Cost	(60.31)	(27.13)	(39.81)	(15.76)	(35.56)	(13.30)
Revenue recognition or income from loans to non-performing assets	162.01	72.87	212.87	84.24	231.87	86.70

- **Services Income from Debt Collection Service**

In the year 2019, the Company had services income of Baht 61.37 million which increased from last year Baht 19.93 million (or increased around 48.09%). The reasons for the increment mainly arose from the increment of collection (that the company provided the increment of commission) as the result of the increment of the number of the employers and/or the Company has more customers.

- **Services Income from Call Center Services**

In the year 2018, the Company has no revenue from the customer service center

Cost of Rendering Services

The main costs of rendering services are salary, commissions and legal cost. In the year 2019, the Company had a total cost of rendering services around Baht 105.02 million which increased from last year around Baht 13.32 million. The reasons for the increment mainly arose from the incremental of legal cost, commission expense and salary and employee benefits that the same of the increment in income revenue.

Gross Profit

In the year 2019, the Company had gross profit almost the same or around 64.4%. The gross profit for the year 2019 increased from last year around Baht 26.06 million. The main reason for the increment mainly arose from Non-Performing Loans as well as services income from Debt Collection Service including the reduction of Non- Performing Loans amortization.

Other Income

Other Income of the year 2019 was around 3.2 Million Baht, which increased from last year around 0.98 Million Baht. The increasing of other income mostly arose from receiving rental of properties investing as well as income from transfer fees and taxes which buyers substitute pay for company.

Gains on disposal of foreclosed assets

In the year 2019, the company recorded gains on disposal of foreclosed assets in the total amount of 19.69 Million Baht which caused by selling the auctioning assets as the Non-Performing Loans, from Legal Execution Department, to be the Non-Per forming Assets (NPA). Therefore, the company had sold them out in 2019.

Administrative Expenses

The Administrative Expenses of the company comprise of salaries, welfares and bonuses of the employees also executives, audit fees also business consulting fees in 2019. The company had more Administrative Expenses in total amount of 3.01 Million Baht when comparing to last year. The reason of increasing Administrative Expenses mostly comprise of salaries and employees benefit, transfer fees as well as business taxes which occur from selling Non-Performing Assets

Finance Cost

Finance cost for the year 2019 increased around Baht 6.25 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 Expenses for the year 2019 was 111.05 Million Baht which increased from last year around 25.61 Million Baht. The main reason mostly from net profit increasing which derive from the increasing of interest incomes, debt collection service incomes also selling non-performing asset profits.

Net Profit

The net profit for the year 2019 of the company was 28.96 Millon Baht or around 20.69% of pre-fax Profits which increased from last year around 5.11 Millon Baht. The main reason mostly from pre-tex profits increasing.

Financial Position Analysis

	Consolidated financial statements					
	31 st December 2019	%	31 st December 2018	%	31 st December 2017	%
Assets						
Current assets						
Current assets Cash and cash equivalents	359,722,837	19.7%	148,507,511	17.9%	57,731,492	13.9%
Restricted deposits at financial institutions						
- current	500,000	0.0%	200,000	0.0%	1,163,331	0.3%
Short-term investments	101,014,088	5.5%	467,563	0.1%	1,234,097	0.3%
Trade and other receivables	35,374,048	1.9%	8,349,813	1.0%	7,036,461	1.7%
Short-term loans to related parties	-	0.0%	-	0.0%	-	0.0%
Deposit for purchasing loans to non-performing assets	18,427,435	1.0%	6,193,027	0.8%	-	0.0%
Loan receivables, net	41,848,452	2.3%	-	0.0%	-	0.0%
Other current assets	2,684,982	0.2%	2,649,446	0.3%	2,197,180	0.5%
Total current assets	559,571,842	30.7%	166,367,360	20.1%	69,362,561	16.7%

	Consolidated financial statements					
	31 st December 2019	%	31 st December 2018	%	31 st December 2017	%
Non-Current assets						
Restricted deposits at financial institutions						
- non-current	9,393,452	0.5%	2,240,189	0.3%	1,745,300	0.4%
Loans to non-performing assets, net	1,121,950,279	61.5%	594,140,479	71.7%	281,773,990	67.8%
Investments in subsidiaries	-	0.0%	-	0.0%	-	0.0%
Investment properties, net	8,342,663	0.5%	8,823,372	1.1%	9,095,652	2.2%
Foreclosed assets, net	75,222,062	4.1%	5,243,418	0.6%	-	0.0%
Property, plant and equipment, net	30,947,649	1.7%	33,761,650	4.1%	38,118,167	9.2%
Intangible assets, net	2,679,797	0.2%	2,040,483	0.3%	1,736,993	0.4%
Deferred tax assets	14,355,830	0.8%	14,474,580	1.8%	12,756,803	3.1%
Other non-current assets	2,357,595	0.1%	1,728,595	0.2%	891,194	0.2%
Total non-current assets	1,265,249,327	69.3%	662,452,766	79.9%	346,118,099	83.3%
Total assets	1,824,821,169	100.0%	828,820,126	100.0%	415,480,660	100.0%

Total Assets

As at 31 December 2019, the Company had total assets of Baht 1,824.82 million. The total assets of the Company increased from last year around Baht 996.00 million. The following are the main reasons for the increment;

- The increment of cash and cash equivalents of Baht 211.22 million from the capital, the collection and the profit from operation.
- The increment of short-term investments in the amount of approximately 100.55 million baht, mainly due to excess cash management waiting to pay for creditors and / or waiting for investment.
- The increment of loans to non-performing assets of Baht 527.81 million (This is because the subsidiary of the Company won the Auction continuously).
- The increment of Foreclosed assets of Baht 69.98 million.

Consolidated financial statements						
Liabilities and Equity	31 st December 2019	%	31 st December 2018	%	31 st December 2017	%
Current liabilities						
Trade and other payables	225,066,171	12.3%	15,329,480	1.9%	12,437,922	3.0%
Bills of exchange	119,635,068	6.6%	-	0.0%	-	0.0%
Current portion of long-term borrowings from a financial institution	24,413,774	1.3%	14,330,248	1.7%	20,276,513	4.9%
Income tax payable	10,934,768	0.6%	10,121,529	1.2%	12,291,941	3.0%
Current portion of liabilities under hire purchase agreements	1,061,806	0.1%	938,668	0.1%	594,535	0.1%
Other current liabilities	6,330,973	0.3%	3,674,927	0.4%	1,953,553	0.5%
Total current liabilities	387,442,560	21.2%	44,394,852	5.4%	47,554,464	11.4%
Non-current liabilities						
Long-term borrowings from a financial institution	32,371,220	1.8%	17,101,392	2.1%	30,604,479	7.4%
Debentures	398,954,785	21.9%	-	0.0%	-	0.0%
Employee benefit obligations	3,733,082	0.2%	2,705,558	0.3%	2,585,321	0.6%
Liabilities under hire purchase agreements, net	278,936	0.0%	1,362,934	0.2%	1,516,563	0.4%
Other non-current liabilities	90,000	0.0%	-	0.0%	-	0.0%
Total non-current liabilities	435,428,023	23.9%	21,169,884	2.6%	34,706,363	8.4%
Total liabilities	822,870,583	45.1%	65,564,736	7.9%	82,260,827	19.8%
Equity						
Authorized share capital	314,999,986	17.3%	280,000,000	33.8%	210,000,000	50.5%
Share premium, net	454,166,376	24.9%	320,966,376	38.7%	-	0.0%
Discount from business combinations under common control	(9,678,120)	-0.5%	(9,678,120)	-1.2%	(9,678,120)	-2.3%
Legal reserve	8,636,100	0.5%	7,262,746	0.9%	300,000	0.1%
Unappropriated	219,116,361	12.0%	149,728,719	18.1%	132,622,696	31.9%
Other component of equity	114,798	0.0%	-	0.0%	(24,743)	0.0%
Equity attributable to owners of the parent	987,355,501	54.1%	748,279,721	90.3%	333,219,833	80.2%
Non-controlling interests	14,595,085	0.8%	14,975,669	1.8%	-	0.0%
Total equity	1,001,950,586	54.9%	763,255,390	92.1%	333,219,833	80.2%
Total liabilities and equity	1,824,821,169	100.0%	828,820,126	100.0%	415,480,660	100.0%

Total Liabilities

The total liability of the Company as at 31 December 2019 was around Baht 822.87 million. The total liability was increased from last year around Baht 757.31 million. The following are the main reasons for the increment;

- The increment of Trade and other trade of Baht 209.74 million.
- The increment from a financial institution, Bills of exchange and Debentures of Baht 518.59 million.
- The increment of borrowings from a financial institution of Baht 25.35 million.

Total Shareholders' Equities

The total shareholders' equity of the Company as at 31 December 2019 was at Baht 1,001.95 million. The total shareholder's equity was increased from last year around Baht 238.69 million. The following are the main reasons for the increment;

- The increment of cash from PP of March 2019 around Baht 153.20 million.
- The increment of net profit of Baht 111.54 million.
- The reducing of Dividend payment by cash around Baht 24.00 million

Liquidity Analysis

	2017	2018	2019
Operating Activities (Decrease)	(59,564,936)	(231,613,822)	(349,203,156)
Investing Activities (Decrease)	(12,711,501)	1,572,996	(110,622,563)
Financing Activities (Increase)	50,289,144	323,962,837	671,041,045
Net Cash Flow (Increase/Decrease)	(21,987,293)	90,776,019	211,215,326

Net Cash Flow of 2019 is increasing from 2018 in the amount of 211.22 million baht. Due to the company has done fund raising, in both of capital increase on PP and loan procurement which affects more cash in the Financial Activities. The company has paid both cash in Non-Performing Loan Portfolios which is the cause of decreasing in Operating Activities by 349.20 million baht. For Investing Activities, this year, the company manages cash by investing in short-term investments of 100 million baht. As a result, cash from investing activities decreases by 110.62 million baht.

Sources of Fund

As at the 31st December 2019, the company's source of fund is from selling PP stocks in the amount of 153.20 million baht, Bills of exchange of 120 million baht, Debentures of 405 million baht and Long-term borrowings from a financial institution of 90 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 and other cost of 4,500,000 baht and 3,500,000 baht in 2018 also 2019, respectively.



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 2019, 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 2019;
- 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	How my audit addressed the key audit matter
<p>Interest income from non-performing assets</p> <p>Referring to Note 2.22 to the financial statements for Accounting policies–Revenue recognition, Interest income from loans on non-performing assets contributed 72.93% 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.</p> <p>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.</p>	<p>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.</p> <p>I understood the process of estimating cash flows and the effective interest rate at the initial date</p> <p>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.</p> <p>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.</p> <p>From the above procedures, I found no material errors.</p>

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 2020

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	7	359,722,837	148,507,511	271,906,318	51,108,966
Restricted deposits at financial institutions					
- current	8	500,000	200,000	500,000	200,000
Short-term investments	9	101,014,088	467,563	100,749,211	256,296
Trade and other receivables	10	35,374,048	8,349,813	34,596,089	28,047,788
Short-term loans to related parties	32.5	-	-	688,200,100	346,200,100
Deposit for purchasing loans to non-performing assets	11	18,427,435	6,193,027	-	-
Loan receivables, net	12	41,848,452	-	-	-
Other current assets		2,684,982	2,649,446	2,318,570	2,282,506
Total current assets		559,571,842	166,367,360	1,098,270,288	428,095,656
Non-current assets					
Restricted deposits at financial institutions					
- non-current	8	9,393,452	2,240,189	2,296,268	1,926,732
Loans to non-performing assets, net	13	1,121,950,279	594,140,479	-	-
Investments in subsidiaries	14	-	-	222,999,990	207,999,990
Investment properties, net	15	8,342,663	8,823,372	9,619,976	10,062,631
Foreclosed assets, net	16	75,222,062	5,243,418	-	-
Property, plant and equipment, net	17	30,947,649	33,761,650	16,660,195	17,342,132
Intangible assets, net	18	2,679,797	2,040,483	1,113,569	1,641,046
Deferred tax assets	19	14,355,830	14,474,580	686,107	512,181
Other non-current assets		2,357,595	1,728,595	2,236,595	1,586,595
Total non-current assets		1,265,249,327	662,452,766	255,612,700	241,071,307
Total assets		1,824,821,169	828,820,126	1,353,882,988	669,166,963

The note to financial statements on pages 13 to 58 are an integral part of these consolidated and separate financial statements.

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	20	225,066,171	15,329,480	14,617,963	7,333,750
Current portion of liabilities under hire purchase agreements		1,061,806	938,668	-	-
Current portion of long-term borrowings from a financial institution	21	24,413,774	14,330,248	-	-
Bills of exchange	21	119,635,068	-	119,635,068	-
Income tax payable		10,934,768	10,121,529	932,308	-
Other current liabilities		6,330,973	3,674,927	2,959,096	1,266,490
Total current liabilities		387,442,560	44,394,852	138,144,435	8,600,240
Non-current liabilities					
Liabilities under hire purchase agreements, net		278,936	1,362,934	-	-
Long-term borrowings from a financial institution	21	32,371,220	17,101,392	-	-
Debentures	21	398,954,785	-	398,954,785	-
Employee benefit obligations	22	3,733,082	2,705,558	3,666,326	2,574,737
Other non-current liabilities		90,000	-	214,000	204,000
Total non-current liabilities		435,428,023	21,169,884	402,835,111	2,778,737
Total liabilities		822,870,583	65,564,736	540,979,546	11,378,977

The note to financial statements on pages 13 to 58 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 2019

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	23				
Authorised share capital					
630,000,000 ordinary shares at					
a par value of Baht 0.50 each		315,000,000		315,000,000	
(2018: 560,000,000 ordinary shares at					
a par value of Baht 0.50 each)			280,000,000		280,000,000
Issued and paid-up share capital					
629,999,971 ordinary shares at					
paid-up, Baht 0.50 each		314,999,986		314,999,986	
(2018: 560,000,000 ordinary shares at					
paid-up, Baht 0.50 each)			280,000,000		280,000,000
Share premium, net		454,166,376	320,966,376	454,166,376	320,966,376
Discount from business combinations					
under common control		(9,678,120)	(9,678,120)	-	-
Retained earnings					
Appropriated					
Legal reserve	24	8,636,100	7,262,746	8,636,100	7,262,746
Unappropriated		219,116,361	149,728,719	34,986,182	49,558,864
Other component of equity		114,798	-	114,798	-
Equity attributable to owners of the parent		987,355,501	748,279,721	812,903,442	657,787,986
Non-controlling interests		14,595,085	14,975,669	-	-
Total equity		1,001,950,586	763,255,390	812,903,442	657,787,986
Total liabilities and equity		1,824,821,169	828,820,126	1,353,882,988	669,166,963

The note to financial statements on pages 13 to 58 are an integral part of these consolidated and separate financial statements.

Chayo Group Public Company Limited
Statements of Comprehensive Income
For the year ended 31 December 2019

	Notes	Consolidated financial statements		Separate financial statements	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	26	233,644,607	212,873,389	89,252	13,271
Services income from debt collection service	32.1	61,372,965	41,443,050	48,913,835	35,721,407
Service income from call center services		-	1,330,719	-	-
Costs of rendering services and managing non-performing assets	28, 32.2	(105,016,456)	(91,701,406)	(22,668,651)	(19,361,131)
Gross profit		190,001,116	163,945,752	26,334,436	16,373,547
Other income	27, 32.3	3,202,090	2,225,853	58,074,225	111,685,959
Gains on disposal of foreclosed assets		19,691,118	6,734,019	-	-
Administrative expenses	28	(63,768,938)	(60,755,407)	(43,090,863)	(38,069,964)
Finance costs	29	(9,118,056)	(2,868,480)	(7,151,667)	-
Profit before income tax		140,007,330	109,281,737	34,166,131	89,989,542
Income tax expense	30	(28,960,508)	(23,846,648)	(6,699,049)	(1,465,950)
Net profit for the year		111,046,822	85,435,089	27,467,082	88,523,592
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of post-employment benefit obligations	22	-	260,416	-	260,416
Income tax relating to items that will not be reclassified subsequently to profit or loss	19	-	(52,083)	-	(52,083)
Total items that will not be reclassified subsequently to profit or loss		-	208,333	-	208,333
Items that will be reclassified subsequently to profit or loss					
Change in value of available-for-sale investments	9	143,497	30,929	143,497	(3,875)
Income tax relating to items that will be reclassified subsequently to profit or loss	19	(28,699)	(6,186)	(28,699)	775
Total items that will be reclassified subsequently to profit or loss		114,798	24,743	114,798	(3,100)
Other comprehensive expense for the year, net of tax		114,798	233,076	114,798	205,233
Total comprehensive income for the year		111,161,620	85,668,165	27,581,880	88,728,825
Profit attributable to:					
Owners of the parent		111,427,406	85,459,430	27,467,082	88,523,592
Non-controlling interests		(380,584)	(24,341)	-	-
		111,046,822	85,435,089	27,467,082	88,523,592
Total comprehensive income attributable to:					
Owners of the parent		111,542,204	85,692,506	27,581,880	88,728,825
Non-controlling interests		(380,584)	(24,341)	-	-
		111,161,620	85,668,165	27,581,880	88,728,825
Earnings per share	31				
Weighted-average ordinary shares (shares)		620,104,081	558,599,975	620,104,081	558,599,975
Basic earnings per share		0.1797	0.1530	0.0443	0.1585

The note to financial statements on pages 13 to 58 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	
				Appropriated - legal reserve	Unappropriated	Available-for-sale investments					
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 January 2019	280,000,000	320,966,376	(9,678,120)	7,262,746	149,728,719	-	-	748,279,721	14,975,669	763,255,390	
Changes in equity for the year											
23 Issuance of ordinary shares	20,000,000	133,200,000	-	-	-	-	-	153,200,000	-	153,200,000	
24 Legal reserve	-	-	-	1,373,354	(1,373,354)	-	-	-	-	-	
25 Stock dividend	14,999,986	-	-	-	(14,999,986)	-	-	-	-	-	
25 Dividend	-	-	-	-	(25,666,424)	-	-	(25,666,424)	-	(25,666,424)	
Total comprehensive income for the year	-	-	-	-	111,427,406	114,798	114,798	111,542,204	(380,584)	111,161,620	
Closing balance as at 31 December 2019	314,999,986	454,166,376	(9,678,120)	8,636,100	219,116,361	114,798	114,798	987,355,501	14,595,085	1,001,950,586	
Opening balance as at 1 January 2018	210,000,000	-	(9,678,120)	300,000	132,622,696	(24,743)	(24,743)	333,219,833	-	333,219,833	
Changes in equity for the year											
23 Issuance of ordinary shares	70,000,000	320,966,376	-	-	-	-	-	390,966,376	-	390,966,376	
Subsidiary establishment during the year	-	-	-	-	-	-	-	-	15,000,010	15,000,010	
Legal reserve	-	-	-	6,962,746	(6,962,746)	-	-	-	-	-	
Dividend	-	-	-	-	(61,598,994)	-	-	(61,598,994)	-	(61,598,994)	
Total comprehensive income for the year	-	-	-	-	85,667,763	24,743	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	

The note to financial statements on pages 13 to 58 are an integral part of these consolidated and separate financial statements.

Separate financial statements									
	Notes	Issued and paid-up share capital		Share premium, net	Retained earnings		Other component of equity		Total equity
		Baht	Baht		Appropriated - legal reserve	Unappropriated	Available-for-sale investments	Baht	
Opening balance as at 1 January 2019		280,000,000	320,966,376		7,262,746	49,558,864	-		657,787,986
Changes in equity for the year									
Issuance of ordinary shares	23	20,000,000	133,200,000		-	-	-		153,200,000
Legal reserve	24	-	-		1,373,354	(1,373,354)	-		-
Stock dividend	25	14,999,986	-		-	(14,999,986)	-		-
Dividend	25	-	-		-	(25,666,424)	-		(25,666,424)
Total comprehensive income for the period		-	-		-	27,467,082	114,798		27,581,880
Closing balance as at 31 December 2019		314,999,986	454,166,376		8,636,100	34,986,182	114,798		812,903,442
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	23	70,000,000	320,966,376		-	-	-		390,966,376
Legal reserve		-	-		6,962,746	(6,962,746)	-		-
Dividend		-	-		-	(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

The note to financial statements on pages 13 to 58 are an integral part of these consolidated and separate financial statements.

	Notes	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		140,007,330	109,281,737	34,166,131	89,989,542
Adjustments:					
Depreciation and amortisation		5,501,661	5,195,878	2,683,250	2,555,920
Loss on impairment of assets		-	2,806,037	-	2,806,037
Allowance for impairment of loans to non-performing assets		-	9,162,391	-	-
Gains on disposal of property, plant and equipment		-	(106,510)	-	-
Loss on write-off of equipment		-	32,418	-	20,898
Gain on disposal of short-term investments		-	(16,171)	-	(4,436)
Gains on disposal of foreclosed assets		(19,691,118)	(6,734,019)	-	-
Dividend income	32.3	-	-	-	(72,196,997)
Interest income		(233,644,607)	(212,873,389)	(89,252)	(13,271)
Other interest income	27	(1,902,433)	(1,842,461)	(29,811,905)	(11,319,351)
Employee benefit expenses	22	1,175,553	380,653	1,091,589	301,129
Finance costs	29	9,118,056	2,868,480	7,151,667	-
Changes in working capital					
Trade and other receivables		(27,024,235)	(1,313,352)	11,506,475	(13,690,541)
Deposit for purchasing loans to non-performing assets		(12,234,408)	(6,193,027)	-	-
Loan receivables		(41,781,152)	-	-	-
Other current assets		(32,063)	(310,663)	(36,064)	(342,903)
Loans to non-performing assets		(407,706,707)	(335,163,064)	-	-
Foreclosed assets		30,309,681	15,124,785	-	-
Other non-current assets		(629,000)	(837,401)	(650,000)	(790,400)
Trade and other payables		4,303,726	3,023,065	2,628,377	190,826
Other current liabilities		989,365	1,721,374	25,925	271,536
Employee benefit obligations		(148,029)	-	-	-
Other non-current liabilities		90,000	-	10,000	-
Cash (used in) generated from operations		(553,298,380)	(415,793,239)	28,676,193	(2,222,011)
Other interest received		1,899,268	1,834,612	11,756,162	2,862,253
Interest received		233,577,307	212,873,389	89,252	13,271
Interest paid		(3,320,661)	(2,639,319)	(1,557,596)	-
Income tax paid		(28,060,690)	(27,889,265)	(5,969,366)	(1,524,118)
Net cash (used in) generated from operating activities		(349,203,156)	(231,613,822)	32,994,645	(870,605)

The note to financial statements on pages 13 to 58 are an integral part of these consolidated and separate financial statements.

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Cash flows from investing activities					
(Increase) Decrease in restricted deposits at financial institutions		(7,853,127)	468,442	(1,017,987)	471,667
Proceeds from disposals of short-term investments		-	776,036	-	263,273
Dividends received	32.3	-	-	-	72,196,997
Payments on short-term investments		(100,000,000)	-	(100,000,000)	-
Payments on short-term loans to related parties	32.5	-	-	(435,000,000)	(330,200,100)
Proceeds from short-term loans to related parties	32.5	-	-	93,000,000	5,000,000
Purchases of property, plant and equipment	17	(1,073,324)	(2,650,341)	(799,181)	(719,508)
Purchases of investment properties	15	(86,808)	(192,318)	-	-
Purchases of intangible assets	18	(1,609,304)	(1,030,890)	(232,000)	(830,890)
Payments on investments in subsidiaries		-	-	(15,000,000)	(38,999,990)
Proceeds from disposals of property, plant and equipment		-	1,056,075	-	-
Net cash used in from investing activities		(110,622,563)	(1,572,996)	(459,049,168)	(292,818,551)
Cash flow from financing activities					
Proceeds from long-term borrowings from financial institutions	21	69,177,980	39,789,980	-	-
Payments on long-term borrowings from financial institutions	21	(44,027,950)	(59,600,000)	-	-
Proceeds on bills of exchange	21	119,112,329	-	119,112,329	-
Proceeds on debentures	21	398,539,289	-	398,539,289	-
Payments on finance lease liability		(960,860)	(594,535)	-	-
Proceeds from issuance of ordinary shares	23	153,200,000	403,200,000	153,200,000	403,200,000
Payments of share issuance costs	23	-	(12,233,624)	-	(12,233,624)
Dividends paid to shareholders		(23,999,743)	(61,598,994)	(23,999,743)	(61,598,994)
Proceeds from issuance of ordinary shares of subsidiary		-	15,000,010	-	-
Net cash generated from financing activities		671,041,045	323,962,837	646,851,875	329,367,382
Net increase in cash and cash equivalents		211,215,326	90,776,019	220,797,352	35,678,226
Cash and cash equivalents at the beginning of the year		148,507,511	57,731,492	51,108,966	15,430,740
Cash and cash equivalents at the end of the year		359,722,837	148,507,511	271,906,318	51,108,966

Non-cash transactions:

During the years ended 31 December 2019 and 2018, the following significant non-cash transactions occurred:

Closes account from debt settlement to foreclosed assets	80,597,207	13,634,184	-	-
Stock dividend	14,999,986	-	14,999,986	-
Purchases of property, plant and equipment by hire purchase	-	785,040	-	-
Purchases of intangible assets	76,829	-	-	-

The note to financial statements on pages 13 to 58 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, Bangkok, 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, providing call center services, and loan.

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 2020.

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.

2.2 New and amended financial reporting standards that are relevant and have significant impacts to the Group

2.2.1 The Group has applied the following standard and amendments for the first time for their annual reporting commencing 1 January 2019

a) Thai Financial Reporting Standard no.15 (TFRS 15), Revenue from contracts with customers

The standard provides principle and approach of revenue recognition under five-step process. The underlying principle is that the Group will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services. It replaces the principles of transferring the significant risks and rewards of ownership of the goods or services to the buyer in accordance with TAS 11, *Construction contracts*, TAS 18, *Revenue* and related interpretations.

The Group's revenues under this standard consist of the service income from debt collection services, the service income from call center services and other incomes. Referring to the new financial reporting standards, these revenues shall be recognised as point in time. Similarly, the Group recently recognises these incomes when the services have rendered and the actual amount of payment received. From adopting this standard, there is no significant impact to the Group's financial statement presentation and there is no significant change to the Group's revenue recognition.

b) Thai Accounting Standard no.40 (revised 2018), Investment property

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 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2020

Certain new and amended financial reporting standards have been issued that are not mandatory for current period end 31 December 2019 reporting period and have not been early adopted by the Group.

a) Financial instruments

The new financial standards relate to financial instruments are:

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

These new standards address the classification, measurement, derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

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 company'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. The company 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.

The concept of interest recognition for loan receivables will be changed to recognise at effective interest rate. In which, there will be no longer reversal concept for accrued interest income on loan receivables when its principal or interest payment has become over three months past due which recognise interest income on cash basis.

The recognition interest income from loan receivables and loans to non-performing assets (stage 3) under TFRS 9 will be recognise at effective interest rate of the carrying amount after impairment.

Impairment of financial assets

The impairment requirements relating to the accounting for the Group's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, loan commitments and financial guarantee contracts. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised. The Group always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the group measures impairment losses and applies the effective interest rate method. In which the a three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

Under the three-stage expected credit loss impairment model except for significant exposures in loans to customer, the impairment will be assessed by using collective approach model with forward looking information adjustment. The impairment of some significant exposures in loans to customer will be assessed by using individual assessment approach.

For trade receivables and contractual assets which apply in TFRS 15 and are no significant financial components, they are permitted to measure by simplified approach for credit impaired consideration.

As a consequence, the method of impairment loss calculation will be changed from calculation in accordance to Group accounting policy to calculation by the Group's impairment model with taking effect of forward looking adjustment.

Transitional impact

On 1 January 2020, the Group will apply modified retrospective approach. From the preliminary assessment, management expect that the major adjustment of opening balance of retained earnings will be affected on the following items:

- Change in calculation of allowance for impairment of financial assets under the new standard requirement.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Other new/amended standards

The new and amended financial reporting standards that will have significant impact on the Group are:

TAS 12	Income tax
TAS 19	Employee benefits
TFRS 3	Business combinations
TFRS 9	Financial instruments
TFRIC 23	Uncertainty over income tax treatments

Amendment to TAS 12, Income tax - clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

Amendment to TFRS 3, Business combinations - clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

Amendment to TFRS 9, Financial instruments (prepayment features with negative compensation)

- enabling entities to measure certain prepayable financial assets with negative compensation at amortised cost instead of fair value through profit or loss. These assets include some loan and debt securities. To qualify for amortised cost measurement, the negative compensation must be 'reasonable compensation for early termination of the contract' and the asset must be held within a 'held to collect' business model.

TFRIC 23, Uncertainty over income tax treatments - explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, ie that detection risk should be ignored.
- that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

2.3 Principles of consolidation

a) 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 consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

If the ownership interest in associates and joint ventures is reduced but significant influence and joint control is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Profit or loss from reduce of the ownership interest in associates and joint ventures is recognise in profit or loss.

When the Group losses control, joint control or significant influence over investments, any retained interest in the investment is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value becomes the initial carrying amount of the retained interest which is reclassified to investment in an associate, or a joint venture or a financial asset accordingly.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the associates and joint ventures. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

2.4 Business combination

The Group applies the acquisition method to account for business combinations with an exception on business combination under common control. The consideration transferred for the acquisition of a subsidiary comprises:

- fair value of the assets transferred,
- liabilities incurred to the former owners of the acquiree
- equity interests issued by the Group

Identifiable assets and liabilities acquired 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 initially 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.

The excess of the consideration transferred, the amount of any non-controlling interest recognised and the acquisition-date fair value of any previous equity interest in the acquiree (for business combination achieved in stages) over the fair value of the identifiable net assets acquired is recorded as goodwill. In the case of a bargain purchase, the difference is recognised directly in profit or loss.

Acquisition-related cost

Acquisition-related cost are recognised as expenses.

Step-up acquisition

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

Changes in fair value of contingent consideration paid/received

Subsequent changes to the fair value of the contingent consideration that is an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured.

Business combination under common control

The Group accounts for business combination under common control by measuring acquired assets and liabilities of the acquiree at their carrying values presented in the highest level of the consolidation. The Group retrospectively adjusted the business combination under common control transactions as if the combination had occurred on the later of the beginning of the preceding comparative period and the date the acquiree has become under common control.

Consideration 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.

The difference between consideration under 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 of (transferred to retained earnings).

2.5 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

2.6 Restricted deposits

Restricted deposits mean deposits with banks with restrictions on withdrawals.

2.7 Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and 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 and are subsequently reclassified to profit or loss when the investment is disposed.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

2.8 Loan receivables

The Group sets up fully allowance for doubtful accounts from outstanding receivables, after netting unearned interest income and collateral value (if any) when the aging period of outstanding receivables are overdue more than 3 months or the Group recognise that there is no chance of debt collectability.

2.9 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.

2.10 Trade receivables

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business.

Trade receivables are recognised initially at the amount of consideration that is unconditionally unless they contain significant financing components, when they are recognised at its present value. The Group presented trade receivables at cost less allowance for doubtful accounts.

2.11 Investment properties

Investment properties, principally freehold office buildings, are held for long-term rental yields or for capital appreciation or both and are not occupied by the Group.

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

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. When parts of an investment property are replaced, the carrying amount of the replaced parts are derecognised.

All other repairs and maintenance costs are expensed when incurred.

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

Buildings	20 years
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2.12 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.

2.13 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group, capitalised where there is future economic benefits. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when 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.

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

2.14 Intangible assets

Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives not over than 3 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

2.15 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. 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 of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

2.16 Leases

Leases - where the Group is the lessee

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.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Group is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.17 Borrowings

Borrowings are recognised initially at the fair value, net of directly attributable transaction costs incurred. Borrowings are subsequently stated at amortised cost.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it will be drawn down. The fee is deferred until the drawn down occurs and included in effective interest calculation. However, if it is probable that facility will not be drawn down, that portion of the fee paid is recognised as a prepayment and amortised over the period of related facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled, or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

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 reporting date.

2.18 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. 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

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements 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 is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.19 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages and salaries that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Group pays contributions to a separate fund on a voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to 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.

d) Termination benefits

The Group recognises termination benefits at the earlier of (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

2.20 Provisions

Provisions are recognised when the Group 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.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.21 Share capital

Ordinary shares 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.

2.22 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.

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2.23 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors, and when the annual dividends are approved by the shareholders.

3 Financial risk management

3.1 Financial risk factors

The Group exposes to a variety of financial risks: market risk (fair value 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. The board of directors provides written principles for overall risk management which is carried out by a central treasury department (the Group treasury), including identification, evaluation and hedge of financial risks in close co-operation with operating units.

3.1.1 Interest rate risk

The Group has interest rate risk from borrowings, bills of exchange, debentures at floating and fixed interest rates. The Group has no significant interest-bearing assets.

3.1.2 Credit risk

The Group has no significant concentrations of credit risk. The Group has policies in place to ensure that contracts are made with customers who have an appropriate credit history, limiting customers' credit limit. The Group has policies that limit the amount of credit exposure to any one financial institution.

3.1.3 Liquidity risk

The Group manages 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

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets:								
Available-for-sale investments								
Mutual funds	-	-	100,143,497	-	-	-	100,143,497	-
Total assets	-	-	100,143,497	-	-	-	100,143,497	-
	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Assets:								
Available-for-sale investments								
Mutual funds	-	-	100,143,497	-	-	-	100,143,497	-
Total assets	-	-	100,143,497	-	-	-	100,143,497	-

Fair values are categorised into hierarchy based on inputs used as follows:

Level 1: The fair value of financial instruments is based on the current bid price or closing price by reference to the Stock Exchange of Thailand or the Thai Bond Dealing Centre.

Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.

Level 3: The fair value of financial instruments is not based on observable market data.

Transfer between fair value hierarchy

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

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The following tables present the Group's financial assets and liabilities that are not measured at fair value at 31 December 2019 and 2018:

Consolidated financial statements				
2019				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
Cash and cash equivalents	359,722,837	-	-	359,722,837
Restricted deposits at financial institutions	9,893,452	-	-	9,893,452
Short-term investment	870,591	-	-	870,591
Trade and other receivables	-	35,374,048	-	35,374,048
Loan Receivables	-	41,848,452	-	41,848,452
Loans to non-performing assets	-	-	1,158,301,573	1,158,301,573
Deposit for purchasing loan to non-performing assets	-	18,427,435	-	18,427,435
Total	370,486,880	95,649,935	1,158,301,573	1,624,438,388
Financial liabilities				
Trade and other payables	-	225,066,171	-	225,066,171
Liabilities under hire purchase	-	1,302,736	-	1,302,736
Long-term borrowings from financial institutions	-	56,743,911	-	56,743,911
Bills of Exchange	-	119,610,758	-	119,610,758
Debentures	-	398,493,868	-	398,493,868
Total	-	801,217,444	-	801,217,444
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
Deposit for purchasing loan to non-performing assets	-	6,193,027	-	6,193,027
Total	151,415,263	14,542,840	705,513,740	871,471,843
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 financial institutions	-	31,430,535	-	31,430,535
Total	-	48,979,888	-	48,979,888

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Separate financial statements				
2019				
	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
Financial assets				
Cash and cash equivalents	271,906,318	-	-	271,906,318
Restricted deposits at financial institutions	2,796,268	-	-	2,796,268
Short-term investments	605,714	-	-	605,714
Trade and other receivables	-	34,596,089	-	34,596,089
Short-term loans to related parties	-	688,200,100	-	688,200,100
Total	275,308,300	722,796,189	-	998,104,489
Financial liabilities				
Trade and other payables	-	14,617,963	-	14,617,963
Bills of Exchange	-	119,610,758	-	119,610,758
Debentures	-	398,493,868	-	398,493,868
Total	-	532,722,589	-	532,722,589
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
Total	53,491,994	374,247,888	-	427,739,882
Financial liabilities				
Trade and other payables	-	7,333,750	-	7,333,750
Total	-	7,333,750	-	7,333,750

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

(a) Financial instruments in level 1

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

(b) Financial instruments in level 2

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

(c) Financial instruments in level 3

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

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

Valuation processes

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

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

Changes in level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO and MC. As part of this discussion, 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.

Loan receivables

The carrying amounts of loan receivables presented in the statement of financial position approximate fair values.

Loans to non-performing assets

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

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, bills of exchange, long-term borrowings from financial institutions and debentures

The fair value of liabilities under hire purchase, bills of exchange, long-term borrowings from financial institutions and debentures is calculated by discounting cash outflows to settle borrowings using the average minimum loan rate (MLR) from top 5 local financial institutions.

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.

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 2.15. 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.

c) Allowance for doubtful accounts of loan receivables

The Group maintains an allowance for doubtful accounts to reflect impairment of loan receivables. Management uses judgment in estimating the allowance for doubtful accounts by considering overdue period of receivables and type of collateral. The assessment is based on historical debt collection experiences, historical default, and future market trends.

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 loan

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

For the year ended 31 December 2019

	Debt collection service Baht	Management of non- performing assets Baht	Call center service Baht	Loan Baht	Total Baht
Revenues	69,226,818	231,867,085	-	1,777,522	302,871,425
Revenues from inter-segment	(7,853,853)	-	-	-	(7,853,853)
Revenues from segment	61,372,965	231,867,085	-	1,777,522	295,017,572
Costs	(31,679,894)	(79,977,533)	-	(1,212,882)	(112,870,309)
Costs from inter-segment	-	7,853,853	-	-	7,853,853
Costs from segment	(31,679,894)	(72,123,680)	-	(1,212,882)	(105,016,456)
Segment results	29,693,071	159,743,405	-	564,640	190,001,116
Unallocated costs					(63,768,938)
Profit from operation					126,232,178
Other income					3,202,090
Gain on disposal from foreclosed assets					19,691,118
Finance Costs					(9,118,056)
Profit before income tax					140,007,330
Income tax expense					(28,960,508)
Net profit					111,046,822
Timing of revenue recognition					
At a point in time					81,868,740
Over time					236,042,040
Total revenue					317,910,780

For the year ended 31 December 2018

	Debt collection service Baht	Management of non- performing assets Baht	Call center service Baht	Loan 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 disposals 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
Timing of revenue recognition					
At a point in time					49,891,180
Over time					214,715,850
Total revenue					264,607,030

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7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash on hand	29,294	40,114	15,524	14,936
Deposits held at call with banks	359,693,543	148,416,513	271,890,794	51,094,030
3 months fixed deposit	-	50,884	-	-
Total	359,722,837	148,507,511	271,906,318	51,108,966

The interest rates of deposits held at call with banks of saving accounts and 3 months fixed deposit account are 0.20% - 1.25% per annum (2018: 0.20% - 0.90% per annum).

8 Restricted deposits at financial institutions

As at 31 December 2019 and 2018, 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Fixed deposits not over 12 months	870,591	467,563	605,714	256,296
Available-for-sales investments - mutual funds	100,143,497	-	100,143,497	-
At 31 December	101,014,088	467,563	100,749,211	256,296

As at 31 December 2019, the fixed deposits not over 12 months bear interest of 0.70 % - 1.00 % per annum (2018: 0.90% - 1.25% per annum).

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	-	774,383	-	262,712
Additions	100,000,000	-	100,000,000	-
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	143,497	-	143,497	-
At 31 December	100,143,497	-	100,143,497	-

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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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	-	14,518	-	3,875
Unrealised gains right before disposal of available-for-sales investments	-	1,653	-	561
<u>Less</u> Unrealised gains subsequently realised to profit and loss at disposal of investments	-	(16,171)	-	(4,436)
<u>Add</u> Re-measuring available-for-sales investments	143,497	-	143,497	-
At 31 December	143,497	-	143,497	-

10 Trade and other receivables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade receivables	9,073,996	7,834,210	5,754,939	5,809,209
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Trade receivables, net	9,073,996	7,834,210	5,754,939	5,809,209
Amounts due from related parties (Note 32.4)	-	-	177,434	12,343,939
Interest receivables from short-term loans to related parties (Note 32.4)	-	-	27,586,198	9,531,422
Accrued income ⁽¹⁾	24,610,100	-	-	-
Prepaid expenses	420,784	279,973	327,197	245,150
Advances	527,847	121,562	10,000	4,000
Others	741,321	114,068	740,321	114,068
Total	35,374,048	8,349,813	34,596,089	28,047,788

⁽¹⁾ The Group has accrued income from selling collaterals of loans to non-performing assets by auction from Legal Execution Department amounting to Baht 24.55 million.

Outstanding trade receivables as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Less than 3 months	9,073,996	7,834,210	5,754,939	5,809,209
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total trade receivables	9,073,996	7,834,210	5,754,939	5,809,209
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total trade receivables, net	9,073,996	7,834,210	5,754,939	5,809,209

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Outstanding amounts due from related parties as at 31 December 2019 and 2018 can be analysed as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Less than 3 months	-	-	177,434	12,343,939
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
Total amounts due from related parties	-	-	177,434	12,343,939
<u>Less</u> Allowance for doubtful accounts	-	-	-	-
Total amounts due from related parties, net (Note 32.4)	-	-	177,434	12,343,939

11 Deposit for purchasing loans to non-performing assets

As at 31 December 2019 and 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.

12 Loan receivables, net

As of 31 December 2019, loan receivables are as follows:

	Consolidated financial statements		
	Due within 1 year Baht	Due over than 1 year Baht	Total Baht
Loan receivables	42,628,860	-	42,628,860
<u>Less</u> Front-end fee	(847,708)	-	(847,708)
Interest receivables	67,300	-	67,300
	41,848,452	-	41,848,452
<u>Less</u> Allowance for doubtful accounts	-	-	-
Loan receivables, net	41,848,452	-	41,848,452

There is no loan receivables in the separate financial statement as at 31 December 2019

There were no loan receivables in the consolidated and separate financial statements as at 31 December 2018.

Outstanding loan receivables as at 31 December 2019 can be analysed as follows:

	Consolidated financial statements 2019 Baht
Not overdue and overdue less than 1 month	42,401,011
Overdue over 1 month - 3 months	227,849
Overdue over 3 months - 6 months	-
Overdue over 6 months - 12 months	-
Overdue over 12 months	-
	42,628,860
<u>Less</u> Allowance for doubtful accounts	-
Loan receivables, net	42,628,860

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13 Loans to non-performing assets, net

As of 31 December 2019 and 2018, loans to non-performing assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Loans to non-performing assets	1,131,262,294	603,452,494	-	-
<u>Less</u> Allowance for impairment	(9,312,015)	(9,312,015)	-	-
Loans to non-performing assets, net	1,121,950,279	594,140,479	-	-

The movements of loans to non-performing assets for years ended 31 December 2019 and 2018 are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	594,140,479	281,773,990	-	-
Additions	643,967,300	374,961,971	-	-
<u>Less</u> Closes account from debt settlement to foreclosed assets (Note 16)	(80,597,207)	(13,634,184)	-	-
<u>Less</u> Disposals	(25,420,500)	(13,980,453)	-	-
<u>Less</u> Proceeds from loans to non-performing assets	(10,139,793)	(25,818,454)	-	-
<u>Less</u> Impairment	-	(9,162,391)	-	-
At 31 December	1,121,950,279	594,140,479	-	-

As at 31 December 2019, loans to non-performing assets in the consolidated financial statements consisted of 293,000 contracts (2018: 299,187 contracts), and 134 contracts have secured assets (2018: 121 contracts) and the appraised value of collaterals is Baht 1,690.35 million (2018: Baht 896.17 million).

Loans to non-performing assets as at 31 December 2019 and 2018 can be analysed by aging from the date of acquisition of loans to non-performing assets as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Less than 1 year	643,967,300	372,967,249	-	-
1 - 2 years	293,316,158	153,898,154	-	-
2 - 3 years	122,721,783	-	-	-
3 - 4 years	-	60,748,521	-	-
4 - 5 years	56,001,052	15,838,570	-	-
More than 5 years	15,256,001	-	-	-
Total amounts loans to non-performing assets	1,131,262,294	603,452,494	-	-

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13.1) Classified by loan type

	Consolidated financial statements	
	2019 Baht	2018 Baht
Overdrafts	4,028,043,895	4,032,936,152
Loans	28,654,306,310	16,974,407,584
Notes	358,550,288	358,550,288
Hire-purchase receivables	1,291,341,623	1,287,873,574
Financial lease receivables	10,872,162	10,896,162
Credit cards	13,838,732,113	14,006,630,038
Others	1,677,785,650	1,677,785,650
<u>Less</u> Deferred revenue	(48,728,369,747)	(37,745,626,954)
Total loans net of deferred revenue	1,131,262,294	603,452,494
<u>Add</u> Accrued interest receivables	-	-
Total loans net of deferred revenue and accrued interest receivables	1,131,262,294	603,452,494
<u>Less</u> Allowance for impairment	(9,312,015)	(9,312,015)
Total loans to non-performing assets, net	1,121,950,279	594,140,479
	Separate financial statements	
	2019 Baht	2018 Baht
Hire-purchase receivables	79,195,721	79,466,502
Financial lease receivables	10,872,162	10,896,162
<u>Less</u> Deferred revenue	(90,067,883)	(90,362,664)
Total loans net of deferred revenue	-	-
<u>Add</u> Accrued interest receivables	-	-
Total loans net of deferred revenue and accrued interest receivables	-	-
<u>Less</u> Allowance for impairment	-	-
Total loans to non-performing assets, net	-	-

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14 Investments in subsidiaries

As at 31 December 2019 and 2018, the subsidiaries included in consolidated financial statement. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

Company Name	Country of incorporation	Business	Ownership interest %	Registered capital		Paid-up capital		Holding percentage %	Cost	
				2019 Baht '000	2018 Baht '000	2019 Baht '000	2018 Baht '000		2019 Baht '000	2018 Baht '000
Chayo Asset Management Co., Ltd.	Thailand	Management of non-performing assets	99.99	156,950	156,950	156,950	156,950	99.99	169,000	169,000
Chayo Property and Service Co., Ltd.	Thailand	Debt collection and call center service	99.99	20,000	5,000	20,000	5,000	99.99	21,000	6,000
Chayo Capital Co., Ltd.	Thailand	Personal loan	70.00	50,000	50,000	50,000	50,000	70.00	35,000	35,000
Less Impairment of investments									(2,000)	(2,000)
									223,000	208,000

On 22 March 2019, at the Board of Directors' Meeting No. 2/2562 of Chayo Property and Service Co., Ltd. approved an increase in capital by issuing new ordinary shares of 1,500,000 at Baht 10 per share, totalling Baht 15,000,000 to Chayo Group Public Company Limited, its parent company. Chayo Property and Service Co., Ltd. received paid-up share capital and registered the increase in capital with the Department of Business Development on 30 April 2019.

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15 Investment properties, net

	Consolidated financial statements			
	Land Baht	Buildings and building improvements Baht	Construction in progress Baht	Total Baht
At 1 January 2018				
Cost	1,397,916	8,569,052	511,218	10,478,186
Less Accumulated depreciation	-	(1,382,534)	-	(1,382,534)
Net book value	1,397,916	7,186,518	511,218	9,095,652
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	1,397,916	6,914,238	511,218	8,823,372
At 31 December 2018				
Cost	1,397,916	8,761,370	511,218	10,670,504
Less Accumulated depreciation	-	(1,847,132)	-	(1,847,132)
Net book value	1,397,916	6,914,238	511,218	8,823,372
For the year ended 31 December 2019				
Beginning net book value	1,397,916	6,914,238	511,218	8,823,372
Additions	-	-	86,808	86,808
Transfer in/(out)	-	598,026	(598,026)	-
Depreciation charge	-	(567,517)	-	(567,517)
Ending net book value	1,397,916	6,944,747	-	8,342,663
At 31 December 2019				
Cost	1,397,916	9,359,396	-	10,757,312
Less Accumulated depreciation	-	(2,414,649)	-	(2,414,649)
Net book value	1,397,916	6,944,747	-	8,342,663

In the consolidated financial statements, depreciation expense of Baht 567,517 (2018: Baht 464,598) has been charged in administrative expenses.

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	Separate financial statements		
	Land Baht	Buildings and building improvements Baht	Total Baht
At 1 January 2018			
Cost	4,661,218	8,853,092	13,514,310
<u>Less</u> Accumulated depreciation	-	(3,009,025)	(3,009,025)
Net book value	4,661,218	5,844,067	10,505,285
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	4,661,218	5,401,413	10,062,631
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	4,661,218	5,401,413	10,062,631
For the year ended 31 December 2019			
Beginning net book value	4,661,218	5,401,413	10,062,631
Depreciation charge	-	(442,655)	(442,655)
Ending net book value	4,661,218	4,958,758	9,619,976
At 31 December 2019			
Cost	4,661,218	8,853,092	13,514,310
<u>Less</u> Accumulated depreciation	-	(3,894,334)	(3,894,334)
Net book value	4,661,218	4,958,758	9,619,976

In the separate financial statements, depreciation expense of Baht 442,655 (2018: Baht 442,654) has been charged in administrative expenses.

The fair values of investment properties in land and building in consolidated and separate financial statements were at Baht 18.10 million and Baht 16.23 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 properties are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental income	-	-	2,340,000	2,244,000
Direct operating expenses incurred by the investment properties resulting in rental income for the year	-	-	(442,655)	(442,654)
Total	-	-	1,897,345	1,801,346

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16 Foreclosed assets, net

During the years ended 31 December 2019 and 2018, movements of foreclosed assets are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	5,243,418	-	-	-
Additions	15,690,319	2,875,215	-	-
Closes account from debt settlement to foreclosed assets (Note 13)	80,597,207	13,634,184	-	-
Disposals	(26,308,882)	(11,265,981)	-	-
At 31 December	75,222,062	5,243,418	-	-

17 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 2018						
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)	(15,682,735)
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
Disposals, 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
For the year ended 31 December 2019						
Beginning net book value	8,767,080	17,130,044	3,067,648	684,039	4,112,839	33,761,650
Additions	-	221,036	661,737	190,551	-	1,073,324
Depreciation charge	-	(1,180,861)	(984,047)	(393,961)	(1,328,456)	(3,887,325)
Ending net book value	8,767,080	16,170,219	2,745,338	480,629	2,784,383	30,947,649
At 31 December 2019						
Cost	8,767,080	28,039,517	6,893,081	4,202,196	6,642,280	54,544,154
Less Accumulated depreciation	-	(9,063,261)	(4,147,743)	(3,721,567)	(3,857,897)	(20,790,468)
Less Allowance of impairment	-	(2,806,037)	-	-	-	(2,806,037)
Net book value	8,767,080	16,170,219	2,745,338	480,629	2,784,383	30,947,649

	Separate financial statements				
	Land Baht	Buildings and building improvements Baht	Office equipment Baht	Furniture and fixture Baht	Total Baht
At 1 January 2018					
Cost	5,503,778	17,042,022	3,341,205	2,859,599	28,746,604
Less Accumulated depreciation	-	(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
Less Accumulated depreciation	-	(5,179,434)	(1,503,860)	(2,557,060)	(9,240,354)
Less Allowance of impairment	-	(2,806,037)	-	-	(2,806,037)
Net book value	5,503,778	9,092,551	2,484,064	261,739	17,342,132
For the year ended 31 December 2019					
Beginning net book value	5,503,778	9,092,551	2,484,064	261,739	17,342,132
Additions	-	221,036	422,594	155,551	799,181
Depreciation charge	-	(644,863)	(667,390)	(168,865)	(1,481,118)
Ending net book value	5,503,778	8,668,724	2,239,268	248,425	16,660,195
At 31 December 2019					
Cost	5,503,778	17,299,058	4,410,518	2,974,350	30,187,704
Less Accumulated depreciation	-	(5,824,297)	(2,171,250)	(2,725,925)	(10,721,472)
Less Allowance of impairment	-	(2,806,037)	-	-	(2,806,037)
Net book value	5,503,778	8,668,724	2,239,268	248,425	16,660,195

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cost - capitalised finance leases	4,918,030	4,918,030	-	-
<u>Less</u> Accumulated depreciation	(3,230,863)	(2,247,257)	-	-
Net book amount	1,687,167	2,670,773	-	-

18 Intangible assets, net

	Consolidated financial statements			Separate financial statements	
	Software Baht	Software in process Baht	Total Baht	Software Baht	Total Baht
At 1 January 2018					
Cost	1,924,835	-	1,924,835	1,408,450	1,408,450
<u>Less</u> Accumulated amortisation	(187,842)	-	(187,842)	(73,789)	(73,789)
Net book value	1,736,993	-	1,736,993	1,334,661	1,334,661
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	(727,400)	-	(727,400)	(524,505)	(524,505)
Closing net book value	2,040,483	-	2,040,483	1,641,046	1,641,046
At 31 December 2018					
Cost	2,955,725	-	2,955,725	2,239,340	2,239,340
<u>Less</u> Accumulated amortisation	(915,242)	-	(915,242)	(598,294)	(598,294)
Net book value	2,040,483	-	2,040,483	1,641,046	1,641,046
For the year ended 31 December 2019					
Opening net book amount	2,040,483	-	2,040,483	1,641,046	1,641,046
Additions	616,133	1,070,000	1,686,133	232,000	232,000
Amortisation charge	(1,046,819)	-	(1,046,819)	(759,477)	(759,477)
Closing net book value	1,609,797	1,070,000	2,679,797	1,113,569	1,113,569
At 31 December 2019					
Cost	3,571,858	1,070,000	4,641,858	2,471,340	2,471,340
<u>Less</u> Accumulated amortisation	(1,962,061)	-	(1,962,061)	(1,357,771)	(1,357,771)
Net book value	1,609,797	1,070,000	2,679,797	1,113,569	1,113,569

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19 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
Deferred tax assets to be recovered within 12 months	-	15,338	-	-
Deferred tax assets to be recovered after 12 months	14,384,966	14,459,679	714,806	512,181
	14,384,966	14,475,017	714,806	512,181
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(29,136)	(437)	(28,699)	-
	(29,136)	(437)	(28,699)	-
Deferred income taxes, net	14,355,830	14,474,580	686,107	512,181

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	14,474,580	12,756,803	512,181	505,939
(Charged)/credited to profit or loss (Note 30)	(90,051)	1,763,674	202,625	57,550
Credited to other comprehensive income	(28,699)	(45,897)	(28,699)	(51,308)
At 31 December	14,355,830	14,474,580	686,107	512,181

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 2019	-	13,936,393	538,624	14,475,017
(Charged)/credited to profit or loss	-	(305,341)	215,290	(90,051)
At 31 December 2019	-	13,631,052	753,914	14,384,966
Deferred tax liabilities				
At 1 January 2019	-	-	437	437
Charged to other comprehensive income	28,699	-	-	28,699
At 31 December 2019	28,699	-	437	29,136
Deferred tax assets				
At 1 January 2018	-	12,246,113	517,313	12,763,426
Credited to profit or loss	-	1,690,280	73,394	1,763,674
Charged 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

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	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 2019	-	-	512,181	512,181
Credited to profit or loss	-	-	202,625	202,625
At 31 December 2019	-	-	714,806	714,806
Deferred tax liabilities				
At 1 January 2019	-	-	-	-
Charged to other comprehensive income	28,699	-	-	28,699
At 31 December 2019	28,699	-	-	28,699
Deferred tax assets				
At 1 January 2018	-	-	506,714	506,714
Credited to profit or loss	-	-	57,550	57,550
Charged 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	-	-	-	-

20 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Trade payables	3,710,964	1,327,519	2,988,823	1,188,223
Amounts due to related parties (Note 32.4)	-	-	190,992	183,792
Accrued expenses	14,991,729	13,175,783	6,256,364	5,435,788
Accrued interest	4,655,836	-	4,655,836	-
Loan to non-performing assets payables	200,700,300	-	-	-
Others	1,007,342	826,178	525,948	525,947
Total	225,066,171	15,329,480	14,617,963	7,333,750

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21 Borrowings

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current				
Bills of exchange	119,635,068	-	119,635,068	-
Current portion of long-term borrowings				
Borrowings from financial institutions	24,413,774	14,330,248	-	-
Total current borrowings	144,048,842	14,330,248	119,635,068	-
Non-current				
Debentures	398,954,785	-	398,954,785	-
Borrowings from financial institutions	32,371,220	17,101,392	-	-
Total non-current borrowings	431,326,005	17,101,392	398,954,785	-
Total borrowings	575,374,847	31,431,640	518,589,853	-

The movement of borrowings for the years ended 31 December 2019 and 2018 is as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	31,431,640	50,880,992	-	-
Additions	586,829,598	39,789,980	517,651,618	-
Repayments	(44,027,950)	(59,600,000)	-	-
Amortisation of relevant cost to obtain borrowings	1,141,559	360,668	938,235	-
At 31 December	575,374,847	31,431,640	518,589,853	-

The details of borrowings are as follows:

	Consolidated financial statements				
	Amount Baht	Prepaid arrange fee Baht	Maturity date	Interest rate %	Interest payment term
As at 31 December 2019					
Bills of exchange	120,000,000	(364,932)	21 April 2020	5.50	At maturity
Debentures	105,000,000	(1,306,105)	23 September 2021	5.95	Quarterly
Debentures	300,000,000	(4,739,110)	29 November 2021	6.25	Quarterly
Borrowings from financial institutions	37,572,050	(93,979)	Monthly 30 April 2019 - 31 March 2022	MLR - 2.00	Monthly
Borrowings from financial institutions	19,450,000	(143,077)	Monthly 31 March 2020 - 31 March 2022	MLR - 0.75	Monthly

	Consolidated financial statements				
	Amount Baht	Prepaid arrange fee Baht	Maturity date	Interest rate %	Interest payment term
As at 31 December 2018					
Borrowings from financial institutions	31,600,000	(168,360)	Monthly 30 June 2018 - 30 June 2019	MLR	Monthly

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	Separate financial statements			
	Amount Baht	Prepaid arrange fee Baht	Maturity date	Interest rate % Interest payment term
As at 31 December 2019				
Bills of exchange	120,000,000	(364,932)	21 April 2020	5.50 At maturity
Debentures	105,000,000	(1,306,105)	23 September 2021	5.95 Quarterly
Debentures	300,000,000	(4,739,110)	29 November 2021	6.25 Quarterly

Debenture

The Company has pledged land and building with the carrying amount of Baht 1.43 million as collateral for debentures and Chayo Asset Management Co., Ltd. (subsidiary) has fully guaranteed and has pledged foreclosed assets with the carrying amount of Baht 47 million as collateral for debentures.

Borrowings from financial institutions

In 2019, borrowings from financial institutions incurred related interest expense amounting to Baht 1.65 million (2018: Baht 2.37 million).

In 2019, Chayo Asset Management Co., Ltd. (Subsidiary) drew down long-term borrowings from a local financial institution amounting to Baht 50 million from the credit facility of Baht 50 million. The Company has fully guaranteed the long-term borrowings and the Subsidiary uses the restricted deposit amounting to Baht 6.22 million to guarantee the long-term borrowings.

In 2019, Chayo Asset Management Co., Ltd. (Subsidiary) drew down long-term borrowings from a local financial institution amounting to Baht 19.45 million from the credit facility of Baht 40 million. The Company and The Credit Guarantee Corporation (TCG) have fully guaranteed such long-term borrowings.

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Borrowings:				
- at fixed rates	518,589,853	-	518,589,853	-
- at floating rates	56,784,994	31,431,640	-	-
Total borrowings	575,374,847	31,431,640	518,589,853	-

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

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Bills of exchange	6.53%	nil	6.53%	nil
Debentures	6.73 - 7.15%	nil	6.73 - 7.15%	nil
Long-term borrowings from financial institutions	5.23 - 5.51%	6.65%	nil	nil

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

	Consolidated financial statements			
	Carrying amounts		Fair values	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bills of exchange	119,635,068	-	119,610,758	-
Debentures	398,954,785	-	398,493,868	-
Long-term borrowings from financial institutions	56,784,994	31,431,640	56,743,911	31,430,535
	575,374,847	31,431,640	574,848,537	31,430,535

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	Separate financial statements			
	Carrying amounts		Fair values	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Bills of exchange	119,635,068	-	119,610,758	-
Debentures	398,954,785	-	398,493,868	-
	518,589,853	-	518,104,626	-

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 average minimum loan rate (MLR) from top 5 local financial institutions (2018: 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	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Within 1 year	144,048,842	14,330,248	119,635,068	-
Between 1 year but not over 2 years	425,821,679	14,330,248	398,954,785	-
Between 2 years but not over 5 years	5,504,326	2,771,144	-	-
	575,374,847	31,431,640	518,589,853	-

22 Employee benefit obligations

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Present value of post-employment benefit obligations	3,733,082	2,705,558	3,666,326	2,574,737
Liability in the statement of financial position	3,733,082	2,705,558	3,666,326	2,574,737

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	2,705,558	2,585,321	2,574,737	2,534,024
Current service cost	379,399	333,128	298,067	254,768
Interest cost	70,318	47,525	67,686	46,361
Past service cost	725,836	-	725,836	-
Benefit paid	(148,029)	-	-	-
Gain on remeasurements	-	(260,416)	-	(260,416)
At 31 December	3,733,082	2,705,558	3,666,326	2,574,737

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current service cost	379,399	333,128	298,067	254,768
Interest cost	70,318	47,525	67,686	46,361
Past service cost	725,836	-	725,836	-
Total (mainly included in administrative expense)	1,175,553	380,653	1,091,589	301,129

The amounts recognised in other comprehensive income are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Gain on remeasurements of employee benefit obligations	-	(260,416)	-	(260,416)

The principal actuarial assumptions used are as follows:

	Consolidated financial statements		Separate financial statements	
	2019 %	2018 %	2019 %	2018 %
Discount rate	1.42 - 2.15	1.94 - 3.33	1.42	2.11
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 2019 is as follows:

	Consolidated financial statements		
	Impact on defined benefit obligations		
Change in assumptions	Increase in obligation	Decrease in obligation	
%	Baht	Baht	
Discount rate - 0.50	116,015	-	
Discount rate + 0.50	-	109,906	
Salary growth rate - 0.50	-	140,743	
Salary growth rate + 0.50	147,152	-	
Mortality rate - 0.50	890	-	
Mortality rate + 0.50	-	890	
Turnover rate - 10.00	216,537	-	
Turnover rate + 10.00	-	194,770	
	Separate financial statements		
	Impact on defined benefit obligations		
Change in assumptions	Increase in obligation	Decrease in obligation	
%	Baht	Baht	
Discount rate - 0.50	111,770	-	
Discount rate + 0.50	-	105,973	
Salary growth rate - 0.50	-	136,472	
Salary growth rate + 0.50	142,563	-	
Mortality rate - 0.50	872	-	
Mortality rate + 0.50	-	872	
Turnover rate - 10.00	206,461	-	
Turnover rate + 10.00	-	186,920	

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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	Decrease in obligation	
%	Baht	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

Separate financial statements			
Impact on defined benefit obligations			
Change in assumptions	Increase in obligation	Decrease in obligation	
%	Baht	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

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

Expected maturity analysis of undiscounted retirement benefits as at 31 December 2019 and 2018 is as follows:

Consolidated financial statements					
2019					
	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
Retirement benefit	-	2,253,301	-	5,284,679	7,537,980
Total	-	2,253,301	-	5,284,679	7,537,980

Consolidated financial statements					
2018					
	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	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					
2019					
	Less than 1 year	1 - 3 years	3 - 5 years	Over 5 years	Total
	Baht	Baht	Baht	Baht	Baht
Retirement benefit	-	2,253,301	-	4,883,966	7,137,267
Total	-	2,253,301	-	4,883,966	7,137,267

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	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

The weighted average duration of the retirement benefit is 7.46 - 24.98 years (2018: 8.46 - 25.98 years).

23 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 2019	560,000,000	280,000,000	320,966,376	(9,678,120)	591,288,256
Issuance of ordinary shares	40,000,000	20,000,000	133,200,000	-	153,200,000
Stock dividend	29,999,971	14,999,986	-	-	14,999,986
As at 31 December 2019	629,999,971	314,999,986	454,166,376	(9,678,120)	759,488,242
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

	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 2019	560,000,000	280,000,000	320,966,376	600,966,376
Issuance of ordinary shares	40,000,000	20,000,000	133,200,000	153,200,000
Stock dividend	29,999,971	14,999,986	-	14,999,986
As at 31 December 2019	629,999,971	314,999,986	454,166,376	769,166,362
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

On 3 January 2019, the Extraordinary General Shareholders' Meeting No. 1/2019 approved the increase in authorised share capital from Baht 280 million to Baht 308 million by issuing 56 million ordinary shares at a par value of Baht 0.50 per share.

In March 2019, the Company offered its 40 million ordinary shares through a General Mandate. The new shares were sold to 28 subscribers at Baht 3.83 per share with par value of Baht 0.50, totalling Baht 153.20 million. The Company received paid-up share capital and registered the increase in capital with the Department of Business Development 27 March 2019.

On 8 November 2019, the Extraordinary General Shareholders' Meeting No. 2/2019 passed a resolution to approve the decrease in registered capital amounting to Baht 8 million from the existing registered capital of Baht 308 million to the new registered capital of Baht 300 million by adjusting the unallocated 16 million ordinary shares at par value of Baht 0.50 per share which are left over from the allocation of the issued shares under the general mandate pursuant.

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On 8 November 2019, the Extraordinary General Shareholders' Meeting No. 2/2019 passed a resolution to approve the increases registered capital amounting to Baht 15 million to serve stock dividend payment by issuance of newly issued 30 million ordinary shares at par value of Baht 0.50 per share from the existing shares capital of Baht 300 million to a new registered capital of Baht 315 million and the Company paid such stock dividend on 3 December 2019.

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.

24 Legal reserve

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	7,262,746	300,000	7,262,746	300,000
Appropriation during the year	1,373,354	6,962,746	1,373,354	6,962,746
At 31 December	8,636,100	7,262,746	8,636,100	7,262,746

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.

25 Dividend

On 30 April 2019, the Annual General Meeting of Shareholders of 2018 approved the dividends of 2018 at the rate of Baht 0.04 per share, totaling Baht 24 million. The Company paid these dividends to the shareholders on 10 May 2019.

On 8 November 2019, the Extraordinary General Shareholders' Meeting No. 2/2019 passed a resolution to approve the interim dividend payment of 2019 is paid from unappropriated retained earnings as at 31 December 2018, including cash dividend payment at the rate of Baht 0.0027778 per share amounting to Baht 1.67 million and stock dividend payment of million 30 shares at par value of Baht 0.50 per share to the shareholders at the rate of 20 shares per 1 stock dividend totaling to Baht 15 million, a dividend of Baht 0.025 per share and the Company paid stock dividend and cash dividend to the shareholders on 3 December 2019.

26 Interest income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income from loans to non-performing assets	231,867,085	212,873,389	89,252	13,271
Interest income from loan	1,777,522	-	-	-
Total	233,644,607	212,873,389	89,252	13,271

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27 Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Interest income	1,902,433	1,842,461	1,308,118	1,542,996
Interest income from short-term loan to related parties (Note 32.3)	-	-	28,503,787	9,776,355
Management fee income from related parties (Note 32.3)	-	-	25,920,000	25,920,000
Dividend income from related party (Note 32.3)	-	-	-	72,196,997
Rental income	495,000	-	-	-
Rental income from related parties (Note 32.3)	-	-	2,340,000	2,244,000
Gain on disposal of property, plant and equipment	-	106,510	-	-
Gain on disposal of short-term investments	-	16,171	-	4,436
Other income	804,657	260,711	2,320	1,175
Total	3,202,090	2,225,853	58,074,225	111,685,959

28 Expenses by nature

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Employee expenses	74,905,773	59,523,909	45,664,447	37,043,298
Debts collection expenses	54,760,355	47,926,173	138,563	181,074
Professional fees	8,190,597	6,615,333	6,550,597	4,360,333
Utility expenses	7,259,428	7,632,436	4,918,364	4,450,586
Depreciation and amortisation	5,501,661	5,195,875	2,683,250	2,555,917
Loss on impairment of assets	-	2,806,037	-	2,806,037
Loss on impairment of loans to non-performing assets	-	9,162,391	-	-
Financial expenses	206,217	174,942	59,352	81,009
Insurance premium	264,604	155,666	131,607	68,684
Advertising expenses	1,698,521	1,218,811	1,697,821	984,597
Entertainment expenses	159,096	208,944	82,840	186,370
Expenses not deductible for tax purpose	578,627	637,904	18,907	28,098
Special business tax	7,463,173	3,677,562	-	-
Administrative expenses	626,000	1,151,500	626,000	1,146,000
Other expenses	7,171,342	6,369,330	3,187,766	3,539,092
Total	168,785,394	152,456,813	65,759,514	57,431,095

29 Finance cost

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Finance lease	114,519	141,605	-	-
Borrowings from financial institutions	1,851,870	2,726,875	-	-
Bills of exchange	3,397,808	-	3,397,808	-
Debentures	3,753,859	-	3,753,859	-
Total	9,118,056	2,868,480	7,151,667	-

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30 Income tax

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax:				
Current tax on profits for the year	28,870,457	25,610,322	6,901,674	1,523,500
Total current tax	28,870,457	25,610,322	6,901,674	1,523,500
Deferred tax:				
Origination and reversal of temporary differences (Note 19)	90,051	(1,763,674)	(202,625)	(57,550)
Total deferred tax	90,051	(1,763,674)	(202,625)	(57,550)
Total tax expense	28,960,508	23,846,648	6,699,049	1,465,950

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before tax	140,007,330	109,281,737	34,166,131	89,989,542
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% (2018: tax rate of 20% and Less than 300,000 exempt, Over 300,000 10%)	28,255,188		6,833,226	
		21,684,848		17,997,908
Tax effect of:				
Income not subject to tax	-	-	-	(14,439,399)
Expenses additionally deductible for tax purpose	(330,894)	(2,736,247)	(265,203)	(2,666,243)
Non-tax deductible expenses	325,089	2,598,043	131,026	573,684
Revenue not recognised but subject to tax	711,125	2,300,004	-	-
Income tax expense	28,960,508	23,846,648	6,699,049	1,465,950

The weighted average applicable tax rate was 20.68% (2018: 21.82%).

31 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	
	2019	Revised 2018	2019	Revised 2018
Net profit attributable to ordinary shareholders of the parent Company (Baht)	111,427,406	85,459,430	27,467,082	88,523,592
Weighted average number of ordinary shares outstanding after share split (shares)	620,104,081	558,599,975	620,104,081	558,599,975
Basic earnings per share (Baht per share)	0.1797	0.1530	0.0443	0.1585

The Company did not issue dilutive shares during 2019 and 2018.

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On 8 November 2019, the Extraordinary General Shareholders' Meeting No. 2/2019 passed a resolution to approve the increases registered capital amounting to Baht 15 million to serve stock dividend payment by issuance of newly issued 30 million ordinary shares at par value of Baht 0.50 per share from the existing shares capital of Baht 300 million to a new registered capital of Baht 315 million and the Company paid the stock dividend on 3 December 2019.

For the purpose of comparison, the number of ordinary shares that used for calculated earning per shares for the year ended 31 December 2018 will be adjusted with stock dividend payment rate for the year ended 31 December 2019.

32 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 52.49% (2018: 56.24%) 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.	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:

32.1) Service income from debts collection

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Subsidiaries	-	-	7,853,853	6,418,600
	-	-	7,853,853	6,418,600

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Rental expense				
Key management	168,000	216,000	-	80,000
	168,000	216,000	-	80,000

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32.3) Other income

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Rental income</u>				
Subsidiaries	-	-	2,340,000	2,244,000
	-	-	2,340,000	2,244,000
<u>Management fee income</u>				
Subsidiaries	-	-	25,920,000	25,920,000
	-	-	25,920,000	25,920,000
<u>Dividend income</u>				
Subsidiary	-	-	-	72,196,997
	-	-	-	72,196,997
<u>Interest income</u>				
Subsidiaries	-	-	28,503,787	9,776,355
	-	-	28,503,787	9,776,355

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

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
<u>Receivables</u>				
Subsidiaries	-	-	177,434	12,343,939
Total amounts due from related parties (Note 10)	-	-	177,434	12,343,939
<u>Interest receivables</u>				
Subsidiaries	-	-	27,586,198	9,531,422
Total interest receivables from related parties (Note 10)	-	-	27,586,198	9,531,422
<u>Payables</u>				
Subsidiaries	-	-	190,992	183,792
Total amounts due to related parties (Note 20)	-	-	190,992	183,792

32.5) Short-term loans to related parties

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
At 1 January	-	-	346,200,100	21,000,000
Loan advanced during the year				
Subsidiaries	-	-	435,000,000	330,200,100
Loan repayments during the year				
Subsidiaries	-	-	(93,000,000)	(5,000,000)
At 31 December	-	-	688,200,100	346,200,100

As at 31 December 2019 and 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 (2018: 6% per annum).

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32.6) Key management remunerations

For the years ended 31 December 2019 and 2018, benefits to key management personnel are as follows:

	Consolidated and Separate financial statements	
	2019 Baht	2018 Baht
Salaries and other short-term employee benefits	12,104,737	11,629,812
Post-employment benefits	346,408	205,954
Total	12,451,145	11,835,766

33 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, liabilities under hire purchase, long-term borrowings from financial institutions, bills of exchange and debentures .

33.1) Market risk

Interest rate risk

As at 31 December 2019 and 2018, financial assets and liabilities classified by types of interest rate are as follows:

Descriptions	Consolidated financial statements			
	2019			
	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
Financial assets				
Cash and cash equivalents	342,620,633	-	17,102,204	359,722,837
Restricted cash	1,560,469	8,332,983	-	9,893,452
Short-term investments	100,143,497	870,591	-	101,014,088
Trade and other receivables	-	-	35,374,048	35,374,048
Loan receivables	-	41,848,452	-	41,848,452
Loans to non-performing assets	-	1,131,262,294	-	1,131,262,294
Deposit for purchasing loans to non-performing assets	-	-	18,427,435	18,427,435
Total financial assets	444,324,599	1,182,314,320	70,903,687	1,697,542,606
Financial liabilities				
Trade and other payables	-	-	225,066,171	225,066,171
Liabilities under hire purchase	-	1,340,742	-	1,340,742
Long-term borrowings from financial institutions	56,784,994	-	-	56,784,994
Bills of exchange	-	119,635,068	-	119,635,068
Debentures	-	398,954,785	-	398,954,785
Total financial liabilities	56,784,994	519,930,595	225,066,171	801,781,760

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Consolidated financial statements				
2018				
Descriptions	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
Trade and other payables	-	-	15,329,480	15,329,480
Liabilities under hire purchase	-	2,301,602	-	2,301,602
Long-term borrowings from financial institutions	31,431,640	-	-	31,431,640
Total financial liabilities	31,431,640	2,301,602	15,329,480	49,062,722
Separate financial statements				
2019				
Descriptions	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
<u>Financial assets</u>				
Cash and cash equivalents	271,519,852	-	386,466	271,906,318
Restricted cash	1,000,000	1,796,268	-	2,796,268
Short-term investments	100,143,497	605,714	-	100,749,211
Trade and other receivables	-	-	34,596,089	34,596,089
Short-term loans to related parties	-	688,200,100	-	688,200,100
Total financial assets	372,663,349	690,602,082	34,982,555	1,098,247,986
<u>Financial liabilities</u>				
Trade and other payables	-	-	14,617,963	14,617,963
Bills of exchange	-	119,635,068	-	119,635,068
Debentures	-	398,954,785	-	398,954,785
Total financial liabilities	-	518,589,853	14,617,963	533,207,816
Separate financial statements				
2018				
Descriptions	Floating interest rate Baht	Fixed interest rate Baht	No interest rate Baht	Total Baht
<u>Financial assets</u>				
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
<u>Financial liabilities</u>				
Trade and other payables	-	-	7,333,750	7,333,750
Total financial liabilities	-	-	7,333,750	7,333,750

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Consolidated financial statements								
2019								
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	Over 5 years Baht			
Financial assets								
Cash and cash equivalents	-	-	-	-	-	342,620,633	17,102,204	359,722,837
Restricted cash	-	-	500,000	7,832,983	-	1,560,469	-	9,893,452
Short-term investments	100,143,497	-	870,591	-	-	-	-	101,014,088
Trade and other receivables	-	-	-	-	-	-	35,374,048	35,374,048
Loan receivables	-	-	41,848,452	-	-	-	-	41,848,452
Loans to non-performing assets	-	-	-	1,131,262,294	-	-	-	1,131,262,294
Deposit for purchasing loans to non-performing assets	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	18,427,435	18,427,435
Total financial assets	100,143,497	-	43,219,043	1,139,095,277	-	344,181,102	70,903,687	1,697,542,606
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	225,066,171	225,066,171
Liabilities under hire purchase	-	260,138	801,668	278,936	-	-	-	1,340,742
Long-term borrowings from financial institutions	-	-	-	-	-	56,784,994	-	56,784,994
Bills of exchange	-	-	119,635,068	-	-	-	-	119,635,068
Debentures	-	-	-	398,954,785	-	-	-	398,954,785
Total financial liabilities	-	260,138	120,436,736	399,233,721	-	56,784,994	225,066,171	801,781,760
Consolidated 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	Over 5 years Baht			
Financial assets								
Cash and cash equivalents	-	50,884	-	-	-	130,598,106	17,858,521	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	-	50,884	667,563	605,692,683	-	130,598,106	32,401,361	769,410,597
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 financial institutions	-	-	-	-	-	31,431,640	-	31,431,640
Total financial liabilities	-	181,673	756,995	1,362,934	-	31,431,640	15,329,480	49,062,722
Separate financial statements								
2019								
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	Over 5 years Baht			
Financial assets								
Cash and cash equivalents	-	-	-	-	-	271,519,852	386,466	271,906,318
Restricted cash	-	-	500,000	1,296,268	-	1,000,000	-	2,796,268
Short-term investments	100,143,497	-	605,714	-	-	-	-	100,749,211
Trade and other receivables	-	-	-	-	-	-	34,596,089	34,596,089
Short-term loans to related parties	688,200,100	-	-	-	-	-	-	688,200,100
Total financial assets	788,343,597	-	1,105,714	1,296,268	-	272,519,852	34,982,555	1,098,247,986
Financial liabilities								
Trade and other payables	-	-	-	-	-	-	14,617,963	14,617,963
Bills of exchange	-	-	119,635,068	-	-	-	-	119,635,068
Debentures	-	-	-	398,954,785	-	-	-	398,954,785
Total financial liabilities	-	-	119,635,068	398,954,785	-	-	14,617,963	533,207,816
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	Interest rate Baht	Interest rate Baht	Over 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

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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	2019			2018		
	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	297.76	1.65	0.55	289.26	1.80	0.62
Restricted cash	9.72	0.02	0.21	2.28	0.03	1.32
Short-term investments	25.61	0.23	0.90	0.86	0.02	2.33
Loan receivables	14.80	1.78	12.03	-	-	-
Loans to non-performing assets	790.95	231.87	29.32	433.00	212.87	49.16
Total financial assets	1,138.84	235.55		725.40	214.72	
Financial liabilities						
Liabilities under hire purchase	1.73	0.11	6.36	1.94	0.14	7.22
Long-term borrowings from financial institutions	36.69	1.85	5.04	33.22	2.73	8.22
Bills of exchange	59.74	2.88	4.82	-	-	-
Debentures	125.61	3.34	2.66	-	-	-
Total financial liabilities	223.77	8.18		35.16	2.87	
Separate financial statements						
Descriptions	2019			2018		
	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	179.01	1.06	0.59	186.14	1.51	0.81
Restricted cash	2.79	0.02	0.72	1.97	0.03	1.52
Short-term investments	25.38	0.23	0.91	0.65	0.02	3.08
Short-term loans to related parties	518.95	28.50	5.49	223.65	9.78	4.37
Loans to non-performing assets	-	0.09	-	-	0.01	-
Total financial assets	726.13	29.90		412.41	11.35	
Financial liabilities						
Bills of exchange	59.74	2.88	4.82	-	-	-
Debentures	125.61	3.34	2.66	-	-	-
Total financial liabilities	185.35	6.22		-	-	

Chayo Group Company Limited
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33.2) Liquidity risk

The year to maturity, counting from the statements of financial position date, of financial instruments outstanding as at 31 December 2019 and 2018 are as follows:

Descriptions	Consolidated financial statements			
	Counting from 31 December 2019			
	At call Baht	Less than 1 year Baht	More than 1 year Baht	Total Baht
Financial assets				
Cash and cash equivalents	359,722,837	-	-	359,722,837
Restricted cash	-	500,000	9,393,452	9,893,452
Short-term investments	100,143,497	870,591	-	101,014,088
Trade and other receivables	-	35,374,048	-	35,374,048
Loan receivables	-	41,848,452	-	41,848,452
Loans to non-performing assets	-	-	1,131,262,294	1,131,262,294
Deposit for purchasing loans to non-performing assets	-	18,427,435	-	18,427,435
Total financial assets	459,866,334	97,020,526	1,140,655,746	1,697,542,606
Financial liabilities				
Trade and other payables	-	225,066,171	-	225,066,171
Liabilities under hire purchase	-	1,061,806	278,936	1,340,742
Long-term borrowings from financial institutions	-	24,413,774	32,371,220	56,784,994
Bills of exchange	-	119,635,068	-	119,635,068
Debentures	-	-	398,954,785	398,954,785
Total financial liabilities	-	370,176,819	431,604,941	801,781,760
Descriptions	Consolidated financial statements			
	Counting from 31 December 2018			
	At call Baht	Less than 1 year Baht	More than 1 year Baht	Total Baht
Financial assets				
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
Financial liabilities				
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 financial institutions	-	14,330,248	17,101,392	31,431,640
Total financial liabilities	-	30,598,396	18,464,326	49,062,722

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Descriptions	Separate financial statements			
	Counting from 31 December 2019			
	At call Baht	Less than 1 year Baht	More than 1 year Baht	Total Baht
Financial assets				
Cash and cash equivalents	271,906,318	-	-	271,906,318
Restricted cash	-	500,000	2,296,268	2,796,268
Short-term investments	100,143,197	605,714	-	100,749,211
Trade and other receivables	-	34,596,089	-	34,596,089
Short-term loans to related parties	688,200,100	-	-	688,200,100
Total financial assets	1,060,249,615	35,701,803	2,296,268	1,098,247,986
Financial liabilities				
Trade and other payables	-	14,617,963	-	14,617,963
Bills of exchange	-	119,635,068	-	119,635,068
Debentures	-	-	398,954,785	398,954,785
Total financial liabilities	-	134,253,031	398,954,785	533,207,816
Descriptions	Separate financial statements			
	Counting from 31 December 2018			
	At call Baht	Less than 1 year Baht	More than 1 year Baht	Total 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

34 Commitments

The Group and the Company have commitments as follows:

34.1 Commitments under rental and service contracts

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Not later than 1 year	293,761	416,622	222,550	240,411
Later than 1 year but not later than 3 years	-	-	-	-
Total	293,761	416,622	222,550	240,411

34.2 Letter of guarantees

	Consolidated financial statements		Separate financial statements	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Letter of guarantees	1,300,000	1,400,000	900,000	1,100,000
Total	1,300,000	1,400,000	900,000	1,100,000

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.



Chayo Group Public Company Limited

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